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Thirty-seventh Annual Report

FEDERAL

RESERVE

BANK OF ATLANTA

Nineteen Hundred and Fifty-One



1951

THE **F**EDERAL RESERVE BANK OF ATLANTA

Thirty-seventh Annual Report
for the Year Ended December 31, 1951

March 14, 1952

*To the Member Banks of the
Sixth Federal Reserve District:*

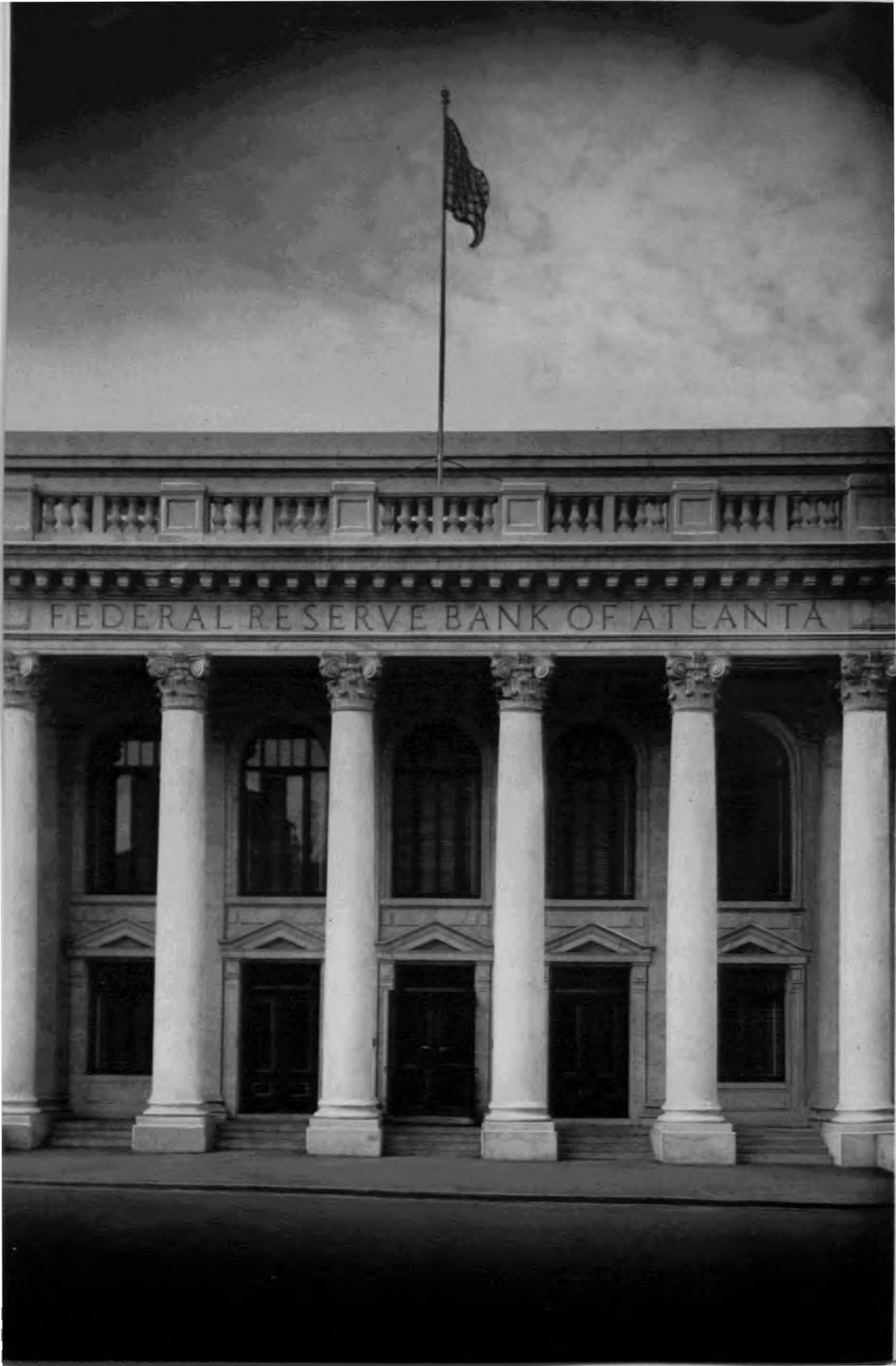
Herein is presented the Thirty-seventh Annual Report of the Federal Reserve Bank of Atlanta. It includes comments on outstanding changes during the year in the Bank's financial condition, a brief review of Sixth District member bank developments, and an account of the Bank's principal activities and services.

