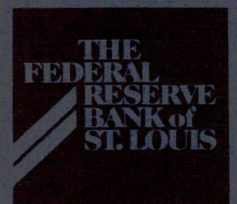


*FRASER  
Summary  
Report*





## *President's Message*

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he year 1988 represented an important milestone for the Federal Reserve System; it was 75 years earlier, on December 23, 1913, that the Federal Reserve Act creating the System was signed into law.

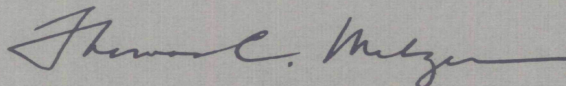
The Reserve Banks themselves commenced operations in the following year. Accordingly, we at the Federal Reserve Bank of St. Louis will be recognizing our 75th anniversary in 1989. In this connection, the Bank will publish a history of its founding and also host a series of events during the year for employees, financial institutions and the public.

It is indeed timely that we have occasion to pause briefly and look back. The environment in which the Bank operates continues to change very rapidly, as it has for some years now. We have adapted to these changes, but never want to lose sight of the foundations that are so important to us. So, as we again look to the future in this, our anniversary year, we hope that you will join us in recognizing the Bank's first 75 years of service.

The remainder of this report summarizes the financial status and certain operating statistics of the Federal Reserve Bank of St. Louis and its three branches. In addition, it lists the Bank's boards of directors and officers who will guide us through the coming year.

Key officer changes since our last report include the addition of Henry H. Bourgaux as senior vice president for Operations and the promotion of Kristi D. Short to vice president for Electronic Services and Marketing. At our branches, John F. Breen was promoted to senior vice president and branch manager in Little Rock, Howard Wells was promoted to vice president and branch manager in Louisville, and Raymond H. Laurence was added as vice president and branch manager in Memphis.

Finally, we wish to thank the retiring directors who have served us so capably: Robert J. Sweeney, St. Louis; Robert C. Connor, Little Rock; Allan S. Hanks, Louisville; and William H. Brandon, Jr., Memphis.



**Thomas C. Melzer**

*President and Chief Executive Officer*



# Statement of Condition

(thousands of dollars)

	December 31, 1988	December 31, 1987
<b>Assets</b>		
Gold certificate account	\$ 368,000	\$ 351,000
Special Drawing Rights certificate account	160,000	160,000
Coin	29,129	27,845
Loans to depository institutions	94,595	38,147
Securities:		
Federal agency obligations	204,979	218,128
U.S. Government securities	6,875,187	6,321,843
Total securities	\$7,080,166	\$6,539,971
Cash items in process of collection	422,413	501,849
Bank premises (net)	20,918	19,971
Other assets	411,898	371,092
Interdistrict settlement account	742,106	723,405
<b>TOTAL ASSETS</b>	<b>\$9,329,225</b>	<b>\$8,733,280</b>
<b>Liabilities</b>		
Federal Reserve notes	\$7,846,924	\$6,941,914
Deposits:		
Depository institutions	874,470	1,165,633
Foreign	4,200	4,650
Other	7,101	20,460
Total deposits	\$ 885,771	\$1,190,743
Deferred availability cash items	388,504	407,472
Other liabilities	91,106	77,111
Interdistrict settlement account	0	0
<b>TOTAL LIABILITIES</b>	<b>\$9,212,305</b>	<b>\$8,617,240</b>
<b>Capital Accounts</b>		
Capital paid in	\$ 58,460	\$ 58,020
Surplus	58,460	58,020
<b>TOTAL CAPITAL ACCOUNTS</b>	<b>\$ 116,920</b>	<b>\$ 116,040</b>
<b>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</b>	<b>\$9,329,225</b>	<b>\$8,733,280</b>



# Income and Expenses

(thousands of dollars)

