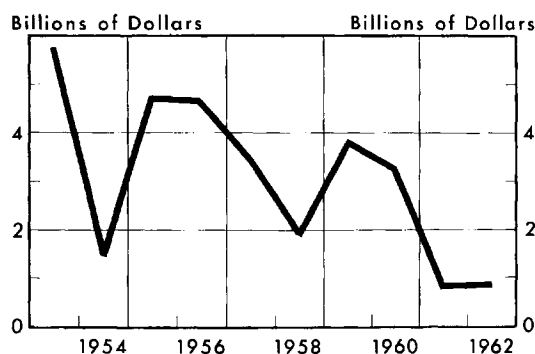


1962 Annual Report of the Federal Reserve Bank of St. Louis Operations

FEDERAL RESERVE FUNCTIONS may be separated into three major classifications—policy, supervision, and service. Policy functions embrace actions taken in connection with the volume, availability, and cost of money. Supervision involves the examination and regulation of banks and certain related organizations. Service is the range of activities which, for a variety of historical or functional reasons, are undertaken as either precondition or consequence of policy responsibilities. Functions of all three types are performed at the Federal Reserve Bank of St. Louis and its Little Rock, Louisville, and Memphis branches.

The principal policy task undertaken at this bank is the discount function. The bank's directors set the discount rate every two weeks subject to the review and determination of the Board of Governors. Loans at such rate are extended to member banks through the "discount window." Such credits in the Eighth Federal Reserve District totaled \$881 million in 1962, 8 per cent above 1961 but substantially below the average of the past decade.

**Loans to Member Banks
1953-1962**



Supervision is principally exercised through examination of state member banks. All the state member banks in the district, totaling 152 on December 31, were examined in 1962, with the 322 national member banks being subject to examinations by the Comptroller of the Currency. This total of 474 member banks

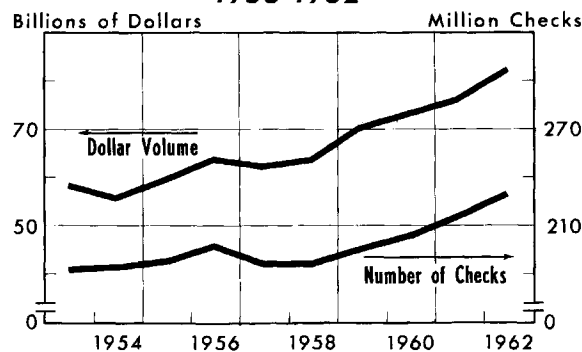
at the end of 1962 was four less than a year earlier. The number of nonmember banks increased from 997 to 1,004, and the total number of commercial banks in the district rose from 1,475 to 1,478. The percentage of total commercial bank deposits held by member banks in the district at mid-1962 was 64.5 compared to 65.3 at mid-1961.

Service functions may be classified under three general headings: credit transfers, cash service, and fiscal agency. Credit transfers may again be divided into three groups—check collections, other collections, and interbank transfer of funds.

Several of the service functions which a Federal Reserve Bank performs are related to the balances which member banks keep on deposit with it. These balances serve both as part of the reserves prescribed by the policy regulations of the Federal Reserve System and as working balances for the member banks.

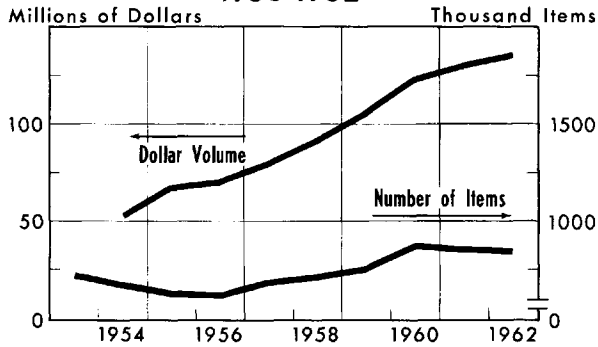
With respect to check collections, about 230 million checks with a face value in excess of \$82 billion were collected by this bank in 1962. The number of checks was up 6.4 per cent compared to 1961, and their dollar value rose 8.5 per cent.

