

Reconstruction Finance Corporation

FUNCTIONS OF THE RECONSTRUCTION FINANCE CORPORATION ^{of}

LETTER FROM THE SECRETARY OF THE RECONSTRUCTION FINANCE CORPORATION, TRANSMITTING, IN RESPONSE TO SENATE RESOLUTION 351 (72D CONGRESS) A REPORT OF ALL FUNCTIONS OF THE RECONSTRUCTION FINANCE CORPORATION AND THE ANNUAL COST THEREOF

APRIL 17 (calendar day, APRIL 24), 1933.—Ordered to lie on the table and to be printed with an illustration

RECONSTRUCTION FINANCE CORPORATION,
Washington, April 22, 1933.

To the PRESIDENT OF THE SENATE.

SIR: In response to Senate Resolution 351, dated January 10 (calendar day, February 8), 1933, reading as follows:

Resolved, That the heads of all departments, independent establishments, and Government-owned and/or controlled corporations be, and are hereby, directed to submit on or before April 15, 1933, to the President of the United States and to the Senate of the United States a detailed report of all functions, including accounting, disbursing, collecting, purchasing, and personnel, performed by said departments, establishments, and corporations, together with the authority for the performance of each function and the annual cost thereof.

The time during which such report may be made having been extended by the Senate on April 11, 1933, to a date not later than May 1, 1933, the Reconstruction Finance Corporation submits the accompanying report. In compliance with the resolution an identical report has been sent to the President of the United States.

Respectfully,

GEORGE R. COOKSEY, *Secretary.*

RECONSTRUCTION FINANCE CORPORATION,
Washington, April 22, 1933.

REPORT COMPILED BY RECONSTRUCTION FINANCE CORPORATION
PURSUANT TO SENATE RESOLUTION 351, DATED JANUARY 10
(CALENDAR DAY, FEBRUARY 8), 1933

A. SOURCE OF AUTHORITY

I. LAWS PERTAINING TO THE RECONSTRUCTION FINANCE CORPORATION AND GOVERN-
ING ITS OPERATION

The Reconstruction Finance Corporation was created by the Reconstruction Finance Corporation Act, approved January 22, 1932 (Public, No. 2, 72d Cong.), and entitled "An act to provide emergency financing facilities for financial institutions, to aid in financing agriculture, commerce, and industry, and for other purposes." The following laws, subsequently enacted, amended the Reconstruction Finance Corporation Act, extended the powers of the Corporation or otherwise affected the Corporation and its personnel:

1. Titles I and II of the Emergency Relief and Construction Act of 1932, approved July 21, 1932. (Public, No. 302, 72d Cong.)

2. Section 6 (f) of the Federal Home Loan Bank Act, approved July 22, 1932. (Public, No. 304, 72d Cong.)

3. "An act to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes", approved February 4, 1933. (Public, No. 327, 72d Cong.)

4. Section 304 of "An act to provide relief in the existing national emergency in banking, and for other purposes", approved March 9, 1933. (Public, No. 1, 73d Cong.)

5. Section 2 of "An act to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, and for other purposes", approved March 24, 1933. (Public, No. 4, 73d Cong.)

6. A joint resolution authorizing the Reconstruction Finance Corporation to make loans for financing the repair or reconstruction of buildings damaged by earthquake in 1933, approved March 23, 1933. (Public Resolution No. 2, 73d Cong.)

7. Section 5 of "An act for the relief of unemployment through the performance of useful public work; and for other purposes", approved March 31, 1933. (Public, No. 5, 73d Cong.)

8. Economy provisions of the Legislative Appropriation Act, fiscal year 1933, approved June 30, 1932. (Public, No. 212, 72d Cong.)

9. Economy provisions of the Treasury and Post Office Appropriation Act, fiscal year 1934, approved March 3, 1933. (Public, No. 428, 72d Cong.)

10. Economy provisions of title II of "An act to maintain the credit of the United States Government", approved March 20, 1933. (Public, No. 2, 73d Cong.)

II. EXECUTIVE ORDERS

The following Executive orders issued by the President of the United States also are applicable to the Corporation:

Executive order, dated March 27, 1933, reorganizing agricultural credit agencies of the United States.

Executive order, dated March 28, 1933, announcing the index figures for the cost of living for the 6 months' periods ending June 30, 1928, and December 31, 1932.

B. FUNDS OF THE CORPORATION

I. CAPITAL STOCK

The capital stock of the Corporation was fixed by the act approved January 22, 1932, at \$500,000,000, all of which was subscribed by the Secretary of the Treasury on behalf of the Government of the United States on February 2, 1932. The entire capital stock has been paid in by the Secretary of the Treasury and is held by the United States.

II. ISSUE OF NOTES, DEBENTURES, BONDS, OR OTHER SUCH OBLIGATIONS

The Reconstruction Finance Corporation Act, as amended by the Emergency Relief and Construction Act of 1932, authorizes and empowers the Corporation, with the approval of the Secretary of the Treasury, to issue, and to have outstanding at any one time in an amount aggregating not more than six and three-fifths times its subscribed capital stock, its notes, debentures, bonds, or other such obligations; such obligations to mature not more than 5 years from their respective dates of issue, to be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in such obligations, and to bear such rate or rates of interest as may be determined by the Corporation. The Corporation, with the approval of the Secretary of the Treasury, also may sell on a discount basis short-term obligations payable at maturity without interest. The law provides that the notes, debentures, bonds, and other obligations of the Corporation shall be fully and unconditionally guaranteed both as to interest and principal by the United States and such guaranty shall be expressed on the face thereof. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Corporation which may be issued pursuant to the provisions of the law, and may, at any time, sell any of the obligations of the Corporation acquired by him and is further authorized to market for the Corporation its notes, debentures, bonds, and other such obligations, using therefor all the facilities of the Treasury Department authorized by law for the marketing of obligations of the United States. The act also provides that any and all notes, debentures, bonds, or other such obligations issued by the Corporation shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) at any time imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

Under the above mentioned authority, the Corporation has issued short-term notes, all of which have been purchased by the Secretary of the Treasury. At the close of April 15, 1933, the amount of such notes outstanding and held by the Secretary of the Treasury was \$1,275,000,000.

Under section 304 of an act of Congress approved March 9, 1933, as amended by an act approved March 24, 1933, the amount of notes, bonds, debentures, and other such obligations which the Corporation

may issue was increased by an amount sufficient to provide for subscriptions to, or loans on, nonassessable preferred stock in any national banking association, or any State bank or trust company, and for purchases of legally issued capital notes or debentures of any State bank or trust company.

C. REPORTS

Section 15 of the Reconstruction Finance Corporation Act provides that the Corporation shall make and publish a report quarterly of its operations to the Congress stating the aggregate loans made to each of the classes of borrowers provided for and the number of borrowers by States (including the District of Columbia, Alaska, Hawaii, and Puerto Rico) in each class. The law further provides that the statement shall show the assets and liabilities of the Corporation and the names and compensation of all persons employed by the Corporation whose compensation exceeds \$400 per month.

Under section 201 (b) of the Emergency Relief and Construction Act of 1932, the Corporation is required to submit monthly to the President and to the Senate and the House of Representatives (or the Secretary of the Senate and the Clerk of the House of Representatives, if those bodies are not in session) a report of its activities and expenditures, together with a statement showing the names of the borrowers to whom loans and advances were made, and the amount and rate of interest involved in each case.

D. LENDING POWERS AND FUNCTIONS

I. FINANCIAL INSTITUTIONS

The Corporation is authorized and empowered, under the provisions of section 5 of the Reconstruction Finance Corporation Act, as amended, to make loans, upon the terms and conditions stated in the law, to any bank, savings bank, trust company, building and loan association, insurance company, mortgage loan company, credit union, Federal land bank, joint-stock land bank, Federal intermediate credit bank, agricultural credit corporation, livestock credit corporation, organized under the laws of any State, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the United States, including loans secured by the assets of any bank or savings bank that is closed, or in process of liquidation, to aid in the reorganization or liquidation of such bank, upon application of the receiver or liquidating agent of such bank. It is provided that all loans made to the above enumerated institutions shall be fully and adequately secured, and that not more than \$200,000,000 shall be used for the relief of banks (including savings banks) that are closed or in the process of liquidation.

