

8

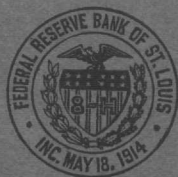
FOURTEENTH ANNUAL REPORT

OF THE

FEDERAL RESERVE BANK

OF ST. LOUIS

FOR THE YEAR ENDED DECEMBER 31, 1928



FOURTEENTH ANNUAL REPORT
OF THE
FEDERAL RESERVE BANK
OF ST. LOUIS

FOR THE YEAR ENDED DECEMBER 31, 1928



FOURTEENTH ANNUAL REPORT

FEDERAL RESERVE BANK

OF ST. LOUIS

FOR THE YEAR ENDING DECEMBER 31, 1924



FEDERAL RESERVE BANK OF ST. LOUIS

DIRECTORS

CLASS C

ROLLA WELLS, Chairman of the Board, St. Louis.
JOHN W. BOEHNE, Deputy Chairman, Evansville, Ind.
PAUL DILLARD, Memphis, Tenn.

CLASS A

JOHN G. LONSDALE, St. Louis, Mo.
JOHN C. MARTIN, Salem, Ill.
MAX B. NAHM, Bowling Green, Ky.

CLASS B

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

OFFICERS

ROLLA WELLS,
Chairman of the Board and
Federal Reserve Agent.

C. M. STEWART,
Asst. Federal Reserve Agent.

E. J. NOVY,
General Auditor.

A. E. DEBRECHT,
Assistant Auditor.

WM. McC. MARTIN,
Governor.
OLIN M. ATTEBERY,
Deputy Governor.
J. G. McCONKEY,
Counsel and Secretary.
A. H. HALL,
S. F. GILMORE,
F. N. HALL,
C. A. SCHACHT,
G. O. HOLLOCHER,
Controllers.

LOUISVILLE BRANCH

DIRECTORS

WILLIAM BLACK, Chairman Louisville, Ky.
EUGENE E. HOGE, Frankfort, Ky.
W. P. KINCHELOE, Louisville, Ky.
JOHN T. REYNOLDS, Greenville, Ky.
T. D. SCALES, Boonville, Ind.
E. L. SWEARINGEN, Louisville, Ky.
E. H. WOODS, Lucas, Ky.

OFFICERS

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

MEMPHIS BRANCH

DIRECTORS

WILLIAM ORGILL, Chairman, Memphis, Tenn.
J. W. ALDERSON, Forrest City, Ark.
E. L. ANDERSON, Dickerson, Miss.
W. H. GLASGOW, Memphis, Tenn.
JOHN D. McDOWELL, Memphis, Tenn.
S. E. RAGLAND, Memphis, Tenn.
R. BRINKLEY SNOWDEN, Memphis, Tenn.

OFFICERS

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

LITTLE ROCK BRANCH

DIRECTORS

GORDON H. CAMPBELL, Chairman, Little Rock, Ark.
A. F. BAILEY, Little Rock, Ark.
JOHN M. DAVIS, Little Rock, Ark.
JO NICHOL, Pine Bluff, Ark.
HAMP WILLIAMS, Hot Springs, 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

WALTER W. SMITH, St. Louis, Mo.

MARCH 30, 1929.

LETTER OF TRANSMITTAL

FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, January 19, 1929.

Gentlemen:

I have the honor to transmit herewith the fourteenth annual report of the Federal Reserve Bank of St. Louis, covering the year ended December 31, 1928.

Respectfully,

WM. McC. MARTIN,

*Chairman of the Board and
Federal Reserve Agent.*

FEDERAL RESERVE BOARD,
Washington, D. C.

TABLE OF CONTENTS

BUSINESS CONDITIONS

| | Page |
|-------------------------|------|
| Industry and trade..... | 7 |
| Agriculture | 8 |
| Banking | 8 |

FINANCIAL RESULTS

| | |
|------------------------------|---|
| Income and expenditures..... | 9 |
| Assets and liabilities..... | 9 |
| Reserve position..... | 9 |

VOLUME OF OPERATIONS

| | |
|---------------------------|----|
| Discounts | 10 |
| Investments | 10 |
| Currency | 10 |
| Note circulation..... | 10 |
| Transit items..... | 11 |
| Collection items..... | 11 |
| Transfers of funds..... | 11 |
| Safekeeping | 12 |
| Fiscal agency..... | 12 |
| Gold settlement fund..... | 12 |

RELATIONS WITH BANKS

| | |
|------------------------|----|
| Membership | 13 |
| Condition reports..... | 13 |
| Fiduciary powers..... | 13 |
| Visits | 14 |
| Publications | 14 |
| Foreign accounts..... | 14 |