**Checks Collected
1953-1962**



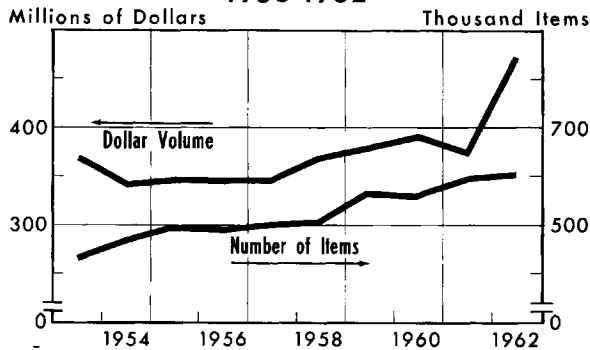
The other collections are items which require special handling and are technically known as "noncash collections." They consist of such items as drafts, promissory notes, stocks, bonds, and coupons. United

U.S. Government Coupons Paid 1953-1962



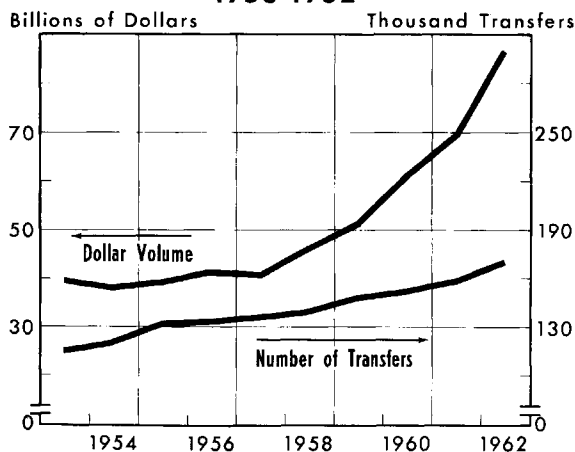
States Government coupons paid were down 2 per cent in number, but dollar volume was 4 per cent greater. The number of other noncash collection items was up about 2 per cent and their dollar value was sharply higher, 26 per cent above the 1961 level.

Other Noncash Collection Items 1953-1962



The "transfers of funds" are largely movements of bank balances. The Federal Reserve System makes this service available to member banks for moving funds quickly from one part of the country to another. Transfers of funds by this bank in 1962, numbering 170 thousand, were 7 per cent greater than in the

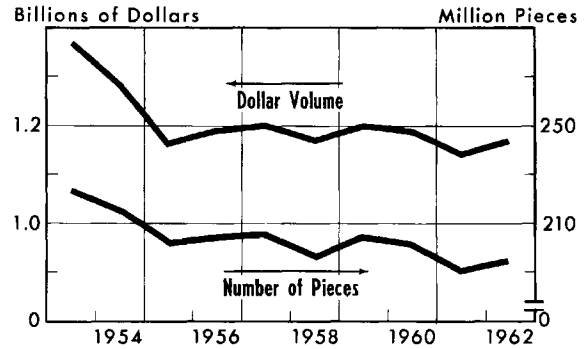
Transfers of Funds 1953-1962



previous year, and the dollar amount was up 16 per cent.

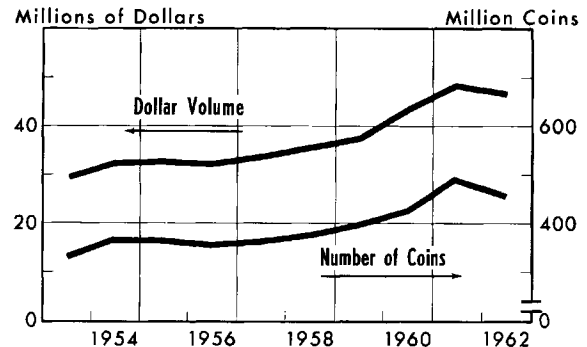
The cash service function of the bank is carried out through the Money Department. Its major activities include receiving, sorting, counting, paying out, and shipping currency and coin, and wrapping coin. At this bank money handling operations in 1962 showed mixed trends. The volume of currency handled rose somewhat both in number of pieces and dollar volume, following decreases in the two preceding

Currency Received and Counted 1953-1962



years. On the other hand, the number and dollar volume of coin received and counted declined in the year, following a rapid increase in the previous two

Coin Received and Counted 1953-1962



years. Combined currency and coin received and counted during the year totaled \$1.2 billion, about 2 per cent above the 1961 dollar volume.

