

Federal Reserve Notes

FEDERAL RESERVE BANK OF SAN FRANCISCO • AUGUST 1975
Serving Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah & Washington

BICENTENNIAL COINS MAKE APPEARANCE

In honor of the nation's birthday, new bicentennial half dollars were released to commercial banks throughout the nation following the Fourth of July weekend, and new quarter and dollar coins will soon be making their appearance too.

"Since there are nearly 6,000 commercial-banking offices in just the nine-state area we serve," Senior Vice President Gerald Kelly said, "the bicentennial coins will be released over a period of time this summer and fall. As commercial banks receive their bicentennial inventories, the coins will gradually begin surfacing in general circulation."

Kelly said the newly designed bicentennial coins represent one of the most significant changes in the coinage since the United States Mint was founded.

The designs for the bicentennial coins were selected from thousands of entries submitted by Americans in a nationwide competition. With the single exception of the date, the faces are the same as standard coins, with Washington on the quarter, Kennedy on the half, and Eisenhower on the dollar. However all the bicentennial coins display the double date "1776-1976." The reverse sides bear totally new designs. The bicentennial quarter depicts a colonial drummer, while the half dollar has a likeness of Independence Hall, and the dollar displays a combination of the Liberty Bell and the moon.

The bicentennial coins are being struck at the Philadelphia and Denver




The San Francisco Fed's Ditas Torres has her hands—momentarily at least—on some of the \$2.4 million in new bicentennial half dollars that the bank has stored in its vaults.

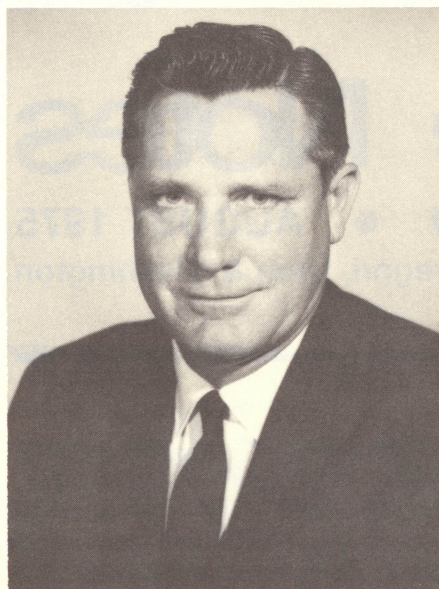
mints. They are the same size, shape and weight as standard coins, and like their counterparts composed of copper and nickel. All bicentennial coins minted between July 4, 1975 and July 1, 1977, must bear the "1776-1976" date as required by Congressional enabling legislation. Federal Reserve Banks will continue to fill orders with both bicentennial and standard coins. Pennies, nickels and dimes will be unaffected by the bicentennial program and will be imprinted with the dates when they are struck.

"An incredible volume of coin flows to the public through the Federal Reserve System and commercial banks

each year," Kelly said, "and 1975 may well be a record year with both regular and bicentennial coins circulating side-by-side."

Coins will be distributed through all of the San Francisco Fed's branch offices—San Francisco, Los Angeles, Portland, Salt Lake City and Seattle. Nationwide the Federal Reserve System will be releasing about 225 million bicentennial dollars, 400 million half-dollars, and nearly 1½ billion quarters. For all of 1975, the Fed anticipates that it will require altogether almost 15 billion regular and bicentennial coins—about \$800 million in "small change." 

