

**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

1998

Department of the Treasury
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 1998, or tax year beginning **07/01**, 1998, and ending **06/30** 99

Use the IRS label. Otherwise, please print or type. See Specific Instructions.	Name of organization ST. LOUIS MERCANTILE LIBRARY ASSOCIATION	A Employer identification number 43-0694564
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 8001 NATURAL BRIDGE ROAD	B Telephone number (see page 9 of the instructions) (314) 516-5000
	City or town, state, and ZIP + 4 ST. LOUIS, MO 63121	C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of assets at end of year (from Part II, col. (c), line 16) **438,884.**

J Accounting method: Cash Accrual
 Other (specify) _____ (Part I, column (d) must be on cash basis.)

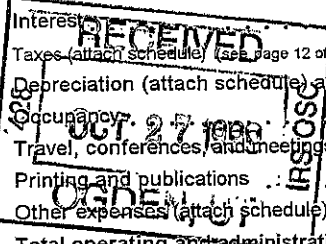
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

G If address changed, check here

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 9 of the instructions).)</i>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Contributions from split-interest trusts				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	40,152.	40,152.		
5a Gross rents				
b (Net rental income or (loss))				
6 Net gain or (loss) from sale of assets not on line 10				
7 Capital gain net income (from Part IV, line 2)				
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	40,152.	40,152.		
13 Compensation of officers, directors, trustees, etc.				
14 Other employee salaries and wages				
15 Pension plans, employee benefits	471.			471.
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule) STMT. 1	2,600.	NONE	NONE	2,600.
c Other professional fees (attach schedule) STMT. 2	14,901.			14,901.
17 Interest				
18 Taxes (attach schedule) (see page 12 of the instructions) STMT. 3	442.			
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings	94.			94.
22 Printing and publications	46.			46.
23 Other expenses (attach schedule) STMT. 4	4,470.			4,470.
24 Total operating and administrative expenses. Add lines 13 through 23	23,024.	NONE	NONE	22,582.
25 Contributions, gifts, grants paid				
26 Total expenses and disbursements. Add lines 24 and 25	23,024.	NONE	NONE	22,582.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	17,128.			
b Net investment income (if negative, enter -0-)		40,152.		
c Adjusted net income (if negative, enter -0-)				

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing	8,188.	429.	429.	
	2	Savings and temporary cash investments				
	3	Accounts receivable				
		Less: allowance for doubtful accounts				
	4	Pledges receivable				
		Less: allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 14 of the instructions)				
	7	Other notes and loans receivable (attach schedule)				
		Less: allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments - U.S. and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule)				
	c	Investments - corporate bonds (attach schedule)				
	11	Investments - land, buildings, and equipment: basis				
	Less: accumulated depreciation (attach schedule)					
12	Investments - mortgage loans					
13	Investments - other (attach schedule) STMT. 5	376,674.	401,561.	438,455.		
14	Land, buildings, and equipment: basis					
	Less: accumulated depreciation (attach schedule)					
15	Other assets (describe)					
16	Total assets (to be completed by all filers - see page 15 of the instructions. Also, see page 1, item I)	384,862.	401,990.	438,884.		
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe)				
23	Total liabilities (add lines 17 through 22)					
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted	384,862.	401,990.		
	25	Temporarily restricted				
	26	Permanently restricted				
	Organizations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
29	Retained earnings, accumulated income, endowment, or other funds					
30	Total net assets or fund balances (see page 16 of the instructions)	384,862.	401,990.			
31	Total liabilities and net assets/fund balances (see page 16 of the instructions)	384,862.	401,990.			

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	384,862.
2	Enter amount from Part I, line 27a	2	17,128.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	401,990.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	401,990.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 11 and 16 of the instructions). If (loss), enter -0- in Part I, line 8	}		3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? . . . Yes No
 If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 16 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
1997			
1996			
1995			
1994			
1993			
2 Total of line 1, column (d)			2
3 Average distribution ratio for the 5-year base period-divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3
4 Enter the net value of noncharitable-use assets for 1998 from Part X, line 5			4
5 Multiply line 4 by line 3			5
6 Enter 1% of net investment income (1% of Part I, line 27b)			6
7 Add lines 5 and 6			7
8 Enter qualifying distributions from Part XII, line 4			8

