1956 OPERATIONS
OF THE FEDERAL RESERVE BANK OF ST. LOUIS

OPERATIONS of the Federal Reserve Bank of St. Louis during 1956 continued in heavy volume. Check handling exceeded the annual record set in 1955, and items processed in other major operations were close to or exceeded the prior year's level. It is interesting to note that the dollar volume of items of all kinds processed in 1956 exceeded $190 billion as compared with just under $180 billion in 1955. Considerable progress was made during the year in modernizing the Bank's facilities. Especially notable was the progress in construction of the new Louisville Branch building.

Volume of Operations

The volume of large-scale operations for the past year and 1955 is shown by the table and charts on pages 26 and 27. The most sizable percentage change shown in major volume figures in the table occurred in withheld tax receipts processed. A factor in this increase was the handling of tax receipts from agricultural employers due to a change in Treasury regulations for 1956 which required that monthly deposits be made through the banking system. The 8 per cent decline in "Other Government Issues" reflected a large reduction in the number of Treasury cash and exchange offerings in comparison with other recent years. Twenty banks were qualified for new Treasury Tax and Loan Accounts.

Discount Activity

The aggregate amount of advances, including renewals, to member banks in 1956 under the discount provisions of the Federal Reserve Act was within 3 per cent of the amount in 1955. The number of banks served, however, was larger. On a daily average basis, the volume of loans outstanding was $22.3 million as against $22.5 million during 1955. Two applications were received for loans under Regulation V.

Other Activities

Relations with member banks during the year were maintained by many personal contacts in addition to the usual financial transactions. Over 1,000 visits were made on banks in the Eighth District and 36 area reports on business, agricultural and financial conditions were prepared. A number of conferences, likewise dealing with economic conditions, were co-sponsored with bankers associations in Arkansas, Mississippi, Missouri and Tennessee. Over 2,500 persons, largely students, were conducted on tours of St. Louis or branch offices. More than twice that many viewed films explaining the central banking function.
Two new banks were admitted to the Federal Reserve System in the Eighth Federal Reserve District during the year: the Bank of Arkansas, Little Rock, Arkansas, and the Bank of Crossett, Crossett, Arkansas. At year’s end, there were 492 member banks in the district.

In addition to progress in construction of the new branch building in Louisville, extensive alteration and modernization of the Little Rock Branch quarters were completed during the year. At year-end plans were in preparation for some interior alterations in the Memphis Branch building. In the St. Louis office, remodeling of the Money Department was completed along with other improvements.

Customary internal audits of the Bank, including the branches, were complemented by the annual examination in May by the Chief Federal Reserve Exam-

Total current earnings of the Federal Reserve Bank of St. Louis increased from 1955 to 1956 by over $7 million as shown by the table on page 27. After deducting expenses, current net earnings came to approximately $17.5 million. Payments of statutory dividends to member banks in the Eighth District amounted to $650,000. This Bank paid $15 million to the Treasury as interest on Federal Reserve notes and added $1.7 million to surplus.
Earnings and Expenses Statement

(Thousands of Dollars) 1956 1955 Change

Total current earnings ............................................. $24,402 $17,020 $ + 7,382
Net expenses .............................................. 6,931 6,073 + 858
Current net earnings .......................... 17,471 10,947 + 6,524
Net additions (+) or deductions (—). .  .  — 3 — 25 + 22
Net earnings before payments to United States Treasury.................... . 17,468 10,922 + 6,546
Paid to United States Treasury (Interest on Federal Reserve Notes). . . 15,136 9,275 + 5,861
Dividends paid.......................................... 650 617 + 33
Transferred to surplus............................. 1,682 1,030 + 652

Personnel Changes

Total employment at the St. Louis, Little Rock, Louisville and Memphis offices of the Bank was 1,145 at the end of 1956 compared with 1,155 at the end of 1955. Slight net reductions in personnel occurred at St. Louis and Louisville and slight increases at Little Rock and Memphis.

The following designations and appointments include those made in January 1957 as well as those made in December 1956:

The Board of Governors of the Federal Reserve System appointed Mr. Pierre B. McBride, Louisville, Kentucky, a Class C Director of the Federal Reserve Bank of St. Louis for a three-year term beginning January 1, 1957, and designated him Chairman of the Board and Federal Reserve Agent for the year 1957. He succeeded Mr. M. Moss Alexander of St. Louis, whose term expired at the end of the year. Mr. McBride is President of Porcelain Metals Corporation, Louisville, Kentucky. He had been a Director of the Louisville Branch since January 1951.

Mr. Joseph H. Moore, Charleston, Missouri, was designated by the Board of Governors as Deputy Chairman of the Federal Reserve Bank of St. Louis for the year 1957. Mr. Moore, a Class C Director since March 1950, is engaged in farming in Southeast Missouri, where he has been active in agricultural affairs.

The Board of Governors also appointed Mr. J. H. Longwell, Director, Division of Agricultural Sciences, University of Missouri, Columbia, Missouri, as a Class C Director, effective January 1, 1957, to fill a vacancy caused by the resignation of Mr. Caffey Robertson. Mr. Longwell's appointment is for the unexpired portion of a term ending December 31, 1958.