REPORT ON . . . THE SOUTHERN BRANCHES



W. G. DeVries



C. Woessner Jr.



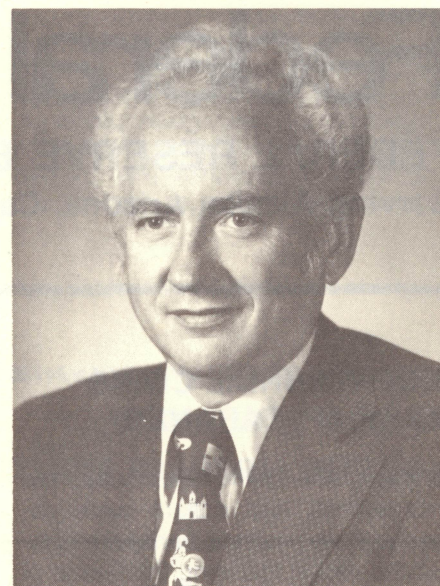
W. H. Hutchins

The Pacific Southwest, as befits this fast-growing region, boasts not one but two of the most active offices in the entire Federal Reserve System. This is a report on the scope of operations at those San Francisco and Los Angeles locations, whose combined trading area stretches from the Oregon border to Mexico, and from the New Mexico border to the farthest stretches of the Pacific.

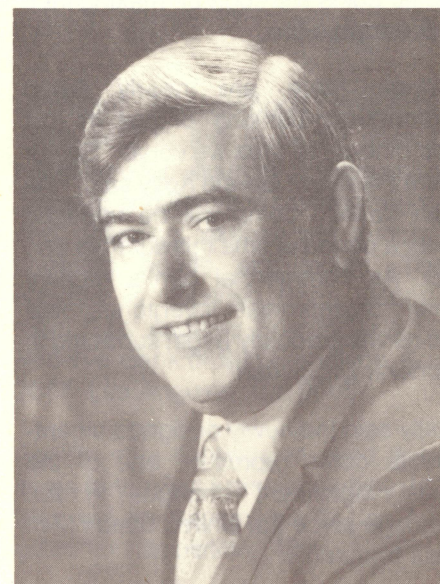
In a recent major reorganization, the Federal Reserve Bank of San Francisco simplified the lines of authority for these Southern offices as well as those located in Seattle, Portland and Salt Lake City. (A report on the Northern offices will follow in a later issue.) All branch offices now report to Senior Vice President for Branch Operations, Gerald R. Kelly, who in turn reports directly to First Vice President John B. Williams; formerly the branch managers plus other operating officers all reported to Williams. In another reorganization move, the San Francisco branch administration was separated from the Bank's corporate organization, thus permitting most operating activities at that site to be combined in a single functional unit.

This modernization reflects the vast increase in the scope of Fed operations over the years since Woodrow Wilson's day. When the San Francisco office opened in 1914 it had a staff of just 21 people to handle operations for the entire Twelfth District. On opening day, not a single customer walked through the doors of its rented offices.

Today the San Francisco branch alone has 420 employees, providing central-banking services for 46 Northern California counties, 13 Western Nevada counties, all of Hawaii and the territories of Guam and Samoa. Last year the branch counted and sorted 284 million bills and 683 million coins, processed 284 million checks, destroyed 114 million unfit bills amounting to \$629 million, processed 129 million food stamps, and issued a massive \$7.7 billion in securities (including savings bonds).



R. C. Dunn



J. M. Davis

"That's not bad for a bank that didn't have a single customer for its Grand Opening," Senior Vice President Wesley G. DeVries said. DeVries, who heads the San Francisco branch, has seen operations at this and other branches grow spectacularly during his 30-year career with the Fed. "There's been a tremendous jump in the number and kinds of services that we perform for the 1,900 banking offices in our zone and its 9 million residents." DeVries said.

Vice President Claude Woessner is in charge of operations for the San Francisco branch, while Vice President Warren H. Hutchins heads the

Analysis-Control function. Reporting to Woessner are Assistant Vice President (Cash) William K. Ginter, Check Officer Robert H. Colfelt, and Fiscal Officer W. Gordon Smith. Reporting directly to DeVries, in addition to Hutchins and Woessner, are Assistant Vice President (Administrative Services) George P. Galloway and Personnel Officer Michael J. Murray.

Los Angeles today is an even larger operation, mirroring the Southland's surging growth of the past half-century. Strangely enough, Los Angeles was the last branch to be organized in the Twelfth District. It opened in 1920, with a staff of 42 employees in rented quarters. The first day's activity consisted of a few deposits of cash and checks for local banks, as well as the transfer of some \$25 million in reserve-account balances from San Francisco for banks located in the Los Angeles zone. The branch soon outgrew its rented quarters, and in 1930 moved to its present building at Olympic and Olive. With the help of a new addition built in

1955, the branch now houses 508 employees.

