

ANNUAL REPORT
OF THE
FEDERAL RESERVE BANK
OF ST. LOUIS



FOR THE YEAR ENDED DECEMBER 31, 1934

ANNUAL REPORT
OF THE
FEDERAL RESERVE BANK
OF ST. LOUIS



FOR THE YEAR ENDED DECEMBER 31, 1934

LETTER OF TRANSMITTAL

FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, February 28, 1935.

Gentlemen:

I have the honor to transmit herewith the annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1934.

Respectfully,

JOHN S. WOOD,

*Chairman of the Board and
Federal Reserve Agent.*

FEDERAL RESERVE BOARD,
Washington, D. C.

TABLE OF CONTENTS

BUSINESS CONDITIONS

	Page
Industry and trade.....	5
Agriculture	6
Banking	6

FINANCIAL RESULTS

Income and expenditures.....	7
Assets and liabilities.....	7
Reserve position.....	7

VOLUME OF OPERATIONS

Industrial Loan Act.....	8
Discounts, commitments, etc.....	8
Rates	9
Investments	10
Currency	10
Note circulation.....	10
Cash items.....	11
Noncash items	11
Transfers of funds.....	11
Safekeeping	12
Fiscal agency	12
Gold settlement fund.....	12

RELATIONS WITH BANKS

Membership	12
Examinations and reports.....	13
Applications	13
Publications	13
Other services	14
Visits	14

INTERNAL ORGANIZATION

Conferences	14
Personnel	15

EXHIBITS

	Title page
Map of district.....	4
Summary of major operations.....	16
Chart showing movement of deposits, etc., of reporting member banks.....	17
Comparative statement of earnings and expenses.....	18
Chart showing movement of discounts and investments.....	19
Comparative statement of condition.....	20
Roster of directors, officers, etc.....	20

**VOLUME OF MAJOR OPERATIONS OF
FEDERAL RESERVE BANK OF ST. LOUIS
INCLUDING ITS BRANCHES
During 1934**

	Pieces Handled	Aggregate Amounts
Currency received and counted.....	111,701,000	\$ 422,218,000
Coin received and counted.....	106,248,000	13,226,000
Checks (cash items) handled.....	45,695,000	9,100,205,000
Collection items handled:		
U. S. Govt. coupons paid.....	1,188,000	19,390,000
Other collection items	415,000	377,385,000
New issues, redemptions, and exchanges, as fiscal agent:		
U. S. obligations—for Treas. Dept.	305,000	666,236,000
Other securities — for Farm Credit Administration and H. O. L. C.....	307,000	150,589,000
Transfers of funds.....	68,000	2,686,467,000
Securities, notes, etc., received for custody.....	144,000	} Not incl. custo- dies for R. F. C. or collateral of members securing Govt. deposits.
Coupons clipped from securities in custody.....	123,000	
Rediscounts, advances and commitments	625	17,330,029
Bills purchased in open market for own account.....	201	1,205,492
Federal Reserve notes issued by Federal Reserve Agent to bank.....	7,957,604	70,222,150

Details regarding these and other activities are given in text of
report.

BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

Industry and Trade.— In virtually all lines, trade and industry in this district showed well defined improvement in 1934, as compared with the two previous years. The course of recovery was irregular, not only with reference to periods of the year, but to the several geographical locations and categories of activity. Taken by and large, however, notable strides were made in the direction of working out of conditions existing during the depression era. A chronological review of the year discloses a continuance of the upward swing in general business during the first quarter, which characterized the final months of 1933. In April a slight slowing in the tempo was in evidence, being manifest in smaller gains over totals of the preceding year. During May, June and July the trend was decidedly downward, the cause for which was the record spring and summer drought affecting a large part of the district. Fortunately, the dry spell was confined chiefly to the northern stretches of the district, southern sections being relatively little affected. The drouth was definitely broken in late August and early September, and thereafter improvement in business and sentiment continued with practically no interruption.

Restoration of confidence and augmented purchasing power were reflected in freer buying of commodities, particularly of consumer goods. Merchants were disposed to build up inventories, previously allowed to fall to relatively low levels, and generally a higher grade of goods was taken than during the preceding several years. Throughout the year a high efficiency existed in collections, with losses due to weak accounts showing a notable decrease. Commercial failures during 1934 were smaller numerically by 56 per cent than in 1933, while liabilities involved decreased 69 per cent. Output of iron and steel products, tonnage of bituminous coal lifted, sales of automobiles, total volume of retail and wholesale distribution, output of lead and zinc, and statistics covering other important activities indicated measurable gains over the preceding twelve months. In certain wholesaling classifications, notably dry goods, hardware, drugs and chemicals, and electrical supplies, the volume of sales, according to interests reporting to this bank, was the largest since 1931.

Agriculture.—Despite the handicap of the severest spring and summer drouth of record, and reduced acreages of the main crops, 1934 proved more favorable in point of financial returns to Eighth District farmers than either of the two preceding years. This fact was ascribable to the sharply higher prices of a majority of productions and to the substantial sums paid to producers by the Government in connection with its curtailment and relief programs. In its December report the U. S. Department of Agriculture estimated the total farm value of the sixty-four principal crops in states of this district at \$963,934,000, an increase of 27 per cent and 82 per cent, respectively, over the 1933 and 1932 estimates. Rental and benefit payments to December 31 by the Agricultural Adjustment Administration totaled \$102,686,000.