Under section 304, of an act of Congress approved March 9, 1933, as amended by an act approved March 24, 1933, the Reconstruction Finance Corporation is authorized to comply with requests, made by the Secretary of the Treasury with the approval of the President of the United States, to subscribe for preferred stock which is exempt from double liability, in any national banking association, or any State bank or trust company, or to make loans secured by such stock as collateral, when, in the opinion of the Secretary of the Treasury, such association, State bank, or trust company is in need of funds for capital purposes, either in connection with the organization or reor-

ganization of such institutions. In any case in which under the laws of the State in which it is located, a State bank or trust company is not permitted to issue preferred stock exempt from double liability, or if such laws permit such issue of preferred stock only by unanimous consent of stockholders, the Reconstruction Finance Corporation is authorized, by the aforesaid acts, to comply with requests, made by the Secretary of the Treasury with the approval of the President of the United States, to purchase the legally issued capital notes or debentures of such State bank or trust company.

II. RAILROADS

Section 5 of the Reconstruction Finance Corporation Act, as amended, also authorizes the Corporation, upon the approval of the Interstate Commerce Commission, to make loans to aid in the temporary financing of railroads and railways engaged in interstate commerce, to railroads and railways in process of construction, and to receivers of such railroads and railways, when in the opinion of the board of directors of the Corporation such railroads or railways are unable to obtain funds upon reasonable terms through banking channels or from the general public and the Corporation will be adequately secured.

III. RELIEF OF DESTITUTION

The Corporation is authorized by section 1 of the Emergency Relief and Construction Act of 1932, as amended by an act of Congress approved March 31, 1933, to make available out of the funds of the Corporation the sum of \$300,000,000, under specified terms and conditions, to the several States and Territories (Alaska, Hawaii, and Puerto Rico) to be used in furnishing relief and work relief to needy and distressed people and in relieving the hardship resulting from unemployment. Such sum is available for payment to the Governors of the several States and Territories upon application approved by the Corporation. All amounts paid to the Governors of States or Territories by the Corporation under this authority must be reimbursed to the Corporation with interest at the rate of 3 percent per annum, either by making annual deductions, beginning with the fiscal year 1935, from regular apportionments made from future Federal authorizations in aid of the States and Territories for the construction of highways and rural post roads, or through the operation of agreements with States or Territories or with municipalities or political subdivisions of States or Territories for the repayment of the amounts paid under this section. Applications for these funds, which are available until the expiration of 2 years after July 21, 1932 (the date of the enactment of the law), may be made by the Governor of any State or Territory. The act requires that the Governor shall certify the necessity for such funds and that the resources of the State or Territory, including moneys then available and which can be made available by the State or Territory, its political subdivisions, and private contributions, are inadequate to meet its relief needs.

Any portion of the amount approved by the Corporation for payment to the Governor of a State or Territory may, at his request, with the approval of the Corporation, be paid to any municipality or political subdivision of such State or Territory if (1) the Governor makes as to such municipality or political subdivision a certificate

like that mentioned above with respect to the State or Territory, and (2) such municipality or political subdivision enters into an agreement with the Corporation for the repayment to the Corporation of the amount so paid, with interest at the rate of 3 percent per annum, at such times, and upon such other terms and conditions, as may be agreed upon between the Corporation and such municipality or political subdivision. The amounts paid to any municipality or political subdivision under this authority may not be included in the amounts to be deducted from the apportionments for the construction of highways and rural post roads referred to above.

IV SELF-LIQUIDATING PROJECTS

Under the provisions of section 201 (a) of the Emergency Relief and Construction Act of 1932, the Corporation is authorized and empowered, at any time prior to January 23, 1934:

(1) To make loans to, or contracts with, States, municipalities, and political subdivisions of States, public agencies of States, of municipalities, and of political subdivisions of States, public corporations, boards and commissions, and public municipal instrumentalities of one or more States, to aid in financing projects authorized under Federal, State, or municipal law which are self-liquidating in character, such loans or contracts to be made through the purchase of their securities, or otherwise, and for such purpose the Reconstruction Finance Corporation is authorized to bid for such securities: *Provided*, That nothing herein contained shall be construed to prohibit the Reconstruction Finance Corporation, in carrying out the provisions of this paragraph, from purchasing securities having a maturity of more than 10 years;

(2) To make loans to corporations formed wholly for the purpose of providing housing for families of low income, or for reconstruction of slum areas, which are regulated by State or municipal law as to rents, charges, capital structure, rate of return, and areas and methods of operation, to aid in financing projects undertaken by such corporations which are self-liquidating in character;

(3) To make loans to private corporations to aid in carrying out the construction, replacement, or improvement of bridges, tunnels, docks, viaducts, waterworks, canals, and markets, devoted to public use and which are self-liquidating in character;

(4) To make loans to private, limited dividend corporations to aid in financing projects for the protection and development of forests and other renewable natural resources, which are regulated by a State or political subdivision of a State and are self-liquidating in character; and

(5) To make loans to aid in financing the construction of any publicly owned bridge to be used for railroad, railway, and highway uses, the construction cost of which will be returned in part by means of tolls, fees, rents, or other charges, and the remainder by means of taxes imposed pursuant to State law enacted before the date of enactment of the Emergency Relief and Construction Act of 1932; and the Reconstruction Finance Corporation is further authorized and empowered to purchase bonds of any State, municipality, or other public body or agency, issued for the purpose of financing the construction of any such bridge irrespective of the dates of maturity of such bonds.

For the purpose of loans with respect to self-liquidating projects, the Emergency Relief and Construction Act provides that a project is to be deemed to be self-liquidating if such project will be made self-supporting and financially solvent and if the construction cost thereof will be returned within a reasonable period by means of tolls, fees, rents, or other charges, or by such other means (other than by taxation) as may be prescribed by the statutes which provide for the project. All loans and contracts made by the Corporation in respect of projects of the character referred to must be fully and adequately secured and are subject to the conditions that no convict labor shall be directly employed on any such project, that (except in executive,

administrative, and supervisory positions), so far as practicable, no individual directly employed on any such project shall be permitted to work more than 30 hours in any one week, and that in the employment of labor in connection with any such project preference shall be given, where they are qualified, to ex-service men with dependents.

The provisions of this section of the law apply with respect to projects in Puerto Rico and the Territories to the same extent as in the case of projects in the several States.

V. CARRYING AND ORDERLY MARKETING OF AGRICULTURAL COMMODITIES AND LIVESTOCK

Under section 201 (d) of the Emergency Relief and Construction Act of 1932, the Corporation is authorized and empowered, at any time prior to January 23, 1934, to make loans to bona fide institutions, organized under the laws of any State or of the United States and having resources adequate for their undertakings, for the purpose of enabling them to finance the carrying and orderly marketing of agricultural commodities and livestock produced in the United States. All such loans are required to be fully and adequately secured.

VI. EXPORTS

Under section 5a of the Reconstruction Finance Corporation Act, the Corporation is authorized and empowered, subject to specified limitations, to accept drafts and bills of exchange drawn upon it, having at the time of acceptance a maturity of not more than 12 months, which grow out of transactions involving the exportation of agricultural or other products actually sold or transported for sale subsequent to the enactment of the law, and in process of shipment to buyers in foreign countries. All such drafts and bills of exchange must be in terms payable in the United States, in currency of the United States, and, in addition to the draft or bill of exchange, must at all times be fully secured by American securities deposited as collateral, or must be guaranteed by a bank or trust company of undoubted solvency, organized under the laws of the United States or any State, Territory, or insular possession thereof.

Under section 201 (c) of the Emergency Relief and Construction Act of 1932, the Corporation is authorized and empowered to make loans for the purpose of financing sales of surpluses of agricultural products in the markets of foreign countries in which such sales cannot be financed in the normal course of commerce, in order that such surpluses may not have a depressing effect upon current prices of such products; but it is stipulated that no such sales shall be financed by the Corporation if, in its judgment, such sales will affect adversely the world markets for such products, and that no such loan may be made to finance the sale in the markets of foreign countries of cotton owned by the Federal Farm Board or the Cotton Stabilization Corporation. All loans made under this section must be fully and adequately secured.

VII. REGIONAL AGRICULTURAL CREDIT CORPORATIONS

Under the provisions of section 201 (e) of the Emergency Relief and Construction Act of 1932, the Corporation was authorized to create in any of the 12 Federal land-bank districts where it might

deem the same to be desirable a regional agricultural credit corporation with a paid-up capital of not less than \$3,000,000, to be subscribed and paid by the Reconstruction Finance Corporation. The act provides that such corporations shall be managed by officers and agents appointed by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe. Such corporations are authorized and empowered to make loans or advances to farmers and stockmen, the proceeds of which are to be used for an agricultural purpose (including crop production), or for the raising, breeding, fattening, or marketing of livestock; to charge such rates of interest or discount thereon as in their judgment are fair and equitable, subject to the approval of the Reconstruction Finance Corporation; and to rediscount with the Reconstruction Finance Corporation and the various Federal Reserve banks and Federal intermediate credit banks any paper that they acquire which is eligible for such purpose. The law further provides that all expenses incurred in connection with the operation of such corporations shall be supervised and paid by the Reconstruction Finance Corporation under such rules and regulations as its board of directors may prescribe. All loans made by the regional agricultural credit corporations must be fully and adequately secured.

