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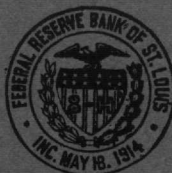
TWELFTH ANNUAL REPORT

OF THE

FEDERAL RESERVE BANK

OF ST. LOUIS

FOR THE YEAR ENDED DECEMBER 31, 1926



# FEDERAL RESERVE BANK OF ST. LOUIS

## DIRECTORS

### CLASS C

WM. McC. MARTIN, Chairman of the Board, St. Louis, Mo.  
JOHN W. BOEHNE, Deputy Chairman, Evansville, Ind.  
PAUL DILLARD, Memphis, Tenn.

### CLASS A

JOHN G. LONSDALE, St. Louis, Mo.  
JOHN C. MARTIN, Salem, Ill.  
J. C. UTTERBACK, Paducah, Ky.

### CLASS B

LE ROY PERCY, Greenville, Miss.  
W. B. PLUNKETT, Little Rock, Ark.  
ROLLA WELLS, St. Louis, Mo.

## OFFICERS

WM. McC. MARTIN,  
Chairman of the Board and  
Federal Reserve Agent.  
C. M. STEWART,  
Asst. Federal Reserve Agent.  
E. J. NOVY,  
General Auditor,  
E. I. NOWOTNY,  
A. E. DEBRECHT,  
L. A. MOORE,  
Assistant Auditors.

D. C. BIGGS,  
Governor.  
OLIN M. ATTEBERY,  
Deputy Governor.  
J. G. McCONKEY,  
Counsel and Secretary.  
J. W. WHITE,  
Cashier.  
A. H. HALL,  
J. W. RINKLEFF,  
S. F. GILMORE,  
F. N. HALL,  
Assistant Cashiers.

## LOUISVILLE BRANCH

### DIRECTORS

E. H. WOODS, Chairman, Lucas, Ky.  
WILLIAM BLACK, Louisville, Ky.  
ATTILLA COX, Louisville, Ky.  
EUGENE E. HOGE, Frankfort, Ky.  
W. P. KINCHELOE, Louisville, Ky.  
MAX B. NAHM, Bowling Green, Ky.  
E. L. SWEARINGEN, Louisville, Ky.

### OFFICERS

W. P. KINCHELOE,  
Managing Director.  
JOHN T. MOORE,  
Cashier.  
EARL R. MUIR,  
Assistant Cashier.

## MEMPHIS BRANCH

### DIRECTORS

E. M. ALLEN, Chairman, Helena, Ark.  
W. H. GLASGOW, Memphis, Tenn.  
JOHN D. McDOWELL, Memphis, Tenn.  
WILLIAM ORGILL, Memphis, Tenn.  
T. K. RIDDICK, Memphis, Tenn.  
R. BRINKLEY SNOWDEN, Memphis, Tenn.  
J. W. VANDEN, Jackson, Tenn.

### OFFICERS

W. H. GLASGOW,  
Managing Director.  
S. K. BELCHER,  
Cashier.  
C. E. MARTIN,  
Assistant Cashier.

## LITTLE ROCK BRANCH

### DIRECTORS

HAMP WILLIAMS, Chairman, Hot Springs, Ark.  
A. F. BAILEY, Little Rock, Ark.  
GORDON H. CAMPBELL, Little Rock, Ark.  
JOHN M. DAVIS, Little Rock, Ark.  
W. A. HICKS, Little Rock, Ark.  
STUART WILSON, Texarkana, Ark.  
MOORHEAD WRIGHT, Little Rock, Ark.

### OFFICERS

A. F. BAILEY,  
Managing Director.  
M. H. LONG,  
Cashier.  
CLIFFORD WOOD,  
Assistant Cashier.

## MEMBER FEDERAL ADVISORY COUNCIL

BRECKINRIDGE JONES, St. Louis, Mo.

FEBRUARY 25, 1927.

## LETTER OF TRANSMITTAL

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FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, February 25, 1927.

Gentlemen:

I have the honor to transmit herewith the twelfth annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1926.

Respectfully,

WM. McC. MARTIN,

Chairman of the Board and  
Federal Reserve Agent.

FEDERAL RESERVE BOARD,  
Washington, D. C.