INTERNAL ORGANIZATION

| | |
|-------------------|-------|
| Conferences | 14 |
| Personnel | 3, 14 |

NEW BANK PREMISES

| | |
|------------------------------|----|
| Memphis branch building..... | 15 |
|------------------------------|----|

EXHIBITS

| | |
|--|----|
| Roster of directors and officers..... | 3 |
| Map of district..... | 6 |
| Chart showing movement of deposits, loans, etc., of reporting member banks.. | 16 |
| Comparative statement of earnings and expenses..... | 17 |
| Chart showing movement of discounts and investments..... | 18 |
| Comparative statement of condition..... | 19 |



BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

Industry and Trade. — Taken in its entirety, 1928 constituted a period of quite general prosperity and moderate business expansion in the Eighth Federal Reserve District. In a majority of the principal lines of commerce and industry, the total volume of transactions exceeded that of the preceding year, and in some notable instances the high records of 1926 were equaled or slightly bettered. Production and distribution of goods in the district were measurably higher than during the preceding twelve months.

Following a temporary slowing down in business activities in January and early February, improvement was steady through the year, barring irregularity and slight setbacks in May and July. Despite increasingly keen competition in a number of leading lines, profits arising from the year's activities were in the main on a more satisfactory basis than the average during the preceding half decade.

Activities in the building industry were well sustained, the value of permits issued for new construction in the five largest cities being 13.8 per cent larger than in 1927 and 1.8 per cent larger than in 1926, while contracts for construction projects in the entire district in 1928 exceeded those of the preceding year by 10.8 per cent. However, as during the several years preceding, the bituminous coal mining industry was adversely affected by excessive production and labor troubles, with the result that profits were unsatisfactory. Overproduction in the zinc mining areas was also reflected in low ore prices and reduced returns to operators.

During the year employment conditions were almost uniformly satisfactory. The average number of workers employed in the main industrial centers was unusually high, and road construction, municipal, river and levee improvements absorbed large numbers of common and skilled laborers. Due to high employment levels, and wealth added by a successful year in trade, industry and agriculture, the purchasing power of the public in the district was substantially augmented. This fact was reflected in the record of debits to individual accounts in banks, which each month showed increases over the corresponding period in 1927, while the year's total was 6.1 per cent greater than that of the preceding twelve months.

Agriculture. — A review of 1928 crop production in this district discloses considerable variation, both with reference to the several products and different localities. On the whole, however, the year was a successful one for the farming community, with total volume of production and revenue realized thereon exceeding those of the preceding year and the five-year average. At the close of the year the agricultural situation showed marked improvement over that of the two previous seasons.

Due to heavy damage from winter killing, the output of wheat was disappointing, being 25.3 per cent below that of 1927. The hay crop was 20.1 per cent below the bumper yield of 1927, but compared favorably with the average of the past decade. Of the other principal crops, corn was 6.2 per cent larger than in 1927, oats 61.9 per cent larger, tobacco 49.5 per cent larger, potatoes 50.9 per cent larger and cotton 15.4 per cent larger. Other field crops for the most part exceeded in size those of the year before, with yields of fruits and vegetables in the main above the average.

In virtually all parts of the district there was further growth in crop rotation and diversification. Fruit culture and the raising of vegetables for market and manufacture was on a more extensive scale than in previous years. Dairying, particularly in the South, and poultry raising showed remarkable expansion.

Banking. — Following similar conditions existing generally through the two preceding years, the early part of 1928 in this district witnessed abundant and cheap money. Heavy demand for credit during the spring for commerce, industry and agriculture, however, resulted in a decrease in available funds, and an increase in interest rates set in which continued more or less constantly through the balance of the year. At the end of the period rates were the highest for the year, if not in more than a half decade. While deviating somewhat from the usual seasonal trends, demand for credit was active throughout the year.

The following changes in assets and liabilities of the 29 weekly reporting member banks in Evansville, Little Rock, Louisville, Memphis and St. Louis indicate the developments. The average of total loans for the fifty two report dates in 1928 was one per cent more than in 1927. Average total investments were 7.4 per cent larger than in the preceding year. The average of net demand deposits in 1928 was 2.4 per cent less than in 1927, but time deposits averaged 3.4 per cent higher. Borrowings of the reporting banks at the Federal Reserve Bank during 1928 averaged 141.7 per cent more than in the year previous. The movement of these items is shown by a chart on page 16.

OPERATIONS OF
FEDERAL RESERVE BANK OF ST. LOUIS
Including Branches at Little Rock, Louisville and Memphis.

FINANCIAL RESULTS

Income and Expenditures. — In 1928 the gross earnings were \$2,901,925, which compares with \$2,228,079 in the preceding year. Current expenses totaled \$1,336,794, as against \$1,368,664 in 1927.