The branch's area of responsibility covers 12 Southern California counties, 9 Arizona counties and 1 Nevada county. That includes the second-largest population concentration in the country plus the nation's fastest growing state—all this and Las Vegas too. The total population of almost 15 million is served by 2400 banking offices.

Senior Vice President Richard C. Dunn, a 34-year veteran, heads the Los Angeles branch. "It's a challenging task to service this tremendous area," said Dunn, "not just because of the size of the zone, but also because some of the most innovative bankers in the nation are found here. Besides, Los Angeles is a key force in both domestic and international banking, since it is home base for numerous holding companies and foreign banks."

Last year the Los Angeles branch processed 399 million checks, count-

ed and sorted 540 million bills and 811 million coins, destroyed 212 million unfit bills amounting to \$1.2 billion, and processed 157 million food stamps. The branch issued \$1.5 billion in securities (including savings bonds).

Vice President James M. Davis is in charge of branch operations. Reporting to Davis are Cash Officer Richard L. Rasmussen, Check Officer Ralph W. Grambusch and Fiscal Officer Patsy L. Haynes. Reporting directly to Dunn in addition to Davis are Assistant Vice President (Administrative Services) Kenneth L. Petersen and Assistant Vice President (Analysis-Control) John R. Cola.

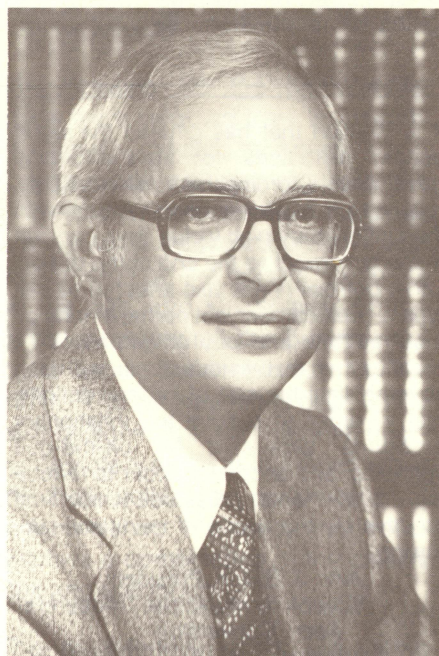
Dunn sums it up, "In the space age as in frontier days, this area is pioneering new approaches in banking and in industry. Branch banking, electronic payments and credit-card banking got an early foothold here, and I'm sure we'll continue to help shape the future of the industry." 🏛️

FED OFFICERS TO NEW POSTS

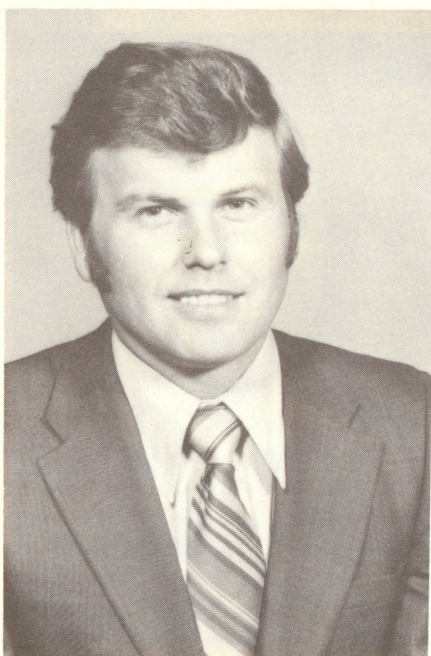
As part of a major reorganization, President John J. Balles disclosed several new appointments designed to enhance the operating and service

capabilities of the Federal Reserve Bank of San Francisco.