Each Federal Reserve Bank performs a major service function as Depository and Fiscal Agent of the United States Government. In this capacity, the Federal Reserve Banks act as the United States Government's principal banking agency. They hold Government demand deposit accounts, accept Government receipts, settle checks drawn on the Treasurer of the United States, and issue, redeem, and transfer title to Government securities. *Text continued on Page 20*

Directors and Officers

Directors

Chairman of the Board and Federal Reserve Agent

ETHAN A. H. SHEPLEY
Of Counsel, Shepley, Kroeger, Fisse & Shepley
St. Louis, Missouri

Deputy Chairman of the Board

J. H. LONGWELL
Director, Special Studies and Programs
College of Agriculture, University of Missouri
Columbia, Missouri

H. LEE COOPER, President, Ohio Valley National Bank of
Henderson, Henderson, Kentucky

HARRY F. HARRINGTON, Chairman of the Board and
President, The Boatmen's National Bank of St. Louis,
St. Louis, Missouri

HAROLD O. McCUTCHAN, Senior Executive Vice President,
Mead Johnson & Company, Evansville, Indiana

EDGAR M. QUEENY, Chairman of the Finance Committee
and member of Board of Directors, Monsanto Chemical
Company, St. Louis, Missouri

RAYMOND REBSAMEN, Chairman of the Board, Rebsamen
& East, Inc., Little Rock, Arkansas

ARTHUR WERRE, JR., Executive Vice President, First
National Bank of Steeleville, Steeleville, Illinois

JESSE D. WOOTEN, Executive Vice President,
Mid-South Chemical Corporation,
Memphis, Tennessee

Member of Federal Advisory Council

SIDNEY MAESTRE
Chairman of the Executive Committee
Mercantile Trust Company
St. Louis, Missouri

Officers

HARRY A. SHUFORD, *President*

DARRYL R. FRANCIS, *First Vice President*

MARVIN L. BENNETT, *Vice President*

FRED BURTON, *Vice President*

E. FRANCIS DEVOS, *Vice President*

DONALD L. HENRY, *Vice President*

HOMER JONES, *Vice President*

DALE M. LEWIS, *Vice President*

HOWARD H. WEIGEL, *Vice President and Secretary*

JOSEPH C. WOTAWA, *Vice President*

ORVILLE O. WYRICK, *Vice President*

GEORGE W. HIRSHMAN, *General Auditor*

GERALD T. DUNNE, *General Counsel and
Assistant Secretary*

WILLIAM J. ABBOTT, *Adviser*

CARL T. ARLT, *Assistant Vice President*

EARL R. BILLEN, *Assistant Vice President*

NORMAN N. BOWSHER, *Assistant Vice President*

EARL H. CHAPIN, *Assistant Chief Examiner*

GEORGE W. DENNISON, *Assistant Vice President*

J. M. GEIGER, *Assistant Vice President*

WOODROW W. GILMORE, *Planning Officer*

JOHN J. HOFER, *Assistant Vice President*

WILBUR H. ISBELL, *Chief Examiner*

WILLIS L. JOHNS, *Assistant Vice President*

RICHARD O. KALEY, *Assistant Vice President*

STEPHEN KOPTIS, *Assistant Vice President*

F. GARLAND RUSSELL, JR., *Assistant Counsel*

PAUL SALZMAN, *Assistant Vice President*

W. E. WALKER, *Assistant Vice President*

JOSEPH C. WELMAN, JR., *Assistant Chief Examiner*

LITTLE ROCK BRANCH

Directors

H. C. ADAMS, Executive Vice President, The First National Bank of DeWitt, DeWitt, Arkansas

ROSS E. ANDERSON, President, The Commercial National Bank of Little Rock, Little Rock, Arkansas