Under this authority, the Reconstruction Finance Corporation has created a regional agricultural credit corporation in each of the 12 Federal land-bank districts. Such corporations function through 12 principal offices, 21 branch offices, and 1 agency which has been established at San Juan, P.R.

The Executive order issued by the President of the United States on March 27, 1933, pursuant to the authority vested in him by sections 401 and 403 of title IV of part II of an act of Congress approved June 30, 1932, as amended by an act approved March 3, 1933, transferred to the jurisdiction and control of the Farm Credit Administration the functions of the Reconstruction Finance Corporation and its board of directors relating to the appointment of officers and agents to manage regional agricultural credit corporations formed under section 201 (e) of the Emergency Relief and Construction Act of 1932; relating to the establishment of rules and regulations for such management; and relating to the approval of loans and advances made by such corporations and of the terms and conditions thereof. Such Executive order provides further that the records, property (including office equipment), and personnel used and employed in the execution of the functions transferred are likewise transferred to the jurisdiction and control of the Farm Credit Administration; that all power, authority, and duties conferred by law upon any officer, executive agency, or head thereof, from which or from whom transfer is made, in relation to the executive agency or function transferred, are transferred to and vested in the Governor of the Farm Credit Administration; and that the order shall take effect upon the sixty-first calendar day after its transmission to Congress, i. e., May 27, 1933, unless otherwise determined in accordance with the provisions of section 407 of the act cited above, as amended.

VIII. EARTHQUAKE RELIEF

Under a joint resolution approved March 23, 1933, section 201 (a) of the Emergency Relief and Construction Act of 1932 is amended to authorize the corporation to make loans, upon full and adequate

security, not later than December 31, 1933, to nonprofit corporations, with or without capital stock, organized for the purpose of financing the repair or reconstruction of buildings damaged by earthquake in the year 1933 and deemed by the Reconstruction Finance Corporation economically useful, to an amount not exceeding \$5,000,000.

E. SPECIAL POWERS AND FUNCTIONS

I. ALLOCATION OF FUNDS TO SECRETARY OF AGRICULTURE

Under section 2 of the Reconstruction Finance Corporation Act, the Corporation was authorized to allocate and make available to the Secretary of Agriculture out of the amount subscribed by the United States of America for capital stock of the Corporation, the sum of \$50,000,000 and the expansion of same through notes, debentures, bonds, or other obligations, issued pursuant to the provisions of section 9 of the act (as in force prior to the enactment of the Emergency Relief and Construction Act of 1932), or so much thereof as might be necessary, to be expended by the Secretary of Agriculture, under certain conditions, for the purpose of making loans or advances to farmers in the several States of the United States in cases where he found that an emergency existed as a result of which farmers were unable to obtain loans for crop production during the year 1932. Section 201 (e) of the Emergency Relief and Construction Act of 1932 authorized the Reconstruction Finance Corporation to subscribe and pay for the capital of the regional agricultural credit corporations out of the unexpended balance of the amounts allocated and made available to the Secretary of Agriculture under section 2 of the Reconstruction Finance Corporation Act. Pursuant to this authority the Reconstruction Finance Corporation has used \$44,000,000 of such funds for that purpose.

Under an act of Congress approved February 4, 1933, the Secretary of Agriculture was authorized and directed to request the Reconstruction Finance Corporation to advance to him the balance of the sum authorized to be allocated to him under section 2 of the Reconstruction Finance Corporation Act, and the Reconstruction Finance Corporation was directed to make such advances regardless of the amounts of notes, debentures, bonds, or other obligations of such corporation that may be outstanding at the time of making such advances, and the Secretary of Agriculture was further authorized to request the Corporation to return all sums theretofore returned and/or released to the Corporation by the Secretary of Agriculture, except so much as may have been used by the Corporation to establish regional agricultural credit corporations under section 201 (e) of the Emergency Relief and Construction Act of 1932, which sums, together with the sums collected or to be collected from loans made by the Secretary of Agriculture during the year 1932 under section 2 of the Reconstruction Finance Corporation Act, shall be available to the Secretary of Agriculture to make loans to farmers during the year 1933 for crop production, planting, fallowing, and cultivation, and in drought- and storm-stricken areas not to exceed \$1,000,000 for feed for farm livestock: *Provided, however,* That the total sums used for the purposes of the act of February 4, 1933, shall not exceed \$90,000,000.

II. CAPITAL OF FEDERAL HOME LOAN BANKS SUBSCRIBED BY THE UNITED STATES

Section 6 (f) of the Federal home-loan bank act, amended the Reconstruction Finance Corporation Act to provide that \$125,000,000, or as much thereof as may be necessary for the purpose, be allocated and made available to the Secretary of the Treasury out of the capital of the Corporation and/or the proceeds of notes, debentures, bonds, and other obligations issued by the Corporation in order to enable the Secretary of the Treasury to make payment upon the capital stock of Federal home-loan banks subscribed for by him, on behalf of the United States, in accordance with the terms of the Federal home-loan bank act. At the close of March 31, 1933, the Secretary of the Treasury had subscribed, on behalf of the United States, for capital stock in the Federal home-loan banks to the amount of \$124,741,000, of which amount the Reconstruction Finance Corporation had paid over to the Secretary of the Treasury \$30,620,000.

F. ORGANIZATION

I. BOARD OF DIRECTORS

The Reconstruction Finance Corporation Act provides that the Corporation, which was organized on February 2, 1932, shall have succession for a period of 10 years from January 22, 1932, the date the law was enacted, unless it is sooner dissolved by an act of Congress. Under the act, as amended, the management of the Corporation is vested in a board of directors consisting of the Secretary of the Treasury (or, in his absence, the Under Secretary of the Treasury), who is a member *ex officio*, and six other directors appointed by the President of the United States by and with the advice and consent of the Senate.

The bylaws of the Corporation provide for an executive committee, consisting of members of the board of directors. Between meetings of the board, the executive committee may consider and take such action as may be necessary upon any matter within the authority of the Corporation except matters upon which action by the board of directors is specifically required by the Reconstruction Finance Corporation Act or the bylaws of the Corporation, or which are reserved by the board for its determination, or which are intrusted by the board to particular officers of the Corporation. No loan or advance may be made, nor extension thereof granted, nor collateral therefor released, nor any suit instituted by the Corporation, without the authority or approval of the board or the executive committee; provided, however, that the board from time to time may confer general or special authority on one or more officers or employees of the Corporation to release collateral held as security for loans or advances made by the Corporation and to authorize the institution of suits on behalf of the Corporation.

The bylaws provide for a chairman of the board of directors, and the executive officers of the Corporation consist of a president, a secretary, a treasurer, and a general counsel, all of whom are elected by the board of directors. Subject to the control of the board of directors and the executive committee, the president is the chief executive officer of the Corporation.

II. SECRETARY'S OFFICE

The bylaws of the Corporation provide that the secretary shall attend and keep the minutes of all meetings of the board of directors and of the executive committee; that he shall give all notices of meetings of the board of directors and of the executive committee; that he shall sign all papers to which his signature shall be necessary or appropriate and may attest the authenticity of and affix the seal of the Corporation upon any instruments requiring such action; and that he shall have such other powers and perform such other duties as are commonly incidental to the office of secretary or as shall be assigned to him from time to time by the board of directors or the executive committee.

The secretary is charged with the preparation of minutes, recording action taken by the board of directors and executive committee; and it is his duty to notify the treasurer of the Corporation and other interested parties with respect to action taken by the board and the executive committee.

The secretary is charged also with the general supervision of personnel, the preparation of all general correspondence and pay rolls of the Washington office, the purchase of furniture, equipment, and supplies, the maintenance of the general files and of records with respect to personnel, furniture, equipment, and supplies, as well as the supervision of building maintenance and duplicating, mail, messenger, telephone, and telegraph services.

III. TREASURER'S OFFICE

Under the provisions of the Corporation's bylaws, the treasurer is charged with the custody, disbursement, collection, and deposit of all funds and the custody of all securities belonging or pledged to the Corporation; has supervision over the exercise of all functions for and on behalf of the Corporation by all fiscal agents, depositaries, and custodians; has supervision over all other financial and security transactions; maintains accounts of all financial transactions as well as all transactions affecting securities belonging or pledged to the Corporation; and is charged with other activities including the audit and payment of all salaries and other expenses incurred by the Corporation, its loan agencies, its fiscal agents, and custodians and the regional agricultural credit corporations.

