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ANNUAL REPORT
OF THE
FEDERAL RESERVE BANK
OF ST. LOUIS



FOR THE YEAR ENDED DECEMBER 31, 1935

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LETTER OF TRANSMITTAL

FEDERAL RESERVE BANK OF ST. LOUIS

St. Louis, February 28, 1936.

*Board of Governors of the
Federal Reserve System,
Washington, D. C.*

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, 1935.

Respectfully,

JOHN S. WOOD,

*Chairman of the Board and
Federal Reserve Agent.*

Note.— This report also furnished to member banks, libraries and others.

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**VOLUME OF MAJOR OPERATIONS OF
FEDERAL RESERVE BANK OF ST. LOUIS
INCLUDING ITS BRANCHES
During 1935**

	Pieces Handled	Aggregate Amounts
Checks (cash items) handled.....	49,274,000	\$10,693,371,000
Collections (noncash items) handled:		
U. S. Govt. coupons paid.....	1,384,000	21,300,000
Other collection items.....	363,000	456,378,000
Transfers of funds.....	59,000	2,957,092,000
Paper currency received and counted....	114,755,000	435,460,000
Coin received and counted.....	107,870,000	12,126,000
Federal Reserve notes issued by Federal Reserve Agent to bank.....	8,390,675	93,050,000
Rediscounts, advances and commitments.....	242	6,674,000
New issues, redemptions, and exchanges, as fiscal agent:		
U. S. obligations—for Treas. Dept....	467,000	752,267,000
Other securities—for Farm Credit Administration and H. O. L. C.....	188,000	124,191,000
Collateral to Government deposits re- ceived for custody	6,000	82,967,000
Coupons clipped from securities in custody.....	166,000
Bills and securities held in custody December 31:		
For United States Treasury.....	304,305,000
For Reconstruction Finance Corp.....	275,346,000
For other Govt. departments, agencies and officials.....	18,027,000
For member banks.....	151,970,000

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

BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

Industry and Trade.—Throughout its entire duration, the year 1935 in this area was marked by somewhat irregular but substantial expansion in general business. The betterment extended to virtually all phases of activity and, in greater or lesser degree, to all sections of the district. Accompanying increased volume and profits in the several commercial and industrial categories was noticeable improvement in sentiment and morale among the business community and public at large. Reflecting greater confidence in the financial and business structure, more of a disposition was evidenced on the part of manufacturers, merchants and ultimate consumers to fill their requirements for commodities.

The volume of industrial production was measurably larger than in 1934, and in a number of important classifications, exceeded that of any year since 1930. The average of factory employment and payrolls was above that of 1934. Consumption of electric power for industrial purposes in the principal cities was more than 12 per cent greater than in the preceding year. Output of bituminous coal, lead and zinc considerably exceeded that of 1934.

There was a notable expansion in distribution of commodities during 1935 as contrasted with a year and two years earlier. Wholesale trade, as reflected by combined sales of the reporting firms in lines investigated by this bank, was 2 per cent greater in 1935 than in 1934. The volume of department store sales in the principal cities increased 1.3 per cent from 1934. Stimulated by higher agricultural income, retail trade in the rural sections developed well defined upward trends.

The volume of freight transported by railroads increased approximately 9 per cent over the preceding year. Water-borne traffic on the Mississippi River and its tributaries exceeded that of 1934 by 37 per cent and was the heaviest in recent years.

While still appreciably below the average of the ten or twelve years preceding the depression, building and construction sustained a marked revival in 1935. Postal receipts in the chief cities were 6 per cent larger in 1935 than a year earlier. Collections during the year were maintained at a high level of efficiency.

Agriculture.— Taken as a whole, weather and other influencing factors during 1935 were auspicious for agriculture. The economic condition of the farming community continued to improve, this improvement being reflected in further substantial reduction of indebtedness and expansion in sales of farm implements and other typical merchandise consumed in the rural areas. Acreage of the principal crops varied in minor degree only as contrasted with the preceding year. However, total production was greater, which fact, coupled with the high level of prices, larger returns from livestock, livestock products, rental and benefit payments from the Agricultural Adjustment Administration, brought farm income measurably above that of the preceding several years.

The U. S. Department of Agriculture in its report as of December 1, estimated total farm value of sixty-four principal crops in states including the Eighth District at \$1,001,927,000, an increase of 3.4 per cent over a year earlier, and 29.2 per cent above the 4-year (1931-1934) average. Price trends of most commodities on farms were upward, and at the end of the year the farm products group of the U. S. Bureau of Labor Statistics index was 78.4 per cent of the 1926 average, against 72.6 per cent and 56.0 per cent, respectively, a year and two years earlier. Demand for and prices of farm lands continued the upward movement which began in 1934. Influencing this improvement were betterment in prices of farm products, lower interest rates on farm mortgages, and operating capital, also expansion in farm income and population.