Through practice of economies, diversification and intensive cultivation, farmers produced the year's crops at an unusually low cost. Toward the end of the period, demand for and prices of farm lands, particularly in the south, developed well defined improvement. In virtually all sections farmers were disposed to liquidate their indebtedness, a considerable part of which represented obligations of long standing.

Banking.—In contradistinction to the several years immediately preceding, bank failures in the Eighth District during 1934 were negligible. The improvement in the banking situation was reflected in the strong position of the licensed banks at end of the year. However, the period was characterized by slack demand for credit from commercial, industrial and agricultural sources, also, a scarcity of suitable investments for surplus funds. Deposits, reserves and total investments pursued an irregularly upward course during the twelve months, and in the case of deposits and reserves a new all-time high record was established in late December. Interest rates fell to the lowest levels in recent times.

The following changes in the principal items of reporting member banks in leading cities depict trends during the year: Average of total loans for the 52 report dates was 7.4 per cent smaller than in 1933, whereas average total investments increased by 26.1 per cent. The average of demand deposits was 24.3 per cent larger and average time deposits 2.5 per cent greater than the year before. Borrowings from the Federal Reserve bank by the reporting members averaged very little in 1934. Movement of these items is shown in chart on page 16.

Federal efforts, notably activities of the Federal Deposit Insurance Corporation, figured conspicuously in restoration of confidence in the banking structure and return to banks of hoarded funds.

OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

Including Branches at Little Rock, Louisville and Memphis.

FINANCIAL RESULTS

Income and Expenditures. — In 1934 gross earnings were \$1,824,453, which compares with \$1,629,136 in 1933. Current expenses amounted to \$1,455,534, as against \$1,473,311 in 1933.

After payment of dividends, allowances for depreciation, etc., there was a deficit for the year of \$101,013, which amount was transferred from surplus. In 1933 the sum of \$337,409 was withdrawn from surplus.

A detailed comparative statement of earnings and expenses is given on page 17.

Assets and Liabilities. — As of December 31, 1934, total resources were \$323,203,000, as against \$297,566,000 at the end of 1933.

Between December 31, 1933, and the same date in 1934, holdings of paper discounted for member banks decreased from \$1,415,000 to \$3,000, and bills bought in the open market, from \$4,693,000 to \$116,000, while investments in United States Government securities remained stationary at \$93,200,000. Total reserves increased from \$174,337,000 to \$206,277,000.

On the liabilities side, there was a decrease from \$144,307,000 to \$142,880,000 in Federal Reserve notes in circulation. The liability on outstanding Federal Reserve bank notes was reduced from \$8,067,000 to nothing, by deposit of lawful money with the Treasury Department for their redemption. Total deposits advanced from \$109,858,000 to \$151,150,000. Paid-in capital increased from \$3,944,000 to \$4,088,000. Surplus provided in Section 7 of Federal Reserve Act receded from \$9,849,000 to \$4,655,000, mainly on account of purchase of stock of the Federal Deposit Insurance Corporation. The surplus arising under Section 13b on December 31, 1934, was \$382,000.

A comparative statement of condition of this bank appears on page 19. The movement of the principal asset items is shown by chart on page 18.

Reserve Position. — The ratio of total reserves to combined Federal Reserve note and deposit liabilities on December 31, 1934,

was 70.2 per cent, which compares with 68.6 per cent on the same date in 1933.

The high point for the year, 71.9 per cent, was reached on March 12, and the minimum, 64.9 per cent, was recorded on June 30.

VOLUME OF OPERATIONS

Industrial Loan Act.— On June 19, 1934, Section 13(b) was added to the Federal Reserve Act, authorizing the reserve banks to aid in providing working capital for established industrial or commercial businesses, for periods of not exceeding five years, as follows:

- (1) To discount for or purchase from any bank or other financing institution, obligations entered into for the purpose of obtaining such working capital;
- (2) To make loans or advances to banks and other financing institutions on the security of such obligations;
- (3) To make direct loans to or purchase obligations of such businesses, in exceptional circumstances, when it appears that requisite financial assistance cannot be obtained on a reasonable basis from the usual sources;
- (4) To execute commitments with respect to the foregoing.

The law provides for the Federal Reserve Bank assuming not to exceed 80 per cent of any loss that may be sustained on any such obligation acquired from a bank or other financing institution.

On June 30 this bank mailed to all member banks, nonmember banks, and Chambers of Commerce, in the district, a circular calling attention to the above provisions, explaining their purposes, and furnishing the regulations in connection therewith. Subsequently, statements were given to the press, conferences with bankers were held, various organizations were addressed, additional circulars were issued, and our field representative discussed the facility with the banks that he visited.

In accordance with the new section, an Industrial Advisory Committee, whose names appear elsewhere in this report, was appointed on July 9 to consider applications for such loans, purchases and commitments, and to make recommendations to this bank in regard thereto. The Committee meets twice a week and performs a valued service.