The Federal Reserve banks and Federal Reserve branch banks, located in the cities in which the Corporation maintains loan agencies, act as depositaries, custodians, and fiscal agents for the Corporation. In addition, the treasurer of the insular government acts as custodian for the Corporation at San Juan, P.R.

The funds of the Reconstruction Finance Corporation and the regional agricultural credit corporations created by it are kept on deposit with the Treasurer of the United States.

IV. LEGAL DIVISION

The Legal Division consists of the general counsel, general solicitor, and a staff of counsel, assistant counsel, attorneys and clerks. It is their duty to interpret the statutes from which the Corporation derives its corporate existence and powers, and to advise the board of directors concerning all legal matters. Questions of the eligibility

of applications for loans under the Reconstruction Finance Corporation Act, the Emergency Relief and Construction Act of 1932, and for the purchase of preferred stock or capital notes, or loans on preferred stock under the act of Congress approved March 9, 1933, as amended by the act of Congress approved March 24, 1933, must be determined, and the technique for such transactions is formulated in conjunction with other divisions of the Corporation.

The members of the Legal Division also act for the Corporation, in connection with applications for loans to assist in bank reorganizations and loans to aid in the construction of self-liquidating projects. The Legal Division drafts resolutions adopted by the board or executive committee authorizing loans, and, in conjunction with counsel for the loan agencies, acts for the Corporation in the closing of individual transactions. This division also drafts contracts, as well as loan applications and other forms. Technical advice and assistance is rendered to the various divisions of the Corporation in Washington in connection with the administration of collateral in the possession of the Corporation. The Legal Division supervises all litigation in which the Corporation is concerned.

V. AUDITING DIVISION

The bylaws of the Corporation provide for an Auditing Division accountable and reporting directly to the executive committee of the Corporation. This division performs the following functions:

1. Maintains a continuous audit of the records and activities of all the divisions of the Washington office and renders periodical reports thereon directly to the executive committee.
2. Makes periodical detailed examinations of each of the 32 loan agencies of the Corporation and furnishes the reports thereon directly to the executive committee.
3. Makes periodical detailed examinations of each of the 32 custodians, including the examination and inspection of all collateral pledged by borrowing institutions and held by the various custodians, and furnishes reports thereon directly to the executive committee.
4. Performs the work necessary to the maintenance of certain controls over the daily operations of the 12 regional agricultural credit corporations and the 21 branches thereof; reviews and checks the detailed monthly reports received from each of the 12 regional agricultural credit corporations, and prepares each month the consolidated statements and reports reflecting the combined operations of these corporations.

VI. STATISTICAL DIVISION

The Statistical Division prepares the monthly and quarterly reports of the Corporation to Congress, and also makes up regularly for internal use the following: Monthly reports on the operations of the Reconstruction Finance Corporation; monthly reports on the operations of the regional agricultural credit corporations; weekly reports on the number and amount of loan applications received; semimonthly economic reports; and daily reports on closed banks. In addition, various special reports are prepared from time to time.

This division also furnishes general statistical and economic information of all types to other units of the Corporation, and makes an appraisal of the market value of stocks and bonds submitted as collateral in connection with applications for loans.

VII. OFFICE OF ASSISTANT TO THE DIRECTORS SUPERVISING LOAN OPERATIONS
WITH RESPECT TO FINANCIAL INSTITUTIONS

The assistant to the directors who supervises the loan operations of the Corporation with respect to financial institutions, exercises supervision over the activities of the Examining Division, the Agency Division and the Agricultural Credit Division. In addition to these executive functions, he serves as special adviser to the board, particularly in involved and difficult cases.

VIII. EXAMINING DIVISION

The Examining Division considers and makes recommendations to the board on loan applications of:

1. Banks and trust companies.
2. Building and loan associations.
3. Mortgage-loan companies.
4. Insurance companies.
5. Joint-stock land banks.
6. Credit unions.
7. Livestock credit corporations.
8. Receivers of closed national and State banks.

This division also considers and makes recommendations to the board on applications for purchases of, or loans on, preferred stock issued by national and State banks and trust companies, and for purchases of capital notes and debentures issued by State banks and trust companies. It further considers and makes recommendations to the board regarding the renewal of loans and the renewal, withdrawal and substitution of collateral security.

IX. AGENCY DIVISION

The Agency Division supervises the activities of the loan agencies and makes periodic surveys with the view of determining that the procedure and policies of the Corporation are carried out. This division also actively supervises, through the loan agencies, the liquidation of collateral to loans owing to the Corporation by closed institutions.

The Corporation maintains 32 loan agencies located in cities throughout the United States, as follows:

Atlanta, Ga.; Birmingham, Ala.; Boston, Mass.; Charlotte, N.C.; Chicago, Ill.; Cleveland, Ohio; Dallas, Tex.; Denver, Colo.; Detroit, Mich.; El Paso, Tex.; Helena, Mont.; Houston, Tex.; Jacksonville, Fla.; Kansas City, Mo.; Little Rock, Ark.; Los Angeles, Calif.; Louisville, Ky.; Minneapolis, Minn.; Nashville, Tenn.; New Orleans, La.; New York, N.Y.; Oklahoma City, Okla.; Omaha, Nebr.; Philadelphia, Pa.; Portland, Oreg.; Richmond, Va.; St. Louis, Mo.; Salt Lake City, Utah; San Antonio, Tex.; San Francisco, Calif.; Seattle, Wash.; Spokane, Wash.

It also has a special representative at San Juan, P.R.

The principal function of the Corporation's loan agencies is to receive and consider applications for loans from financial institutions under section 5 of the Reconstruction Finance Corporation Act; for loans from institutions eligible under section 201 (d) of the Emergency Relief and Construction Act of 1932; for purchases of, or loans on, preferred stock issued by National and State banks and trust com-

panies, and purchases of capital notes and debentures issued by States banks and trust companies.

The board has appointed advisory committees, composed of leading bankers and business men residing in the territories served by each loan agency, who serve without compensation, to assist the manager of the loan agency in the consideration of applications. Applications with the recommendations of the loan agency manager and advisory committee are transmitted to the examining division in Washington for review and submission to the board for final action.

After loans have been made by the Corporation, the loan agencies review the collateral security periodically; consider applications for renewal of loans and renewal, withdrawal or substitution of collateral; and supervise the liquidation of all loans to borrowing institutions, particularly those which have closed since the loans were made.

X. AGRICULTURAL CREDIT DIVISION

The Agricultural Credit Division has general supervision over all operations and management of the regional agricultural credit corporations and is the direct contact between those institutions and the board of directors of the Reconstruction Finance Corporation. The liaison officers between the regional agricultural credit corporations and the chief of the division are termed "district supervisors", each of whom is assigned a definite territory consisting of two or more Federal land bank districts and whose duties are to supervise the general functions, administrative procedure and certain features of the loan policies of the regional agricultural credit corporations. The livestock loan section of this division supervises the activities of the regional agricultural credit corporations in the making of livestock loans, while the agricultural loan section acts in a similar capacity with regard to crop production loans, commodity loans, and so-called "barnyard" loans.

The functions of this division will be transferred to the jurisdiction and control of the Farm Credit Administration pursuant to the President's Executive order of March 27, 1933, which is discussed under D-VII.

A more detailed discussion of the regional agricultural credit corporations will be found under D-VII. The location of the principal and branch offices of these corporations is as follows:

- Albany, N. Y.: Branch, Bangor, Maine.
- Baltimore, Md.: Agency, San Juan, P. R.
- Raleigh, N. C.: Branch, Macon, Ga.
- Columbus, Ohio: Branch, Louisville, Ky.
- Jackson, Miss.: Branch, Montgomery, Ala.
- St. Louis, Mo.: Branch, Chicago, Ill.; branch, Kansas City, Mo.; branch, Pine Bluff, Ark.
- Minneapolis, Minn.
- Sioux City, Iowa: Branch, Omaha, Nebr.; branch, Cheyenne, Wyo.
- Wichita, Kans.: Branch, Oklahoma City, Okla.; branch, Denver, Colo.; branch, Santa Fe, N. Mex.
- Fort Worth, Tex.: Branch, Houston, Tex.; branch, San Angelo, Tex.
- Salt Lake City, Utah: Branch, San Francisco, Calif.; branch, Los Angeles, Calif.; branch, Phoenix, Ariz.; branch, Reno, Nev.
- Spokane, Wash.: Branch, Helena, Mont.; branch, Portland, Oreg.; branch, Boise, Idaho.

