FEDERAL RESERVE BANK
OF SAINT LOUIS

WELCOMES YOU
"Often I stand and watch with never-ending wonder, the continuous line in front of a teller's window. The steady stream of customers keeps moving forward with almost clocklike precision—doctors, farmers, lawyers, housewives, truck drivers, teachers, plumbers, stenographers . . . For the bank, like the school, the church, the Government, has become a vital part of our daily living. No longer is it only for the convenience of a privileged class. It is now a necessity of the people."

—Samuel A. Hoffman

The Romance of Banking
So you work at the FEDERAL RESERVE BANK OF ST. LOUIS," the young lady exclaimed as she smiled with a glow of recognition in her eyes. "Why . . . I remember that. It's that big, gray building at Broadway and Locust where they print money . . . made a trip through it when I was in school."

"How nice," we stammered, for she was very pretty. But—her statement wasn't altogether correct. Our building is big and gray, and it does stand at Broadway and Locust, but we don't print money. (We get our supply of newly printed money from the Treasury Department in Washington.)

We are pleased that the young lady remembered that there is such a bank. But how much better, if she had remembered just a little more! To help clear up the facts about "us" with those of you who visit the bank, we have prepared this booklet. We don't want you to forget such things as your visit in the central tube station where messages are sent along in jet-propulsion manner nor the forty-five ton vault door that swings at the touch of a finger. But we hope that you'll also remember something about Federal Reserve responsibilities and the services we perform for bankers, businessmen, and YOU.

So: This booklet is to help you REMEMBER AND to help you clear up the facts!

When someone talks about the "bank" he too often means only the building. But the bank is more than a shelter containing equipment for carrying on its business. A bank is above all . . .
The people who run it. There are some 1200 people making up the Federal Reserve Bank of St. Louis. Nine hundred or so of them work in St. Louis. The other 300 work in the three branches at Louisville, Memphis, and Little Rock. Even though we are quite a large group of people, the Federal Reserve Bank of St. Louis is only one member of a much larger group—

THE FEDERAL RESERVE SYSTEM

The SYSTEM is constructed as follows:

1. The Board of Governors in Washington, D.C., and the Board's staff.

2. The directors, officers and employees in twelve Federal Reserve Banks and their twenty-four branches.

3. The directors, officers and employees of some 7,000 member banks which are the stockholders of the Federal Reserve Banks and which hold 85 per cent of deposits at all commercial banks in the United States.
We in the Federal Reserve System serve the entire United States, as you probably know. To do this best, the country is divided into twelve districts, one of which is assigned to each Federal Reserve Bank. Our district is known as the EIGHTH FEDERAL RESERVE DISTRICT.

THE EIGHTH FEDERAL RESERVE DISTRICT IS LARGE AND HAS DIVERSE RESOURCES

1. APPLES
2. AIRPLANES OR MAJOR PARTS
3. BAUXITE
4. BEEF
5. BEER
6. CHEMICALS
7. COAL
8. CORN
9. COTTON
10. DAIRYING
11. FURNITURE
12. HOGS
13. HORSES
14. LEAD
15. LIMESTONE
16. OIL
17. PEACHES
18. POULTRY
19. RECREATION
20. REFRIGERATORS
21. RICE
22. SAND AND CLAY
23. SHEEP
24. SHOES
25. SOYBEANS
26. STEEL
27. STOCKYARDS
28. TIMBER
29. TOBACCO
30. TOMATOES
31. TRACTORS OR OTHER FARM EQUIP.
32. WATERMELONS
33. WHEAT
34. WHISKEY
The Eighth District includes all or parts of seven states. This is a large territory, approximately 520 miles in length and the same in width at its maximum dimensions. It includes almost 196,000 square miles and is inhabited by over ten-and-a-half million people. Perhaps a better idea of its size can be gained by comparing it to a well-known country. For instance, it is almost the size of France (213,000 square miles) with about one-fourth as many people.

The Eighth District is not one of the wealthiest regions in the United States. In fact, many parts of it are unfortunately low in income. But the district's resources are diverse and with proper use and management of them its income levels can be raised. The numbers on the map show the location of some of the district's leading products, resources and services.

Branches help serve the district better. It would be difficult to serve adequately this large and diverse territory from one office. Therefore, three branches have been established in addition to the St. Louis office, as has already been noted. The territory served by each of these branches and the St. Louis office is shown on the map.

So far you've seen that

- we are part of a large Federal Reserve family
- our part of the family is assigned to one section of the United States known as the "Eighth Federal Reserve District"
Why HAVE WE BEEN ORGANIZED LIKE THIS?

The principal purpose of the Federal Reserve is to regulate the supply, availability, and cost of money with a view to contributing to the maintenance of a high level of employment, stable values, and a rising standard of living.