Discounts, Commitments, Etc.— While this district is largely agricultural, numerous inquiries were received relative to loans, purchases and commitments under Section 13(b), and it was necessary to augment the staff in order to handle the correspondence, interviews, applications, etc. Up to close of the year, 275 applications for such accommodations were received. From enactment of the amendment, it was the policy of this bank to solicit the coopera-

tion of commercial banks in connection with working capital loans. It encouraged the banks to make and hold such loans under commitments from this bank, or to participate with this bank in joint advances. By obtaining a commitment, a bank can make a loan for a period of not exceeding five years, be assured that it can turn the asset into cash at any time it desires within the terms of the commitment, and receive the benefit of the entire interest thereon until the commitment is exercised.

As a consequence, to the end of the year, a total of \$1,348,800 commitments were executed to financing institutions, and \$474,000 of working capital loans were made direct by this bank to businesses, in most cases with financing institutions advancing additional funds jointly. Some of the loans would not have been made had the reserve bank been unable to make a commitment or share in the risk. The accommodations extended have benefited the banks, the industries, their employees, their communities, and the general situation.

Total applications for credit accommodations during the year numbered 718. The following table sets forth the number and amount of notes in the several classifications discounted or purchased, as well as commitments executed, during 1934:

	Number Items	Aggregate Amounts
Commitments under Section 13(b).....	38	\$ 1,348,800
Obligations acquired under Section 13(b).....	144	474,000
Notes rediscounted and collateral notes discounted under other sections.....	443	15,507,229
Totals.....	625	17,330,029

Rates. — On December 31, 1934, the rates in effect at this bank were as follows:

2½ per cent on advances to member banks on eligible paper and/or collateral, whether rediscounts or member bank promissory notes, under Sections 13 and 13a.

4½ per cent on advances to member banks on their promissory notes secured by ineligible paper and/or collateral, under Section 10b. (Expires March 3, 1935)

4½ per cent on advances to banks and other financing institutions on obligations of established industrial or commercial businesses, for working capital, under Section 13b.

½ per cent flat for commitments not exceeding six months on obligations of established industrial or commercial businesses, for working capital, under Section 13b.

5½ per cent on direct advances to established industrial or commercial businesses, for working capital, under Section 13b.

4½ per cent on direct advances to individuals, firms or corporations (including nonmember banks), secured by direct obligations of the United States, under Section 13.

5½ per cent on direct advances to individuals, partnerships and corporations (excluding nonmember banks) on eligible paper, under Section 13.

Investments. — During the course of the year, this institution participated in the Federal Reserve System's open market operations in United States Government securities. The allotments to this bank aggregated \$106,435,500.

It also joined the Federal Reserve Bank of New York in certain investment transactions for account of banks in foreign countries.

Acceptances numbering 201, amounting to \$1,205,492, were acquired by this bank, exclusive of its allotment of \$849,688 bills payable in foreign currencies. In 1933 the number of acceptances was 3,538, aggregating \$25,037,000, exclusive of its allotment of bills payable in foreign currencies.

In addition, obligations of the United States and its agencies, numbering 7,300 and representing \$42,136,000, were bought or sold by this institution as an accommodation mainly for member banks.

Currency. — As was the case during the preceding several years, demand for currency during 1934 was active, and requests for both paper money and coin received by this bank were in considerable volume.

From all sources there were received and counted in 1934 a total of 111,701,000 pieces of paper currency, having an aggregate value of \$422,218,000. This compares with 103,161,000 pieces, with total face value of \$460,167,000, received and counted in 1933.

There were received and counted during the year 106,248,000 coins, with total value of \$13,226,000, as against 104,609,000 coins, worth \$19,459,000, in 1933.

Note Circulation. — In 1934 the Federal Reserve Agent issued to the Federal Reserve Bank of St. Louis \$70,222,150 of Federal Reserve notes, as compared with \$343,920,000 in 1933.

The Federal Reserve Bank returned \$13,357,150 of fit notes and the Treasurer of the United States redeemed \$59,595,395 of unfit notes.

On December 31, 1934, Federal Reserve notes outstanding on books of the Federal Reserve Agent amounted to \$147,361,670, of which 2.7 per cent was old size currency. The outstanding notes were secured by following pledged with Federal Reserve Agent: \$2,900 eligible paper, \$8,000,000 U. S. Govt. securities, and \$141,936,130 gold certificates on hand and due from U. S. Treasury.

The parent bank and branches held \$3,470,770 of the notes outstanding, \$1,010,700 were in transit to Washington, D. C., for redemption, and \$142,880,200 were in actual circulation.

Federal Reserve bank notes in the total amount of \$3,960,000 were issued by the Federal Reserve Agent to the Federal Reserve bank early in 1934. On June 21, this bank extinguished its liability

on the outstanding Federal Reserve bank notes by depositing an equivalent amount of lawful money with the United States Treasurer for their retirement.

Cash Items. — The accelerated pace of commercial and industrial activities during the year was reflected in a measurable increase in the volume of operations in this department over the preceding twelve-month period. Checks and warrants in 1934 numbered 45,695,000, amounting to \$9,100,205,000, which compares with 37,405,000 cash items, amounting to \$7,561,240,000, in 1933.

At the close of the year the number of individual member banks using the clearing facilities was 381, a decrease of 6 as compared with the end of the preceding year. The number of banks exercising the privilege of direct routing of checks payable in other Federal Reserve districts decreased from 42 to 36 during the year. Non-member banks maintaining clearing accounts with this bank numbered 95, as against 29 at the close of the preceding year.

On December 31, 1934, this institution was collecting checks at par on 1,319 banks in this district, or approximately 78 per cent of all active banks in the area.