XI. RAILROAD DIVISION

The Railroad Division examines and reports to the board upon applications, under section 5 of the Reconstruction Finance Corporation Act, made by railroads or the receivers thereof. Such applications are filed concurrently with the Interstate Commerce Commission and the Corporation. The applicant must obtain the approval of the Commission before a loan can be made by the Corporation, but pending such approval applications are independently examined by the Railroad Division in order that reports may be made promptly to the board upon receipt of the Commission's approval, if given.

In addition to these duties, the Railroad Division keeps currently in touch, by means of monthly reports, with the earnings and financial condition of railroads to which loans have been made, and compiles certain current statistical information.

XII. ENGINEERS' ADVISORY BOARD

The engineers' advisory board is composed of five consulting engineers in different branches of the profession from different sections of the country, selected by the board of directors of the Reconstruction Finance Corporation to aid in reviewing applications for loans to finance self-liquidating construction projects under section 201 (a) of the Emergency Relief and Construction Act of 1932.

All applications to the Corporation for loans under section 201 (a) of this act are referred to the engineers' advisory board for investigation as to engineering details and economic soundness. The engineering features of each application are investigated by engineers assigned to various specific types of projects while the financial setup in each case is analyzed by an advisory financial section. Following a detailed study of a project, the engineers' advisory board submits its report to the board of directors together with recommendations as to the action to be taken on the application.

XIII. EMERGENCY RELIEF DIVISION

The Emergency Relief Division of the Reconstruction Finance Corporation has charge of the administration of the \$300,000,000 Federal relief fund made available by Congress under title I of the Emergency Relief and Construction Act of 1932. All applications for such funds are filed by the governors of States and Territories with this division. All analyses of the needs presented by the various States and Territories are made by this division. Conferences relative to applications and administration of such funds are held by this division with governors and their representatives. Recommendations are presented by this division to the board and the board takes final action. All amounts paid to the governors to meet relief needs under title I are accounted for by the governors to the Emergency Relief Division.

XIV. ORGANIZATION CHART

There is attached, as a part of this report, a chart showing the corporate organization of the Reconstruction Finance Corporation, as of February 2, 1933, exactly 1 year after the Corporation commenced its operations. The chart graphically shows all offices and

divisions of the Corporation in Washington which have just been discussed, together with the smaller sections and units into which those offices and divisions are divided. The chart also indicates briefly the functions or duties of each unit and shows the name and title of the officer or employee in charge thereof.

G. STATISTICS

The following tables are attached as a part of this report:

Table 1.—Statement of the number of employees of the Washington office of the Corporation and salaries thereof on an annual basis, as of February 28, 1933. This statement shows the number of employees in the various offices, divisions, and units of the Corporation's organization, appearing on the organization chart referred to in F-XIV. The statement also shows the annual salaries at the basic rate of pay, without reflecting furlough deductions which were made to and including March 31, 1933, pursuant to the provisions of the Economy Act, approved June 30, 1932. Effective April 1, 1933, these salaries were subjected to the greater reductions prescribed by the new economy law and the President's Executive order of March 28, 1933.

Table 2.—Statement of number of employees of the Corporation's loan agencies and salaries thereof on an annual basis, as of February 28, 1933. This statement shows also the annual salaries at the basic rate of pay, without reflecting furlough deductions which were made to and including March 31, 1933, pursuant to the provisions of the Economy Act, approved June 30, 1932. Effective April 1, 1933, these salaries were subjected to the greater reductions prescribed by the new economy law and the President's Executive order of March 28, 1933.

Table 3.—Consolidated statement of per diem and salaried employees of principal and branch offices of the regional agricultural credit corporations, as of February 28, 1933. The aggregate annual salaries appearing in this statement represent compensation of only the salaried employees, inasmuch as it is not feasible to show the compensation of per diem employees on an annual basis. Moreover, the salary figures stated represent the basic pay, without reflecting furlough deductions which were made to and including March 31, 1933, pursuant to the provisions of the Economy Act, approved June 30, 1932. Effective April 1, 1933, these salaries were subjected to the greater reductions prescribed by the new economy law and the President's Executive order of March 28, 1933.

Table 4.—Statement showing expenses paid, and furniture and fixtures purchased, by the Corporation as reflected by its books, in connection with the operation of the Washington office of the Corporation and its loan agencies, during the period from February 2, 1932, to January 31, 1933, inclusive. This period was selected because it covers approximately the first year of the Corporation's operations.

Table 5.—Statement showing expenses paid, and furniture and fixtures purchased, by the Corporation as reflected by its books, in connection with the operation of the Corporation's custodians during the period from February 2, 1932 to January 31, 1933, inclusive. This period was selected because it covers approximately the first year of the Corporation's operations.

Table 6.—Statement showing expenses paid, and furniture and fixtures purchased, by the principal and branch offices of the regional agricultural credit corporations, during the periods from the dates of the organization of the respective corporations to and including February 28, 1933. As these corporations have been in existence for a part of a year only, it was not possible to provide statements showing operating costs on an annual basis.

Table 7.—Statement of condition of the Reconstruction Finance Corporation as of the close of business January 31, 1933. This statement is included in the report to show the financial condition of the Corporation after approximately 1 year's operations.

Respectfully submitted.

GEORGE R. COOKSEY,
Secretary.

18 FUNCTIONS OF RECONSTRUCTION FINANCE CORPORATION

TABLE 1.—Washington office, statement of number of employees and salaries on an annual basis as of Feb. 28, 1933

	Number of employees	Annual salaries (basic rate) ¹		Number of employees	Annual salaries (basic rate) ¹
Board of directors:			Legal Division.....	108	\$345,210
Directors.....	6	\$60,000	Railroad Division.....	11	39,880
Directors' offices.....	22	72,670	Auditing Division.....	63	162,200
Total.....	28	132,670	Office of assistant to directors (having supervision of Examining Agency and Agricultural Credit Divisions).....	6	40,650
Secretary's office:			Agency Division.....	15	57,520
General.....	14	50,630	Agricultural Credit Division.....	22	100,440
Correspondence section.....	9	18,420	Examining Division:		
Pay roll and personnel records section.....	6	11,060	General.....	83	334,920
Minutes and resolutions section.....	37	62,840	Recording section.....	19	37,960
Stenographic pool.....	29	43,740	Substitution section.....	11	27,760
Chief clerk.....	69	95,360	Total.....	113	400,640
General files.....	83	105,720	Statistical Division.....	23	54,900
Total.....	247	387,770	Division of Information.....	1	3,600
Treasurer's office:			Emergency Relief Division.....	33	104,220
General.....	10	46,220	Engineers Advisory Board:		
Pay roll section.....	3	6,720	Members of board.....	2	40,000
Voucher section.....	22	44,840	Staff.....	60	182,650
Authorization, cancellation section.....	29	53,330	Total.....	65	222,650
Accounting and control section.....	150	253,880	Total.....	2,033	2,603,620
Docket checking section.....	32	65,040			
Interest section.....	32	46,560			
Renewal section.....	20	34,680			
Total.....	298	551,270			

¹ Gross salaries, before giving effect to furlough deductions, in accordance with the old Economy Act. Effective Apr. 1, 1933, these salaries will be subject to the larger reductions prescribed by the new economy law.

² Includes Chief of Engineers, U.S. Army, who serves without compensation from the Reconstruction Finance Corporation.

³ Exclusive of 2 part-time per diem employees who were paid a total of \$3,723.98 from Oct. 11, 1932, to Feb. 28, 1933.

TABLE 2.—Loan agencies, statement of number of employees and salaries on an annual basis as of Feb. 28, 1933

	Number of employees	Annual salaries (basic rate) ¹		Number of employees	Annual salaries (basic rate) ¹
Atlanta.....	20	\$48,900	Nashville.....	31	\$56,040
Birmingham.....	11	25,320	New Orleans.....	31	62,060
Boston.....	40	99,220	New York.....	108	283,612
Charlotte.....	27	56,100	Oklahoma City.....	7	15,420
Chicago.....	187	494,450	Omaha.....	20	37,480
Cleveland.....	103	204,360	Philadelphia.....	55	135,420
Dallas.....	18	43,020	Portland.....	21	46,800
Denver.....	8	15,540	Richmond.....	38	87,980
Detroit.....	43	95,340	St. Louis.....	74	155,730
El Paso.....	2	3,420	Salt Lake City.....	13	28,740
Houston.....	9	25,860	San Antonio.....	9	20,880
Jacksonville.....	11	21,060	San Francisco.....	42	97,140
Kansas City.....	38	71,420	Seattle.....	9	22,020
Little Rock.....	22	45,160	Spokane.....	38	71,440
Los Angeles.....	17	39,600			
Louisville.....	14	27,780	Total.....	1,148	2,602,392
Minneapolis.....	82	165,080			

¹ Gross salaries, before giving effect to furlough deductions, in accordance with the old Economy Act. Effective Apr. 1, 1933, these salaries will be subject to the larger reductions prescribed by the new economy law.