The net earnings available for dividends, surplus and franchise tax amounted to \$785,159, as compared with \$775,681 in 1927. Out of the net profits, the member banks received \$321,855 in dividends, \$423,011 was transferred to surplus, and \$40,293 paid to the United States Government as a franchise tax.

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

Assets and Liabilities. — During the period between December 31, 1927, and the same date in 1928, total resources of this bank increased from \$197,801,000 to \$197,896,000. Holdings of paper discounted for member banks increased from \$19,417,000 to \$35,539,000, and purchased bills from \$5,046,000 to \$11,335,000, while investments in Government securities decreased from \$38,163,000 to \$21,043,000. Cash reserves increased from \$86,350,000 to \$93,348,000.

On the liabilities side, Federal reserve notes in circulation increased from \$56,666,000 to \$64,463,000, and total deposits decreased from \$91,542,000 to \$85,554,000 between the dates mentioned. The paid-in capital increased from \$5,342,000 to \$5,408,000, and the surplus from \$10,397,000 to \$10,820,000.

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

Reserve Position. — At the opening of 1928 the ratio of total reserves to combined deposit and Federal reserve note liabilities stood at 58.1 per cent. On December 31 the ratio was 62.2 per cent.

The high point of the year was 68 per cent, attained on July 10, while the low point was 46.6 per cent, recorded on August 22.

VOLUME OF OPERATIONS

Discounts. — A total of \$3,002,246,000 of paper was discounted by the Federal Reserve Bank of St. Louis in 1928 for its member banks, which compares with \$1,231,388,000 in 1927. There was no discounting with or for any other Federal reserve bank in either year.

There were 9,115 applications for discounts, as against 6,196 for the preceding year. Notes discounted numbered 26,902 which compares with 21,793 in 1927. The number of banks using the discount privilege in 1928 was 292, as against 309 in 1927.

In 1928 member banks' own fifteen-day collateral notes, secured by United States securities or eligible paper, constituted 26.3 per cent of the number of notes discounted and 94.3 per cent of the total dollar amount, the remainder being customers' paper rediscounted.

At the opening of the year the discount rate of this bank was $3\frac{1}{2}$ per cent on all classes and maturities of paper, and remained at that figure until February 21 when an advance to 4 per cent was made. On April 23, the rate was raised to $4\frac{1}{2}$ per cent, and on July 19 a further advance to 5 per cent became effective, the latter quotation continuing until the close of the period.

Investments. — For its own account, this bank purchased during 1928 a total of 2,410 acceptances, amounting to \$37,548,000, of which 2,358, representing \$36,148,000, were open market purchases and 52, amounting to \$1,400,000, were bought from other Federal reserve banks. In the preceding year, 4,339 acceptances, aggregating \$83,857,000, were purchased.

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

Currency. — In course of the year 116,552,000 pieces of paper money, amounting to \$512,993,000, were received from all sources and counted. This compares with 112,985,000 pieces, with value of \$495,938,000, received and counted in 1927.

There were received and counted during the year 154,633,000 coins amounting to \$16,826,000, as against 145,036,000 coins with aggregate value of \$16,217,000, the year before.

Note Circulation. — In 1928 the Federal Reserve Agent issued to the Federal Reserve Bank of St. Louis, Federal reserve notes amounting to \$51,600,000, as compared with \$39,430,000 in 1927. No fit notes were returned by the bank to the Agent. Unfit

notes of this institution redeemed by the Treasurer of the United States in 1928 amounted to \$39,021,000, against \$29,253,000 the year before.

The amount of Federal reserve notes outstanding on the books of the Federal Reserve Agent on December 31, 1928, was \$76,261,000, secured by \$29,986,000 of gold and \$46,821,000 of eligible paper pledged with him. The parent bank and branches held \$10,936,000 of the notes outstanding, \$862,000 were in transit to Washington for redemption and \$64,463,000 were in actual circulation.

Transit Items. — Increased use of the collection facilities furnished by this institution was noted in the year just closed. The transit department handled 50,886,000 checks and warrants, amounting to \$11,780,269,000, which compares with 50,240,000 cash items, amounting to \$11,487,688,000, in 1927.

The number of individual member banks using the clearing facilities in 1928, was 537, as compared with 538 in 1927. At the close of the year banks which had been granted the privilege of direct routing of checks payable in other Federal reserve districts numbered 51, a decrease of one as compared with the number at the close of 1927. There were 27 nonmember banks maintaining clearing accounts with this bank, being the same number as at the end of 1927.

On December 31, 1928, this bank was collecting checks at par on 2,349 banks, which was approximately 82.7 per cent of all banks in the district.

Collection Items. — During the year this bank received from its member banks for collection 270,000 non-cash items, involving \$208,106,000, which compares with 265,000 items, amounting to \$185,727,000, in 1927. These items consisted of notes, drafts, certificates of deposits, coupons (other than Government), etc.