Noncash Items. — There was a slight decrease in the number, but a substantial gain in the amount of noncash items handled in 1934 as contrasted with the preceding year. The number of such items was 415,000, amounting to \$377,385,000, as against 442,000 items, aggregating \$291,442,000, in 1933. These items included notes, drafts, coupons other than Government, etc.

In addition, 1,188,000 Government coupons, with aggregate value of \$19,390,000, were received and cashed. This compares with 1,156,000 such coupons, worth \$18,346,000, handled in 1933.

At the end of 1934 there were 84 member banks in the Eighth District which had been granted the privilege of routing noncash items direct to other Federal Reserve banks and branches, an increase of 15 over the preceding year.

Transfers of Funds. — This institution in 1934 effected a total of 59,000 incoming and outgoing wire and mail transfers of funds, amounting to \$2,674,389,000, which compares with 68,000 transfers, involving \$2,907,339,000 in 1933. These transfers were between member banks in this district and other districts, as well as between banks within the district.

In addition, this bank handled 9,000 deposits, totaling \$12,078,000, for national banks to their 5 per cent redemption funds in Washington, D. C. The number of such deposits and their aggregate amount in 1933 were 9,000 and \$13,223,000, respectively.

Safekeeping. — During the course of 1934 the custody department received 144,000 securities, notes, etc., of which 110,000 were from member banks, Government agencies and officials, and 34,000 from other departments of this bank.

From securities in its care the custody department clipped and accounted for the proceeds of approximately 123,000 coupons.

Foregoing do not include custodies for Reconstruction Finance Corporation or collateral pledged by member banks to secure Government deposits.

Fiscal Agency. — A large volume of work was performed as fiscal agent, depository, and custodian for the United States Government and certain of its agencies.

During the year this bank, in issuing, redeeming, and exchanging United States obligations for the Treasury Department, handled 305,000 pieces, with face value of \$666,236,000.

In issuing, converting, and exchanging securities for the Farm Credit Administration and the Home Owners' Loan Corporation, this bank handled 307,000 pieces, aggregating \$150,589,000, in 1934.

For the Reconstruction Finance Corporation, this bank made disbursements, collected funds, and held in custody notes, securities, etc. Considerable activity resulted from the advances on cotton and corn by the Commodity Credit Corporation.

At the close of 1934, there were 135 banks in the Eighth District which had qualified to receive deposits arising from the sale of United States securities. Government funds in these institutions aggregated \$38,622,291. This bank held the collateral securing the deposits and performed other work incident thereto.

Gold Settlement Fund. — This fund, maintained in Washington, D. C., by the twelve Federal Reserve banks, continued to prove an efficient and valuable instrumentality for settlement of check clearings between the reserve banks, the transfer of funds between districts, and the transfer of funds for the United States Treasury.

Receipts in 1934 from Federal Reserve banks and other sources were \$14,780,000 in excess of disbursements, resulting in a balance at the end of the year of \$51,800,000 to the credit of this bank.

RELATIONS WITH BANKS

Membership. — Twenty-six new national banks became members of the Federal Reserve Bank of St. Louis in 1934. The memberships of 46 national banks were terminated, of which eight were through voluntary and 38 through involuntary liquidation.

Eight State institutions acquired memberships, and the memberships of three were terminated — two through voluntary surren-

der and one through involuntary liquidation. Four State member banks converted into national banks during the course of the year.

On December 31, 1934, the membership was 397, consisting of 324 national banks and 73 State banks and trust companies.

Examinations and Reports. — Examinations were made of 68 State member banks and their affiliates by examiners for the Federal Reserve bank, in which they were joined by State examiners. The examiners of this institution also examined two nonmember banks which had applied for membership, as well as six State institutions under Section 21 of the Banking Act of 1933. They also participated with national bank examiners in examination of three holding company affiliates and their subsidiaries.

This bank called upon member State banks and trust companies, and the Comptroller of the Currency called on national banks, for reports of condition as of March 5, June 30, October 17, and December 31, 1934. These reports, as well as semi-annual reports of earnings and dividends, reports of reserve requirements, and reports of affiliates of member banks, were reviewed. Certain data were compiled from them for use by the Federal Reserve Board, this bank, or State banking departments.

Applications. — Fiduciary powers were granted to six national banks in this district by the Federal Reserve Board in 1934, an increase of five over the preceding year. Supplementary powers were also granted to two national banks.

Member bank applications for additional stock and partial surrender of their holdings were received and disposed of periodically.

Applications of many individuals to serve banks coming within prohibitions of the Clayton Act, and of securities dealers to serve member banks under Section 32 of the Banking Act of 1933, were received. A number of applications for permits to perform correspondent functions, under the latter section, were also received.

Several applications of holding company affiliates for voting permits were handled, and a few nonmember banks qualified to lend to securities dealers and brokers under the Securities Exchange Act of 1934.

No additions were made to the list of member banks authorized to accept bills up to 100 per cent of capital and surplus.

Publications. — As in preceding years, the statistical division prepared and issued each month a review of trade, industrial, agricultural and financial conditions in the Eighth District. The average monthly circulation in 1934 was 5,806, a moderate increase over the preceding year. The Federal Reserve Board's "National Summary of Business Conditions" was regularly carried in the review.