Banking.— Deposits of commercial banking institutions increased considerably during 1935. Bank reserves also moved sharply upward into new high territory, and there was an appreciable expansion in investments, occasioned chiefly by heavy acquisitions of United States Government securities. Influenced by improved business, cheap rates and high banking reserves, industrial and commercial loans of member banks moved moderately upward, particularly during the final quarter of the year. However, the year was characterized by relatively scant demand for credit, and interest rates continued at low levels.

Credit extended by the Federal Reserve bank to its member banks remained practically unchanged during 1935 and was in smaller volume than at any time since the early days of the System. A moderate increase was recorded in direct loans to industry and in commitments by this bank.

Movements in the principal assets and liabilities of the reporting member banks and the Federal Reserve Bank during the year are indicated by charts on pages 16 and 18.

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

FINANCIAL RESULTS

Income and Expenditures.—Gross earnings in 1935 were \$1,850,595, as compared with \$1,824,453 for the preceding year. Current expenses aggregated \$1,564,938, against \$1,455,534 in 1934.

After payment of dividends, allowances for depreciation, etc., there resulted a deficit of \$899 for the year, which amount was transferred from surplus. In 1934 the sum of \$101,013 was withdrawn from surplus.

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

Assets and Liabilities.—Total resources on the final day of 1935 were \$383,051,000, which compares with \$323,203,000 on December 31, 1934.

Between December 31, 1934, and at the same date in 1935, holdings of paper discounted increased from \$3,000 to \$18,000. Bills purchased in the open market receded from \$116,000 to \$87,000 and industrial advances from \$419,000 to \$392,000. There was an increase from \$93,200,000 to \$108,200,000 in investments of United States Government securities and from \$206,277,000 to \$244,920,000 in total reserves. Commitments to make industrial advances increased from \$1,212,000 to \$2,256,000.

In the liabilities column, there was an increase from \$142,880,000 to \$163,304,000 in Federal Reserve notes in circulation. Total deposits rose from \$151,150,000 to \$183,761,000. Paid in capital decreased from \$4,088,000 to \$3,757,000, while the surplus provided under Section 7 of the Federal Reserve Act remained stationary at \$4,655,000 and the surplus arising from Section 13b increased from \$382,000 to \$546,000.

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.—Ratio of total reserves to combined Federal Reserve note and deposit liabilities on December 31, 1935, was

70.6 per cent, which compares with 70.2 per cent on the same date in 1934. The maximum for the year was 72.3 per cent, recorded on January 15, and the low point, 60.6 per cent, was reached on May 20.

VOLUME OF OPERATIONS

Rediscounts, Advances and Commitments.— Since passage on June 19, 1934, of Section 13b, authorizing the Reserve banks to aid in providing working capital to established industrial or commercial businesses, every possible effort has been made to acquaint banks and business interests of the district with the facilities afforded under this section.

On June 30, 1934, member and nonmember banks and Chambers of Commerce were circularized, and later statements were given to the press, conferences with bankers were held, additional circulars were sent out and our field representative discussed the matter with officials of banks that he visited. In a general way the same methods for disseminating information were practiced during 1935, but on a somewhat broader and more intensive scale. During the months April through September, a display article regarding industrial loans and commitments was published on the front page of this bank's Monthly Review of Conditions, which is mailed to approximately 6,000 bankers, manufacturers, wholesalers, retailers, newspapers, trade publications, etc.

All applications received were carefully considered, and every effort was made to grant accommodations requested wherever it appeared possible to do so on a sound basis under the law. Total applications for credit accommodations during the year numbered 704, of which 631 were under Section 13b. In 1934 there were 718 applications, of which 275 were under Section 13b.

The following comparative table gives the number and amount of notes in the several classifications actually discounted or purchased, also commitments executed:

	No. of Items		Aggregate Amounts	
	1935	1934	1935	1934
Commitments under Section 13b.....	112	38	\$4,423,000	\$ 1,349,000
Obligations acquired under Sec. 13b..	57	144	290,000	474,000
Notes rediscounted and collateral notes discounted under other sections....	73	443	1,961,000	15,507,000
Totals.....	242	625	6,674,000	17,330,000

Rates. — Effective January 3, the discount rate of this bank was reduced from 2½ to 2 per cent for accommodations to member banks under Section 13 and 13a of the Federal Reserve Act. As of February 23, the rate charged on direct advances to individuals,

firms, corporations and nonmember banks secured by direct United States Government obligations was lowered from $4\frac{1}{2}$ to 4 per cent.