In addition, 1,703,000 Government coupons, with aggregate value of \$18,754,000, were received and paid, as compared with 2,088,000 such coupons, amounting to \$20,118,000 the year before.

On December 31, 1928, there were 77 banks which had been granted the privilege of direct routing of non-cash items payable in other Federal reserve districts, as against 73 a year earlier.

Transfers of Funds. — This bank in 1928 effected a total of 244,000 incoming and outgoing wire and mail transfers of funds, involving \$6,256,564,000, which contrasts with 256,000 transfers in 1927, amounting to \$6,067,437,000. These transfers were between member banks in this and other districts, as well as between member banks within the district.

This institution also handled 17,000 deposits, aggregating \$27,008,000, for national banks to their 5 per cent redemption funds at Washington. The number of such deposits and their aggregate amount in 1927 was 15,000 and \$26,610,000, respectively.

Safekeeping. — The custody department in 1928 received for safekeeping 78,000 items, of which 43,000 consisted of securities, notes, etc., from member banks and 35,000 from other departments of this bank. In 1927 there were 80,000 items received, 46,000 from member banks and 34,000 from other departments of this bank. In addition, securities were held in custody for account of the United States Treasury.

The custody department clipped and accounted for 115,000 coupons from securities held, which compares with 112,000 coupons cut in 1927.

Fiscal Agency. — The chief functions performed by this bank as fiscal agent of the United States Government consisted of sales, deliveries, exchanges and redemptions of United States securities, and receipt and disbursement of Government funds. Work for the year was augmented by the retirement of the Third Liberty Loan in September.

In issuing, redeeming and exchanging Government securities in 1928, excluding deliveries in exchange transactions, a total of 473,000 pieces was handled, representing \$326,316,000, as against 364,000 pieces, amounting to \$350,507,000 in 1927.

At the close of 1928 there were 146 banks in the district which had qualified to receive deposits arising from the sale of Government securities, as against 264 at the end of the preceding year. The amount of Government funds in these institutions was \$7,205,000, as against \$6,557,000 at the end of 1927. This institution held the collateral pledged as security for deposits and performed other duties incident to the deposit and withdrawal of funds.

The decrease in the number of qualified depositories was occasioned by the automatic cancellation of the designations of banks whose accounts had been inactive for a period of two years.

On December 31, 1928, deposits of the United States Government in this bank amounted to \$1,118,000, as against \$1,062,000 on the same date in 1927.

Gold Settlement Fund. — Settlement of check clearings between Federal reserve banks, transfers of money between the several districts and transfers of funds for the United States Treasury were, as in previous years, effected daily through the instrumentality of the gold settlement fund in 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 excess of receipts from Federal reserve banks and other sources over disbursements resulted in a net increase for this bank of \$14,124,000, leaving a balance of \$32,258,000 to its credit in the fund at the close of business on December 31, 1928.

RELATIONS WITH BANKS

Membership. — During 1928 five new national banking associations and three State institutions became members of the Federal Reserve Bank of St. Louis.

The memberships of seven national banks and seven State institutions were terminated — five national banks and two State banks through voluntary liquidation, one national bank through involuntary liquidation, one national bank and one State bank through consolidation, one State bank by conversion into a national bank and one by conversion into a trust company, and two State banks after giving the six months' notice.

This bank had a membership of 593 on December 31, 1928, consisting of 486 national banks and 107 State banks and trust companies.

Condition Reports. — Four calls were made upon State member banks for reports of condition. The dates of these calls were: February 28, June 30, October 3 and December 31. The Comptroller of the Currency called on the national banks for reports of condition as of same dates.

Copies of the periodical reports of condition, semi-annual reports of earnings and dividends, reports of reserve requirements, and reports of examinations of the member banks were received and reviewed.

Fiduciary Powers. — Under authority of Section 11 (k) of the Federal Reserve Act, during 1928 the Federal Reserve Board granted permission to five national banks in the Eighth District to exercise fiduciary powers. The applications of two national banks for supplementary fiduciary powers were also approved. Two banks which had previously received such permission went out of existence.

There were 149 national banks in this district authorized to exercise fiduciary powers at close of the year. The distribution of these banks by States was as follows: Arkansas, 19; Illinois, 35; Indiana, 31; Kentucky, 31; Mississippi, 4; Missouri, 25, and Tennessee, 4.

Visits. — As in preceding years, representatives of this bank made periodical calls on member banks in the district. Under the schedule each member bank is visited about once a year.

Meetings of the bankers' associations in the district were attended by representatives of this institution, and a number of addresses were made to bankers' associations, commercial organizations, educational institutions, etc.

A large number of visitors, including school classes and other organizations, were conducted through the buildings of the parent bank and branches in the course of the year.