Sincerely yours,

MALCOLM BRYAN,
President

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FEDERAL RESERVE BANK OF ATLANTA

Sixth Federal Reserve District

REVIEW OF BANKING DEVELOPMENTS / / /

Banking activity in the Sixth District was conducted in 1951 on the basis of a business background characterized by relative stability. Industrial output fluctuated from month to month within an unusually narrow range, a range that closely approximated optimum levels. Production for defense purposes took an increasing share of the nation's effort, but even so production for civilian uses was ample, or more than ample, to meet consumer demand. Unemployment generally was reduced to a minimum and, despite a substantial increase in the armed forces of the country, employment for the country as a whole averaged about one million higher than in 1950. Associated with greatly accelerated defense spending was a considerable rise in personal income. Although upward pressure on the price structure was potentially very strong, price changes, as a whole, proved to be moderate for the year.

A return to more normal buying and saving habits on the part of consumers was an essential element in reducing pressure on prices. After a strong buying upsurge in the first quarter of the year, consumers became more willing to hold a larger proportion

◀ *Entrance to Head Office, Atlanta, Georgia*

of their income in cash claims. Contributing to this change was an easing of war fears and the demonstrated availability of civilian goods.

Business investment spending was also reduced in certain categories, primarily through the withdrawal of basic materials and supplies from nondefense uses. By the fourth quarter of 1951, such spending was substantially less than it had been during the first half of the year.

Another key factor in the reduction of inflationary pressure was the Federal tax program. Higher taxes served to absorb an important part of increased business and consumer incomes and enabled the defense program to proceed essentially on a pay-as-you-go basis.

Probably the most important factor in the abatement of inflation was restrictive monetary action applied by the Federal Reserve System. In the latter part of 1950, the rates charged by the Federal Reserve Banks on borrowings were increased, and member bank reserve requirements were raised in the early part of 1951. Both measures affected the supply, availability, and cost of loanable funds. Then, on March 4, 1951, the Treasury-Federal Reserve accord was announced, whereby a far-reaching modification in procedures for supporting the price of marketable Government securities was brought about. The accord was almost immediately accompanied by a reduction in the availability of funds for credit expansion. Reinforcing the restrictive effect of these monetary actions was a more cautious lending policy on the part of commercial banks, inspired partly by voluntary credit restraint committees organized throughout the country.

Whatever may have been the contributing factors, the inflation problem that appeared in such aggravated form at the beginning of the year seemed to be under control by the end of the year. The impact of the changed situation was notable in the District in the changes that took place in the financial condition of the Federal Reserve Bank of Atlanta and in that of the member banks. Resources of the Federal Reserve Bank increased only

moderately. Although deposits of member banks increased substantially during the year, aggregate loan volume at the end of the year was almost identical with that at the beginning of the year.

Bank Financial Changes

By the end of 1951, the resources of the Federal Reserve Bank of Atlanta amounted to \$2.5 billion, representing a 12-month gain of \$175 million. After paying dividends of \$567,001 to its member banks and paying interest of \$13,524,304 on its outstanding Federal Reserve notes to the United States Treasury, the Bank had a net addition of \$1,502,799 to surplus for the year. These distributions were made out of net earnings, which totaled \$15,642,107.

Gold-certificate reserves amounted to \$973,357,440, an increase of \$43,016,878 for the year. The Bank must hold claims to gold certificates equal to 25 percent of both deposits and Federal Reserve note liabilities. The actual ratio of gold certificate reserves to combined deposits and Federal Reserve note liabilities at the end of 1951 was 41.8 percent. Calculated separately, the deposit ratio was 43.6 percent, and the Federal Reserve note ratio was 40.5 percent.

Participation in the System Open Market Account amounted to \$1,273,684,000, an increase of \$163,599,000 over such participation a year earlier.

Liability on Federal Reserve notes in actual circulation was \$1,382,154,565, an amount \$106,063,325 greater than that of a year earlier. These notes are fully secured by gold certificates and Government securities. The increase in the amount of this Bank's notes outstanding reflected the high level of business activity experienced in the Sixth Federal Reserve District, since

requirements for pocket, till, and vault cash generally rise with an expanding volume of business.