To March 3, $4\frac{1}{2}$ per cent was the rate on advances to member banks on their promissory notes under Section 10b, when this provision expired. A section of the Banking Act of 1935, passed on August 23, provided for the reinstatement of Section 10b, and on October 3, a rate of $2\frac{1}{2}$ per cent was established by this bank.

On December 31, 1935, the rates in effect at this bank were as follows :

- 2% per annum for rediscounts and advances to member banks, under Sections 13 and 13a.
- $2\frac{1}{2}$ % per annum for advances to member banks, under Section 10b.
- $4\frac{1}{2}$ % per annum for rediscounts, purchases and advances to member banks (including nonmember banks and other financing institutions), under Section 13b.
- $\frac{1}{2}$ % flat for commitments not exceeding six months to member banks (including nonmember banks and other financing institutions), to rediscount, purchase or make advances, under Section 13b.
- $5\frac{1}{2}$ % per annum for advances to established industrial or commercial businesses, under Section 13b.
- 4% per annum for advances to individuals, firms or corporations (including nonmember banks), secured by direct obligations of the United States, under Section 13.
- $5\frac{1}{2}$ % per annum for advances to individuals, partnerships and corporations (excluding nonmember banks), under Section 13.

Investments. — On December 31, this bank's holdings of United States Government securities totaled \$108,200,000, mainly representing securities allotted from the Federal Reserve System's special investment account.

No bills were purchased in the open market or from other Federal Reserve banks for our own account in 1935. However, this bank participated with the Federal Reserve Bank of New York in bills of foreign banks, payable in foreign currencies, purchased for the System account during the year. Such participation at end of the year amounted to \$87,000.

Chiefly as an accommodation to its member banks, this institution purchased or sold obligations of the United States and its agencies numbering 5,340, with value of \$25,872,000, which compares with 7,300 securities, representing \$42,136,000 in 1934.

Currency. — Requirements for currency during 1935 were active, particularly in the final quarter when the large volume of holiday trade had a stimulating effect on demand from all sections

of the district. The total amount of paper money and coin handled was appreciably larger than during the preceding year.

From all sources in 1935, there were received and counted 114,755,000 pieces of paper currency, having an aggregate value of \$435,460,000. This compares with 111,701,000 pieces, with total face value of \$422,218,000, in 1934.

Coins to the number of 107,870,000, worth \$12,126,000, were taken in and counted, against 106,248,000, with value of \$13,226,000, received and counted during the preceding twelve months.

Note Circulation.— In 1935 the Federal Reserve Agent issued to the Federal Reserve Bank of St. Louis \$93,050,000 of Federal Reserve notes, as compared with \$70,222,150 in 1934.

The Federal Reserve Bank returned \$13,695,000 of fit notes and the Treasurer of the United States redeemed \$54,900,565 of unfit notes.

On December 31, 1935, Federal Reserve notes outstanding on the books of the Federal Reserve Agent amounted to \$171,816,105 of which 2 per cent was old size currency. These outstanding notes were secured by the following collateral pledged with the Agent: \$7,500 eligible paper, \$3,000,000 United States Government Securities, and \$169,632,130 gold certificates due from United States Treasury.

The parent bank and branches held \$7,634,340 of the notes outstanding, \$878,500 were in transit to Washington for redemption, and \$163,303,265 were in actual circulation.

No Federal Reserve bank notes were issued by the Federal Reserve Agent to the Federal Reserve Bank of St. Louis during 1935, as compared with \$3,960,000 issued in 1934. There were \$3,115,050 of such notes outstanding on December 31, 1935, on which this bank had extinguished its liability by depositing lawful money with the United States Treasurer for their retirement.

Cash Items.— Reflecting the marked improvement in trade and industry in this district and through the country generally, the volume of work performed by Transit Department in 1935 was in appreciably heavier volume than during the preceding several years. Checks and warrants handled numbered 49,274,000, amounting to \$10,693,371,000, which contrasts with 45,695,000 cash items, amounting to \$9,100,205,000, in 1934.

The number of individual member banks using the clearing facilities in 1935 was 369, a decrease of 12 as compared with a year earlier. The number of banks granted the privilege of direct routing of checks payable in other Federal Reserve districts was 36, the

same as in 1934. Nonmember banks maintaining clearing accounts with this Bank decreased from 95 to 91 during the year.

On the final business day of 1935, the Federal Reserve Bank of St. Louis, was collecting checks at par on 1,278 banks in this district, approximately 77 per cent of all active banks in the territory.

Noncash Items.— There was a moderate decline in the number, but a substantial gain in the amount, of noncash items handled in 1935 as compared with the year before. The number of such items was 363,000 amounting to \$456,378,000, against 415,000, amounting to \$377,385,000, in 1934. Included in these items were notes, drafts, coupons other than Government, etc.