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## BUSINESS CONDITIONS

### IN FEDERAL RESERVE DISTRICT No. 8

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***Volume of Business.***—The year 1926 was a period of active business in this district. While exhibiting irregularity at times and in certain localities, the general trend was upward. Considered from a business viewpoint, the year in its entirety was well balanced, and followed more closely normal and seasonal lines than any similar period since the beginning of the World War.

As indicated by statistics of merchants and manufacturers, loadings of freight by the railroads, and other available measures, production and distribution of commodities in the district during the past twelve months reached new high levels. Spending by the public, as reflected in debits to individual accounts and bank clearings, was also greater than in any recent year. Taken as a whole, employment conditions throughout the year were satisfactory, this being true of both the country and the large industrial centers.

The year was marked by none of the detrimental symptoms which sometimes in the past have accompanied eras of prosperity. Commodity prices were not unduly advanced; production of manufactured goods was held in close relationship with consumption; there was no evidence of over-expanded inventories, and credit demands were maintained within reasonable bounds. As a matter of fact, the general price trend was downward, and except in the case of certain agricultural products, further progress was achieved in the balancing of prices between the various groups of commodities. The policy characteristic of recent years of purchasing on an immediate requirement basis has continued to grow in 1926, and while it has tended to increase overhead expense in merchandising, it has permitted a more rapid turnover, improved the average of collections, and reduced the volume and duration of credit needs.

Though the volume of building in 1926 fell below that of 1925, it was still heavy and formed an important contributing factor to the general business prosperity. Marked improvement during the last half of the year in demand for and prices of bituminous coal was another substantial aid to business in this district.

**Agriculture.**—The Eighth District depends in great measure for its prosperity upon the results of crops produced within its borders. The year was one of heavy production, although farmers were handicapped by unusually unfavorable weather conditions. Periods of drought alternated with spells of excessive rainfall, which lowered quality and reduced yields. There were also some heavy specific losses from floods in the fertile bottom lands along the rivers.

Of the district's principal crops, corn production was slightly smaller in 1926 than in 1925, and quality was below the 10-year average; the total wheat yield was 9.7 per cent larger than in the preceding year, and quality was exceptionally high; the oats crop for the year was smaller by 10.8 per cent than the output in 1925; potatoes yielded heavier in 1926 than a year earlier; the output of tobacco of all descriptions was slightly below that of the preceding year, and the cotton crop was somewhat larger in size than in 1925. Considerable unevenness was shown in results from the less important crops.

Average prices realized on all crops were below those of the year before, and in the case of some important products, notably cotton, corn and tobacco, market values were the lowest in recent years. However, agriculturists benefitted to a greater extent than ever before from the programs of diversification which have been gradually put into effect. On the whole, live stock raising was attended with satisfactory results, and further progress was made in dairying, poultry raising and the culture of fruits and vegetables.

**Banking.**—Financial features in 1926 were the relatively low rates on loans for commercial and industrial purposes, heavy volume of general banking transactions, and increased borrowing from the Federal reserve bank.

The general trend is reflected in changes in the assets and liabilities of the thirty-one weekly reporting member banks at Evansville, Little Rock, Louisville, Memphis, and St. Louis. During the greater part of 1926, total loans for this group of banks were at a higher level than in 1925. Investments also were somewhat higher and showed an increase for the year of approximately \$10,000,000. Net demand and time deposits were at higher levels than in 1925, although net demand deposits, like loans, were lower at the end of 1926 than at the end of 1925. Accommodations of the reporting banks at the Federal reserve bank on the last report date of 1926 amounted to \$20,987,000, which compares with a total of \$11,116,000 on the similar date in 1925.



## OPERATIONS OF FEDERAL RESERVE BANK OF ST. LOUIS

Including Branches at Little Rock, Louisville and Memphis.

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### FINANCIAL RESULTS

**Income and Expenditures.** — Gross earnings in 1926 were \$2,511,509, as compared with \$2,055,637 for the perceding year. Current expenses aggregated \$1,380,104, as against \$1,390,099 in 1925.

The current net earnings amounted to \$1,131,405, as compared with \$665,538 the year before. Additions to current net earnings in 1926 aggregated \$15,852, while deductions totaled \$464,235, leaving a gain of \$683,022 in the profit and loss account.