Deposit liabilities amounted to \$947,769,209, a rise of \$88,-743,010 for the year. Member-bank reserve accounts, amounting to \$915,857,708, represented the major part of the Bank's deposit liabilities.

Capital accounts amounted to \$40,633,683, a rise of \$2,307,-502 for the year. Of this amount, capital paid in amounted to \$9,711,150.

Net changes in the Capital Paid-in Account represented an increase of \$756,700 for the year, compared with \$714,650 for the year 1950. Additions to, or subtractions from, the account are strictly a matter of statute. When member banks increase their capital stock and surplus, they are required to subscribe for an additional amount of capital stock equal to 6 percent of the increase. Only one half of the subscription, however, must be paid in, the other half is subject to call. Owing to this requirement, the member banks of the Sixth Federal Reserve District subscribed to \$1,502,900 of capital stock at \$100 per share, of which one half, or \$751,450, was actually paid in. These subscriptions were made pursuant to an approximate increase of \$25,000,000 in capital and surplus of the member banks. A further increase in the Capital Paid-in Account amounting to \$17,250 was made as the result of the admission of three banks to membership. Two decreases in the account were recorded, one representing a return of \$1,500 paid-in capital to a member bank because it had reduced its capital and surplus in the amount of \$50,000, and the other representing a reduction of \$10,500 following the withdrawal of a bank from membership.

Surplus (Section 7) increased \$1,502,799 during the year, bringing the total to \$23,871,397 at year's end. This item represents the accumulated net earnings of the Federal Reserve Bank after all dividend claims have been fully met.

Surplus (Section 13b), at \$762,426, represents a dormant account. No changes in the account balance have been made since

1944. This surplus fund originated from advances by the Treasury to the Federal Reserve Banks with respect to loans and discounts for industrial purposes.

Reserves for contingencies were increased by \$48,003, bringing the total of such reserves to \$6,288,711. Of this total, \$690,711 is earmarked for registered mail losses, inasmuch as under a System-wide loss-sharing arrangement the Federal Reserve Banks handle shipments of coin and currency by registered mail on a self-insured basis.

Current earnings for 1951 amounted to \$21,111,140, compared with \$14,712,490 for 1950. All but \$150,000 of the 1951 earnings were from United States Government securities held by the System Account.

Current expenses for the year amounted to \$5,384,700, some \$1 million higher than for 1950. Higher operating costs were characteristic of the year. The increase in expenses was primarily because of an expanded volume of operations, particularly in original cost of currency and increased shipping charges. Salary payments to employees were also substantially higher, but the increased salary costs reflected in part the net addition of 137 people to the working force.

Expenses of the Bank are directly related to service activities. Salary scales are adjusted to those prevailing among the banking institutions in the cities where the Bank maintains offices. All expenses are under strict budgetary control. Accounts are under constant audit review, not only by the Bank's staff of auditors but also by examiners directly representing the Board of Governors. These measures prevent waste, extravagance, and unauthorized expenditures.

Of net earnings amounting to \$15,642,107, there was paid to the United States Treasury the sum of \$13,524,304, representing interest on outstanding Federal Reserve notes not collateralized by gold certificates.

Member Bank Financial Changes

The member banks of the Sixth District experienced a further growth in resources and deposits in 1951. In the aggregate, their resources amounted to \$7.3 billion at the end of the year, representing a 12-month gain of \$600 million. Their holdings of securities increased by \$280 million, but their loans and discounts barely changed in amount. Their deposits in the aggregate rose by \$570 million, bringing the year-end total to \$6.8 billion.

Earnings of the member banks for the year were higher than for the preceding year. Current operating earnings for 1951 amounted to \$179 million, against \$162 million for 1950, a gain of 11 percent. Interest on United States Government obligations provided \$39.0 million, or 21.8 percent of current operating earnings. Interest and discount on loans contributed \$95.8 million or 53.5 percent of the total.

Operating expenses amounted to \$110 million in 1951, compared with \$100 million in 1950. Gains in income more than offset increases in expenses, however, so that net current operating earnings for 1951, amounting to \$68.2 million, exceeded such earnings for 1950 by \$14.2 million. Primarily because of larger transfers to valuation reserves and higher income taxes, net profits after all charges were slightly smaller for 1951 than for the preceding year, \$35.2 million against \$37 million.