Publications. — As in previous years, the statistical division issued each month a review of business, financial and agricultural conditions in the Eighth District. It was mailed to member banks, business concerns cooperating in its compilation, and others desiring to receive it. On December 31, 1928, the circulation was approximately 5,200, representing a slight gain for the year.

The bank library responded to an increased number of requests for information on the Federal Reserve System, banking and kindred subjects.

Foreign Accounts. — With the Federal Reserve Bank of New York, this institution in 1928 continued to participate in investment transactions for account of central banks of foreign countries.

INTERNAL ORGANIZATION

Conferences. — The annual conference of directors and officers of the parent bank with directors of the branches was held in St. Louis on May 16. Governor Roy A. Young and Hon. George R. James, of the Federal Reserve Board, were present at this meeting.

Officers of the branches and of the parent bank met for conference at the head office bimonthly during the year. At intervals officers of the parent bank also visited the branches.

Personnel. — John W. Alderson, vice-president of the Bank of Eastern Arkansas, Forrest City, Arkansas, was elected a director of the Memphis Branch by the directorate of the parent bank at its meeting on January 18, to fill the unexpired term of J. W. Vanden, who died on December 30, 1927.

J. W. Rinkleff, controller, died on June 4. At its meeting on June 6, the board of directors elected G. O. Hollocher controller, to succeed Mr. Rinkleff.

Henry E. Jewett, director of the Louisville branch, died July 21. At its meeting on October 17, the board of directors elected T. D. Scales, president of the First National Bank of Boonville, Indiana, to succeed Mr. Jewett.

On December 5, D. C. Biggs, who had been a director from November 30, 1915, to February 5, 1919, and Governor since the latter date, submitted a letter to the Board of Directors, stating that he preferred not to be considered for reelection when his term expired.

The following directors were chosen in December to succeed those whose terms expired at the end of 1928:

For Parent Bank — John C. Martin, Class A, elected by member banks in Group 3; W. B. Plunkett, Class B, elected by member banks in Group 2, and Paul Dillard, Class C, appointed by 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;

For Louisville Branch — John T. Reynolds and W. P. Kinche-
loe, elected by the parent bank, and E. L. Swearingen, appointed by the Federal Reserve Board;

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

On December 31, 1928, the parent bank and its branches had a total of 542 officers and employees, of which 4 were temporary employees. At the end of the preceding year the personnel numbered 547 officers and employees, of which 6 were temporary employees.

A roster of the directors and officers of the parent bank and branches is given on page 3.

NEW BANK PREMISES

Early in the year the board of directors of the parent bank acquired property at Jefferson avenue and Third street, Memphis, for the erection of a building for the Memphis Branch of this bank. Construction work had made good progress by the end of the period, and it was expected that the building would be ready for occupancy early in the summer of 1929.