	1988	1987
<b>Current Income</b>		
Interest on loans to depository institutions	\$ 7,101	\$ 3,663
Interest on government securities	529,482	469,887
Earnings on foreign currency	8,464	10,668
Revenue from priced services	28,725	29,119
All other income	461	445
Total current income	\$574,233	\$513,782
<b>Current Expenses</b>		
Current operating expenses	\$ 62,392	\$ 60,229
Less expenses reimbursed	(7,269)	(8,008)
Current net operating expenses	\$ 55,123	\$ 52,221
Cost of earnings credits	4,598	4,347
Current net expenses	\$ 59,721	\$ 56,568
<b>CURRENT NET INCOME</b>	<b>\$514,512</b>	<b>\$457,214</b>
<b>Profit and Loss</b>		
Additions to current net income:		
Profit on sales of government securities (net)	\$ 655	\$ 1,210
Profit on foreign exchange transactions (net)	1	55,933
All other additions	0	32
Total additions	\$ 656	\$ 57,175
Deductions from current net income:		
Loss on foreign exchange transactions (net)	\$ 14,305	\$ 0
All other deductions	7	175
Total deductions	\$ 14,312	\$ 175
Net additions or deductions	\$ (13,656)	\$ 57,000
Cost of unreimbursed Treasury service	(1,217)	(3,396)
Assessment by Board of Governors:		
Expenditures	\$ (2,376)	\$ (2,503)
Federal Reserve currency costs	(5,379)	(5,146)
<b>NET INCOME AVAILABLE FOR DISTRIBUTION</b>	<b>\$491,884</b>	<b>\$503,169</b>
<b>Distribution of Net Income</b>		
Dividends paid	\$ (3,495)	\$ (3,462)
Payments to the U.S. Treasury		
(interest on Federal Reserve notes)	(487,949)	(499,441)
Transferred to surplus	440	266
Surplus, January 1	58,020	57,754
Surplus, December 31	\$ 58,460	\$ 58,020



# Operating Statistics

Operations	Number of Pieces Handled		Dollar Amount (thousands)	
	1988	1987	1988	1987
<b>SERVICES TO DEPOSITORY INSTITUTIONS</b>				
<b>Cash Services:</b>				
Currency Received and Counted	<b>614,080,000</b>	580,283,000	\$ <b>6,841,600</b>	\$ 6,731,900
Coin Received and Counted	<b>695,858,000</b>	915,443,000	<b>66,936</b>	104,500
<b>Check Services:</b>				
U.S. Government Checks	<b>34,125,000</b>	33,608,000	<b>30,091,300</b>	29,552,500
Postal Money Orders	<b>144,166,000</b>	146,436,000	<b>13,188,800</b>	12,551,200
All Other	<b>576,846,000</b>	543,247,000	<b>354,686,000</b>	311,506,500
<b>ACH Services:</b>				
Commercial	<b>42,087,000</b>	32,306,000	<b>256,839,300</b>	199,553,400
U.S. Government	<b>18,916,000</b>	17,848,000	<b>14,070,300</b>	10,249,900
<b>Collection Services:</b>				
U.S. Government Coupons Paid	<b>71,000</b>	91,000	<b>28,400</b>	43,000
All Other	<b>220,554</b>	267,449	<b>465,900</b>	476,300
<b>Wire Transfer of Funds:</b>	<b>2,787,319</b>	2,709,600	<b>3,457,700,000</b>	3,552,198,000
<b>Loans to Depository Institutions:</b>	<b>2,313</b>	2,169	<b>4,565,700</b>	4,963,100
<b>SERVICES TO U.S. TREASURY</b>				
<b>Issues, Redemptions, &amp; Exchanges of</b>				
<b>U.S. Government Securities:</b>	<b>6,712,915</b>	7,174,977	\$ <b>193,206,900</b>	\$ 201,573,500
<b>Food Stamps Redeemed:</b>	<b>166,057,000</b>	163,759,000	<b>796,500</b>	728,300



# Directors

## St. Louis Board of Directors



**Chairman**  
Robert L. Virgil, Jr.  
Dean  
John M. Olin School of  
Business  
Washington University  
St. Louis, Missouri



Thomas F. McLarty, III  
Chairman and Chief  
Executive Officer  
Arkla, Inc.  
Little Rock, Arkansas

### Executive Committee

Robert L. Virgil, Jr.,  
Chairman  
David W. Kemper, II  
Frank M. Mitchener, Jr.  
H. Edwin Trusheim



**Deputy Chairman**  
H. Edwin Trusheim  
Chairman and Chief  
Executive Officer  
General American Life  
Insurance Company  
St. Louis, Missouri