In addition, 896,000 coupons from direct United States Government obligations, with aggregate value of \$15,926,000, were paid, against 1,188,000 such items, aggregating \$19,390,000, in 1934. Coupons from issues of Government agencies numbered 488,000, with value of \$5,374,000.

At the end of 1935 there were 90 member banks which had been accorded the privilege of routing noncash items direct to other Federal Reserve banks and branches, an increase of six over the preceding year.

Transfers of Funds.— During the course of 1935 this institution effected a total of 59,000 incoming and outgoing wire and mail transfers of funds amounting to \$2,957,092,000, which compares with 59,000 transfers, involving \$2,674,389,000, in 1934.

Safekeeping.—As during preceding years, the custody department of this institution continued to perform a valuable and appreciated service for its member banks in the form of safekeeping of notes, bonds and other securities, besides clipping coupons from bonds held and accounting for their proceeds.

During the course of the year the department cut 166,000 coupons, an increase of 43,000 over the number handled in 1934. Securities received as collateral to War Loan Deposit Account, numbering 6,072 and having a total value of \$82,967,000, were received by this department.

Unpledged bills and securities of member banks in the aggregate amount of \$131,620,000 were held in custody as of December 31, 1935. Member banks' securities pledged to secure public deposits amounted to \$20,350,000 on that date.

In addition, at close of the year this bank also held in custody the following bills and securities: For United States Treasury \$304,305,000; for Reconstruction Finance Corporation \$275,346,000;

and for other Government departments, agencies and officials \$18,027,000.

Fiscal Agency. — In the performance of its duties as fiscal agent for the United States Government this bank, in issuing, redeeming and exchanging Government securities, handled 467,000 pieces, amounting to \$752,267,000. In 1934 there were 305,000 securities handled, aggregating \$666,236,000.

This bank also acted in a similar capacity for the Farm Credit Administration and the Home Owners' Loan Corporation, for which agencies in 1935 it handled 188,000 securities, with a total value of \$124,191,000, against 307,000 pieces, amounting to \$150,589,000, during the preceding twelve months.

For the Reconstruction Finance Corporation this bank made disbursements, collected funds, and held in custody notes and securities; also purchased and sold securities and acted as agent in the issue and redemption of the Corporation's notes. Other activities of considerable volume resulted from advances made on corn and cotton by the Commodity Credit Corporation.

This bank also performed services for the Federal Emergency Administration of Public Works. In August this bank began to pay Work Relief checks issued under the Emergency Relief Appropriation Act of 1935.

At the close of 1935 there were 138 banks in the district which had qualified to receive deposits arising from the sale of Government securities, against 135 banks at the end of the preceding year. The amount of Government funds in these institutions was \$13,342,988 against \$38,622,290 at the end of 1934. This institution held the collateral pledged as security for deposits and performed other duties incident to the deposit and withdrawal of funds.

Interdistrict Settlement Fund. — As in previous years, the settlement fund, maintained by the Federal Reserve banks at Washington, D. C., served as an expeditious and efficient medium for settling check clearings between the Reserve banks, the transfers of funds between districts, and transfers for the United States Treasury.

Receipts in 1935 from the Federal Reserve banks and other sources were \$4,689,000 in excess of disbursements, resulting in a balance as of December 31, 1935, of \$56,489,000.

RELATIONS WITH BANKS

Membership. — On January 1, 1935, the membership of the Federal Reserve Bank of St. Louis was 397, consisting of 324 national banks and 73 State banks and trust companies.

During the year three national banks were chartered and seven surrendered their memberships because of liquidations, causing a net decrease of 4, or a total of 320 on December 31, 1935.

The memberships of three State banks were terminated during the year through conversion and voluntary surrender of membership, leaving a total of 70 on December 31, 1935.

Examinations and Reports. — Examinations were made of all the State member banks jointly by examiners for the Federal Reserve bank and State examiners. The total number of examinations was 71.

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 4, June 29, November 1, and December 31, 1935.

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 and analyzed. Certain data were compiled from them for use by the Board of Governors, this bank, or State banking departments.

Applications. — Fiduciary powers were granted to four national banks in this district by the Board of Governors in 1935.

Applications of 26 individuals to serve banks coming within the prohibitions of the Clayton Act were received. No applications of securities dealers to serve member banks under Section 32 of the Banking Act of 1933 were filed.

Inasmuch as the Board authorized, by blanket permit, correspondent relationships under Section 32 between member banks and dealers in securities in connection with underwriting and dealing in those securities exempted from the restrictions contained in Section 5136 of the Revised Statutes, no applications for permits to perform correspondent functions were filed.