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 16.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 16 of the instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here [] and enter "N/A" on line 1. Date of ruling letter: 10/28/1998 (attach copy of ruling letter if necessary - see instructions)
b Domestic organizations that meet the section 4940(e) requirements in Part V, check here [] and enter 1% of Part I, line 27b
c All other domestic organizations, enter 2% of line 27b. Exempt foreign organizations enter 4% of line 12b
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)
3 Add lines 1 and 2
4 Subtitle A (Income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-
6 Credits/Payments:
a 1998 estimated tax payments and 1997 overpayment credited to 1998
b Exempt foreign organizations - tax withheld at source
c Tax paid with application for extension of time to file (Form 2758)
d Backup withholding erroneously withheld
7 Total credits and payments. Add lines 6a through 6d
8 Enter any PENALTY for underpayment of estimated tax. Check here [] if Form 2220 is attached
9 TAX DUE. If the total of lines 5 and 8 is more than line 7, enter AMOUNT OWED
10 OVERPAYMENT. If line 7 is more than the total of lines 5 and 8, enter the AMOUNT OVERPAID
11 Enter the amount of line 10 to be: Credited to 1999 estimated tax [] Refunded []

Part VII-A Statements Regarding Activities

1 a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 17 of the instructions for definition)?
c Did the organization file Form 1120-POL for this year?
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:
(1) On the organization. \$ NONE (2) On organization managers. \$ NONE
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. \$ NONE
2 Has the organization engaged in any activities that have not previously been reported to the IRS?
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments?
4 a Did the organization have unrelated business gross income of \$1,000 or more during the year?
b If "Yes," has it filed a tax return on Form 990-T for this year?
5 Was there a liquidation, termination, dissolution or substantial contraction during the year?
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:
By language in the governing instrument; or
By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?
7 Did the organization have at least \$5,000 in assets at any time during the year?
8 a Enter the states to which the foundation reports or with which it is registered (see page 18 of the instructions) MISSOURI
b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G?
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 1998 or the taxable year beginning in 1998 (see instructions for Part XIV on page 23)?
10 Did any persons become substantial contributors during the tax year?
11 a Did anyone request to see either the organization's annual return or its exemption application (or both)?
b If "Yes," did the organization comply pursuant to the instructions?
12 The books are in care of VIRGINIA S. DILL Telephone no. 314-516-5000
Located at 8001 NATURAL BRIDGE ROAD ZIP+4 63121
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041. Check here [] and enter the amount of tax-exempt interest received or accrued during the year []

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any Item is checked in the "Yes" column, unless an exception applies.

1 Self-dealing (section 4941):

a During the year did the organization (either directly or indirectly):

- (1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)

b If any answer is "Yes" to 1a(1)-(6), did ANY of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 18 of the instructions)?

c Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 1998?

2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):

a At the end of the tax year 1998, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 1998? If "Yes," list the years

b Are there any years listed in 2a for which the organization is NOT applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to ALL years listed, answer "No" and attach statement - see page 18 of the Instructions.)

c If the provisions of section 4942(a)(2) are being applied to ANY of the years listed in 2a, list the years here.

3 Taxes on excess business holdings (section 4943):

- a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
b If "Yes," did it have excess business holdings in 1998 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 1998.)

4 Taxes on investments that jeopardize charitable purposes (section 4944):

- a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?
b Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 1998?

5 Taxes on taxable expenditures (section 4945) and political expenditures (section 4955):

- a During the year did the organization pay or incur any amount to:
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?
(3) Provide a grant to an individual for travel, study, or other similar purposes?
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

b If any answer is "Yes" to 5a(1)-(5), did ANY of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 19 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945-5(d).

Table with 3 columns: Item, Yes, No. Rows correspond to questions 1a-1c, 2a-2c, 3a-3b, 4a-4b, 5a-5c.

Part VIII

Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 19 of the instructions):

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		- 0 -	- 0 -	- 0 -

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 19 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 **NONE**

3 Five highest-paid independent contractors for professional services - (see page 19 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services **NONE**

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 NONE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 20 of the instructions)

Describe any program-related investments made by the foundation during the tax year.	Amount
1 NONE	
2	
3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 20 of the instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	376,036.
b Average of monthly cash balances	1b	8,896.
c Fair market value of all other assets (see page 21 of the instructions)	1c	NONE
d Total (add lines 1a, b, and c)	1d	384,932.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	NONE
3 Subtract line 2 from line 1d	3	384,932.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 21 of the instructions)	4	5,774.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	379,158.
6 Minimum investment return. Enter 5% of line 5	6	18,958.