Frank M. Mitchener, Jr.  
President  
Mitchener Farms, Inc.  
Sumner, Mississippi

### Audit Committee

Roger W. Schipke, Chairman  
Frank M. Mitchener, Jr.  
H. Edwin Trusheim



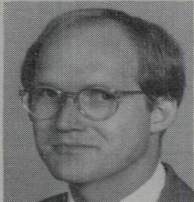
H. L. Hembree, III  
Chairman of the Executive  
Committee  
The Merchants National  
Bank  
Fort Smith, Arkansas



Roger W. Schipke  
Senior Vice President  
General Electric Company  
Louisville, Kentucky

### Human Resources Committee

David W. Kemper, II,  
Chairman  
H. L. Hembree, III  
Thomas F. McLarty, III  
Janet M. Weakley



David W. Kemper, II  
Chairman and Chief  
Executive Officer  
Commerce Bank of  
St. Louis, N.A.  
Clayton, Missouri



Janet M. Weakley  
President  
Janet McAfee Inc.  
Clayton, Missouri



### Federal Advisory Council Member

Donald N. Brandin  
Chairman of the Board  
Boatmen's Bancshares, Inc.  
St. Louis, Missouri

## Economic Advisory Council

### Small Business

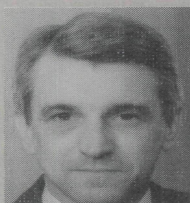
Lynn Broeder, Executive Director, Ecumenical Housing Production Corporation, St. Louis, Missouri  
Susan A. Cejka, President, Cejka & Company, St. Louis, Missouri  
Samuel B. Hollis, President, Federal Compress & Warehouse Co., Inc., Memphis, Tennessee  
Carl S. Rosenbaum, President, Arkansas Glass Container Corporation, Jonesboro, Arkansas  
William A. Stone, President, Louisville Plate Glass Company, Louisville, Kentucky

### Agriculture

Lary C. Eckert, President, Eckert's, Inc., Belleville, Illinois  
Jeffrey W. Gain, Chief Executive Officer, National Corn Growers Association, St. Louis, Missouri  
Curtis R. Hancock, Jr., Fulton, Kentucky  
F. H. Lyons, Jr., England, Arkansas  
M. Carter Stovall, General Manager, Stovall Farms, Stovall, Mississippi



**Little Rock Board of Directors**



*Chairman*  
L. Dickson Flake  
President  
Barnes, Quinn, Flake &  
Anderson, Inc.  
Little Rock, Arkansas



David Armbruster  
President  
First America Federal  
Savings Bank  
Fort Smith, Arkansas



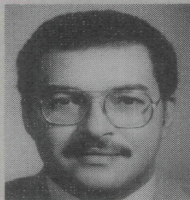
Barnett Grace  
President and Chief  
Executive Officer  
First Commercial Bank,  
N.A.  
Little Rock, Arkansas



Wayne Hartsfield  
President and Chief  
Executive Officer  
First National Bank  
Searcy, Arkansas



Wm. Earle Love  
President  
Sound-Craft Systems, Inc.  
Morrilton, Arkansas



James R. Rodgers  
Airport Manager  
Little Rock Regional Airport  
Little Rock, Arkansas



Patricia M. Townsend  
President  
Townsend Company  
Stuttgart, Arkansas

**Louisville Board of Directors**



*Chairman*  
Thomas A. Alvey  
Delegate  
Owensboro Council of Labor  
Owensboro, Kentucky



Irving W. Bailey, II  
Chairman, President and  
Chief Executive Officer  
Capital Holding  
Corporation  
Louisville, Kentucky



Morton Boyd  
President  
First Kentucky National  
Corporation  
Louisville, Kentucky



Raymond M. Burse  
President  
Kentucky State University  
Frankfort, Kentucky



Lois H. Gray  
Chairman of the Board  
James N. Gray Construction  
Co., Inc.  
Glasgow, Kentucky



Douglas M. Lester  
Chairman, President and  
Chief Executive Officer  
The Citizens National Bank  
Bowling Green, Kentucky

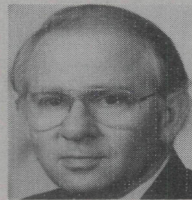


Wayne G. Overall, Jr.  
President  
First Federal Savings Bank  
Elizabethtown, Kentucky