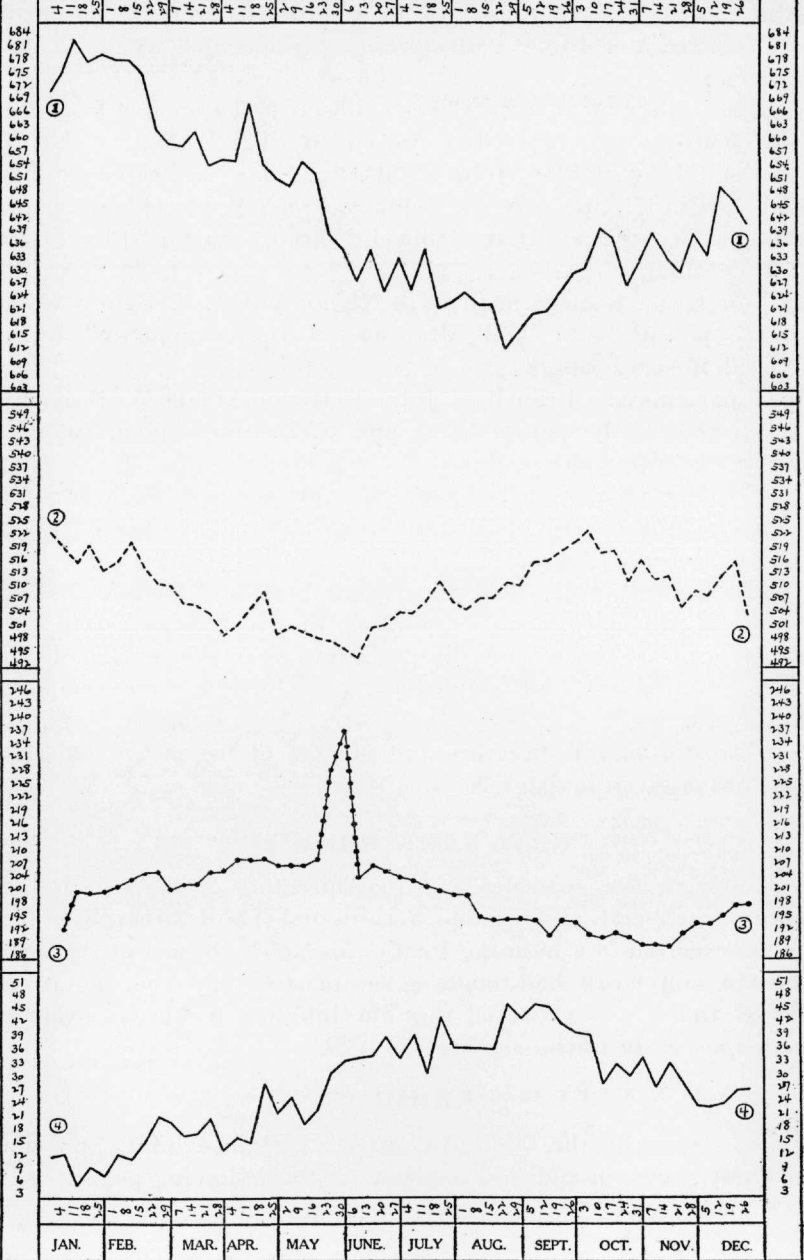
EXHIBITS

As shown by the table of contents, certain exhibits appear on the front pages, in addition to those on the following pages.

DEPOSITS, LOANS AND INVESTMENTS OF REPORTING MEMBER BANKS 1928

——— CURVE 1: Deposits.
 - - - - - " 2: Loans Including Bills Rediscounted with Federal Reserve Bank.
 —●— " 3: Investments.
 ——— " 4: Borrowings from Federal Reserve Bank.
 (AT CLOSE OF BUSINESS EACH WEDNESDAY)

| JAN. | FEB. | MAR. | APR. | MAY | JUNE | JULY | AUG. | SEPT. | OCT. | NOV. | DEC. |
|------|------|------|------|-----|------|------|------|-------|------|------|------|
|------|------|------|------|-----|------|------|------|-------|------|------|------|



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

| | 1928 | 1927 |
|---|--------------------|--------------------|
| EARNINGS | | |
| Discounted bills..... | \$1,928,302 | \$ 815,951 |
| Purchased bills..... | 206,700 | 331,302 |
| United States securities..... | 725,490 | 999,656 |
| Deficient reserve penalties..... | 15,023 | 16,189 |
| Miscellaneous..... | 26,410 | 64,981 |
| Total earnings..... | \$2,901,925 | \$2,228,079 |
| CURRENT EXPENSES | | |
| Salaries: | | |
| Bank officers..... | \$ 168,215 | \$ 169,300 |
| Clerical staff..... | 558,968 | 571,647 |
| Special officers and watchmen..... | 47,812 | 47,959 |
| All other..... | 83,202 | 76,889 |
| Governors' conferences..... | 400 | 409 |
| Federal reserve agents' conferences..... | 430 | 434 |
| Federal Advisory Council..... | 1,300 | 1,200 |
| Directors' meetings..... | 14,003 | 12,822 |
| *Traveling expenses..... | 21,849 | 26,969 |
| Assessments for Federal Reserve Board expenses..... | 29,622 | 33,335 |
| Legal fees..... | 2,187 | 479 |
| Insurance (other than on currency and security shipments)..... | 23,748 | 22,799 |
| Insurance on currency and security shipments..... | 14,132 | 14,130 |
| Taxes on banking house..... | 58,309 | 55,722 |
| Light, heat and power..... | 18,713 | 21,487 |
| Repairs and alterations, banking house..... | 9,363 | 10,706 |
| Rent..... | 19,337 | 19,474 |
| Office and other supplies..... | 20,021 | 18,019 |
| Printing and stationery..... | 27,678 | 21,079 |
| Telephone..... | 12,296 | 12,292 |
| Telegraph..... | 38,818 | 39,821 |
| Postage..... | 90,722 | 92,056 |
| Expressage..... | 13,976 | 13,852 |
| Miscellaneous expenses..... | 37,852 | 37,130 |
| Total, exclusive of cost of currency..... | \$1,312,953 | \$1,320,010 |
| Federal reserve currency, including shipping charges: | | |
| Original cost..... | 19,051 | 44,649 |
| Cost of redemption..... | 4,790 | 4,005 |
| Total current expenses..... | \$1,336,794 | \$1,368,664 |
| PROFIT AND LOSS ACCOUNT | | |
| Earnings..... | \$2,901,925 | \$2,228,079 |
| Current expenses..... | 1,336,794 | 1,368,664 |
| Current net earnings..... | \$1,565,131 | \$ 859,415 |
| Additions to current net earnings..... | \$ 90,022 | \$ 152,434 |
| Deductions from current net earnings: | | |
| Bank premises—depreciation..... | \$ 166,745 | \$ 166,745 |
| Furniture and equipment..... | 51,596 | 28,668 |
| Reserve for probable losses..... | | 40,000 |
| Loss on sale of United States securities..... | 399,772 | |
| Fund for self insurance..... | 250,000 | |
| All other..... | 1,881 | 755 |
| Total deductions..... | \$ 869,994 | \$ 236,168 |
| Net earnings available for dividends, surplus and franchise tax..... | \$ 785,159 | \$ 775,681 |
| Dividends paid..... | \$ 321,855 | \$ 317,727 |
| Transferred to surplus account..... | 423,011 | 457,954 |
| Franchise tax paid United States Government..... | 40,293 | |
| REIMBURSABLE FISCAL AGENCY EXPENSES | | |
| Salaries..... | \$ 10,200 | \$ 10,305 |
| All other..... | 3,581 | 2,811 |
| Total..... | \$ 13,781 | \$ 13,116 |