Elected by member banks as Directors were:

Mr. Kenton R. Cravens, President, Mercantile Trust Company, St. Louis, Missouri, elected by member banks in Group 1 as a Class A Director for a three-year term beginning January 1, 1957. He succeeded Mr. William A. McDonnell of St. Louis whose term expired at the end of the year.

Mr. Harold O. McCutchan, Executive Vice President, Mead Johnson & Company, Evansville, Indiana, elected by member banks in Group 3 as a Class B Director for a three-year term beginning January 1, 1957. He succeeded Mr. Louis Rutherford of Evansville whose term expired at the end of the year.

Appointments by the Board of Governors to the Boards of Directors of the branches were:

Mr. T. Winfred Bell, President, Bush-Caldwell Company and the Arkansas Electric Company, Little Rock Arkansas, reappointed as a member of the Little Rock Branch Board for a three-year term beginning January 1, 1957.

Mr. David F. Cocks, Vice President and Treasurer, Standard Oil Company (Kentucky), Louisville, Kentucky, reappointed as a member of the Louisville Branch Board for a three-year term beginning January 1, 1957.

Reserve Bank of St. Louis and Branches—1956 and 1955
DIRECTORS AND OFFICERS OF THE FEDERAL RESERVE BANK OF ST. LOUIS

February 1, 1957

Directors

Pierre B. McBride, Chairman
Joseph H. Moore, Deputy Chairman
S. J. Beauchamp, Jr.
Phil E. Chappell
Kenton R. Cravens
Leo J. Wieck

Officers

Pierre B. McBride, Chairman of the Board
Delos C. Johns, President
Frederick L. Deming, First 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
George E. Kroner, 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
Orville O. Wyrick, Chief Examiner
Gerald T. Dunne, Counsel and Assistant Secretary
George W. Hirshman, General Auditor

LITTLE ROCK BRANCH

A. Howard Stebbins, Jr., Chairman
Donald Barger
T. Winfred Bell
E. C. Benton

Fred Burton, Vice President and Manager
H. C. McKinney, Jr.
J. V. Satterfield, Jr.

Sherley C. Davis, Cashier
Clifford Wood, Assistant Cashier
W. J. Bryan, Assistant Cashier

LOUISVILLE BRANCH

David F. Cocks, Chairman
Philip Davidson
Magnus J. Kreisle
W. Scott McIntosh

M. C. Minor
J. D. Monin, Jr.
Merle E. Robertson

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

MEMPHIS BRANCH

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

William B. Pollard
John D. Williams
John K. Wilson

Darryl R. Francis, Vice President and Manager
Wilbur H. Isbell, Cashier
H. C. Anderson, Assistant Cashier
Benjamin B. Monaghan, Assistant Cashier
Mr. Philip Davidson, President of the University of Louisville, Louisville, Kentucky, appointed as a member of the Louisville Branch Board for the unexpired portion of a term ending December 31, 1957.

Mr. John D. Williams, Chancellor, The University of Mississippi, University, Mississippi, reappointed as a member of the Memphis Branch Board for a three-year term beginning January 1, 1957.

Appointments by the Board of Directors of the Federal Reserve Bank of St. Louis to the Boards of Directors of the branches were:

Mr. Donald Barger, President, Peoples Exchange Bank, Russellville, Arkansas, reappointed as a member of the Little Rock Branch Board for a three-year term beginning January 1, 1957.

Mr. Merle E. Robertson, Chairman of Board and President, Liberty National Bank and Trust Company of Louisville, Louisville, Kentucky, appointed as a member of the Louisville Branch Board for a three-year term beginning January 1, 1957.

Mr. John K. Wilson, President, The First National Bank of West Point, West Point, Mississippi, reappointed as a member of the Memphis Branch Board for a three-year term beginning January 1, 1957.

The Board of Directors of the Federal Reserve Bank of St. Louis also reappointed Mr. Lee P. Miller as a member of the Federal Advisory Council to represent the Eighth Federal Reserve District for the year 1957. Mr. Miller is President of the Citizens Fidelity Bank and Trust Company, Louisville, Kentucky.

The following official appointments and changes were made by the Board of Directors during 1956: George E. Kroner, Vice President; Orville O. Wyrick, Chief Examiner; Effective January 1, 1957, Sherley C. Davis, Donald L. Henry, and Wilbur H. Isbell were promoted to the position of Cashier at their respective Branches, Little Rock, Louisville, and Memphis, and Benjamin B. Monaghan was appointed Assistant Cashier of the Memphis Branch. The official title of Assistant Manager at the branches was discontinued on January 1, 1957.

William E. Peterson retired as Vice President in charge of the Bank's Examination Department on June 1, 1956. C. E. Martin retired as an Assistant Manager of the Memphis Branch, effective August 1, 1956. Lee S. Moore, an Assistant Cashier of the Louisville Branch, died January 5, 1957.