Two limited voting permits and two general voting permits were issued to holding company affiliates during the year.

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

Securities Exchange Act. — During the year, ten nonmember banks qualified to lend to securities dealers and brokers under the Securities Exchange Act of 1934.

The Board of Governors has taken action, in accordance with Section 17b of the Securities Exchange Act of 1934, to require monthly reports to enable the Board to perform the functions con-

ferred upon it by that Act, from all member firms of national securities exchanges who are extending credit.

In this district, the reporting requirement became effective September 30, 1935, for member firms of the New York Stock Exchange and of the New York Curb Exchange, and October 31, 1935, for member firms of the St. Louis Stock Exchange, having their principal offices in this district.

The thirty-three member firms in this district who were requested to file monthly reports, in general, responded in a gratifying manner.

Publications. — The “Monthly Review of Business, Financial and Agricultural Conditions in the Eighth District”, prepared by the Statistical Division, had an average monthly circulation of 6,062, an increase of approximately 8 per cent over the preceding year. The “National Summary”, prepared by the Board of Governors was regularly carried in the Review.

The bank’s library responded to numerous requests for the booklet, “The Federal Reserve System”, as well as other information on banking, financial, and general topics.

Other Services. — This institution furnished gratuitously to member banks forms for obtaining financial statements from prospective borrowers, drafts for drawing on their reserve balances, forms for calculating reserve position, etc.

Costs in connection with various services for member banks, notably collection of items, shipments of currency, transfers of funds, and safekeeping of securities, as in the past, were absorbed by this bank.

Visits. — Periodical visits to member banks, and to nonmember banks in communities where member banks are located, were made by the field representative of this institution.

Representatives of this bank attended annual conventions and group meetings of bankers’ associations of the States included in the Eighth District.

Officers responded to a number of requests to address gatherings of bankers, business men, etc.

Bankers, students, business men, and others interested were conducted through the buildings of the parent bank and branches.

INTERNAL ORGANIZATION

Conferences. — Officers of the parent bank and branches held periodical conferences at the head office, and visits were made by officers and directors of the parent bank to the branches.

The directors of the parent bank held their board meetings at the Louisville Branch on September 18, at the Little Rock Branch on October 16, and at the Memphis Branch on November 20. Conferences with the branch officers and directors followed the board meetings. J. J. Thomas and George R. James, of the Board of Governors, attended the Little Rock and Memphis meetings, respectively.

On October 8 Chairman Eccles, of the Board of Governors, visited this institution and addressed a luncheon meeting in the bank of representatives of banks in this metropolitan area. M. S. Szymczak, member, and L. P. Bethea, Assistant Secretary, of the Board, also visited this bank during the year.

The periodical examination of the Federal Reserve Bank of St. Louis and its branches was made by examiners of the Board of Governors as of September 21, 1935.

Personnel. — J. B. Hill was appointed a director of the Louisville Branch by the Board of Governors in January, to fill the unexpired term of W. R. Cole, deceased.

The following directors were selected to succeed those whose terms expired at the end of 1935:

For the Parent Bank: John G. Lonsdale, elected by member banks in Group 1, as a Class A director; M. P. Sturdivant, elected by Group 3 banks as a Class B director, and John R. Stanley, appointed a Class C director by the Board of Governors.

For Louisville Branch.—Wm. R. Cobb and John T. Moore, elected by the parent bank, and J. B. Hill, appointed by the Board of Governors.

For Memphis Branch.—Willis Pope and W. H. Glasgow, elected by the parent bank.

For Little Rock Branch.—A. F. Bailey, elected by the parent bank.

On December 31, 1935, the parent bank and its branches had a total of 761 officers and employees, of which a number were temporary employees. At the end of 1934 the personnel numbered 717.

A roster of officers and directors of this bank, as well as members of the Federal 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.