**Memphis Board of Directors**



*Chairman*  
Seymour B. Johnson  
Kay Planting Company  
Indianola, Mississippi



Thomas M. Garrott  
President and Chief  
Operating Officer  
National Bank of Commerce  
Memphis, Tennessee



Michael J. Hennessey  
President  
Munro and Company, Inc.  
Addison Shoe Company  
Wynne, Arkansas



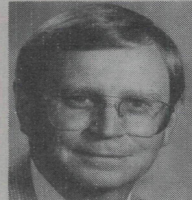
Sandra B. Sanderson  
President and Chief  
Executive Officer  
Sanderson Plumbing  
Products, Inc.  
Columbus, Mississippi



Katherine Hinds Smythe  
President  
Memorial Park, Inc.  
Memphis, Tennessee



Ray U. Tanner  
Chairman, Director and  
Chief Executive Officer  
Jackson National Bank  
Jackson, Tennessee



Larry A. Watson  
Chairman of the Board  
and President  
Liberty Federal Savings  
Bank  
Paris, Tennessee



# Officers

## Senior Management

Thomas C. Melzer  
*President and Chief Executive Officer*

James R. Bowen  
*First Vice President and  
Chief Operating Officer*

Anatol B. Balbach  
*Senior Vice President  
Research and Public Information*

Henry H. Bourgaux  
*Senior Vice President  
Operations*

Harold E. Uthoff  
*Senior Vice President  
Banking Supervision and Regulation*

Ben C. Wade  
*Senior Vice President  
Administration*

## Vice Presidents

Ruth A. Bryant  
*Public Information*

Albert E. Burger  
*Economic Analysis*

Joan P. Cronin  
*Legal*

Charles R. Halbrook  
*Member Banks*

James R. Kennedy  
*Information Systems*

Jean M. Lovati  
*Payments*

Michael T. Moriarty  
*Valuables Processing*

Martha L. Perine  
*Financial Services*

Kristi D. Short  
*Marketing and Electronic Services*

William J. Sneed  
*Support Services*

Randall C. Sumner  
*Credit and Community Affairs*

Patricia A. Tarbutton  
*Human Resources*

Delmer D. Weisz  
*Bank Holding Companies*

## Assistant Vice Presidents

Dennis W. Blase  
Keith M. Carlson  
Judie A. Courtney  
Hillary B. Debenport  
John W. Druelinger  
R. Alton Gilbert  
Walter W. Jacobs  
Jerome J. McGunnigle  
John P. Merker  
Jerome R. Rodgers  
Frances E. Sibley  
John A. Tatom  
Robert J. Taylor  
Michael E. Trebing

## Other Officers

Michael T. Belongia  
Bernard E. Berns  
John W. Block, Jr.  
Timothy A. Bosch  
Jerry J. Calton  
Martin J. Coleman  
Rik W. Hafer  
Gregory S. Puszczek  
Harold H. Rieker  
Harold E. Slingerland  
Roger D. Smith  
Courtenay C. Stone  
Daniel L. Thornton

## Audit

Richard E. Kay  
*General Auditor*  
Jeffrey M. Dale  
*Assistant General Auditor*

## Little Rock Branch

John F. Breen  
*Senior Vice President and Manager*  
Thomas R. Callaway  
*Assistant Vice President*  
David T. Rennie  
*Assistant Vice President*

## Louisville Branch

W. Howard Wells  
*Vice President and Manager*  
George E. Reiter, Jr.  
*Assistant Vice President*  
Raymond F. Seefeldt  
*Operations Officer*

## Memphis Branch

Raymond H. Laurence  
*Vice President and Manager*  
John P. Baumgartner  
*Assistant Vice President*  
Anthony C. Cremerius, Jr.  
*Assistant Vice President*



**Federal Reserve Bank of St. Louis**

Post Office Box 442  
St. Louis, Missouri 63166  
(314) 444-8444

**Little Rock Branch**

Post Office Box 1261  
Little Rock, Arkansas 72203  
(501) 372-5451

**Louisville Branch**

Post Office Box 32710  
Louisville, Kentucky 40232  
(502) 568-9200

**Memphis Branch**

Post Office Box 407  
Memphis, Tennessee 38101  
(901) 523-7171