Harry W. Green was appointed



H. W. Green



W. G. Woodbury

Director of Bank Holding Company Regulation in the Supervision, Regulations and Credit Department. An employee of the Kansas City Fed for 16 years, Green will now supervise operations of the more than 70 registered bank holding companies located in the San Francisco District. Green will report directly to Vice President Henry B. Jamison, along with the recently promoted Director of Bank Examinations, Eugene A. Thomas.

Walter G. Woodbury was transferred from the Los Angeles branch to assume the position of Director of Corporate Personnel. He will be responsible for developing District-wide personnel policies for Fed employees, under the direction of Senior Vice President John J. Carson.

Beverly J. Adams was named Assistant General Auditor. In this post, Ms. Adams will be involved in coordinating internal audit activities for all District offices. She reports to the (continued on page 4)

Phone (415) 397-1137.

Federal Reserve Notes is written by Ron Getz and produced by Karen Rusk. The publication is distributed to commercial banks by the Research Information Center, Federal Reserve Bank of San Francisco, P.O. Box 7702, San Francisco, California, 94120.

400 Sansome St., San Francisco, CA 94120

Federal Reserve Bank of San Francisco

THIRD CLASS MAIL
U.S. POSTAGE
PAID
PERMIT NO. 752
SAN FRANCISCO, CALIF.

recently promoted General Auditor, James F. Leyman.

Vice President Warren H. Hutchins was shifted from the post of Ombudsman to take charge of the Analysis and Control function of the San Francisco branch. He will be replaced by Assistant Vice President Jane W. Langhorne. As Ombudswoman, Mrs. Langhorne will investigate personnel problems at all offices and serve as a direct communication link between the President and Bank employees.



B. J. Adams

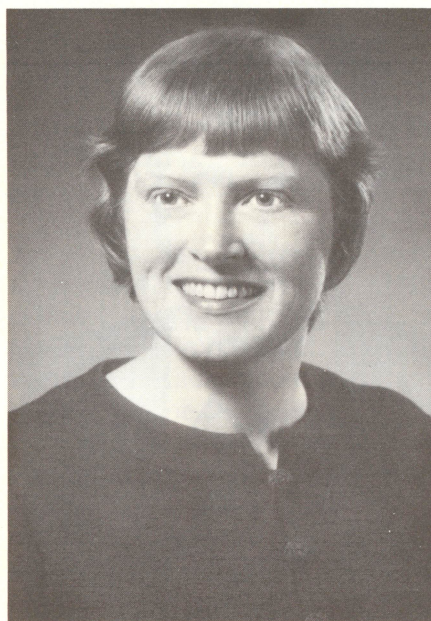
SAVINGS BOND REMINDER

Issuing and paying agents in the San Francisco zone can save time by directing most savings-bonds transactions directly to the Los Angeles branch of the Federal Reserve Bank of San Francisco.

As part of a major productivity-improvement program, many activities relating to the handling of U.S. Savings Bonds, Freedom Share Notes and Retirement Plan Bonds have been consolidated in Los Angeles. These activities generally

represent savings-bond collection items sent to this Bank for special handling—for example, issuing new Series E and Series H savings bonds, and reissuing, exchanging and redeeming bonds and notes. The address is: Savings Bond Department, Los Angeles Branch, Federal Reserve Bank of San Francisco, Box 2077, Los Angeles, Ca. 90051.

Agents may continue to send such items to the San Francisco office, but they will be transmitted to Los Angeles for disposition.



J. W. Langhorne

It is inflation that has caused the worst budget distortions for state-and-local governments, forcing them into increased reliance on capital markets—which with their inflationary high yields, then consign these borrowers to the end of the queue. Other borrowers are also affected by this type of predicament, but perhaps none so much as state-and-local governments. To break out of that vicious circle, we must severely limit the size of Federal deficits, first in order to reduce the inflationary pressures generated by on-the-cuff spending, and second in order to reduce the capital-market pressures which limit so severely the scope of municipal borrowing.

John J. Balles, President
Speech to Municipal Treasurers
Assn. Convention
August 12, 1975