*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

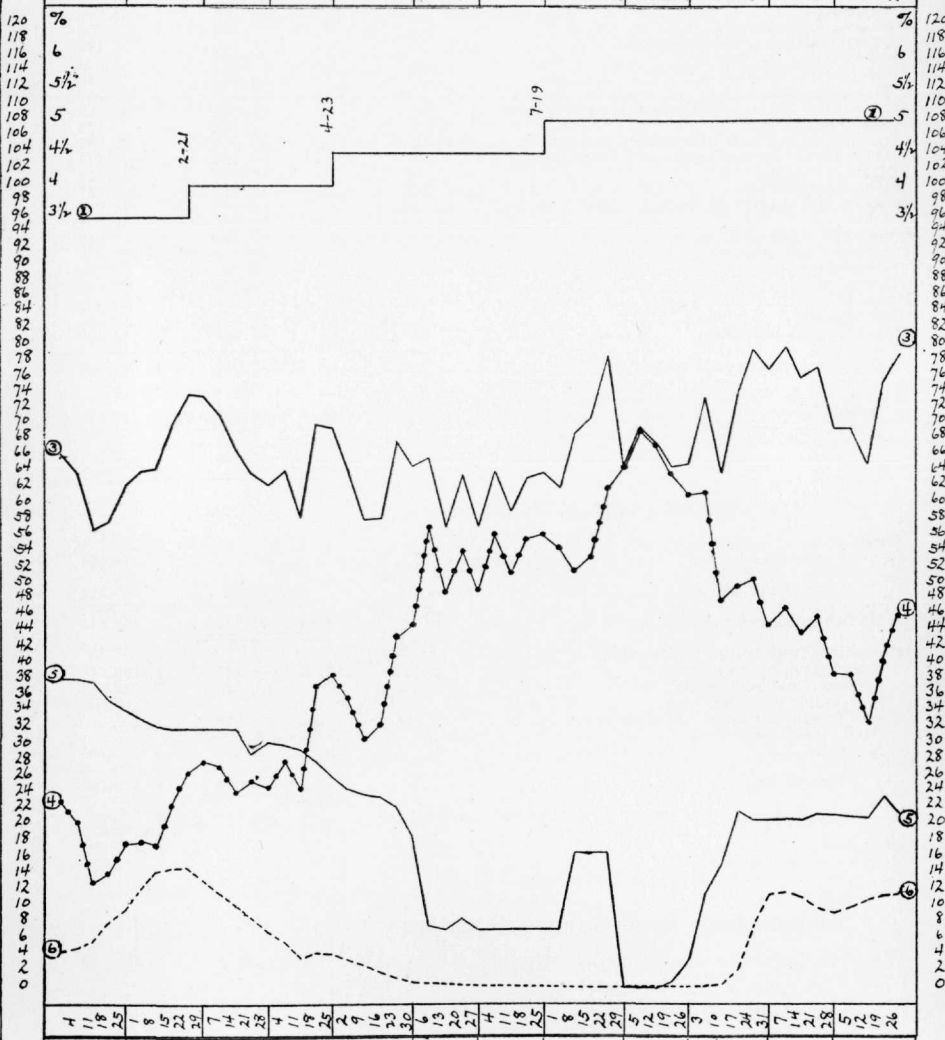
(INCLUDING BRANCHES)

1928

- CURVE 1: Discount Rate
- : 2: Total Earning Assets, Including Paper Rediscounted with or Sold to, and Excluding Paper Rediscounted for or Purchased from, Other Federal Reserve Banks
- : 3: Total Earning Assets Held
- • : 4: Bills Discounted Held
- • : 5: United States Securities Held
- - - : 6: Bills Bought Held