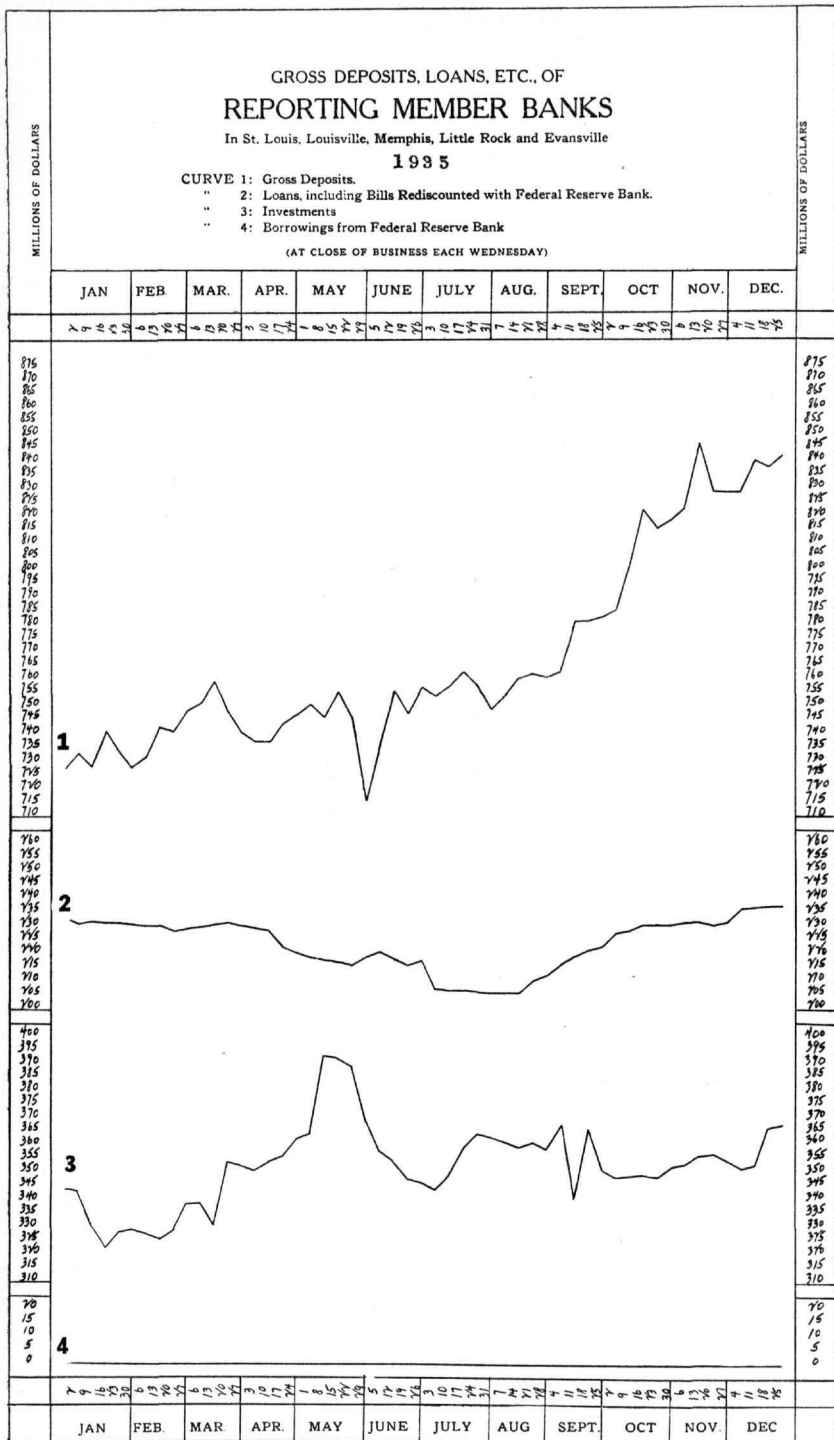
GROSS DEPOSITS, LOANS, ETC., OF REPORTING MEMBER BANKS

In St. Louis, Louisville, Memphis, Little Rock and Evansville

1935

- CURVE 1: Gross Deposits.
 " 2: Loans, including Bills Rediscounted with Federal Reserve Bank.
 " 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).**