Changes in Membership

On December 31, 1951, there were 355 member banks in the Sixth District, a net gain of two members for the year. Of these banks, 286 were national banks and 69 were state banks.

The changes in membership reflected the admission of three

banks and the withdrawal of one. The banks admitted to membership are identified in the following list:

<i>Date of Admission</i>	<i>Name of Bank</i>	<i>Location</i>	<i>Deposits December 31, 1951</i>
March 1	The First National Bank of Gatlinburg	Gatlinburg, Tennessee	\$ 784,000
March 27	North Dade National Bank of North Miami	North Miami, Florida	2,765,000
June 30	Sullivan County Bank converted to Kingsport National Bank	Kingsport, Tennessee	4,135,000

The Sarasota State Bank, Sarasota, Florida, withdrew from membership on December 13, 1951.

On January 2, 1951, the Louisiana Savings Bank and Trust Company, New Orleans, Louisiana, a state bank member, changed its name to the Louisiana Bank and Trust Company.

The Peachtree Trust Company, Atlanta, Georgia, changed its name to the Peachtree Bank and Trust Company, Atlanta, Georgia, on March 1, 1951. On November 1, 1951, the bank again changed its name, this time to The Citizens and Southern Buckhead Bank, Atlanta, Georgia.

Nonmember Par-clearing Banks

Nonmember state banks added to the Par List in 1951 were the following:

FLORIDA

The Citizens Bank of Bunnell
Hialeah-Miami Springs Bank

Bunnell
Hialeah

South Dade Farmers Bank	Homestead
Bank of Lake Alfred	Lake Alfred
Commercial Bank of Miami	Miami
Bank of Mulberry	Mulberry
Colonial State Bank	Orlando
First Bank & Trust Company	Pensacola
The Riviera Beach Bank	Riviera Beach
The Peninsula State Bank	Tampa
West Pensacola Bank	West Pensacola

GEORGIA

The Citizens and Southern Emory Bank	Atlanta
Bank of Upson	Thomaston
The Citizens Bank of Toccoa	Toccoa
The Commercial Bank at Valdosta	Valdosta
The Bank of Barrow	Winder

LOUISIANA

Guaranty Bank & Trust Company	Gretna
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TENNESSEE

Ridgedale Bank and Trust Company	Chattanooga
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At the close of 1951, there were 1,216 banks in the Sixth District, of which 615 were on the Par List and 601 were not. Of the 615 banks on the Par List, 260 were nonmember state banks. The year 1951 was the first since the organization of the Bank in which the number of par-clearing banks in the Sixth District exceeded the number of nonpar-clearing banks.

There is little formality required with respect to the addition of a nonmember state bank to the Par List. The only requirement is that the bank agree to remit at par for checks drawn on it when received from the Federal Reserve Bank.

Appointments, Elections, and Staff Changes

Frank H. Neely, Chairman of the Board of Rich's, Inc., Atlanta, Georgia, was redesignated by the Board of Governors as Federal Reserve Agent and Chairman of the Board of Directors of the Federal Reserve Bank of Atlanta for the year 1952. Rufus C. Harris, President of The Tulane University of Louisiana, New Orleans, Louisiana, was reappointed by the Board of Governors as Deputy Chairman of the Board of Directors for the year 1952. Paul E. Reinhold, President and Director, Foremost Dairies, Inc., Jacksonville, Florida, was appointed by the Board of Governors of the Federal Reserve System a Class C Director of the Federal Reserve Bank of Atlanta for an additional term of three years, beginning January 1, 1952.

At elections held in November, W. C. Bowman, Chairman of the Board, The First National Bank of Montgomery, Montgomery, Alabama, was chosen by member banks in Group 1 as a Class A Director, and J. A. McCrary, Decatur, Georgia, Vice President and Treasurer, J. B. McCrary Company, Inc., Atlanta, Georgia, was re-elected by member banks in Group 2 as a Class B Director. Each of these directors was elected for a term of three years, beginning January 1, 1952.