Copies of Regulation S, regarding industrial loans and commitments, Regulation T, relating to extension and maintenance of credit by brokers, dealers and members of National Securities Exchanges, and amended Regulation Q, concerning payment of interest on deposits, issued by Federal Reserve Board, as well as revised pages of this bank's Manual of Facilities, were supplied to member banks. Interpretations, rulings, and regulations of the Federal Reserve Board, and other matters of interest, appeared in the monthly Federal Reserve Bulletin, which is furnished by the Board to member banks.

The library maintained by this bank responded to numerous requests for information on banking, financial and general topics.

Other Services. — This institution continued to furnish to its member banks, without charge, forms for obtaining financial statements from prospective borrowers, drafts for drawing on their reserve balances, forms for calculating their reserve position each day, etc.

Following the practice of previous years, this bank absorbed certain costs in connection with various services performed for member banks, notably collection of items, shipments of currency, transfer of funds, and safekeeping of notes and securities.

Visits. — The field representative of this institution made periodical visits to member banks, also to nonmember banks in communities where member banks are located.

Annual conventions and group meetings of bankers' associations of the several states of the district were attended by representatives of this bank.

Many visitors, including bankers, students, business men and other interested persons, were conducted through the buildings of the parent bank and branches.

INTERNAL ORGANIZATION

Conferences. — A conference of directors and officers of the parent bank with officers and directors of the branches was held in St. Louis on September 19. Present at the meeting were George R. James of the Federal Reserve Board; the late E. R. Black, Governor of the Federal Reserve Bank of Atlanta; Governor G. H. Hamilton of the Kansas City Bank, and Governor B. A. McKinney of the Federal Reserve Bank of Dallas.

Periodically during the year conferences were held at the head office of the officers of the parent bank and branches. In addition, visits were made by officers of the parent bank to the branches.

Personnel.—The Retirement System of the Federal Reserve Banks, benefits of which are available to the officers and employees of this bank, was established on March 1, 1934. The directors of this bank elected Olin M. Attebery to represent it on the Board of Trustees of the Retirement System, and the employees selected A. H. Haill as their representative.

Effective May 16, L. H. Bailey was elected General Auditor, by the Board of Directors, to succeed E. J. Novy, who died on April 16. W. E. Peterson was elected Secretary pro tem. and was appointed Acting Assistant Federal Reserve Agent, to succeed Mr. Bailey.

W. A. Brown, resigned as a director of the Louisville Branch, on September 13. W. C. Montgomery, director of the Louisville Branch died on November 10, and W. R. Cole, director of the same branch, died on November 17.

At its meeting, November 21, the Board of Directors of the parent bank, elected Walter V. Bulleit and A. H. Eckles directors of the Louisville Branch to fill the unexpired terms of W. A. Brown and W. C. Montgomery, respectively.

The following directors were selected to succeed those whose terms expired at the end of 1934:

For the Parent Bank: F. Guy Hitt, elected by member banks in Group 3 as a Class A director; W. B. Plunkett, elected by Group 2 member banks as a Class B director, and Paul Dillard, appointed a Class C director by the Federal Reserve Board.

For Louisville Branch.—A. H. Eckles and John T. Moore, elected by the parent bank, and W. W. Crawford, appointed by the Federal Reserve Board.

For Memphis Branch.—J. W. Alderson and W. H. Glasgow, elected by the parent bank, and S. E. Ragland, appointed by the Federal Reserve Board.

For Little Rock Branch.—Jo Nichol and A. F. Bailey, elected by the parent bank, and Moorhead Wright, appointed by the Federal Reserve Board.

On December 31, 1934, the parent bank and its branches had a total of 717 officers and employees, of which a number were temporary employees. At the end of 1933 the personnel numbered 710.