This sounds like a big job—and it is. It is also sometimes a pretty technical one. But we aren’t going to conduct a class on economics and banking here.* However, just observation of the many things that are done in the departments you have

*A booklet entitled “The Federal Reserve System, Its Purposes and Functions,” has been prepared by the Board of Governors of the Federal Reserve System. We will be glad to give copies of this booklet to those interested in a fuller description of the central banking functions of the System.
seen, and learning about some that you haven’t seen, can help you better understand the operations of the bank.

So—on the following pages we have continued our description of the bank according to the groups that do the work.

The Groups that do the work

The Board of Directors . . .

of the Federal Reserve Bank of St. Louis is composed of representatives of industry, agriculture, and banking. There are nine directors, six of whom are elected by the member banks, while three are appointed by the Board of Governors. They meet at least once a month with the officers to review operations and help shape the operating policies of the bank.

The Officers . . .

like the directors, assist in forming policy. Also, they are responsible for the regular day-to-day activities of the bank. The president of the bank is, of course, the chief officer. He is assisted not only by officers at St. Louis, but by a manager and assistant managers at each branch as well.
The Research Department Staff . . .

is the economic fact-finding and interpreting group of the bank. This group gathers and interprets information about industry, trade, agriculture, banking and credit, construction, and employment. This information is used by the Board of Governors in Washington, our directors and officers and member banks, many business concerns and private citizens. Every month the research staff publishes and distributes free of charge a business magazine called the "Monthly Review".

Those in the Field Service Department . . .

help maintain smooth working relations with the Eighth District banks. Field representatives make personal visits to each of the 1,500 member and nonmember banks at least once a year. They discuss with bankers questions relating to Federal Reserve Bank services and policies, and business and financial conditions.

The Field Service Department maintains a small library of motion picture films on banking which your school, library, club, or business group can bor-
row. It also maintains two currency exhibits for loan to member banks. The trip you just made was scheduled by this department.

The Bank Examiners . . .

make periodic examinations of state member banks, usually in cooperation with state bank examiners. They help member bankers interpret laws and regulations, and counsel with them on matters affecting their operations and policies. They also examine banks applying for membership in the Federal Reserve System.

In the Credit Discount Department . . .

member banks can obtain additional funds to replenish their reserves. The member banks must pledge certain assets as collateral and meet certain credit and legal standards before they can borrow. Passing upon the acceptability of such collateral is a major job of this group.
Those in the Money Department . . .

Those in the Money Department do NOT print money. But they DO put money in circulation. When a member bank has surplus cash on hand, it deposits this cash with us, through our Money Department. When it needs more ready cash, it withdraws currency and coin from us. In the process old, worn money is retired and spanking new bills and shiny coins are put in circulation.

On some days, over 400,000 pieces of paper currency and 650,000 coins are sorted and counted. Coins unfit for use are shipped back to one of the mints. “Tired” old dollar bills and other paper currency are cancelled and cut and forwarded to Washington, D. C. Any counterfeit money found is turned over to the United States Secret Service who set their best sleuths on the trail of the counterfeiters.

Those in the Check Collection Department . . .

Those in the Check Collection Department are busy proving, sorting, endorsing, listing and forwarding for payment all sorts of checks drawn on par banks and the United States. (The term “par” has nothing to do with golf, but refers to a bank which pays checks drawn on it at face value — without deducting special charges called “exchange charges”.) If you went through this department during the busy period of the day, you will recall the clatter of machines and the obvious pressure of work. And, no wonder! On average days these people handle from 300,000
to 450,000 checks. On peak days the volume has reached more than 600,000 checks! These checks are sent throughout the district and all over the U. S. Annually, in the United States over 10 billion checks are written, totaling more than one trillion dollars ($1,000,000,000,000), and a substantial portion of them are cleared through the Federal Reserve System.

In the Collection-Transfer Department . . .

an even faster exchange of funds is carried out by telegraph for the account of member banks in this district to and from any other member banks in the United States. By using this wire service a member banker can make the funds of his bank available for immediate use in any city where another member bank is located. The department also handles transfers of funds by the slower mail method.

Another job performed in this department is to collect notes, acceptances, drafts, bonds and non-government coupons for member banks. They also redeem maturing government coupons. And they operate a local check exchange for about 45 member and nonmember clearing banks which are not members of the St. Louis Clearing House Association.

Safekeeping . . .

Sometimes you can go by names and sometimes you can't. In the case of the people in the Safekeeping Department, it would be wrong to say that they "keep the safe"—or vault.
True, they do work in it. But it is securities owned by certain member banks that this department "keeps safely".

One of the jobs of those in the Safekeeping Department is clipping coupons. This may be a pleasure when the coupons are your own—but, it is quite a job when you have thousands of them to clip for someone else! The coupons are from securities which we hold for the account of certain member banks whose locations make it inconvenient for them to have the securities in their own vaults. The securities themselves are also collected for the member banks as they become payable.

