THE YEAR 1955 was described as one of those years of "boom without letup" in the January issue of the Monthly Review. Such a description might also well be applied to this Bank's operations during the year. Mere count of the number of transactions is, of course, only a rough indication of the work accomplished. Nevertheless, the sizable figures in the accompanying table suggest the amount of effort that went into the day-to-day handling of the Eighth District's central banking duties. Most operations exceeded the heavy volume of 1954.

Contracts Awarded for New Louisville Bank Building

To many people, and particularly to citizens of Louisville, the most tangible sign of expanding activity by this Bank during 1955 was the announcement that contracts had been let for a new building to house Louisville Branch operations. While the advantages to be gained from efficient, modern quarters were important, a prime factor in this Bank's decision to construct the new building was the need for more operating space.

The site for the new branch building is located in the northwest section of the central business district of Louisville, and has an area of 28,620 square feet. Fronting 180 feet each on Fifth Street and Armory Place, and 159 feet on Liberty Street, the site has three street exposures and was acquired after comprehensive site studies and analyses.

The proposed building consists of a basement and three-story structure with a service and mechanical tower core.
Earnings and Expenses

Federal Reserve Banks were chartered over four decades ago to serve as the operating arms of the Federal Reserve System. In their day-to-day operations the Banks, including the Federal Reserve Bank of St. Louis, incur certain expenses. At the same time, earnings accrue to each Bank. After providing for the 6 per cent dividend stipulated by law on the stock of the Bank, together with certain protective additions to surplus, the balance (approximately 90 per cent of net earnings) is paid into the Treasury of the United States.

For this Bank in the year 1955, total current earnings were $17 million; net expenses were $6 million. Approximately $600,000 of the year's net earnings were paid to the stockholding member banks; about $1,000,000 was transferred to surplus, and a little over $9,000,000 was paid into the United States Treasury.

Discount Activity

Discount activity increased appreciably in the year. The number of discounts rose from a total of 612 in 1954 with a value of roughly $1.5 billion to 1,450 in 1955 with a value of about $4.75 billion. Borrowings were progressively more costly to member banks as the discount rate was raised four times from 1½ per cent in April, to 2 per cent in August, to 2¼ per cent in September, and finally to 2½ per cent in November.

Operations with the Largest Volume

While certain activities may stand out in any one year because of their variation up or down from earlier levels, three were notable for their consistently high volume. They were check collection, coin and currency handling, and fiscal agency operations. They alone accounted for almost $73 billion in transactions during the year, nearly $2.5 billion more than in 1954. Check handling was at an all-time annual peak. Savings bond transactions were up slightly, reflecting both a larger number of bonds issued and more matured bonds redeemed. The volume of operations in processing United States Treasury bonds decreased over one-tenth in the year as the Treasury conducted fewer refunding operations. In addition to the figures shown in the table, another $100 million worth of other United States Government agency issues were handled.

Another particularly large volume figure, in this case representing more the tremendous advantage of modern communication methods than a large load of paper work, was that for transfer of funds. In 1955, transfers by this Bank and its branches of over $39 billion were a billion dollars higher than in 1954, with a 10 per cent larger number of transactions.

An interesting departure from the general increase in operational volumes shown by the table was the decrease in volume of currency handled compared with 1954. This does not mean, however, that the amount in circulation decreased. What it did reflect was a change in the law which permitted the Reserve Banks to put fit Federal

### COMBINED VOLUME OF OPERATIONS

**AT THE ST. LOUIS BANK AND THE LOUISVILLE, MEMPHIS AND LITTLE ROCK BRANCHES IN 1955 AND 1954**

<table>
<thead>
<tr>
<th>Number of Pieces Handled</th>
<th>1955</th>
<th>1954</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checks (Total)</td>
<td>188,160,000</td>
<td>164,402,000</td>
</tr>
<tr>
<td>City Checks</td>
<td>26,967,000</td>
<td>25,304,000</td>
</tr>
<tr>
<td>Country Checks</td>
<td>103,747,000</td>
<td>89,965,000</td>
</tr>
<tr>
<td>Checks on this Bank</td>
<td>194,000</td>
<td>182,000</td>
</tr>
<tr>
<td>Government Checks</td>
<td>41,769,000</td>
<td>43,057,000</td>
</tr>
<tr>
<td>Postal Money Orders</td>
<td>16,083,000</td>
<td>16,896,000</td>
</tr>
<tr>
<td>Currency</td>
<td>202,866,000</td>
<td>215,198,000</td>
</tr>
<tr>
<td>Coin</td>
<td>383,955,000</td>
<td>365,974,000</td>
</tr>
<tr>
<td>Transfer of Funds</td>
<td>132,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Non-cash Collections</td>
<td>499,000</td>
<td>470,000</td>
</tr>
<tr>
<td>U. S. Government Interest Coupons</td>
<td>614,000</td>
<td>673,000</td>
</tr>
<tr>
<td>Discount and Advances</td>
<td>1,450</td>
<td>612</td>
</tr>
</tbody>
</table>