The Board of Governors of the Federal Reserve System appointed the following branch directors, each for a term of three years beginning January 1, 1952: Birmingham Branch, Edwin C. Bottcher, Cotton and Dairy Farmer, Cullman, Alabama; Jacksonville Branch, J. Hillis Miller, President, University of Florida, Gainesville, Florida; Nashville Branch, H. C. Meacham, Agriculture and Livestock, Franklin, Tennessee; New Orleans Branch, Joel L. Fletcher, Jr., President, Southwestern Louisiana Institute, Lafayette, Louisiana.

The Board of Directors of the Federal Reserve Bank of Atlanta also appointed four branch directors, each for a term of three

years beginning January 1, 1952: Birmingham Branch, A. J. Goodwin, Jr., Vice President, The Anniston National Bank, Anniston, Alabama; Jacksonville Branch, G. W. Reese, President, The Citizens and Peoples National Bank of Pensacola, Pensacola, Florida; Nashville Branch, Sam M. Fleming, President, Third National Bank in Nashville, Nashville, Tennessee; New Orleans Branch, G. M. McWilliams, President, Citizens Bank of Hattiesburg, Hattiesburg, Mississippi.

As a member of the Federal Advisory Council, representing the Sixth Federal Reserve District, for a term of one year beginning January 1, 1952, the Board of Directors of the Federal Reserve Bank of Atlanta reappointed Paul M. Davis, Chairman of the Board of Directors of the First American National Bank of Nashville, Nashville, Tennessee.

To serve as members of the Industrial Advisory Committee for the Sixth District, the Board of Directors of the Federal Reserve Bank of Atlanta reappointed, for the year 1952, John E. Sanford, President, Armour Fertilizer Works, Atlanta, Georgia; George Winship, President, Fulton Supply Company, Atlanta, Georgia; Luther Randall, President, Randall Brothers, Inc., Atlanta, Georgia; and I. C. Milner, President, Gate City Mills Company, East Point, Georgia. Shannon M. Gamble, Executive Vice President, Standard-Coosa-Thatcher Company, Chattanooga, Tennessee, was appointed for the year 1952.

There were several changes in the Bank's official staff during 1951. William S. McLarin, Jr., retired as President, effective March 1. He was succeeded by Malcolm Bryan, effective April 1. Mr. Bryan returned to this Bank from his position as Vice Chairman of the Board, Trust Company of Georgia, a post he had held since October 1946, after having served as First Vice President of this Bank from May 1941 to October 1946. At its December meeting, the Board of Directors approved the appointments, effective January 1, 1952, of Harold T. Patterson, General Counsel, as Vice President and General Counsel, and of J. E. McCorvey as Assistant Vice President.

At the Birmingham Branch, Melvin McIlwain was appointed Assistant Cashier. At the Jacksonville Branch, T. C. Clark was appointed Assistant Manager and J. Wyly Snyder, Cashier. At the Nashville Branch, R. E. Moody, Jr., was appointed Vice President and Manager to succeed Joel B. Fort, Jr., who died suddenly on October 17, 1951; E. R. Harrison and E. C. Rainey were appointed Assistant Managers; and Leo W. Starr was appointed Cashier.



Sixth Federal Reserve District

REVIEW OF BANK OPERATIONS / / /

In behalf of the Board of Governors of the Federal Reserve System, the Bank continued administrative responsibilities for certain activities associated with the national defense effort. By Act of Congress, approved July 31, 1951, the Defense Production Act of 1950, scheduled for expiration on July 31, 1951, was amended and extended to July 1, 1952. Under authority conferred by this Act, the Board of Governors of the Federal Reserve System exercises control over consumer credit, regulates real estate credit, and services the guarantee of defense production loans. The Bank's responsibility for these activities involved the continuance of the appropriate operating departments established in the preceding year. Reflecting District economic expansion and the impact of the nation's accelerating defense program, certain of the more usual operating activities of the Bank were sharply increased in volume.

◀ **UPPER:** *Compiling Statistics in Research Department*

◀ **LOWER:** *Processing Post Office Money Orders*

Real Estate Credit

Regulation X as originally issued, effective October 12, 1950, restricted and regulated credit on new residential construction. Effective January 12, 1951, the regulation was broadened to include restrictions on credit in connection with both new residential properties and new multi-unit (commonly known as apartment house) residential properties. Again, on February 15, 1951, the scope of the regulation was further extended to include nonresidential properties.