	Dec. 31, 1935	Dec. 31, 1934
EARNINGS		
Discounted bills.....	\$ 992	\$ 12,520
Purchased bills.....	734	4,762
Industrial advances.....	25,016	5,846
United States Government securities.....	1,728,739	1,741,855
Commitments to make industrial advances.....	20,623	3,031
Deficient reserve penalties.....	543	699
Miscellaneous.....	73,948	55,740
Total earnings.....	1,850,595	1,824,453
CURRENT EXPENSES		
Salaries: Officers.....	165,661	167,302
Clerical employees.....	535,254	556,140
Other employees.....	168,630	158,890
Contributions—Retirement system.....	187,920	72,769
Governor's conferences.....	506	415
F. R. agents' conferences.....	—	629
Federal Advisory Council.....	1,350	1,350
Directors' meetings.....	13,460	13,406
Industrial Advisory Committee Members.....	621	1,085
Traveling expenses.....	8,642	12,348
Assessments for Federal Reserve Board's expenses.....	42,120	44,001
Legal fees.....	31	818
Insurance on currency and security shipments.....	5,070	5,901
Other insurance.....	21,783	25,241
Taxes on banking house.....	52,936	53,333
Light, heat, power and water.....	22,487	23,517
Repairs and alterations, banking house.....	7,855	9,015
Rent.....	3,000	3,000
Office and other supplies.....	16,117	13,865
Printing and stationery.....	20,640	29,254
Telephone.....	11,948	14,066
Telegraph.....	26,377	29,261
Postage.....	88,879	105,380
Expressage.....	18,186	13,862
Miscellaneous.....	37,282	40,920
Total, exclusive of cost of currency.....	1,456,755	1,395,768
Federal Reserve currency:		
Original cost, including shipping charges.....	97,754	37,777
Cost of redemption including shipping charges.....	10,429	8,962
Taxes on Federal Reserve bank note circulation.....	—	13,027
Total current expenses.....	1,564,938	1,455,534
PROFIT AND LOSS ACCOUNT		
Earnings.....	1,850,595	1,824,453
Current expenses.....	1,564,938	1,455,534
Current net earnings.....	285,657	368,919
Additions to current net earnings:		
Profit on U. S. Government securities sold.....	244,755	308,050
Foreign Exchange profit.....	6,635	20,774
All other.....	7,185	11,776
Total additions.....	258,575	340,600
Deductions from current net earnings:		
Bank premises—depreciation.....	176,917	498,714
Furniture and equipment.....	20,833	27,128
Reserve for losses.....	79,337	42,857
Assessment for building for Board of Governors.....	30,485	—
All other.....	1,372	824
Total deductions.....	308,944	569,523
Net earnings available for dividends and surplus.....	235,288	139,996
Dividends paid.....	236,187	241,009
Withdrawn from surplus account (Section 13b).....	899	47
Withdrawn from surplus account (Section 7).....	—	100,966
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.....	56,815	43,384
Reconstruction Finance Corporation.....	219,139	182,092
Other U. S. Government agencies.....	60,935	67,649
Totals.....	336,889	293,125

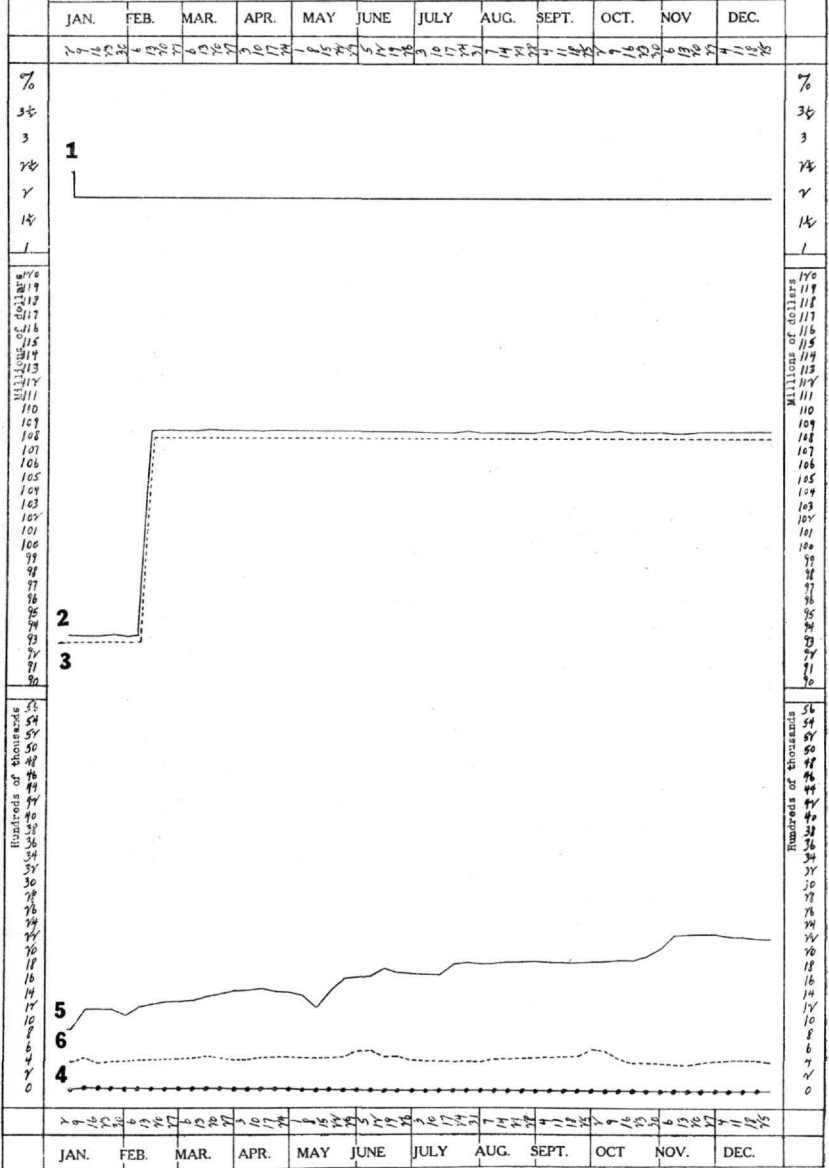
DISCOUNTS AND INVESTMENTS FEDERAL RESERVE BANK OF ST. LOUIS

(INCLUDING BRANCHES AT LITTLE ROCK, LOUISVILLE AND MEMPHIS)