Part XI Distributable Amount (see page 21 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1 Minimum investment return from Part X, line 6	1	18,958.
2 a Tax on investment income for 1998 from Part VI, line 5	2a	NONE
b Income tax for 1998. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	NONE
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	18,958.
4 a Recoveries of amounts treated as qualifying distributions	4a	NONE
b Income distributions from section 4947(a)(2) trusts	4b	
c Add lines 4a and 4b	4c	NONE
5 Add lines 3 and 4c	5	18,958.
6 Deduction from distributable amount (see page 22 of the instructions)	6	NONE
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	18,958.

Part XII Qualifying Distributions (see page 22 of the instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	22,582.
b Program-related investments - total of lines 1-3 of Part IX-B	1b	NONE
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	NONE
b Cash distribution test (attach the required schedule)	3b	NONE
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8 and Part XIII, line 4	4	22,582.
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 22 of the instructions)	5	N/A
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	22,582.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 22 of the instructions)

N/A

	(a) Corpus	(b) Years prior to 1997	(c) 1997	(d) 1998
1 Distributable amount for 1998 from Part XI, line 7				NONE
2 Undistributed income, if any, as of the end of 1997:				
a Enter amount for 1997 only,			NONE	
b Total for prior years; <u>1996</u>		NONE		
3 Excess distributions carryover, if any, to 1998:				
a From 1993	NONE			
b From 1994	NONE			
c From 1995	NONE			
d From 1996	NONE			
e From 1997	NONE			
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 1998 from Part XII, line 4: <u>22,582</u>				
a Applied to 1997, but not more than line 2a			NONE	
b Applied to undistributed income of prior years (Election required - see page 23 of the instructions)		NONE		
c Treated as distributions out of corpus (Election required - see page 23 of the instructions)	NONE			
d Applied to 1998 distributable amount				NONE
e Remaining amount distributed out of corpus	22,582			
5 Excess distributions carryover applied to 1998 (if an amount appears in column (d), the same amount must be shown in column (a).)	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	22,582			
b Prior years' undistributed income. Subtract line 4b from line 2b		NONE		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		NONE		
d Subtract line 6c from line 6b. Taxable amount - see page 23 of the instructions		NONE		
e Undistributed income for 1997. Subtract line 4a from line 2a. Taxable amount - see page 23 of the instructions			NONE	
f Undistributed income for 1998. Subtract lines 4d and 5 from line 1. This amount must be distributed in 1999				NONE
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 23 of the instructions)	NONE			
8 Excess distributions carryover from 1993 not applied on line 5 or line 7 (see page 23 of the instructions)	NONE			
9 Excess distributions carryover to 1999. Subtract lines 7 and 8 from line 6a	22,582			
10 Analysis of line 9:				
a Excess from 1994	NONE			
b Excess from 1995	NONE			
c Excess from 1996	NONE			
d Excess from 1997	NONE			
e Excess from 1998	22,582			

Part XIV Private Operating Foundations (see page 23 of the instructions and Part VII-A, question 9) **NOT APPLICABLE**

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 1998, enter the date of the ruling

b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year		Prior 3 years		(e) Total
	(a) 1998	(b) 1997	(c) 1996	(d) 1995	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year -- see page 24 of the instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc., (see page 24 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

N/A

b The form in which applications should be submitted and information and materials they should include:

N/A

c Any submission deadlines:

N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

N/A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<p>a <i>Paid during the year</i> NONE</p>				
Total				▶ 3a
<p>b <i>Approved for future payment</i> NONE</p>				
Total				▶ 3b

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code...
a Transfers from the reporting organization to a noncharitable exempt organization of:
(1) Cash
(2) Other assets
b Other Transactions:
(1) Sales of assets to a noncharitable exempt organization
(2) Purchases of assets from a noncharitable exempt organization
(3) Rental of facilities or equipment
(4) Reimbursement arrangements
(5) Loans or loan guarantees
(6) Performance of services or membership or fundraising solicitations
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees
d If the answer to any of the above is "Yes," complete the following schedule.