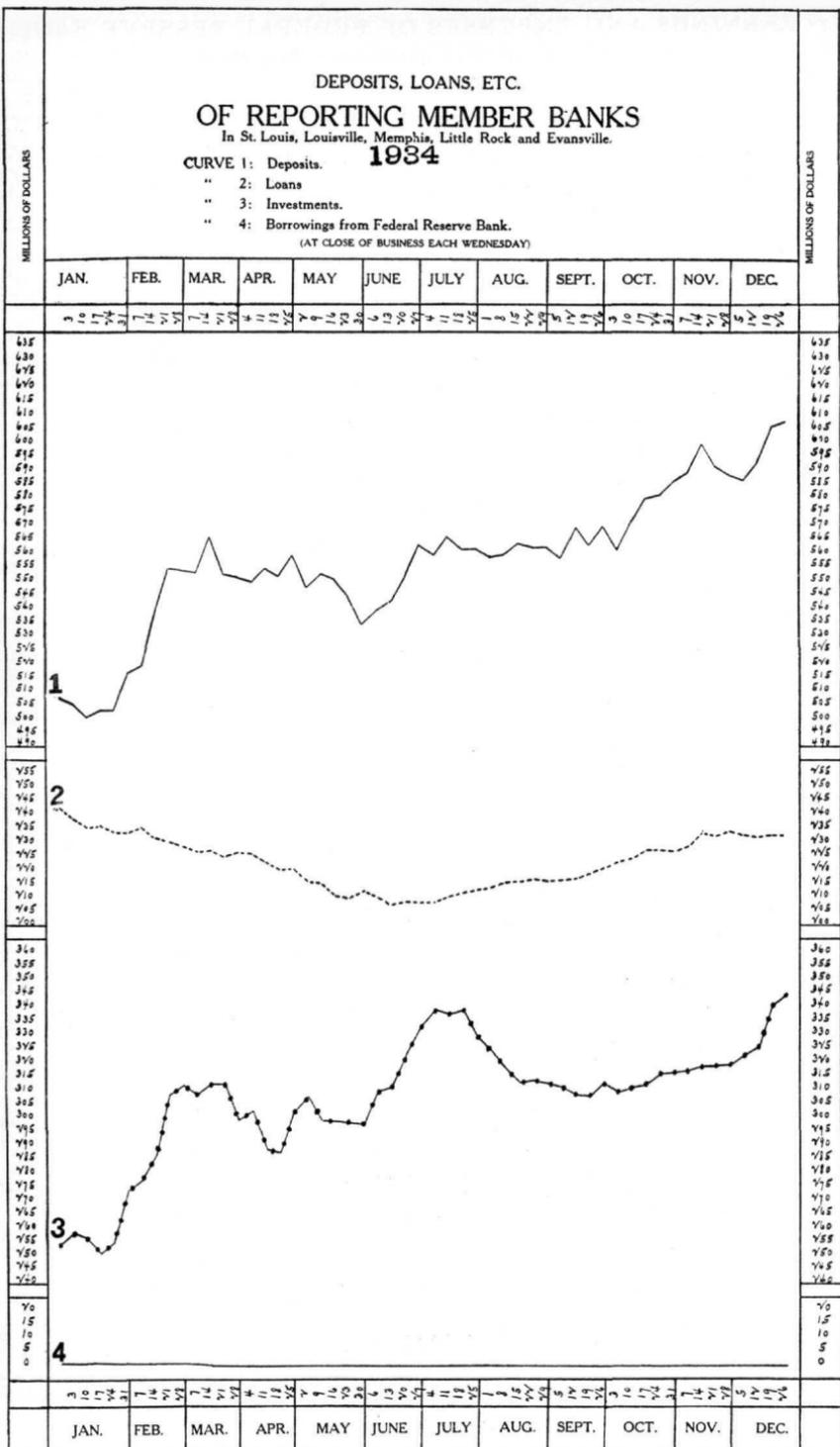
A roster of officers and directors of this bank, as well as members of the Open Market Committee, Advisory Council and Industrial Advisory Committee, appears on page 20.

EXHIBITS

As set forth in the table of contents, exhibits appear at the front and on succeeding pages of this report.

DEPOSITS, LOANS, ETC.
OF REPORTING MEMBER BANKS
 In St. Louis, Louisville, Memphis, Little Rock and Evansville.

1934
 CURVE 1: Deposits.
 " 2: Loans
 " 3: Investments.
 " 4: Borrowings from Federal Reserve Bank.
 (AT CLOSE OF BUSINESS EACH WEDNESDAY)



**EARNINGS AND EXPENSES OF FEDERAL RESERVE BANK
OF ST. LOUIS (Including Branches).**

	1934	1933
EARNINGS		
Discounted bills.....	\$ 12,520	\$ 133,497
Purchased bills.....	4,762	44,693
Industrial advances.....	5,846	
United States Government securities.....	1,741,855	1,372,392
Commitments to make industrial advances.....	3,031	
Deficient reserve penalties.....	699	9,938
Miscellaneous.....	55,740	68,616
Total earnings.....	1,824,453	1,629,136
CURRENT EXPENSES		
Salaries: Officers.....	167,302	172,004
Clerical employees.....	556,140	567,215
Other employees.....	158,890	151,905
Contributions—Retirement system.....	72,769	
Governor's conferences.....	415	367
F. R. agents' conferences.....	629	342
Federal Advisory Council.....	1,350	1,300
Directors' meetings.....	13,406	15,228
Industrial Advisory Committee Members.....	1,085	
Traveling expenses.....	*12,348	*15,670
Assessments for Federal Reserve Board's expenses.....	44,001	26,892
Legal fees.....	818	— 1,371
Insurance on currency and security shipments.....	5,901	9,709
Other insurance.....	25,241	46,012
Taxes on banking house.....	53,333	53,639
Light, heat, power and water.....	23,517	22,552
Repairs and alterations, banking house.....	9,015	5,791
Rent.....	3,000	3,000
Office and other supplies.....	13,865	14,582
Printing and stationery.....	29,254	24,775
Telephone.....	14,066	15,917
Telegraph.....	29,261	34,241
Postage.....	105,380	111,757
Expressage.....	13,862	16,507
Miscellaneous.....	40,920	36,699
Total, exclusive of cost of currency.....	1,395,768	1,344,733
Federal Reserve currency:		
Original cost, including shipping charges.....	37,777	110,826
Cost of redemption including shipping charges.....	8,962	9,591
Taxes on Federal Reserve bank note circulation.....	13,027	8,161
Total current expenses.....	1,455,534	1,473,311
PROFIT AND LOSS ACCOUNT		
Earnings.....	1,824,453	1,629,136
Current expenses.....	1,455,534	1,473,311
Current net earnings.....	368,919	155,825
Additions to current net earnings:		
Profit on United States Government securities sold.....	308,050	39,059
All other.....	32,550	17,836
Total additions.....	340,600	56,895
Deductions from current net earnings:		
Bank premises—depreciation.....	498,714	175,332
Furniture and equipment.....	27,128	27,901
Reserve for probable losses.....	42,857	86,832
All other.....	824	13,421
Total deductions.....	569,523	303,486
Net earnings available for dividends and surplus.....	139,996	—90,766
Dividends paid.....	241,009	246,643
Withdrawn from surplus account (Section 13b).....	47	
Withdrawn from surplus account (Section 7).....	100,966	337,409
REIMBURSABLE EXPENDITURES		
(Expenditures as fiscal agent and custodians of the Treasury Department and U. S. Government agencies. Not included in "current expenses" as shown in the preceding table).		
Treasury Department.....	43,384	27,494
Reconstruction Finance Corporation.....	182,092	133,166
Other U. S. Government agencies.....	67,649	
Totals.....	293,125	160,660

*Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.

DISCOUNTS AND INVESTMENTS OF FEDERAL RESERVE BANK OF ST. LOUIS

(INCLUDING BRANCHES)

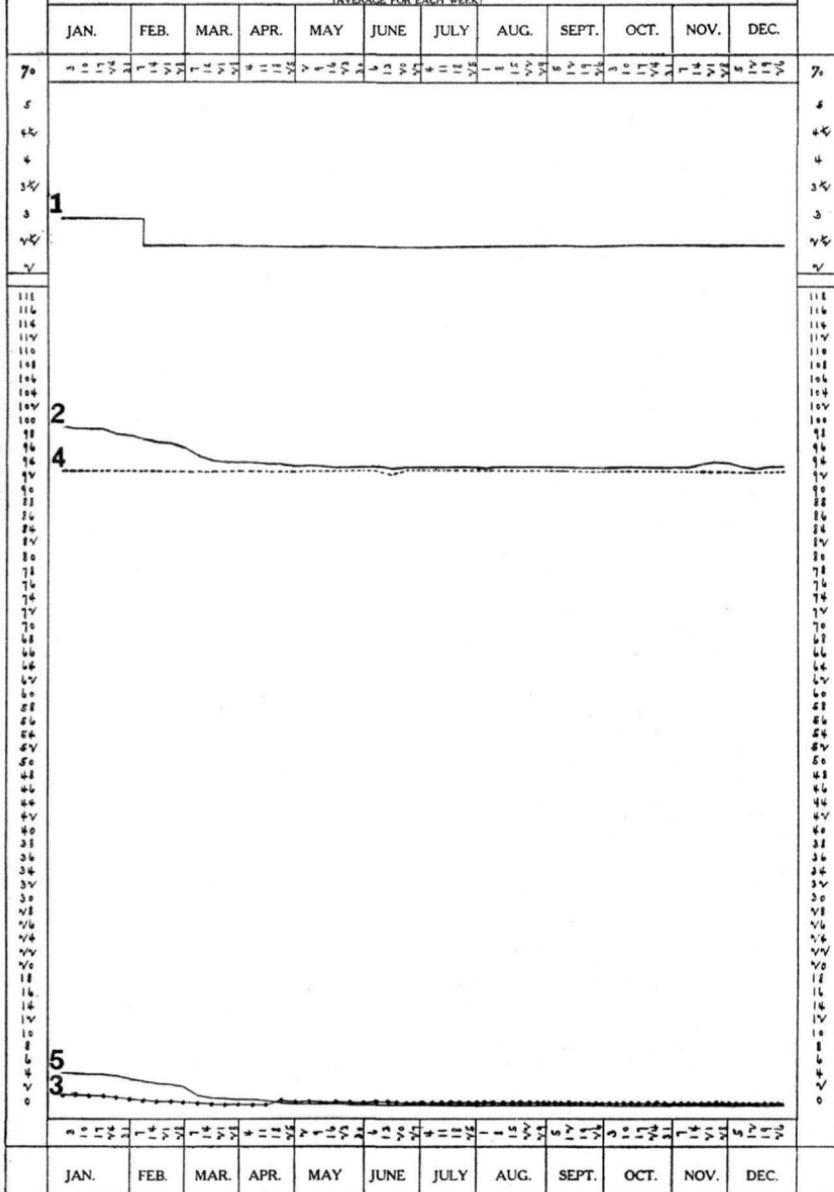
1934

- CURVE 1: Discount Rate
 " 2: Total Earning Assets Held
 " 3: Bills Discounted Held
 " 4: United States Securities Held
 " 5: Bills Bought Held

MILLIONS OF DOLLARS

MILLIONS OF DOLLARS

(AVERAGE FOR EACH WEEK)



**STATEMENT OF CONDITION OF FEDERAL RESERVE BANK
OF ST. LOUIS (Including Branches).**

(In Thousands of Dollars)