DURING YEAR 1935

- CURVE 1: Discount Rate (on members' collateral notes and rediscounts under Sections 13 and 13a)
 " 2: Total Earning Assets Held
 " 3: United States Securities Held
 " 4: Bills Bought Held (including participations in investments through foreign banks)
 " 5: Industrial Commitments under Section 13b
 " 6: Rediscounts, Collateral Notes, Industrial Advances, etc., Held

(AVERAGE FOR EACH WEEK)



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

(In thousands of dollars)

	Dec. 31, 1935	Dec. 31, 1934
ASSETS		
Gold certificates on hand and due from U. S. Treasury.....	\$226,121	\$193,736
Redemption fund—Federal Reserve notes.....	799	614
Other cash.....	18,000	11,927
Total reserves.....	244,920	206,277
Bills discounted:		
Secured by U. S. Government obligations, direct and/or fully guaranteed.....	3	3
Other bills discounted.....	15	—
Total bills discounted.....	18	3
Bills bought in open market.....	87	116
Industrial advances.....	392	419
U. S. Government securities:		
Bonds.....	9,420	13,797
Treasury notes.....	74,346	58,359
Treasury bills.....	24,434	21,044
Total U. S. Government securities.....	108,200	93,200
Total bills and securities.....	108,697	93,738
Due from foreign banks.....	4	9
Federal Reserve notes of other banks.....	2,027	1,901
Uncollected items.....	24,737	18,455
Bank premises.....	2,451	2,629
All other assets.....	215	194
TOTAL ASSETS.....	383,051	323,203
LIABILITIES		
Federal Reserve notes in actual circulation.....	163,304	142,880
Deposits:		
Member banks—reserve account.....	159,725	129,419
United States Treasurer—general account.....	14,517	11,728
Foreign banks.....	873	633
Other deposits.....	8,646	9,370
Total deposits.....	183,761	151,150
Deferred availability items.....	25,903	18,988
Capital paid in.....	3,757	4,088
Surplus (Section 7).....	4,655	4,655
Surplus (Section 13b).....	546	382
Reserves for contingencies.....	970	893
All other liabilities.....	155	167
TOTAL LIABILITIES.....	383,051	323,203
Ratio of total reserves to deposit and Federal Reserve note liabilities combined.....	70.6%	70.2%
Contingent liability on bills purchased for foreign correspondents.....	—	21
Commitments to make industrial advances.....	2,256	1,212

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 Board of Governors, Washington, D. C.

FEDERAL RESERVE BANK OF ST. LOUIS

DIRECTORS

CLASS C

JOHN S. WOOD, Chairman of the Board, St. Louis.
PAUL DILLARD, Deputy Chairman, Memphis, Tenn.
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,
President.
OLIN M. ATTEBERY,
First Vice-President.
J. G. McCONKEY,
Vice-President and
General Counsel.
A. H. HALL,
S. F. GILMORE,
F. N. HALL,
G. O. HOLLOCHER,
O. C. PHILLIPS,
Controllers.

LOUISVILLE BRANCH

DIRECTORS

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

OFFICERS

JOHN T. MOORE,
Managing Director.
C. A. SCHACHT,
Cashier.
STANLEY B. JENKS,
Assistant Cashier.

MEMPHIS BRANCH

DIRECTORS

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

OFFICERS

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

LITTLE ROCK BRANCH

DIRECTORS

F. K. DARRAGH, Chairman, Little Rock, Ark.
A. F. BAILEY, Little Rock, Ark.
W. A. HICKS, Little Rock, Ark.
JO NICHOL, Pine Bluff, Ark.

OFFICERS

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

FEDERAL ADVISORY COUNCIL MEMBER

WALTER W. SMITH, St. Louis.

INDUSTRIAL ADVISORY COMMITTEE

WM. K. NORRIS, Chairman, St. Louis.
JACOB VAN DYKE, Vice-Chairman, St. Louis.
MAURICE WEIL, St. Louis.

HENRY S. GRAY, Louisville, Ky.
M. E. FINCH, Memphis, Tenn.
L. J. BUB, Secretary.

March 20, 1936.