Table with 3 columns: Question, Yes, No. Rows include 1a(1), 1a(2), 1b(1) through 1b(6), and 1c. 'No' column contains 'X' marks.

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

2 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? [] Yes [X] No

b If "Yes," complete the following schedule.

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Part XVIII Public Inspection (see page 26 of the instructions and General Instruction Q)

- 1 Enter the date the notice of availability of the annual return appeared in a newspaper -> 07/13/1999
2 Enter the name of the newspaper -> ST. LOUIS COUNTIAN
3 Check here [X] to indicate that you have attached a copy of the newspaper notice required by the instructions on page 26. (If the notice is not attached, the return will be considered incomplete.)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true and correct. No part of the information furnished on this return is false, fictitious or fraudulent, and I am not aware of any information which would cause this return to be false, fictitious or fraudulent.

Date: 10/21/99 Title: Treasurer

Check if self-prepared [] Preparer's social security no.

AFFIDAVIT OF PUBLICATION

STATE OF MISSOURI,
COUNTY OF ST. LOUIS } ss.

Before the undersigned, a Notary Public in and for the County of St. Louis Missouri, appeared Sara Sue Tedesco, one of the publishers of THE ST. LOUIS COUNTIAN, a daily newspaper published in the COUNTY of St. Louis, Missouri; who, being duly sworn on her oath, say that THE ST. LOUIS COUNTIAN has complied with all of the provisions of the laws of this state regulating newspapers and the publication of legal notices, and in particular with the provisions of section 493.050, R.S. Mo. 1986, and is qualified to publish the annexed notice or advertisement; and that it was published in THE ST. LOUIS COUNTIAN for one issue, the first publication being on 13th day of July, 1999, and the last publication being on the 13th day of July, 1999, to-wit:

St. Louis Mercantile
Library Association
8001 Natural Bridge Rd.
St. Louis, Missouri 63121
314-516-7240

Notice is hereby given that pursuant to Section 6104(d) of the Internal Revenue Code, the Return of the St. Louis Mercantile Library Association for the year ended June 30, 1999 is available at the principal office of the Association, 8001 Natural Bridge Road, for inspection during regular business hours by any citizen who requests it within 180 days after the date of publication of this notice, to-wit: July 13, 1999.

RUTH BRYANT
Board of Direction

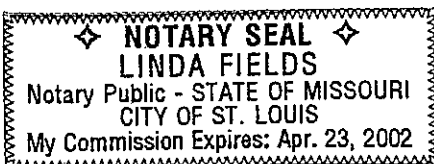
1st time July _____ 13th

Sara Sue Tedesco
Sara Sue Tedesco

Subscribed and sworn to before me this 30th day of July, 1999

(SEAL)

Linda Fields
Notary Public



FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX COMPLIANCE	2,600.	NONE	NONE	2,600
TOTALS	2,600.	NONE	NONE	2,600

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	CHARITABLE PURPOSES
PRINCIPAL FINANCIAL GROUP- PENSION ADMIN	14,901.	14,901
TOTALS	14,901.	14,901

FORM 990PF, PART I - TAXES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----
EXCISE TAX PAID WITH 1998 FORM 990-PF	442.
TOTALS	----- 442. =====

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	CHARITABLE PURPOSES
INSURANCE	4,470.	4,470.
TOTALS	4,470.	4,470.

ST. LOUIS MERCANTILE LIBRARY ASSOCIATION

FORM 990PF, PART II - OTHER INVESTMENTS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
UNIV. OF MO BALANCED POOL	401,561.	438,455.
TOTALS	401,561.	438,455.

