

# FEDERAL RESERVE BANK OF ST. LOUIS



**REPORT TO STOCKHOLDERS  
FOR THE YEAR ENDED DECEMBER 31, 1938**



# FEDERAL RESERVE BANK OF ST. LOUIS

January 31, 1939.

*To the Stockholders of the  
Federal Reserve Bank of St. Louis:*

There are furnished herein the following statements of the Federal Reserve Bank of St. Louis, including its Louisville, Memphis, and Little Rock Branches:

(1) Assets, liabilities and capital accounts as of December 31, 1938 and 1937;

(2) Earnings, expenses, and distribution of net earnings, for the years 1938 and 1937;

(3) Volume of major operations during 1938; membership and personnel at end of the year;

(4) Directors, officers, Federal Advisory Council member, and Industrial Advisory Committee.

Statistics pertaining to this bank and the member banks will also be found in the annual report of the Board of Governors of the Federal Reserve System, Washington, D. C.

Yours very truly,

WILLIAM McC. MARTIN,

*President.*

# COMPARATIVE STATEMENT OF CONDITION

## ASSETS

	Dec. 31, 1938	Dec. 31, 1937
Gold certificates on hand and due from U. S. Treasury.....	\$316,830,240	\$282,454,813
Redemption fund—Federal Reserve notes.....	843,150	791,613
Other cash .....	19,633,613	16,105,348
<b>Total reserves .....</b>	<b>337,307,003</b>	<b>299,351,774</b>
<b>Bills discounted:</b>		
Secured by U. S. Government obligations, direct or fully guaranteed.....		22,000
Other bills discounted.....	45,000	625
<b>Total bills discounted.....</b>	<b>45,000</b>	<b>22,625</b>
Bills bought in open market.....	2,482	2,482
Industrial advances .....	20,572	236,876
<b>U. S. Government securities:</b>		
Bonds .....	35,023,000	32,969,000
Treasury notes .....	48,186,500	50,669,500
Treasury bills .....	23,581,000	28,844,000
<b>Total U. S. Government securities.....</b>	<b>106,790,500</b>	<b>112,482,500</b>
<b>Total bills and securities.....</b>	<b>106,858,554</b>	<b>112,744,483</b>
Due from foreign banks.....	2,599	2,591
Federal Reserve notes of other banks.....	2,931,950	1,973,160
Uncollected items .....	29,838,016	28,770,847
Bank premises (net).....	2,291,885	2,340,904
Other assets .....	1,678,404	1,369,058
<b>Total assets .....</b>	<b>480,908,411</b>	<b>446,552,817</b>

## LIABILITIES

Federal Reserve notes in actual circulation.....	183,130,155	182,087,885
<b>Deposits:</b>		
Member bank—reserve account.....	209,542,949	204,984,009
United States Treasurer—general account.....	35,354,975	8,779,133
Foreign bank .....	5,983,252	5,204,607
Other deposits .....	5,093,398	5,818,492
<b>Total deposits .....</b>	<b>255,974,574</b>	<b>224,786,241</b>
Deferred availability items.....	31,361,064	29,282,495
Other liabilities .....	51,331	101,632
<b>Total liabilities .....</b>	<b>470,517,124</b>	<b>436,258,253</b>

## CAPITAL ACCOUNTS

Capital paid in.....	3,945,900	3,867,500
Surplus (Section 7).....	4,685,499	4,667,176
Surplus (Section 13b).....	545,151	545,151
Other capital accounts.....	1,214,737	1,214,737
<b>Total liabilities and capital accounts.....</b>	<b>480,908,411</b>	<b>446,552,817</b>
Contingent liability on bills purchased for foreign correspondents .....	2,278	50,893
Commitments to make industrial advances.....	548,389	176,200
Ratio of total reserves to deposit and Federal Reserve note liabilities combined.....	76.8%	73.6%

## FINANCIAL RESULTS OF OPERATIONS

	Year 1938	Year 1937
<b>Current Earnings:</b>		
Discounted bills .....	\$ 2,895	\$ 5,075
Purchased bills .....	9	662
Industrial advances .....	9,096	15,801
Commitments to make industrial advances.....	5,857	11,514
U. S. Government securities.....	1,528,595	1,752,810
All other .....	17,826	16,872
<b>Total current earnings.....</b>	<b>1,564,278</b>	<b>1,802,734</b>
<b>Current Expenses:</b>		
Operating expenses .....	1,630,807	1,606,758
Less reimbursements for certain fiscal agency and other expenses.....	339,597	360,892
<b>Net operating expenses.....</b>	<b>1,291,210</b>	<b>1,245,866</b>
Assessment for expenses of Board of Governors....	50,857	51,615
<b>Federal Reserve currency:</b>		
Original cost .....	63,239	62,214
Cost of redemption.....	9,961	11,398
<b>Total current expenses.....</b>	<b>1,415,267</b>	<b>1,371,093</b>
<b>Current net earnings.....</b>	<b>149,011</b>	<b>431,641</b>
<b>Additions to current net earnings:</b>		
Profit on sales of U. S. Government securities.....	385,083	116,947
All other .....	10,532	1,801
<b>Total additions .....</b>	<b>395,615</b>	<b>118,748</b>
<b>Deductions from current net earnings:</b>		
Prior service contributions to retirement system.....	289,800	144,900
Assessment for building for Board of Governors..		42,080
All other .....	219	452
<b>Total deductions .....</b>	<b>290,019</b>	<b>187,432</b>
<b>Net additions to current net earnings.....</b>	<b>105,596</b>	<b>—68,684</b>
<b>Net earnings .....</b>	<b>254,607</b>	<b>362,957</b>
<b>Distribution of net earnings:</b>		
Dividends paid to member banks.....	234,488	229,420
Paid to U. S. Treasury (Section 13b).....	1,796	4,152
Transferred to surplus (Section 7).....	18,323	129,385
	<b>254,607</b>	<b>362,957</b>