**Safekeeping of Securities:**

- Securities Received and Released: 162,000, 173,000
- Coupons Detached: 311,000, 296,000

**Fiscal Agency Operations:**

- U. S. Savings Bonds Issued, Exchanged, and Redeemed: 7,227,000, 7,097,000
- Other Government Issues: 226,000, 226,000
- Withheld Tax Depository Receipts Processed: 588,000, 531,000
- Treasury Tax and Loan Account Transactions: 137,000, 140,000

**Dollar Volume**

- Checks Handled (Total): $68,711,565,000, $38,527,804,000
- City Checks: $69,112,379,000, $41,111,540,000
- Country Checks: $15,742,548,000, $14,316,663,000
- Checks on this Bank: $2,907,168,000, $2,827,054,000
- Government Checks: $6,877,084,000, $6,916,479,000
- Postal Money Orders: $271,326,000, $286,068,000
- Currency: $1,358,495,000, $1,284,536,000
- Coin: $32,681,000, $32,250,000
- Transfer of Funds: $30,090,607,000, $37,962,779,000
- Non-cash Collections: $348,842,000, $341,885,000
- U. S. Government Interest Coupons: $66,832,000, $52,853,000
- Discounts and Advances: $4,754,020,000, $1,478,340,000

**Safekeeping of Securities:**

- Coupons Detached: 33,757,000, 26,772,000

**Fiscal Agency Operations:**

- U. S. Savings Bonds Issued, Exchanged, and Redeemed: $852,970,000, $809,664,000
- Other Government Issues: $8,041,503,000, $9,827,636,000

Figures are rounded to the nearest thousand except for the number of discounts and advances.
Reserve Notes of other Reserve Banks into circulation rather than returning such notes to the Banks that issued them. The year 1955 was the first full year in which this saving was allowed.

Other Services

It is interesting to note that of the six remaining operations shown in the table, four had a considerably larger volume compared with 1954 and only two had a smaller volume.

Many other important activities, such as accounting, auditing, bank examination, field service, maintenance, protection, planning and research, not represented in the table, should not be overlooked. At the close of the year there were 492 member banks maintaining reserve accounts and 39 nonmember banks carrying accounts for the settlement of check clearings with this Bank. Internal audits of this Bank and its branches were conducted as usual during the year. And examinations were made of State member banks in this district. In addition, the annual examination of this Bank, including the branches, was made in October by the Chief Federal Reserve Examiner and his staff for the Board of Governors of the Federal Reserve System.

Besides serving the banking and business community through everyday transactions, this Bank continued to meet requests from banker, educational and civic groups for speakers on a variety of subjects. During 1955 officers and staff members attended 317 meetings, addressing 142 of them. In the course of the year 2,600 persons, a majority of them students, visited the St. Louis office or one of the branch offices and were given conducted tours of the establishments. And 108 groups were shown films relating to the central banking function. A currency exhibit available from this Bank was displayed by ten commercial banks during the year.

During 1955 the Bank continued its policy of maintaining a good working environment for its personnel by making certain major physical improvements. In February, the Research Department moved into new offices from the quarters which it had occupied for a number of years. Later on, modernization of work space used by the Money Department was begun.

Personnel Changes

Total employment at the St. Louis and branch offices at the end of 1955 was 1,155 compared with 1,203 at the end of 1954. Most of the reduction in personnel occurred at St. Louis and Memphis.

The following designations and appointments were made in December:

The Board of Governors of the Federal Reserve System redesignated Mr. M. Moss Alexander, St. Louis, Chairman of the Board of the Federal Reserve Bank of St. Louis and Federal Reserve Agent at the Bank for the year 1956. Mr. Alexander, President, Missouri Portland Cement Company, St. Louis, a Class C Director of the Bank, has served as Chairman and Federal Reserve Agent since January 1954. He also served the Bank as a Class B Director during the years 1949 through 1953.

The Board of Governors also reappointed Mr. Caffey Robertson, Memphis, Tennessee, a Class C Director of the Federal Reserve Bank of St. Louis for a three-year term beginning January 1, 1956, and reappointed him Deputy Chairman of the Board for the year 1956. Mr. Robertson, President, Caffey Robertson Company, Memphis, Tennessee, has served as Class C Director and Deputy Chairman of the Board since January 1954. He was formerly a director of the Memphis Branch of the Federal Reserve Bank of St. Louis for the years 1952 and 1953.