² Does not include \$426.72 paid to 15 part-time employees hired and paid on a per diem basis.

NOTE.—In addition to the above, the Corporation has a loan agency at Helena, Mont., the expense of which is paid by the Federal Reserve Branch Bank, Helena, and reimbursed by the Reconstruction Finance Corporation. The aggregate annual salaries, as of Feb. 28, 1933, of the 8 employees of that agency, reimbursable by the Reconstruction Finance Corporation, was \$7,950.

TABLE 3.—Consolidated statement of employees and aggregate annual salaries, by principal offices and branches as of Feb. 28, 1933

Office	Number of per diem employees	Number of salaried employees	Aggregate annual salaries ¹	Office	Number of per diem employees	Number of salaried employees	Aggregate annual salaries ¹
District No. 1:				District No. 8:			
Albany.....	35	29	\$51,760	Sioux City.....	118	133	\$186,210
Bangor.....	24	7	14,500	Omaha.....	158	159	221,560
Total.....	59	36	66,260	Cheyenne.....	35	50	77,060
District No. 2:				Total.....	311	342	484,830
Baltimore.....	10	16	34,980	District No. 9:			
San Juan (agency).....		4	9,565	Wichita.....	43	92	116,580
Total.....	10	20	44,545	Denver.....	31	69	105,420
District No. 3:				Oklahoma City.....	18	26	43,200
Raleigh.....	41	37	60,430	Santa Fe.....		11	24,480
Macon.....	38	17	31,080	Total.....	92	198	289,680
Total.....	79	54	91,510	District No. 10:			
District No. 4:				Fort Worth.....	38	28	50,160
Columbus.....	50	28	41,050	Houston.....	24	44	63,180
Louisville.....	44	21	27,244	San Angelo.....	30	21	39,100
Total.....	94	49	68,294	Total.....	92	93	152,440
District No. 5:				District No. 11:			
Jackson.....	10	79	138,040	Salt Lake City.....	34	45	79,600
Montgomery.....	28	30	49,760	Phoenix.....	50	15	29,040
Total.....	38	109	187,800	San Francisco.....	24	66	105,940
District No. 6:				Los Angeles.....	25	19	32,220
St. Louis.....	31	25	49,540	Reno.....	28	13	31,400
Chicago.....	83	18	34,280	Total.....	161	158	278,200
Kansas City.....	15	13	25,200	District No. 12:			
Pine Bluff.....	65	75	73,840	Spokane.....	9	66	127,320
Total.....	194	131	182,860	Boise.....	18	37	63,440
District No. 7: Min- neapolis.....	274	227	340,790	Helena.....	116	84	130,540
				Portland.....	34	47	76,400
				Total.....	177	234	397,700
				Grand total.....	² 1,581	1,651	¹ 2,584,909

¹ Gross salaries (of salaried employees only) before giving effect to furlough deductions, in accordance with the old Economy Act. Effective Apr. 1, 1933, these salaries will be subject to the larger reductions prescribed by the new economy law.

² Classified according to "per diem" rates:

	Number
\$5 rate.....	372
\$5.50 rate.....	165
\$6 rate.....	629
\$6.50 rate.....	49
\$7 rate.....	39
\$8 rate.....	327
Total.....	1,581

TABLE 4.—Expense, Washington office and agencies, Feb. 2, 1932, to Jan. 31, 1933, inclusive

	Salaries	Travel	Rent	Printing and stationery	Office supplies	Telegraph and telephone	Professional services	Miscellaneous	Total	Furniture and fixtures
Washington, D.C.-----	\$1,519,978.55	\$57,302.60	-----	\$106,276.73	\$51,012.36	\$98,073.68	\$7,060.95	\$35,494.96	\$1,875,199.83	\$158,654.93
AGENCIES										
Atlanta-----	41,832.78	1,183.11	\$1,650.00	342.20	674.23	2,357.94	5,875.00	378.13	54,293.39	2,193.38
Birmingham-----	18,488.52	1,948.47	1,100.00	109.30	353.98	507.53	4,757.91	263.94	27,529.65	1,370.43
Boston-----	72,601.17	772.59	2,000.00	1,116.65	913.13	3,065.39	21,626.29	2,351.58	104,446.80	3,285.09
Charlotte-----	39,758.29	2,492.28	2,988.04	523.25	507.10	1,572.95	8,069.12	989.64	56,700.67	1,692.61
Chicago-----	330,793.86	5,080.61	15,322.11	4,479.35	4,786.01	9,972.14	11,331.42	7,376.17	389,741.67	8,357.14
Cleveland-----	161,976.23	1,272.68	18,928.12	3,149.53	3,818.97	3,704.53	22,937.63	5,519.69	221,507.38	9,030.48
Dallas-----	28,605.85	1,597.97	536.21	184.37	478.72	1,163.12	4,019.15	804.07	37,889.46	1,798.53
Denver-----	11,221.94	765.46	1,135.78	313.35	283.82	789.92	4,205.00	80.79	18,796.06	683.94
Detroit-----	51,550.85	3,155.21	5,657.24	1,714.17	1,045.59	1,921.12	12,282.52	1,508.52	78,835.42	4,593.17
El Paso-----	7,166.10	234.65	265.83	64.56	98.30	243.35	2,027.20	101.63	10,201.62	302.53
Helena-----	7,691.96	387.96	-----	39.06	205.49	563.58	1,981.75	65.63	10,935.43	223.56
Houston-----	14,289.21	28.25	262.50	30.06	143.18	744.96	9,155.10	86.49	24,739.75	832.19
Jacksonville-----	15,092.10	1,674.94	1,100.00	76.33	210.15	261.09	4,776.02	163.88	23,354.51	816.05
Kansas City-----	38,316.04	4,348.95	5,015.03	373.86	680.90	1,400.90	13,200.74	1,002.22	64,338.63	2,865.56
Little Rock-----	27,392.79	2,650.66	1,299.44	302.24	384.04	431.76	4,602.16	310.27	37,373.36	429.94
Los Angeles-----	35,096.20	779.05	1,155.00	141.93	352.95	2,249.00	4,085.72	1,114.63	44,974.48	1,474.92
Louisville-----	27,121.18	269.65	2,738.10	440.07	411.34	931.47	7,511.25	141.64	39,564.70	926.21
Memphis-----	9,922.87	590.21	861.21	70.70	118.10	267.95	-----	433.30	12,264.34	56.40
Minneapolis-----	76,670.82	5,913.83	-----	617.63	1,419.95	2,219.74	14,125.56	1,180.63	102,148.16	6,314.77
Nashville-----	27,439.76	851.43	2,900.00	292.54	1,112.18	1,586.80	350.00	1,055.52	35,588.23	3,121.08
New Orleans-----	46,465.19	5,677.53	2,138.75	712.81	1,124.99	4,358.29	11,512.45	957.58	72,947.59	4,681.82
New York-----	219,283.42	1,168.81	7,376.11	3,371.83	1,976.50	6,649.58	16,835.09	7,421.44	264,082.78	14,339.89
Oklahoma City-----	12,351.53	1,332.75	-----	66.74	234.63	490.43	2,424.83	154.32	17,892.23	468.91
Omaha-----	19,891.51	724.71	2,125.00	379.40	573.11	1,774.52	5,228.79	349.83	31,046.87	3,448.45
Philadelphia-----	83,672.29	346.73	-----	1,876.70	1,050.65	1,814.28	2,346.01	1,415.13	92,621.79	4,093.01
Portland-----	28,031.76	1,175.65	704.84	214.95	671.61	3,456.16	4,850.00	617.59	39,722.56	1,809.36
Richmond-----	57,733.56	1,574.77	4,000.00	659.07	838.37	1,653.03	8,035.00	861.77	75,355.57	4,874.59
Salt Lake City-----	20,017.08	1,431.84	321.94	131.37	280.07	2,099.84	5,816.10	269.19	30,367.43	1,130.92
San Antonio-----	18,363.18	580.96	264.17	250.81	280.10	669.07	10,590.54	148.28	31,147.11	859.90
San Francisco-----	51,084.88	1,036.91	3,367.98	127.41	477.37	2,612.90	8,784.17	355.40	67,847.02	2,804.68
Seattle-----	16,998.67	1,135.04	-----	118.30	345.05	1,269.51	2,369.27	195.38	22,776.22	590.35
Spokane-----	42,619.79	4,026.11	1,112.50	261.03	734.89	3,336.95	7,550.75	3,049.29	62,691.31	2,130.47
St. Louis-----	84,500.62	2,512.12	8,892.70	1,002.76	1,007.94	1,112.34	9,350.62	2,964.80	111,343.90	204.02
Total-----	1,744,042.00	59,321.89	96,400.59	23,354.33	27,593.61	67,252.14	252,613.16	43,688.37	2,314,266.09	91,804.35