Safekeeping employees also hold securities which are being held as collateral for loans made in the Credit-Discount Department or as security for deposits of various special public depositors in banks throughout the district.

The Fiscal Agency Department...

has as its principal job the issuance, reissuance, exchange, and redemption of various kinds of securities as Fiscal Agent of the United States. Among these are United States Savings Bonds, such as you probably hold. Other securities processed here include United States Treasury Bonds, Notes, Certificates of Indebtedness and Treasury Bills. In addition, safekeeping facilities are provided for savings bonds owned by individuals and negotiable government securities are purchased and sold in the open market for member banks.
Another job performed in this department is the processing for the U. S. Treasury of receipts and payments for withheld income taxes on wages and social security taxes.

Those in the Accounting Department . . .

are our bookkeepers and perform duties similar to those in the accounting departments of most banks and other businesses. Member banks are required by law to keep certain funds, called “Reserves”, on deposit with us, and our Accounting Department checks to see that these deposits are sufficient under the law. The department also keeps books on our transactions with other Federal Reserve Banks, and keeps track of the General Account of the Treasurer of the United States for whom the Reserve Banks act as depositories.

The Federal Reserve Agent, . . .

appointed by the Board of Governors, is the same person who is Chairman of our Board of Directors. As Federal Reserve Agent he has charge of a stock of Federal Reserve Notes which he can release to the Federal Reserve Bank as they are needed. When the Reserve Bank has more notes on hand than it needs, it can return the surplus to the Federal Reserve Agent. For routine handling of this work there is a full-time Assistant Federal Reserve Agent.
The Protection Department . . .
Hardly anyone needs to be told what the Protection Department does. It’s rather obvious that the guards are toting those pistols for a purpose! The guards practice shooting regularly on the bank’s own target range. Besides guarding the bank day and night, the Protection Department operates a specially designed armored truck for transporting cash and securities.

The Purchasing Department . . .
besides buying the equipment and supplies needed by the bank and maintaining a stockroom, operates a duplicating section where many of the bank’s business forms, etc., are printed.

The Budget and Planning Department . . .
does just what its name implies—sets up budgets for the operations of the bank each year and aids in general planning.

In General Files . . .
the paper work of the bank receives an orderly home. Some 5,000 pieces of correspondence and reports are filed daily. But, don’t worry—they’re not going to overflow and block Broadway! Records no longer current are transferred to the Record Room, and some of them are destroyed after reasonable periods of time. Of course, a few important records are kept permanently.
The Audit Department Staff . . .

verifies, at regular intervals, the cash and securities held in the various departments of the bank. It also verifies each account in the bank’s general ledger and performs other audit functions.

The Maintenance Department . . .

has the job of keeping the building in trim shape, which it does, and more besides—it actually improves it. These general handymen have their own workshop where they can and do make parts to repair everything from desk chairs to elevators.

Those in the Personnel Department . . .

do a whole lot more than merely hand us a questionnaire when we seek employment at the bank. Once we are hired, this group helps look after our health and welfare. A doctor and nurse give us periodic physical checkups and emergency care when required. Our salaries and work are given a regular “merit review”. Finally, Personnel Department looks after our retirement pay under Social Security and the Federal Reserve System’s own Retirement Plan.

Any questions—This story about us—the Federal Reserve Bank of St. Louis—has been brief and very general. Information about how the Federal Reserve System functions can be obtained from the booklet “The Federal Reserve System, Its Purposes and Functions” (see footnote, page 6). Or we will be glad to answer any questions regarding the bank and System. Just send us a letter.

And now, perhaps you’d like to try your hand at the questions on the next page.
HOW MANY CAN YOU ANSWER?

Many of these facts concerning the bank were told you by your guide on your trip. Others you may have learned from observation or from reading this booklet. How many can you answer? Answers are in the small print on the next page.

1. The main walls of the bank are made of: 1. Bedford limestone; 2. concrete; 3. granite.

2. The seals of the seven states represented in the Eighth Federal Reserve District are carved on the: 1. cafeteria wall; 2. outside walls; 3. walls of the lobby.


4. The door to the main vault weighs approximately: 1. 45 tons; 2. 2,000 pounds; 3. 100 tons.

5. The Federal Reserve Bank of St. Louis: 1. puts money in circulation; 2. prints money; 3. sells money.


8. The “security court” is a place where: 1. the guards practice shooting; 2. bonds are judged; 3. money trucks enter the bank.

9. The number of member banks in the Federal Reserve System is approximately: 1. 100,000; 2. 525; 3. 7,000.

10. The capital stock in a Federal Reserve Bank is owned by: 1. the Treasury Department; 2. the Federal Government; 3. its member banks.
“The principal purpose of the Federal Reserve is to regulate the supply, availability, and cost of money with a view to contributing to the maintenance of a high level of employment, stable values, and a rising standard of living.”

—*The Federal Reserve System, Its Purposes and Functions*