J. W. BELLAMY, President, National Bank of Commerce of Pine Bluff, Pine Bluff, Arkansas

FREDERICK P. BLANKS, Planter, Parkdale, Arkansas

R. M. LAGRONE, JR., President, The Citizens National Bank of Hope, Hope, Arkansas

CAREY V. STABLER, President, Little Rock University, Little Rock, Arkansas

WALDO E. TILLER, President, Tiller Tie and Lumber Company, Inc., Little Rock, Arkansas

Officers

FRED BURTON, *Vice President and Manager*

JOHN F. BREEN, JR., *Cashier*

HOWARD J. JENSEN, *Assistant Cashier*

JOHN K. WARD, *Assistant Cashier*

LOUISVILLE BRANCH

Directors

RAY E. BARRETT, President, The State Bank of Salem, Salem, Indiana

PHILIP DAVIDSON, President, University of Louisville, Louisville, Kentucky

C. HUNTER GREEN, Vice President and General Manager, Southern Bell Telephone and Telegraph Company, Louisville, Kentucky.

JOHN H. HARDWICK, President, The Louisville Trust Company, Louisville, Kentucky

JOHN G. RUSSELL, President, The Peoples First National Bank & Trust Company of Paducah, Paducah, Kentucky

RICHARD T. SMITH, Farmer, Madisonville, Kentucky

JOHN R. STROUD, Executive Vice President, The First National Bank of Mitchell, Mitchell, Indiana

Officers

DONALD L. HENRY, *Vice President and Manager*

JOHN W. MENGES, *Cashier*

LOUIS A. NELSON, *Assistant Cashier*

CLARENCE J. WOERTZ, *Assistant Cashier*

MEMPHIS BRANCH

Directors

JOHN E. BROWN, Chairman of the Board and President, Union Planters National Bank of Memphis, Memphis, Tennessee

LEON C. CASTLING, President, First National Bank at Marianna, Marianna, Arkansas

CHARLES R. CAVINESS, President, National Bank of Commerce of Corinth, Corinth, Mississippi

EDWARD B. LEMASTER, President, Edward LeMaster Co., Inc., Memphis, Tennessee

SIMPSON RUSSELL, Chairman of the Board, The National Bank of Commerce of Jackson, Jackson, Tennessee

WILLIAM KING SELF, President, Riverside Industries, Marks, Mississippi

FRANK LEE WESSON, President, Wesson Farms, Inc., Victoria, Arkansas

Officers

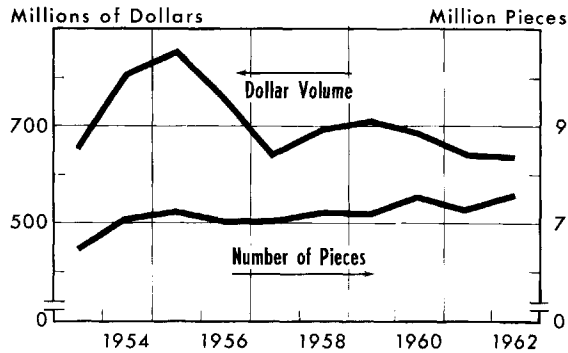
E. FRANCIS DEVOS, *Vice President and Manager*

BENJAMIN B. MONAGHAN, *Cashier*

PAUL I. BLACK, JR., *Assistant Cashier*

JOSEPH P. GARBARINI, *Assistant Cashier*

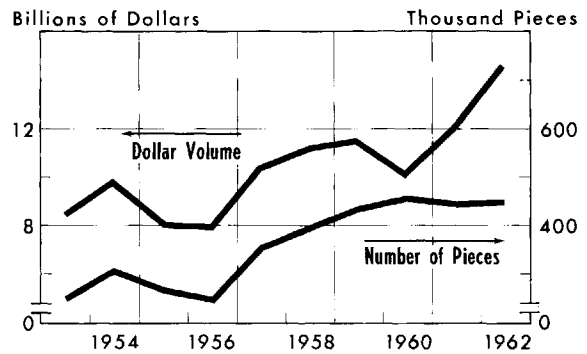
U.S. Savings Bonds Issued, Exchanged, and Redeemed 1953-1962