TABLE 5.—Expense, custodians, Feb. 2, 1932 to Jan. 31, 1933, inclusive

	Salaries	Travel	Rent	Printing and stationery	Office supplies	Telegraph and telephone	Professional services	Miscellaneous	Total	Furniture and fixtures
Atlanta	\$10,576.33			\$362.57	\$335.61	\$111.36		\$1,352.29	\$12,738.16	\$1,065.50
Birmingham	6,820.68	\$192.77		129.84	269.36	4.69		622.22	8,039.56	1,420.32
Boston	15,254.83	5.55		472.01	587.28	238.30		1,610.82	18,168.79	1,178.76
Charlotte	23,539.88	341.21	\$2,456.00	415.39	843.79	160.55		2,189.96	29,946.78	4,493.42
Chicago	110,712.76			2,429.03	5,377.99	474.01		11,819.42	130,813.21	14,579.61
Cleveland	24,714.64			2,524.83	3,414.33	79.23		1,955.22	32,688.25	14,882.64
Dallas	12,534.90	1.25		316.41	437.28	631.35		1,125.10	15,046.29	1,649.13
Denver	2,537.31	62.50			94.59	.97		150.07	2,845.44	
Detroit	51,073.88			1,201.83	2,137.16	375.11		3,296.86	58,084.84	8,172.83
El Paso	2,472.00			51.88	110.46	182.42		161.61	2,978.37	110.25
Helena	5,035.34				128.02	170.96		37.59	5,371.91	44.69
Houston	4,331.18				136.26	219.97		213.54	4,900.95	303.78
Jacksonville	2,137.50	145.68		7.49	103.04	9.69		217.98	2,621.38	394.46
Kansas City	10,199.04			49.48	248.77	35.84		641.04	11,172.17	1,205.65
Little Rock	8,239.55		543.27	37.90	111.64	244.31		807.12	9,983.79	28.70
Los Angeles	27,480.65	6.93		841.11	592.88	1,101.56		1,174.06	31,197.19	
Louisville	10,084.41	75.09	502.34	68.11	311.63	289.74		1,055.25	12,586.57	
Memphis	2,288.33	94.93		7.94	31.29	119.08		368.98	2,910.55	
Minneapolis	18,830.04			191.73	1,372.89	125.02		1,652.77	22,172.45	5,227.89
Nashville	6,092.15	203.69		122.01	777.35	58.56		1,303.85	8,557.61	2,597.77
New Orleans	12,334.97	202.01		205.85	594.35	142.65		1,668.63	15,148.46	3,513.47
New York	53,194.21	292.09		713.56	1,792.64	126.28		6,052.17	62,170.95	6,952.58
Oklahoma City	2,432.65			76.58	131.63	1.75		534.11	5,176.72	68.06
Omaha	5,409.36			55.51	166.42	5.45		474.75	6,211.49	336.55
Philadelphia	43,736.55			1,399.34	1,199.36	231.23		5,578.62	52,205.10	6,628.84
Portland	7,451.04			493.89	648.66	829.66		458.90	9,882.15	35.19
Richmond	43,248.80	149.79	3,600.00	1,218.64	896.72	176.98		5,697.14	54,988.07	7,853.16
Salt Lake City	4,795.72			183.77	165.23	992.48		121.10	6,258.39	
San Antonio	2,867.65			157.53	89.83	337.34		567.34	4,019.69	49.00
San Francisco	33,485.32	2.49		686.73	834.60	686.85		1,119.03	36,815.11	
Seattle	7,373.50	2.75		350.41	157.65	1,120.27		205.04	9,209.62	166.27
Spokane	9,792.60	1.45		544.26	171.36	1,261.02		561.06	12,331.77	581.51
St. Louis	21,230.78	143.80		254.42	551.32	782.81		786.33	23,749.46	13.72
San Juan	476.12	1,903.30			23.16	7.10	1,700	4.82	4,114.59	40.18
Total	604,944.67	3,827.28	7,101.61	15,570.05	24,844.64	11,332.68	1,700	55,584.90	724,905.83	83,595.53

TABLE 6.—Regional agricultural credit corporations statement of furniture and fixtures and operating expenses, by principal offices and branches for the period from organization to Feb. 28, 1933

Offices	Date of organization	Furniture and fixtures	Total operating expenses	Salaries	Professional services	Traveling expenses	Rent	Telephone and telegraph	Postage	Other expenses
District No. 1:										
Albany.....	Nov. 26, 1932	\$1,453.03	\$13,905.61	\$9,536.89	\$462.00	\$2,892.94	\$358.03	\$31.19		\$624.56
Bangor.....	do.	867.37	4,070.04	3,155.24	250.00	255.77	95.20	94.92		218.91
Total.....		2,320.40	17,975.64	12,692.13	712.00	3,148.71	453.23	126.11		843.47
District No. 2:										
Baltimore.....	Dec. 22, 1932	961.50	10,800.14	6,998.48	962.50	1,438.27	479.32	77.29		844.28
San Juan.....	do.	27.50	1,079.92	941.67		126.25				12.00
Total.....		989.00	11,880.06	7,940.15	962.50	1,564.52	479.32	77.29		856.28
District No. 3:										
Raleigh.....	Dec. 1, 1932	2,071.64	15,152.55	10,213.35	112.50	2,694.15	435.00	431.17	\$18.00	1,248.38
Macon.....	do.	893.46	15,649.20	9,937.27		4,893.98	128.50	227.63	3.29	458.53
Total.....		2,965.10	30,801.75	20,150.62	112.50	7,588.13	563.50	658.80	21.29	1,706.91
District No. 4:										
Columbus.....	Oct. 7, 1932	3,528.86	28,969.22	17,872.77	1,250.00	5,443.24	1,709.21	485.97	12.00	2,196.03
Louisville.....	do.	396.45	7,884.63	5,595.83		1,026.34	623.75	170.58		468.13
Total.....		3,925.31	36,853.85	23,468.60	1,250.00	6,469.58	2,332.96	656.55	12.00	2,664.16
District No. 5:										
Jackson.....	Nov. 1, 1932	2,531.89	36,436.04	26,417.14	900.00	6,079.89	583.65	429.71	11.46	2,014.19
Montgomery.....	do.	2,490.52	14,739.91	10,051.50	546.42	2,109.05	529.26	114.23	2.26	1,387.19
Total.....		5,022.41	51,175.95	36,468.64	1,446.42	8,188.94	1,112.91	543.94	13.72	3,401.38
District No. 6:										
St. Louis.....	Oct. 13, 1932	2,341.41	25,436.43	17,687.26	783.71	3,567.94	1,010.00	479.99	16.97	1,890.56
Chicago.....	do.	1,968.70	22,016.23	15,368.26	905.00	1,537.09	750.00	1,048.04	10.71	2,397.13
Kansas City.....	do.	1,143.55	16,249.52	11,481.93	660.00	2,374.43	384.00	319.59		1,029.57
Pine Bluff.....	do.	2,054.39	21,076.19	16,655.49	165.00	2,524.25	412.20	189.34		1,129.91
Total.....		7,508.05	84,778.37	61,192.94	2,513.71	10,003.71	2,556.20	2,036.96	27.68	6,447.17
District No. 7: Minneapolis.....	Oct. 10, 1932	15,773.30	181,807.02	127,774.59		38,573.51	1,771.86	1,062.94	128.01	12,496.11