In its definition of nonresidential properties, the regulation exempted a number of structures from credit restrictions. Schools, hospitals, and churches were excluded. So, too, were structures exclusively used or designed for use by a public utility, or by any Government or political subdivision. Structures of which more than 80 percent of the floor space is used for manufacturing purposes were likewise excluded.

Effective September 1, 1951, the regulation was amended to bring it into conformity with the provisions of the Defense Housing and Community Facilities and Services Act of 1951. The principal effect of the amendment was to lower down-payment requirements on conventional and on FHA-insured and VA-guaranteed loans for residences costing \$12,000 or less, and to increase the permissible maturity on such loans to 25 years. Down-payment requirements on loans for residences costing between \$12,000 and \$15,000 were lowered by as much as 5 percent, and the entire schedule up to \$24,500 was lowered slightly. The amendment also provided for certain suspensions of credit extensions in critical defense housing areas, and for exemption of certain essential nonresidential defense construction.

Through December 31, 1951, lenders under the regulation filed 3,507 registration statements with the Bank. These Registrants included 1,145 banks, 254 savings and loan associations,

89 insurance companies, and 2,019 other firms, corporations, and individuals.

For the purpose of achieving compliance with the regulation, the Bank conducts examinations of Registrant lending activities. Such investigations numbered 696 for the year. The Bank does not make such examinations of the lending operations of commercial banks and savings and loan associations. These lenders, by mutual agreement, are examined for compliance with Regulation X by other supervisory authorities.

Consumer Credit

In accordance with the revision and extension of the Defense Production Act, the Board of Governors on July 31, 1951, amended the terms of Regulation W—Consumer Credit. Maximum maturities on installment credit for automobiles, major household appliances, and household furniture were extended to 18 months from the earlier limitation of 15 months. The maturity term for home-repair-and-improvement installment credit was extended from 30 to 36 months. Longer maturities were also permitted for consumer installment loans.

Down-payment requirements were modified. For household appliances, radios, and television sets, down payments were reduced from 25 percent to 15 percent. Another major revision permitted down payments on all listed articles to be made in cash, trade-in, or combination of cash and trade-in.

Registration is required of all businesses subject to the regulation. At the end of the year, there were 14,543 Sixth District firms registered. Pursuant to its authority and responsibility, the Bank makes examinations of credit extensions on the part of Registrants. From the reinstatement of the regulation in September 1950 to the close of 1951, compliance checks had been made of 57 percent of the firms registered.

Bank Examination

Little change took place in the activities of the Bank Examination Department. Each state member bank in the District was examined at least once during 1951 and one of the three holding companies, which have been issued general permits by the Board of Governors to vote the stock of their subsidiary member banks, was examined. Several field investigations were made in connection with proposed state and national banks and in connection with applications of national banks for permission to exercise trust powers.

All examinations are made in close co-operation with the state banking authorities in the states composing the Sixth Federal Reserve District. In this way there is a minimum of duplication of effort. As a usual practice, joint examinations are made with the state authorities in Florida, Louisiana, Mississippi, and Tennessee. Independent examinations are made in Alabama and Georgia.

Whether examinations are made jointly or independently is generally determined by state law, manpower requirements of the examinations, and policies and wishes of the various state banking departments. Close working relations are also maintained with the office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation so that all supervisory matters may be handled efficiently and without conflict or friction.

Research

Carrying out the programs initiated or fostered by the Board of Directors in the field of agriculture continued to be of great importance in 1951. By means of these programs, carried out

co-operatively with State Bankers Associations, State Colleges of Agriculture, and the Extension Service, commercial bankers are able to learn firsthand the problems involved in the extension of farm credit, and are, therefore, better able to serve the credit needs of agriculture understandingly. These programs are also valuable to this Bank because they serve to improve relations with commercial banks and with the fundamental institutions serving this important segment of the economy of the Sixth District.

Farm meetings sponsored jointly by the State Bankers Associations, the State Colleges of Agriculture, and the Branches of the Bank were held in all District states except Georgia—four in Mississippi in April, three in Louisiana in May, nine in Alabama in June and July, five in Tennessee in August, and three in Florida in September. In Georgia, two farm credit short courses were held in February—one at Tifton, and one at Athens.

As usual, members of the professional staff of the Department represented the Bank at sundry meetings of bankers, businessmen, and agriculturists. They also filled numerous speaking engagements, in addition to answering frequent requests from the public for information on a wide variety of subjects.