After payment of dividends for the year, totaling \$314,420, there remained a net profit of \$368,602, which was transferred to surplus.

A detailed comparative statement of earnings and expenses of this bank is given on page 15.

**Assets and Liabilities.** — Between December 31, 1925 and the same date in 1926, total resources of this bank increased from \$175,916,000 to \$182,651,000. Holdings of paper discounted for member banks increased from \$22,868,000 to \$31,129,000, while bills bought decreased from \$22,181,000 to \$7,992,000 and investments in United States securities decreased from \$24,347,000 to \$21,072,000. Cash reserves increased from \$58,982,000 to \$80,078,000 during the year.

Of the liabilities, Federal reserve notes in circulation increased from \$40,305,000 to \$48,396,000 and total deposits from \$84,052,000 to \$84,655,000 between the dates mentioned. The paid-in capital increased from \$5,127,000 to \$5,293,000, and the surplus from \$9,570,000 to \$9,939,000.

A comparative statement of condition of this bank appears on page 16.

**Reserve Position.** — At the opening of 1926 the ratio of total reserves to combined deposit and Federal reserve note liabilities stood at 47.4 per cent. On December 31 the ratio was 60.2 per cent.



The daily average reserve ratio for the year was 53.1 per cent, as compared with an average of 60.5 per cent during 1925.

## VOLUME OF OPERATIONS

**Discounts.** — The volume of paper discounted for member banks in 1926 was over twice the amount handled during the previous year. A total of \$1,504,868,000 of paper was discounted by this institution, which compares with \$718,720,000 in 1925. There was no discounting with or for any other Federal reserve bank in either year.

Applications for discounts numbered 8,729 as against 6,782 for the preceding year. The number of notes discounted was 37,131, which compares with 31,954 in 1925. The number of member banks availing themselves of the discount privilege in 1926 was 330, as against 339 during the preceding twelve months.

In 1926 member banks' own fifteen-day collateral notes, secured by United States securities or eligible paper, represented 14 per cent of the number of notes discounted and 76 per cent of the total dollar amount, the remainder being their customers' paper rediscounted.

As in 1925, the discount rate of this bank remained uniformly at 4 per cent on all classes and maturities of paper.

**Investments.** — During 1926 this bank purchased for its own account 4,525 acceptances, amounting to \$74,112,000, of which 4,162, representing \$66,308,000, were open market purchases and 363, amounting to \$7,804,000, were bought from other Federal reserve banks. In the preceding year 6,310 acceptances, aggregating \$102,221,000, were purchased.

A total of \$54,498,000 of United States Government securities was purchased in 1926, of which \$46,930,000 were bought in the open market and \$7,568,000 from other Federal reserve banks. During the previous year a total of \$41,407,000 of such securities was purchased.

Most of the acceptances and Government securities acquired were participations in purchases made by the Open Market Investment Committee of the twelve Federal reserve banks.

**Currency.** — In course of the year 108,586,952 pieces of paper currency, amounting to \$495,792,000, and 136,924,101 coins, having an aggregate value of \$16,391,000, were received from all sources and counted by this bank. In 1925 a total of 104,633,000 pieces of paper currency, representing \$498,449,000, and 122,353,000 coins, with value of \$15,354,000, were handled.

**Note Circulation.**—During the year the Federal Reserve Agent issued new and used Federal reserve notes to the Federal Reserve Bank of St. Louis amounting to \$32,840,000, as compared with \$10,420,000 in 1925. No fit notes were returned by the bank to the Agent. The Treasurer of the United States redeemed \$25,916,000 of unfit notes of this institution during 1926.

On December 31, 1926, the amount of Federal reserve notes outstanding on the books of the Federal Reserve Agent was \$53,504,000. These were secured by \$19,509,000 of gold and \$39,072,000 of eligible paper pledged with him. The parent bank and branches held \$4,317,000 of the notes outstanding, \$791,000 were in transit to Washington for redemption, and \$48,396,000 were in actual circulation.

No Federal reserve bank notes, secured by Government obligations, were issued by this institution during the year.