ST. LOUIS MERCANTILE LIBRARY ASSOCIATION

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

 TITLE AND TIME
 DEVOTED TO POSITION

 NAME AND ADDRESS

RUTH A. BRYANT
 625 S. SKINKER, #202
 ST. LOUIS, MO 63105

PRESIDENT
 VAR

PETER F. MACKIE
 COMMERCE BANK OF ST. LOUIS
 8000 FORSYTH BOULEVARD
 ST LOUIS, MO 63015

DIRECTOR
 VAR

KAY MICHAEL KRAMER
 17 ORCHARD LANE
 ST LOUIS, MO 63122

DIRECTOR
 VAR

JOHN W. BARRIGER, IV
 TRANSPORTION CONSULTING
 332 S. MICHIGAN AVENUE, #700
 CHICAGO, IL 60604

DIRECTOR
 VAR

PETER FANCHI JR
 7679 CARSWOLD DR
 ST LOUIS, MO 63105

DIRECTOR
 VAR

PETER A GLEICH
 4 WOOD ACRE RD
 ST LOUIS, MO 63124

DIRECTOR
 VAR

MARSHALL HIER
 BERTRAM, PEPPER, HIER
 720 OLIVE STREET, SUITE 617
 ST. LOUIS, MO 63101

VICE PRES
 VAR

ST. LOUIS MERCANTILE LIBRARY ASSOCIATION

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS

TITLE AND TIME
DEVOTED TO POSITION

DIRECTOR
VAR

CECILE K LOWENHAUPT
4950 LINDELL BLVD, APT 5W
ST LOUIS, MO 63108

DIRECTOR
VAR

EUGENE MACKEY
MACKEY MITCHELL ASSOCIATES
800 S. UNION STATION #200
ST LOUIS, MO 63103

DIRECTOR
VAR

ELLEN E. JONES
750 S. HANLEY
ST. LOUIS, MO 63105

DIRECTOR
VAR

ERIC P. NEWMAN
ERIC P. NEWMAN NUMISMATIC EDUC SOC
6450 CECIL
ST. LOUIS, MO 63105

VICE PRES
VAR

ANNE S. MCALPIN
#2 UPPER LADUE ROAD
ST. LOUIS, MO 63124

DIRECTOR
VAR

NICHOLAS V.V. FRANCHOT III
CHRISTY REFRACTORIES
4641 MCREE
ST. LOUIS, MO 63110

EX OFFICIO
NMNL

JOHN NEAL HOOVER
ST. LOUIS MERCANTILE LIBRARY
8001 NATURAL BRIDGE ROAD
ST. LOUIS, MO 63121

ST. LOUIS MERCANTILE LIBRARY ASSOCIATION

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

 TITLE AND TIME
 DEVOTED TO POSITION

NAME AND ADDRESS

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION
VIRGINIA S. DILL 216 CARLYLE LAKE DRIVE ST. LOUIS, MO 63141	TREASURER VAR
JAMES H. GROVE 20 SOUTH CENTRAL, SUITE 200 ST. LOUIS, MO 63105	SECRETARY VAR
WALTER F. BALLINGER, M.D. 800 BARNES ROAD LADUE, MO 63124	DIRECTOR VAR
MARIE C. BRAUER ROYAL ALLIANCE ASSOCIATES, INC 9247 CLAYTON ROAD ST. LOUIS, MO 63124	DIRECTOR VAR
HUGH MCPHEETERS 319 NORTH FOURTH ST. LOUIS, MO 63102	DIRECTOR VAR
MARY M. OTT 22 ALGONQUIN LANE ST. LOUIS, MO 63119	DIRECTOR VAR
KATHARINE AMBERG SMITH 39 RIO VISTA DRIVE ST. LOUIS, MO 63124	DIRECTOR VAR
NINA SMILEY WILKINS 12364 TOPSFIELD COURT	DIRECTOR VAR