District No. 8:										
Sioux City	Oct. 7, 1932	11,329.63	83,844.18	63,630.01	325.00	9,969.74	3,028.76	1,233.38	141.59	5,515.70
Omaha	do.	14,086.95	112,750.18	84,040.74	986.43	15,369.54	2,224.35	1,652.68		8,476.54
Cheyenne	do.	2,021.39	42,418.70	29,350.29	1,180.00	8,052.37	803.93	540.16	4.42	2,487.53
Total		27,437.97	239,013.06	177,021.04	2,491.43	33,391.65	6,057.04	3,426.12	146.01	16,479.77
District No. 9:										
Wichita	Oct. 10, 1932	7,156.21	70,411.99	41,473.22		19,861.88	1,902.24	1,195.79	126.28	5,852.58
Denver	do.	4,922.96	60,953.62	39,249.54	525.00	15,983.38	1,295.02	1,067.24	33.64	2,799.80
Oklahoma City	do.	1,618.65	23,048.74	14,699.67	602.00	4,930.12	601.43	249.12		1,966.40
Sante Fe	do.	152.99	1,758.97	1,508.59		99.10		3.73		147.55
Total		13,850.81	156,173.32	96,931.02	1,127.00	40,874.48	3,798.69	2,515.88	159.92	10,766.33
District No. 10:										
Fort Worth	Oct. 11, 1932	2,212.54	26,166.31	17,807.23	1,335.00	3,416.65	784.02	293.49	24.00	2,505.92
Houston	do.	2,098.46	24,958.71	19,094.53		4,173.29	947.74	123.65	6.74	612.76
San Angelo	do.	1,798.05	18,473.55	13,415.21	1,490.00	2,517.98		193.31	4.00	853.05
Total		6,109.05	69,598.57	50,316.97	2,825.00	10,107.92	1,731.76	610.45	34.74	3,971.73
District No. 11:										
Salt Lake City	Oct. 10, 1932	4,450.70	52,433.63	33,509.94	860.71	11,941.12	1,516.33	1,287.85	80.07	3,237.61
Phoenix	do.	2,480.55	11,622.54	8,550.52		1,199.91	588.65	133.19	47.32	1,102.95
San Francisco	do.	3,951.21	31,163.22	21,940.97	731.00	4,328.48	1,988.62	482.20	129.81	1,582.14
Los Angeles	do.	346.79	15,948.73	10,798.65		3,207.11	767.98	291.94	23.85	859.20
Reno	do.	1,157.25	15,981.61	11,961.29		2,489.98	375.08	365.45	.77	789.04
Total		12,386.50	127,149.73	86,761.37	1,591.71	23,166.60	5,216.66	2,560.63	281.82	7,570.94
District No. 12:										
Spokane	Oct. 7, 1932	6,716.48	63,708.65	41,901.59	600.00	13,481.49	2,400.00	1,210.00	118.22	3,997.35
Boise	do.	2,218.09	39,912.47	27,869.00	596.25	8,258.30	703.40	704.02	13.33	1,768.17
Helena	do.	6,192.65	91,015.85	65,975.23	600.00	16,319.03	1,632.45	990.74	9.09	5,489.31
Portland	do.	4,419.73	42,706.34	25,356.74	570.00	10,764.12	1,825.69	547.73	13.22	3,618.84
Total		19,546.95	237,343.31	161,112.56	2,366.25	48,822.94	6,561.54	3,452.49	153.86	14,873.67
Grand total		117,834.85	1,244,550.64	861,830.63	17,398.52	231,900.69	32,635.67	17,728.16	979.05	82,077.92

24 FUNCTIONS OF RECONSTRUCTION FINANCE CORPORATION

TABLE 7.—Statement of condition of the corporation as of the close of business Jan. 31, 1933

ASSETS		
Cash on deposit with Treasurer of United States.....		\$4, 844, 334. 88
Funds held in suspense by custodian banks.....		2, 841, 223. 71
Petty cash funds.....		6, 900. 00
Deposit with bid to purchase bonds.....		80, 600. 00
Advances for expenses regional agricultural credit corporations.....		785, 000. 00
Allocated to Secretary of the Treasury ¹		2, 520, 000. 00
Allocated to Secretary of Agriculture.....	\$139, 500, 000. 00	
Less: Reallocated as capital of regional agricultural credit corporations.....	44, 000, 000. 00	
		95, 500, 000. 00
Capital regional agricultural credit corporations.....		44, 000, 000. 00
Loans under sec. 5:		
Proceeds disbursed (less repayments):		
Banks and trust companies ²	\$615, 303, 852. 22	
Credit unions.....	440, 510. 00	
Building and loan associations.....	85, 518, 573. 52	
Insurance companies.....	62, 940, 926. 85	
Federal land banks.....	18, 800, 000. 00	
Joint-stock land banks.....	2, 607, 032. 49	
Livestock credit corporations.....	6, 637, 315. 53	
Mortgage loan companies.....	79, 770, 260. 28	
Regional agricultural credit corporations.....	20, 577, 175. 82	
Other agricultural credit corporations.....	2, 371, 453. 32	
Railroads (including receivers).....	280, 013, 752. 41	
Total.....		1, 174, 980, 852. 44
Proceeds not yet disbursed:		
Banks and trust companies ²	\$40, 728, 057. 52	
Building and loan associations.....	3, 212, 928. 08	
Insurance companies.....	11, 614, 422. 88	
Federal land banks.....	4, 700, 000. 00	
Joint-stock land banks.....	3, 971, 846. 77	
Livestock credit corporations.....	148, 384. 98	
Mortgage loan companies.....	1, 843, 354. 60	
Regional agricultural credit corporations.....	2, 004, 113. 09	
Other agricultural credit corporations.....	65, 647. 85	
Railroads (including receivers).....	48, 275, 529. 88	
Total.....		116, 564, 285. 65
Loans and contracts for self-liquidating projects, sec. 201a:		
Proceeds disbursed (by purchase of bonds, certificates, and notes—par, \$18,417,000).....		18, 337, 000. 00
Proceeds not yet disbursed (bonds, certificates, and notes—par, \$137,917,500) ³		137, 057, 349. 87

¹ Sec. 2 of the Reconstruction Finance Corporation Act, as amended by the Federal Home Loan Bank Act, provides that "in order to enable the Secretary of the Treasury to make payments upon stock of Federal home-loan banks subscribed for by him in accordance with the Federal Home Loan Bank Act, the sum of \$125,000,000, or so much thereof as may be necessary for such purpose, is hereby allocated and made available to the Secretary of the Treasury out of the capital of the Corporation and/or the proceeds of notes, debentures, bonds, and other obligations issued by the Corporation." The amount of such stock subscribed for by the Secretary of the Treasury is \$124,741,000.

² Loans to aid in the reorganization or liquidation of closed banks have been authorized in the aggregate amount of \$58,751,587.05, of which \$4,973,559.56 has been canceled. After taking into consideration repayments of \$25,090,562.84, items (2) of the balance sheet include the balance of \$18,827,474.05, representing proceeds disbursed (less repayments) and \$9,859,990.60, representing proceeds not yet disbursed.

³ Includes authorizations of 2 loans aggregating \$738,500 temporarily suspended pending further consideration.

TABLE 7.—*Statement of condition of the corporation as of the close of business Jan. 31, 1933—Continued*

ASSETS—continued

Loans to institutions under sec. 201d:	
Proceeds disbursed (less repayments).....	\$1, 214, 470. 33
Proceeds not yet disbursed.....	53, 275, 234. 64
Relief authorizations:	
Proceeds disbursed.....	120, 146, 612. 23
Proceeds not yet disbursed.....	42, 396, 376. 99
Accrued interest receivable.....	15, 027, 997. 95
Reimbursable expense.....	120, 717. 47
Furniture and fixtures.....	\$340, 872. 26
Less allowance for depreciation.....	6, 817. 45
	334, 054. 81
Total.....	1, 830, 033, 010. 97

LIABILITIES AND CAPITAL

Payable to Secretary of Agriculture.....	\$35, 500, 000. 00
Liability for funds held for regional agricultural credit corporations.....	13, 500, 000. 00
Liability for funds held as cash collateral.....	2, 967, 432. 96
Proceeds not yet disbursed:	
Loans under sec. 5.....	116, 564, 285. 65
Loans and contracts for self-liquidating projects, sec. 201a.....	137, 057, 349. 87
Loans to institutions under sec. 201d.....	53, 275, 234. 64
Relief authorizations.....	42, 396, 376. 99
Cash receipts not allocated pending advices.....	5, 945, 173. 82
Suspense.....	10, 644. 60
Unearned discount.....	754, 666. 29
Interest refunds and rebates payable.....	3, 874. 83
Interest accrued.....	6, 978, 169. 89
Series A 3½ percent notes.....	895, 000, 000. 00
Capital stock.....	500, 000, 000. 00
Surplus Dec. 31, 1932.....	17, 804, 757. 73
Interest earned less interest and expenses (Jan. 1, 1933, through Jan. 31, 1933).....	2, 275, 043. 70
	1, 830, 033, 010. 97
Total liabilities and capital.....	1, 830, 033, 010. 97

In addition to loans shown on statement of condition, the corporation in January 1933, approved in principle 1 loan in the amount of \$2,200,000 and also had outstanding an agreement to make 1 loan in the amount of \$89,896.29 upon the performance of specified conditions.

This statement of condition does not take into consideration expenditures incurred but not paid by the corporation at the close of business January 31, 1933, nor income of regional agricultural credit corporations.