	Dec. 31, 1934	Dec. 31, 1933
RESOURCES		
Gold certificates on hand and due from U. S. Treasury.....	\$193,736	*\$161,949
Redemption fund—Federal Reserve notes.....	614	1,304
Other cash.....	11,927	11,084
Total reserves.....	206,277	174,337
Redemption fund—Federal Reserve bank notes.....	—	494
Bills discounted:		
Secured by U. S. Government obligations, direct and/or fully guaranteed.....	3	797
Other bills discounted.....	—	618
Total bills discounted.....	3	1,415
Bills bought in open market.....	116	4,693
Industrial advances.....	419	—
U. S. Government securities:		
Bonds.....	13,797	14,493
Treasury notes.....	58,359	41,901
Certificates and Bills.....	21,044	36,806
Total U. S. Government securities.....	93,200	93,200
Total bills and securities.....	93,738	99,308
Due from foreign banks.....	9	14
Federal Reserve notes of other banks.....	1,901	1,157
Uncollected items.....	18,455	18,732
Bank premises.....	2,629	3,111
All other resources.....	194	413
TOTAL RESOURCES.....	323,203	297,566
LIABILITIES		
Federal Reserve notes in actual circulation.....	142,880	144,307
Federal Reserve Bank note circulation—net.....	—	8,067
Deposits:		
Member banks — reserve account.....	129,419	97,260
United States Treasurer—General Account.....	11,728	100
Foreign banks.....	633	141
Other deposits.....	9,370	12,357
Total deposits.....	151,150	109,858
Deferred availability items.....	18,988	20,476
Capital paid in.....	4,088	3,944
Surplus (Section 7).....	4,655	9,849
Surplus (Section 13b).....	382	—
Reserves for Contingencies.....	893	853
All other liabilities.....	167	212
TOTAL LIABILITIES.....	323,203	297,566
Commitments to make Industrial Advances.....	1,212	—
Contingent liability on bills purchased for foreign correspondents.....	21	130
Ratio of total reserves to deposit and Federal Reserve note liabilities combined.....	70.2%	68.6%

*Gold coin and bullion are included.

NOTE

Statistics pertaining to the Federal Reserve Bank of St. Louis and the member banks will also be found in the annual report of the Federal Reserve Board, Washington, D. C.

FEDERAL RESERVE BANK OF ST. LOUIS

DIRECTORS

CLASS C

JOHN S. WOOD, Chairman of the Board, St. Louis.
JOHN G. LONSDALE, St. Louis.
JOHN R. STANLEY, Evansville, Ind.

CLASS A

F. GUY HITT, Zeigler, Ill.
JOHN G. LONSDALE, St. Louis.
MAX B. NAHM, Bowling Green, Ky.

CLASS B

J. W. HARRIS, St. Louis.
W. B. PLUNKETT, Little Rock, Ark.
M. P. STURDIVANT, Glendora, Miss.

OFFICERS

JOHN S. WOOD,
Chairman of the Board and
Federal Reserve Agent.

C. M. STEWART,
Secretary and Assistant
Federal Reserve Agent.

L. H. BAILEY,
General Auditor.

A. E. DEBRECHT,
Assistant Auditor.

WM. McC. MARTIN,
Governor.

OLIN M. ATTEBERY,
Deputy Governor.

J. G. McCONKEY,
Deputy Governor
and Counsel.

A. H. HAILL,
S. F. GILMORE,
F. N. HALL,
G. O. HOLLOCHER,
O. C. PHILLIPS,
Controllers.

LOUISVILLE BRANCH

DIRECTORS

J. B. HILL, Chairman, Louisville, Ky.
W. V. BULLEIT, New Albany, Ind.
WM. R. COBB, Louisville, Ky.
W. W. CRAWFORD, Louisville, Ky.
A. H. ECKLES, Hopkinsville, Ky.
JOHN T. MOORE, Louisville, Ky.
W. P. PAXTON, Paducah, Ky.

OFFICERS

JOHN T. MOORE,
Managing Director.

C. A. SCHACHT,
Cashier.

STANLEY B. JENKS,
Assistant Cashier.

MEMPHIS BRANCH

DIRECTORS

WM. ORGILL, Chairman, Memphis, Tenn.
J. W. ALDERSON, Forrest City, Ark.
E. L. ANDERSON, Dickerson, Miss.
W. H. GLASGOW, Memphis, Tenn.
WM. R. KING, Memphis, Tenn.
WILLIS POPE, Columbus, Miss.
S. E. RAGLAND, Memphis, Tenn.

OFFICERS

W. H. GLASGOW,
Managing Director.

S. K. BELCHER,
Cashier.

C. E. MARTIN,
Assistant Cashier.

LITTLE ROCK BRANCH

DIRECTORS

G. H. CAMPBELL, Chairman, Little Rock, Ark.
A. F. BAILEY, Little Rock, Ark.
F. K. DARRAGH, Little Rock, Ark.
W. A. HICKS, Little Rock, Ark.
JO NICHOL, Pine Bluff, Ark.
STUART WILSON, Texarkana, Ark.
MOORHEAD WRIGHT, Little Rock, Ark.

OFFICERS

A. F. BAILEY,
Managing Director.

M. H. LONG,
Cashier.

CLIFFORD WOOD,
Assistant Cashier.

FEDERAL OPEN MARKET COMMITTEE MEMBER

WM. McC. MARTIN, Governor.

FEDERAL ADVISORY COUNCIL MEMBER

WALTER W. SMITH, St. Louis.

INDUSTRIAL ADVISORY COMMITTEE

WM. K. NORRIS, Chairman, St. Louis.
JACOB VAN DYKE, Vice-Chm., St. Louis.
MAURICE WEIL, St. Louis.
HENRY S. GRAY, Louisville, Ky.
M. E. FINCH, Memphis, Tenn.
L. J. BUB, Secretary.

March 5, 1935.