ST. LOUIS MERCANTILE LIBRARY ASSOCIATION

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

TITLE AND TIME
DEVOTED TO POSITION

NAME AND ADDRESS

ST. LOUIS, MO 63141

BLANCHE M. TOUHILL
CHANCELLOR, UNIVERSITY OF MISSOURI
401 WOODS HALL
8001 NATURAL BRIDGE ROAD
ST. LOUIS, MO 63121

EX OFFICIO
NMNL

MARGARET ADAMS
25 TWIN SPRINGS LANE
ST. LOUIS, MO 63124

DIRECTOR
VAR

TODD BURKE
TRANS WORLD AIRLINES, INC.
515 N. SIXTH, 18TH FLOOR
ST. LOUIS, MO 63101

DIRECTOR
VAR

CAROL GRUEN
BANK OF AMERICA CORPORATION
800 MARKET STREET
ST. LOUIS, MO 63101

DIRECTOR
VAR

PHILIP H. LOUGHLIN III
66 BUCKSKIN DRIVE
WESTON, MA 02493-1130

DIRECTOR
VAR

SUSAN B. MCCOLLUM
48-A WESTMORELAND PLACE
ST. LOUIS, MO 63108-1244

DIRECTOR
VAR

STEVE ROBERTS
ROBERTS BROADCASTING COMPANY

DIRECTOR
VAR

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

TITLE AND TIME
DEVOTED TO POSITION

NAME AND ADDRESS

1408 N. KINGSHIGHWAY
ST. LOUIS, MO 63113

SCOTT WILSON
SM WILSON GENERAL CONTRACTOR
1616 CLEVELAND
GRANITE CITY, IL 62040

DIRECTOR
VAR

GRAND TOTALS

Form 872 (Rev. June 1996)	Department of the Treasury—Internal Revenue Service Consent to Extend the Time to Assess Tax	In Reply Refer To: SSN or EIN
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St Louis Mercantile Library Association
(Name(s))

taxpayer(s) of 510 Locust St Louis MO 63101
(Number, Street, City or Town, State, ZIP Code)

and the District Director of Internal Revenue or Regional Director of Appeals consent and agree to the following:

(1) The amount of any Federal section 4940 or 4980 excise tax due on any return(s) made by
(Kind of tax)
 or for the above taxpayer(s) for the period(s) ended June 30, 1999, June 30, 2000, June 30, 2001,
June 30, 2002, and June 30, 2003

may be assessed at any time on or before November 15, 2008. However, if
(Expiration date)

a notice of deficiency in tax for any such period(s) is sent to the taxpayer(s) on or before that date, then the time for assessing the tax will be further extended by the number of days the assessment was previously prohibited, plus 60 days.

(2) The taxpayer(s) may file a claim for credit or refund and the Service may credit or refund the tax within 6 months after this agreement ends.

MAKING THIS CONSENT WILL NOT DEPRIVE THE TAXPAYER(S) OF ANY APPEAL RIGHTS TO WHICH THEY WOULD OTHERWISE BE ENTITLED.

YOUR SIGNATURE HERE _____ (Date signed) _____

SPOUSE'S SIGNATURE _____ (Date signed) _____

TAXPAYER'S REPRESENTATIVE SIGN HERE _____ (Date signed) _____

CORPORATE NAME ST LOUIS MERCANTILE LIBRARY ASSOCIATION

CORPORATE OFFICER(S) SIGN HERE Marshall Hies V. President June 30, 1998
(Title) (Date signed)

CORPORATE OFFICER(S) SIGN HERE _____ (Title) (Date signed)

[Signature] DISTRICT DIRECTOR OF INTERNAL REVENUE Group Manager REGIONAL DIRECTOR OF APPEALS
BY [Signature] Group Manager 10-28-98
(Signature and Title) (Date signed)

Instructions

If this consent is for income tax, self-employment tax, or FICA tax on tips and is made for any year(s) for which a joint return was filed, both husband and wife must sign the original and copy of this form unless one, acting under a power of attorney, signs as agent for the other. The signatures must match the names as they appear on the front of this form.

If this consent is for gift tax and the donor and the donor's spouse elected to have gifts to third persons considered as made one-half by each, both husband and wife must sign the original and copy of this form unless one, acting under a power of attorney, signs as agent for the other. The signatures must match the names as they appear on the front of this form.

If this consent is for Chapter 41, 42, or 43 taxes involving a partnership or is for a partnership return, only one authorized partner need sign.

If this consent is for Chapter 42 taxes, a separate Form 872 should be completed for each potential disqualified person, entity, or foundation manager that may be involved in a taxable transaction during the related tax year. See Revenue Ruling 75-391, 1975-2 C.B. 446.

If you are an attorney or agent of the taxpayer(s), you may sign this consent provided the action is specifically authorized by a power of attorney. If the power of attorney was not previously filed, you must include it with this form.

If you are acting as a fiduciary (such as executor, administrator, trustee, etc.) and you sign this consent, attach Form 56, Notice Concerning Fiduciary Relationship, unless it was previously filed.

If the taxpayer is a corporation, sign this consent with the corporate name followed by the signature and title of the officer(s) authorized to sign.