## VOLUME OF MAJOR OPERATIONS

<u>During Year 1938</u>	<u>Number (Pieces)</u>	<u>Aggregate Amounts</u>
<b>Checks (cash items) handled:</b>		
U. S. Govt. checks and warrants.....	10,247,521	\$ 616,895,000
All other checks.....	51,568,030	11,836,211,000
<b>Collections (noncash items) handled:</b>		
U. S. Govt. coupons paid.....	760,132	14,861,000
Other collection items.....	745,731	361,665,000
Transfers of funds.....	59,344	3,354,742,000
Paper currency received and counted.....	116,898,148	399,954,000
Coin received and counted.....	132,252,671	13,571,000
Rediscounts, advances and commitments.....	310	15,019,000
<b>New issues, redemptions, and exchanges of securities as fiscal agent of:</b>		
United States Government.....	190,427	432,836,000
Government instrumentalities.....	13,256	34,365,000
Coupons clipped from securities in custody	181,526	(See *)

\*In addition to securities, a large volume of bills, notes, warehouse receipts, etc., was held in custody for member banks, the U. S. Treasury, Reconstruction Finance Corporation, and other Government agencies, departments, and officials.

### MEMBERSHIP

During 1938, two State banks became members of the Federal Reserve Bank of St. Louis.

Three national banks in the district went into voluntary liquidation in course of the year.

On December 31 there were 391 member banks, of which 314 were national banks and 77 were State banks and trust companies.

The deposits of member banks amounted to approximately two-thirds of the deposits of all banks in the district.

### PERSONNEL

The number of officers and employees of the parent bank and branches on December 31, 1938, was 669, the salaries of 155 being reimbursable on account of fiscal agency operations.

# FEDERAL RESERVE BANK OF ST. LOUIS

## DIRECTORS

### CLASS C

WILLIAM T. NARDIN, Chairman of the Board  
and Federal Reserve Agent, St. Louis

OSCAR G. JOHNSTON, Deputy Chairman, Scott, Miss.

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### CLASS A

SIDNEY MAESTRE, St. Louis  
MAX B. NAHM, Bowling Green, Ky.  
G. R. CORLIS, Anna, Ill.

### CLASS B

J. W. HARRIS, St. Louis  
HARVEY C. COUCH, Pine Bluff, Ark.  
JOHN R. STANLEY, Evansville, Ind.

## OFFICERS

WILLIAM MCC. MARTIN, President  
F. GUY HITT, First Vice-President  
OLIN M. ATTEBERY, Vice-President  
C. M. STEWART, Cashier and Secretary  
L. H. CARSTARPHEN, General Counsel  
H. H. WEIGEL, Assistant Vice-President  
A. H. HAILL, Asst. Cashier  
S. F. GILMORE, Asst. Cashier  
FRANK N. HALL, Asst. Cashier  
G. O. HOLLOCHER, Asst. Cashier  
L. H. BAILEY, General Auditor

## FEDERAL ADVISORY COUNCIL MEMBER

WALTER W. SMITH, St. Louis

## INDUSTRIAL ADVISORY COMMITTEE

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

## LOUISVILLE BRANCH

### DIRECTORS

W. P. PAXTON, Chairman, Paducah, Ky.  
A. H. ECKLES, Hopkinsville, Ky.  
PERRY B. GAINES, Carrollton, Ky.  
RALPH C. GIFFORD, Louisville, Ky.  
J. B. HILL, Louisville, Ky.  
FRANK D. RASH, Louisville, Ky.  
J. O. SANDERS, Huntingburg, Ind.

### OFFICERS

FRANK D. RASH,  
Managing Director  
C. A. SCHACHT,  
Cashier  
STANLEY B. JENKS,  
Asst. Cashier

## MEMPHIS BRANCH

### DIRECTORS

DOUGLAS W. BROOKS, Chairman, Memphis, Tenn.  
OLIVER BENTON, Jackson, Tenn.  
RUFUS C. BRANCH, Pecan Point, Ark.  
W. H. GLASGOW, Memphis, Tenn.  
WM. R. KING, Memphis, Tenn.  
B. A. LYNCH, Blytheville, Ark.  
J. HOLMES SHERARD, Sherard, Miss.

### OFFICERS

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

## LITTLE ROCK BRANCH

### DIRECTORS

F. KRAMER DARRAGH, Chairman, Little Rock, Ark.  
A. F. BAILEY, Little Rock, Ark.  
I. N. BARNETT, Batesville, Ark.  
PAUL R. MCCOY, Stuttgart, Ark.  
A. E. MCLEAN, Little Rock, Ark.  
JAMES H. PENICK, Little Rock, Ark.  
H. H. TUCKER, Little Rock, Ark.

### OFFICERS

A. F. BAILEY,  
Managing Director  
CLIFFORD WOOD,  
Cashier  
CLAY CHILDERS,  
Asst. Cashier