**Transit Items.**—Increased use of the check collection facilities of this bank was reflected in the activities of transit department during 1926. A total of 48,573,000 checks, amounting to \$11,313,215,000 was handled, which compares with 46,316,000 checks, amounting to \$10,770,671,000, cleared in 1925. Included in the items handled were checks drawn on banks in this and other districts, checks of member banks against their reserve accounts with this institution, and checks and warrants on the United States Treasurer. In the totals a small number of duplications are included, due to the fact that some checks were handled by both parent bank and branches.

During the year 551 individual member banks used the clearing facilities, as compared with 598 in 1925. At the close of 1926 the number of banks which had been granted the privilege of direct routing of checks payable in other Federal reserve districts was 44, against 50 at the end of the preceding year. There were 29 non-member banks maintaining clearing accounts with this bank, which compares with 21 at the close of 1925.

On December 31, 1926, this bank was collecting checks at par on 2,605 banks, which was approximately 86 per cent of all banks in the district.

**Collection Items.**—In course of the year this institution received from its member banks for collection, 240,946 non-cash items, involving \$190,362,000, which compares with 206,678, amounting to \$255,426,000, in 1925. These items consisted of notes,

acceptances, drafts, certificates of deposit, bonds, coupons (other than Government), etc.

In addition, this bank received and paid 2,247,518 Government coupons, representing \$22,896,000, as compared with 2,488,498 coupons, aggregating \$24,052,000, the year before.

On December 31, 1926, there were 69 banks which had been granted the privilege of direct routing of non-cash items payable in other Federal reserve districts, as compared with 60 at the end of 1925.

**Transfers of Funds.** — During the year this bank effected a total of 199,808 incoming and outgoing wire and mail transfers of funds, involving \$5,320,240,000, as against 151,936 transfers, amounting to \$4,991,465,000, in 1925. These transfers were between member banks in this and other districts, as well as between member banks within the district.

In addition, this bank handled 16,833 deposits, aggregating \$27,467,000, for national banks to their 5 per cent redemption funds in Washington. The number of such deposits and their aggregate amount in 1925 were 16,219 and \$25,235,000, respectively.

**Safekeeping.** — In course of the year, the custody department received for safekeeping 98,507 securities, of which 41,969 were from member banks and 56,538 from other departments of the bank. In 1925 there were received 94,555 securities, 64,703 from member banks and 29,852 from other departments of the bank. In addition, securities were held in custody for account of the United States Treasury. The custody department clipped and accounted for 118,058 coupons from securities held, which compares with 99,751 coupons in 1925.

**Fiscal Agency.** — Activities of the fiscal agency department in 1926 were confined principally to the sale, delivery, exchange and redemption of United States securities, and to the receipt and disbursement of Government funds.

The total number of pieces of securities handled by this department during 1926, in issuing redeeming and exchanging Government securities (excluding securities delivered in exchange transactions) was 209,553 and represented \$141,938,000, as against 330,047 pieces, representing \$159,120,000, in 1925.

At the close of 1926 there were 260 banks in the district which had qualified to receive deposits arising from the sale of Govern-

ment securities, as against 252 at the end of the preceding year. The amount of Government funds in these institutions was \$6,676,000, which compares with \$11,087,000 at the end of 1925. This institution held the collateral pledged as security for the deposits and performed other duties incident to the deposit and withdrawal of the funds.

On December 31, 1926, deposits of the United States Government in this bank amounted to \$1,000,000, as compared with \$1,468,000 on the corresponding date in 1925.

**Gold Settlement Fund.** — As during preceding years, settlement of check clearings between Federal reserve banks, transfers of funds between reserve districts and transfers of funds for the United States Treasury were effected daily through the gold settlement fund at Washington. These transactions were handled over the private wire system which connects the twelve Federal reserve banks, their branches and the Federal Reserve Board.

The balance to credit of this bank in the gold settlement fund on December 31, 1926, was \$33,193,000, which compares with \$20,398,000 on the last day of 1925.

## RELATIONS WITH BANKS

**Membership.** — During 1926, seven new national banks and four State banks and trust companies became members of the Federal Reserve Bank of St. Louis.