(AVERAGE FOR EACH WEEK)

| JAN. | | | FEB. | | | MAR. | | | APR. | | | MAY | | | JUNE | | | JULY | | | AUG. | | | SEPT. | | | OCT. | | | NOV. | | | DEC. | | |
|------|----|----|------|----|----|------|----|----|------|----|----|-----|----|----|------|----|----|------|----|----|------|----|----|-------|----|----|------|----|----|------|----|----|------|----|----|
| 4 | 11 | 18 | 7 | 8 | 15 | 7 | 14 | 21 | 4 | 11 | 18 | 2 | 9 | 16 | 6 | 13 | 20 | 4 | 11 | 18 | 8 | 15 | 22 | 5 | 12 | 19 | 10 | 17 | 24 | 7 | 14 | 21 | 5 | 12 | 19 |
| 25 | | | 22 | 29 | | 28 | | | 25 | | | 23 | 30 | | 27 | | | 25 | | | 27 | | | 26 | | | 26 | | | 28 | | | 29 | | |



| JAN. | | | FEB. | | | MAR. | | | APR. | | | MAY | | | JUNE | | | JULY | | | AUG. | | | SEPT. | | | OCT. | | | NOV. | | | DEC. | | |
|------|----|----|------|----|----|------|----|----|------|----|----|-----|----|----|------|----|----|------|----|----|------|----|----|-------|----|----|------|----|----|------|----|----|------|----|----|
| 7 | 11 | 18 | 1 | 8 | 15 | 7 | 14 | 21 | 4 | 11 | 18 | 2 | 9 | 16 | 6 | 13 | 20 | 4 | 11 | 18 | 6 | 13 | 20 | 5 | 12 | 19 | 10 | 17 | 24 | 7 | 14 | 21 | 5 | 12 | 19 |
| 25 | | | 22 | 29 | | 28 | | | 25 | | | 23 | 30 | | 27 | | | 25 | | | 27 | | | 26 | | | 26 | | | 28 | | | 29 | | |

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

| | *Dec. 31, 1928 | *Dec. 31, 1927 |
|---|----------------|----------------|
| RESOURCES | | |
| Gold with Federal reserve agent..... | \$ 29,986 | \$ 41,207 |
| Gold redemption fund with United States Treasury..... | 6,723 | 2,220 |
| Gold held exclusively against Federal Reserve notes..... | \$ 36,709 | 43,427 |
| Gold settlement fund with Federal Reserve Board..... | 32,258 | 18,134 |
| Gold and gold certificates held by bank..... | 8,959 | 11,891 |
| Total gold reserves..... | \$ 77,926 | \$ 73,452 |
| Reserves other than gold..... | 15,422 | 12,898 |
| Total reserves..... | 93,348 | 86,350 |
| Non-reserve cash..... | 3,573 | 4,252 |
| Bills discounted: | | |
| Secured by U. S. Government obligations..... | 20,468 | \$ 12,070 |
| Other bills discounted..... | 15,071 | 7,224 |
| For Federal Intermediate Credit Banks..... | | 123 |
| Total bills discounted..... | \$ 35,539 | \$ 19,417 |
| Bills bought in open market..... | 11,335 | 5,046 |
| U. S. Government securities: | | |
| Bonds..... | \$ 7,125 | \$ 18,869 |
| Treasury notes..... | 11,563 | 7,432 |
| Certificates of indebtedness..... | 2,355 | 11,862 |
| Total U. S. Government securities..... | \$ 21,043 | \$ 38,163 |
| Total bills and securities..... | \$ 67,917 | \$ 62,626 |
| Due from foreign banks..... | 31 | 21 |
| Uncollected items..... | \$ 28,782 | \$ 40,038 |
| Bank premises..... | 3,812 | 3,791 |
| All other resources..... | 433 | 723 |
| Total resources..... | \$197,896 | \$197,801 |
| LIABILITIES | | |
| Federal Reserve notes in actual circulation..... | \$ 64,463 | \$ 56,666 |
| Deposits: | | |
| Member bank—reserve account..... | \$ 83,560 | \$ 89,862 |
| Government..... | 1,118 | 1,062 |
| Foreign bank..... | 280 | 199 |
| Other deposits..... | 596 | 419 |
| Total deposits..... | \$ 85,554 | \$ 91,542 |
| Deferred availability items..... | \$ 30,583 | \$ 33,286 |
| Capital paid in..... | 5,408 | 5,342 |
| Surplus..... | 10,820 | 10,397 |
| All other liabilities..... | 1,068 | 568 |
| Total liabilities..... | \$197,896 | \$197,801 |
| Ratio of total reserves to deposit and Federal Reserve note liabilities combined (per cent)..... | 62.2 | 58.3 |
| Contingent liability on bills purchased for foreign correspondents | \$ 13,890 | \$ 9,837 |

*In thousands—000 omitted.

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.