Mr. A. Howard Stebbins, Jr., President, Stebbins and Roberts, Inc., Little Rock, Arkansas was reappointed as a member of the Little Rock Branch Board for a three-year term beginning January 1, 1956.

Mr. J. D. Monin, Jr., Farmer, Oakland, Kentucky, was appointed as a member of the Louisville Branch Board for a three-year term beginning January 1, 1956.

Mr. Henry Banks, Farmer, Clarkedale, Arkansas, was reappointed as a member of the Memphis Branch Board for a three-year term beginning January 1, 1956.

The Board of Directors of the Federal Reserve Bank of St. Louis made the following appointments:

Mr. J. V. Satterfield, Jr., President, The First National Bank in Little Rock, Little Rock, Arkansas, was appointed as a member of the Little Rock Branch Board for a three-year term beginning January 1, 1956.

Mr. Magnus J. Kreisle, President, The Tell City National Bank, Tell City, Indiana, was reappointed as a member of the Louisville Branch Board for a three-year term beginning January 1, 1956.

Mr. J. H. Harris, President, The First National Bank of Wynne, Wynne, Arkansas, was appointed as a member of the Memphis Branch Board for a three-year term beginning January 1, 1956.

The Board of Directors of the Federal Reserve Bank of St. Louis also appointed Mr. Lee F. Miller as a member of the Federal Advisory Council to represent the Eighth Federal Reserve District for the year 1956. Mr. Miller is President of Citizens Fidelity Bank and Trust Company, Louisville, Kentucky.

Mr. G. O. Hollocher retired as Assistant Vice President of the Bank at the end of the year, and Mr. S. K. Belcher retired as Assistant Manager of the Memphis Branch on October 1.
There were also the following additional official appointments by this Bank during 1955: William J. Abbott, Jr., appointed Vice President of the Bank; Marvin L. Bennett, Guy S. Freutel, Paul Salzman, and William E. Walker appointed Assistant Vice Presidents of the Bank; Sherley C. Davis appointed Assistant Manager of the Little Rock Branch; Wilbur H. Isbell appointed Assistant Manager of the Memphis Branch.

DIRECTORS AND OFFICERS OF THE FEDERAL RESERVE BANK OF ST. LOUIS

February 1, 1956

Directors

M. Moss Alexander, Chairman
Caffey Robertson, Deputy Chairman
S. J. Beauchamp, Jr. William A. McDonnell
Phil E. Chappell Joseph H. Moore
J. E. Etherton Louis Ruthenburg
Leo J. Wieck

Officers

M. Moss Alexander, Chairman of the Board
Delos C. Johns, President
Frederick L. Deming, First Vice President
William E. Peterson, Vice President
Howard H. Weigel, Vice President and Secretary
Joseph C. Wotawa, Vice President
Dale M. Lewis, Vice President
William J. Abbott, Jr., Vice President
Earl R. Billen, Assistant Vice President
John J. Christ, Assistant Vice President
Willis L. Johns, Assistant Vice President
Stephen Koptis, Assistant Vice President
Woodrow W. Gilmore, Assistant Vice President
John J. Hofer, Assistant Vice President
Marvin L. Bennett, Assistant Vice President
Guy S. Freutel, Assistant Vice President
W. E. Walker, Assistant Vice President
Paul Salzman, Assistant Vice President
George E. Kroner, Chief Examiner
Orville O. Wyrick, Assistant Chief Examiner
Gerald T. Duane, Council and Assistant Secretary
George W. Hirshman, General Auditor

LITTLE ROCK BRANCH

Shuford R. Nichols, Chairman
Donald Barger
T. Winfred Bell
E. C. Benton

Fred Burton, Vice President and Manager
Sherley C. Davis, Assistant Manager
Clifford Wood, Assistant Manager
W. J. Bryan, Assistant Manager

LOUISVILLE BRANCH

Pierre B. McBride, Chairman
David F. Cocks
Magnus J. Kreisle
W. Scott McIntosh

M. C. Minor
J. D. Monin, Jr.
Noel Rush

Victor M. Longstreet, Vice President and Manager
L. K. Arthur, Assistant Manager
L. S. Moore, Assistant Manager
Donald L. Henry, Assistant Manager

MEMPHIS BRANCH

John D. Williams, Chairman
Henry Banks
J. H. Harris
A. E. Hohenberg

John A. McCall
William B. Pollard
John K. Wilson

Darryl R. Francis, Vice President and Manager
C. E. Martin, Assistant Manager
H. C. Anderson, Assistant Manager
Wilbur H. Isbell, Assistant Manager