The memberships of ten national banks and eleven State institutions were terminated — six national banks and three State banks through voluntary liquidation, three national banks and three State banks through involuntary liquidation, one national bank through consolidation, one State bank by conversion into national association, and four State institutions after giving the required six months notice.

On December 31, 1926, this bank had a membership of 618, consisting of 495 national banks and 123 State banks and trust companies.

**Examinations.** — In course of the year examiners for this bank made 69 credit investigations of member State banks and trust companies of which 63 were made in conjunction with examinations by the State banking departments and six independently. The Federal reserve examiners also made four independent examinations of member State banks, and examined eight State banks applying for membership.

Three calls were made by this institution upon State member banks for reports of condition. The dates of these calls were: April 12, June 30, and December 31. The Comptroller of the Currency called on the national banks for three reports of condition as of the same dates.

Copies of the periodical reports of condition, semi-annual reports of earnings and dividends, and reports of examinations of the national banks of the district, as well as those of State member banks, were received and inspected.

**Supervision.** — It has always been the effort of this bank to help the member banks by encouraging proper banking practices. When member banks have shown a tendency to borrow excessively or continuously, have been repeatedly deficient in their required reserves, or have violated provisions of the Federal Reserve Act or regulations of the Federal Reserve Board, it has been the custom of this bank to call their attention to the matter with a view to its correction. In some instances, results have been accomplished through correspondence, while in others personal interviews with officers and directors of the member banks have been necessary. In addition, certain matters have been taken up with the Comptroller's office or the State banking departments, which have readily cooperated.

**Fiduciary Powers.** — In 1926 the Federal Reserve Board, under authority of Section 11(k) of the Federal Reserve Act, granted permission to 14 national banks in the Eighth District to exercise fiduciary powers. The applications of three national banks for supplementary fiduciary powers were also approved. Five banks which had previously received such permission went out of existence.

At close of the year there were 136 national banks in this district authorized to exercise fiduciary powers. The distribution of these banks by States was as follows: Arkansas, 21; Illinois, 34; Indiana, 25; Kentucky, 27; Mississippi, 4; Missouri, 22; and Tennessee, 3.

**Visits.** — During the year representatives of this bank continued to make periodical calls on the member banks. They also visited the nonmember banks in the cities where member banks are located. However, the number of field men was reduced, and the interval between visits lengthened.

Representatives of this bank also attended meetings of bankers' associations in the Eighth District. In addition, a number of addresses were made to bankers' conventions, commercial organizations, educational institutions, etc.

Approximately 1,600 persons were escorted through the building of the parent bank in St. Louis during the year. These included a number of school classes and organizations. There were also many visitors to the branch offices.

***Publications.***—As in the past, a review of business conditions was prepared each month and furnished to the member banks, business interests cooperating in supplying information, and others interested in receiving it. The mailing list was revised in course of the year so that on December 31 the circulation was approximately 5,000.

During the year a number of requests were received for booklets, "Advantages of Membership in the Federal Reserve System," "Better Banking under the Federal Reserve System," etc., which were promptly supplied by the Library of this bank.

***Foreign Accounts.***—This bank in 1926, as in previous years, participated with the Federal Reserve Bank of New York in investment transactions for the account of central banking institutions in foreign countries.

## INTERNAL ORGANIZATION

***Conferences.***—In March, 1926, the directors of the parent bank visited each branch and conferred with its directors. On June 2 the annual conference of directors and officers of the parent bank with directors of the branches was held in St. Louis. In addition, every other month during the year a meeting was held in St. Louis between officers of the parent bank and an officer from each branch.

***Personnel.***—C. P. J. Mooney, of Memphis, Tennessee, Class C director of this bank, died on November 22, 1926. On November 30, Paul Dillard of Memphis, Tennessee, was appointed by the Federal Reserve Board to fill Mr. Mooney's unexpired term.

The following directors were chosen in December to succeed those whose terms would expire at the end of 1926:

For Parent Bank—John G. Lonsdale, Class A, elected by member banks in Group 1; LeRoy Percy, Class B, elected by mem-



ber banks in Group 3, and John W. Boehne, Class C, appointed by the Federal Reserve Board;

For Louisville Branch—Eugene E. Hoge and W. P. Kincheloe, elected by the parent bank, and William Black appointed by the Federal Reserve Board;

For Memphis Branch—W. H. Glasgow and John D. McDowell, elected by parent bank, and William Orgill, appointed by the Federal Reserve Board;

For Little Rock Branch—A. F. Bailey and Stuart Wilson, elected by the parent bank, and Gordon H. Campbell, appointed by the Federal Reserve Board.