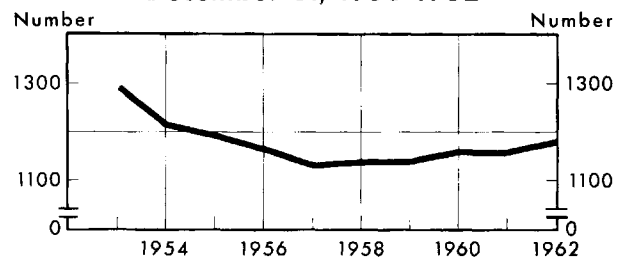
The number of United States Savings Bonds issued, exchanged, and redeemed at this bank was up 4 per cent in 1962. However, the dollar volume of these securities, totaling \$635 million, was about unchanged from the 1961 level. Both the number and dollar value of other Government securities, including securities of Government agencies, rose. The number was up about 1 per cent, and dollar volume was more than 20 per cent greater.

Personnel at the bank's four offices increased 2 per cent in 1962 to 1,180 at the end of the year. Most of

Other Government Securities Issued, Serviced and Retired 1953-1962



Officers and Employees December 31, 1953-1962



the increase occurred in the Check Collection Department, reflecting the increased volume of operations.

Statements

EARNINGS AND EXPENSES

FEDERAL RESERVE BANK OF ST. LOUIS

(In thousands of dollars)

	1962	1961
Total Current Earnings	\$41,783	\$37,852
Net Expenses	9,218	8,513
Current Net Earnings	\$32,565	\$29,339
Additions to Current Net Earnings:		
Profit on Sales of U. S. Government Securities (net)	\$ 79	\$ 140
All Other	19	1
Total Additions	\$ 98	\$ 141
Deductions from Current Net Earnings:	88	3
Net Additions	\$ 10	\$ 138
Net Earnings before Payment to U. S. Treasury	\$32,575	\$29,477
Distribution of Net Earnings:		
Paid to U. S. Treasury (Interest on F. R. Notes)	\$30,332	\$25,742
Dividends Paid	940	862
Transferred to Surplus	1,303	2,873
Total	\$32,575	\$29,477

CONDITION

FEDERAL RESERVE BANK OF ST. LOUIS

(In thousands of dollars)

	December 31, 1962	December 31, 1961
Assets		
Gold Certificate Reserves	\$ 629,422	\$ 679,572
Federal Reserve Notes of Other Banks	19,261	21,784
Other Cash	14,651	17,621
Discounts and Advances	34	2,210
U. S. Government Securities	1,260,050	1,165,881
Uncollected Items	286,916	306,100
Other Assets	20,491	16,232
Total Assets	\$2,230,825	\$2,209,400
Liabilities and Capital Accounts		
Federal Reserve Notes (Net)	\$1,295,497	\$1,269,413
Deposits:		
Member Banks—Reserve Accounts	650,070	628,096
U. S. Treasurer—General Account	31,781	17,587
Other	13,110	11,391
Deferred Availability Cash Items	190,151	234,940
Other Liabilities and Accrued Dividends	2,657	2,368
Total Capital Accounts	47,559	45,605
Total Liabilities and Capital Accounts	\$2,230,825	\$2,209,400

MEMORANDA: Contingent liabilities on acceptances purchased for foreign correspondents decreased from \$4,250,000 on December 31, 1961 to \$2,859,000 on December 31, 1962. The ratio of gold certificate reserves to deposit and F.R. note liabilities combined was 35.3% on December 31, 1961 and 31.6% on December 31, 1962.