Breckinridge Jones represented this district in the Federal Advisory Council during 1926.

On February 17, 1926, W. H. Glasgow, assistant cashier of the parent bank, was appointed managing director of the Memphis Branch, to succeed V. S. Fuqua, who had resigned, effective March 1, 1926.

E. C. Adams resigned as assistant cashier of the parent bank on April 3, 1926, to become president of a local banking institution. On June 13, 1926, H. L. Trafton, assistant auditor, died.

On December 31, 1926, the parent bank and its branches had a total of 559 officers and employees, of which one was a temporary employee. At the end of the preceding year the personnel numbered 586 officers and employees, of which three were temporary employees.

A roster of the directors and officers of the parent bank and of each branch is given on page 1.



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

	1926	1925	1924
<b>EARNINGS</b>			
Discounted bills.....	\$1,258,227	\$ 837,819	\$1,140,622
Purchased bills.....	340,294	454,428	141,778
United States securities.....	841,145	712,085	352,652
Deficient reserve penalties.....	22,017	24,475	27,441
Miscellaneous.....	49,826	26,830	25,650
<b>Total earnings.....</b>	<b>\$2,511,509</b>	<b>\$2,055,637</b>	<b>\$1,688,143</b>
<b>CURRENT EXPENSES</b>			
<b>Salaries:</b>			
Bank officers.....	\$ 166,072	\$ 158,465	\$ 164,320
Clerical staff.....	610,045	657,663	716,421
Special officers and watchmen.....	46,612	40,916	38,289
All other.....	74,072	60,951	41,145
Governors' conferences.....	422	398	472
Federal reserve agents' conferences.....	289	251	379
Federal Advisory Council.....	1,200	1,200	1,200
Directors' meetings.....	11,796	11,781	9,892
Traveling expenses (1).....	31,029	27,498	31,741
Assessments for Federal Reserve Board expenses.....	31,306	32,281	30,213
Legal fees.....	4,013	116	1,221
Insurance (other than on currency and security shipments).....	23,320	21,967	18,178
Insurance on currency and security shipments.....	16,108	16,768	17,311
Taxes on banking house.....	53,870	24,702	2,112
Light, heat and power.....	21,499	15,550	3,182
Repairs and alterations, banking house.....	12,819	10,408	7,562
Rent.....	19,968	49,404	78,849
Office and other supplies.....	21,679	25,233	21,622
Printing and stationery.....	22,922	21,557	30,310
Telephone.....	12,492	9,929	6,454
Telegraph.....	42,095	42,484	43,409
Postage.....	93,529	98,009	118,221
Expressage.....	13,749	14,217	12,328
Miscellaneous expenses.....	30,118	41,600	32,437
<b>Total, exclusive of cost of currency.....</b>	<b>\$1,361,024</b>	<b>\$1,383,348</b>	<b>\$1,427,268</b>
<b>Federal reserve currency, including shipping charges:</b>			
Original cost.....	13,793	704	5,295
Cost of redemption.....	5,287	6,047	8,785
Taxes on Federal Reserve bank-note circulation.....			(4) 812
<b>Total current expenses.....</b>	<b>\$1,380,104</b>	<b>\$1,390,099</b>	<b>\$1,440,536</b>
<b>PROFIT AND LOSS ACCOUNT</b>			
Earnings.....	\$2,511,509	\$2,055,637	\$1,688,143
Current expenses.....	1,380,104	1,390,099	1,440,536
<b>Current net earnings.....</b>	<b>\$1,131,405</b>	<b>\$ 665,538</b>	<b>\$ 247,607</b>
Additions to current net earnings.....	15,852	59,748	15,452
<b>Deductions from current net earnings:</b>			
Bank premises—depreciation.....	\$ 154,795	\$ 489,462	\$ 4,400
Furniture and equipment.....	54,870	257,373	25,927
Reserve for probable losses.....	253,500		
Reserve for self-insurance.....		5,256	
Reserve for depreciation, U. S. bonds.....		66,735	28,795
All other.....	1,070		
<b>Total deductions.....</b>	<b>\$ 464,235</b>	<b>\$ 818,826</b>	<b>\$ 59,122</b>
<b>Net earnings available for dividends, surplus and franchise tax.....</b>	<b>\$ 683,022</b>	<b>(2) \$ 93,540</b>	<b>\$ 203,937</b>
Dividends paid.....	\$ 314,420	\$ 306,753	\$ 304,976
Transferred to surplus account.....	368,602	(3) 400,293	(3) 101,039
Franchise tax paid United States Government.....			
<b>REIMBURSABLE FISCAL AGENCY EXPENSES</b>			
Salaries.....	\$ 11,009	\$ 11,609	\$ 28,348
All other.....	809	2,591	4,531
<b>Total.....</b>	<b>\$ 11,818</b>	<b>\$ 14,200</b>	<b>\$ 32,879</b>

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

(2) Deficit in earnings before payment of dividends.

(3) Deficit in earnings after payment of dividends, charged to surplus account.

(4) Credit.

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

	*Dec. 31, 1926	*Dec. 31, 1925	*Dec. 31, 1924
<b>RESOURCES</b>			
Gold with Federal reserve agent.....	\$ 19,509	\$ 15,820	\$ 56,590
Gold redemption fund with United States Treasury..	1,001	990	3,274
Gold held exclusively against Federal Reserve notes.....	20,510	16,750	59,864
Gold settlement fund with Federal Reserve Board.....	33,193	20,398	23,834
Gold and gold certificates held by bank.....	12,728	11,142	8,165
Total gold reserves.....	\$ 66,431	\$ 48,290	\$ 91,863
Reserves other than gold.....	13,647	10,692	11,700
Total reserves.....	80,078	58,982	\$ 103,563
Non-reserve cash.....	4,199	3,395	3,387
Bills discounted:			
Secured by U. S. Government obligations.....	\$ 12,255	\$ 9,508	\$ 5,303
Other bills discounted.....	13,874	13,360	4,827
Total bills discounted.....	\$ 31,129	\$ 22,868	\$ 10,130
Bills bought in open market.....	7,992	22,181	21,391
U. S. Government securities:			
Bonds.....	\$ 2,012	\$ 1,746	\$ 1,264
Treasury notes.....	6,972	14,716	11,171
Certificates of indebtedness.....	12,088	7,885	2,653
Total U. S. Government securities.....	\$ 21,072	\$ 24,347	\$ 15,088
Foreign loans on gold.....		359	294
Total bills and securities.....	\$ 60,193	\$ 69,755	\$ 46,903
Uncollected items.....	\$ 33,419	\$ 39,345	\$ 35,994
Bank premises.....	3,957	4,112	3,176
All other resources.....	805	327	306
Total resources.....	\$182,651	\$175,916	\$193,329
<b>LIABILITIES</b>			
Federal Reserve notes in actual circulation.....	\$ 48,396	\$ 40,305	\$ 57,813
Deposits:			
Member bank—reserve account .....	\$ 82,116	\$ 81,447	\$ 80,511
Government.....	1,000	1,468	2,468
Foreign bank.....	1,211	380	91
Other deposits.....	328	757	580
Total deposits.....	\$ 84,655	\$ 84,052	\$ 83,650
Deferred availability items.....	\$ 33,635	\$ 36,278	\$ 36,377
Capital paid in.....	5,293	5,127	5,129
Surplus.....	9,939	9,570	9,971
All other liabilities.....	733	584	389
Total liabilities.....	\$182,651	\$175,916	\$193,329
Ratio of total reserves to deposit and Federal Reserve note liabilities combined (per cent).....	60.2	47.4	73.2
Contingent liability on bills purchased for foreign correspondents.....	\$ 2,427	\$ 3,235	\$ 2,091

\*In thousands—000 omitted.

## ADDITIONAL EXHIBITS

Other detailed schedules, pertaining to the operations of the Federal Reserve Bank of St. Louis and its member banks, will be found in the annual report of the Federal Reserve Board for 1926.