Two publications of the Department, the *Monthly Review* and the *Bankers Farm Bulletin*, continued to command attention and respect, not only in this District, but throughout the nation. An extensive study of farm credit, appearing in three installments in the April, May, and June issues of the *Monthly Review*, attracted much attention and was reprinted in pamphlet form to satisfy the demand for it.

Fiscal Agency and Securities

The Bank acts as Fiscal Agent of the Treasury Department in the Sixth District in the issuing and servicing of the various obliga-

tions of the United States. During the year, the Treasury exercised the call privilege on three issues of bonds having interest rates of $2\frac{1}{4}$ percent, $2\frac{3}{4}$ percent, and 3 percent, respectively. Short-term $1\frac{7}{8}$ percent Certificates of Indebtedness were offered in exchange for each matured or called issue. In the Sixth District, there were 4,235 subscriptions covering these operations, amounting to \$612 million.

The Treasury Department offered a $2\frac{3}{4}$ percent Treasury Bond, Investment Series B 1975-80, dated April 1, 1951, to holders of the $2\frac{1}{2}$ percent Treasury Bonds of June and December 1967-72 who wished to exchange. Pursuant to this offering, the Bank handled 636 exchanges totaling \$116 million.

Other than the weekly Treasury Bill offerings and two offerings of bills designated Tax Anticipation Series in the amount of \$1,250 million each, no cash offering of nonrestricted securities was made during the year. The total applied for on each Tax Anticipation Series was over \$3,300 million. The total amount of bills of all series issued in the Sixth District during 1951 was approximately \$971 million, allotted from 5,660 tenders received.

Servicing of Treasury issues processed for exchange or transfer amounted to over \$1,402 million and involved the processing of 42,148 pieces. Redemption of coupon and registered Treasury issues amounted to \$1,565 million, numbering 97,194 pieces. In number of pieces, this volume represented approximately a 21 percent increase over that of 1950 and a 54 percent increase over that of 1949.

On May 14, 1951, the Treasury Department announced the termination of sale of Treasury Savings Notes, Series D, and the sale of a new issue of Treasury Savings Notes, Series A, beginning May 15. Treasury Savings Notes issued in the District were in excess of \$86 million, involving the inscribing of 5,491 pieces.

Issues, reissues, and redemptions of United States Savings Bonds are also serviced by the Department. It serviced issues of Savings Bonds of all series, amounting to 2,121,202 pieces with a maturity value of \$201 million. Compared with that of 1950, this

operation represented an approximate increase of 10 percent in the number of pieces, but a decrease of 30 percent in maturity value. Approximately 74 percent of the amount issued, or \$148 million, was handled by issuing agents of which at the end of the year there were 1,378.

Reissues can be made only by a Federal Reserve Bank or the Treasury Department. In 1951, the Bank processed 170,970 reissues, with a maturity value of \$40 million.

Redemptions of Series E Savings Bonds serviced by the Department amounted to \$307 million, numbering 3,975,034 pieces. Compared with that of 1950, this volume reflected a decrease of 5 percent in the number of pieces and a decrease of 7 percent in maturity value. At the end of the year, there were 1,352 paying agents in the District. Series F and G redemptions amounted to 50,206 pieces, with a maturity value of \$59 million, or an increase of \$3 million over the redemptions of 1950.

Savings bonds are held by the Bank in custody for individuals. On December 31, 1951, such holdings numbered 235,962 bonds, having a maturity value of \$27 million.

Coupons paid, representing coupons forwarded for payment and clipped from direct United States Government obligations held in safekeeping, amounted to \$31 million and numbered in excess of 489,000 pieces.

Treasury Tax and Loan Accounts are serviced for the Treasury Department by the Bank. On December 31, 1951, there were 867 banks qualified as depositaries of public moneys under the provisions of Treasury Department Circular No. 92, the qualifications exceeding \$1,389 million and having balances of over \$97 million. There were 129,652 entries in the accounts during 1951, an increase of approximately 6 percent.

Reporting and depositing of Withheld Federal Taxes are handled by the Bank. Effective July 1, the Treasury Department included taxes withheld under the provisions of the Railroad Retirement Act. During 1951, the amount of taxes so handled was in excess of \$463 million, representing an increase of 45 percent

over the amount serviced in 1950. At the end of the year, there were 730 banks qualified to accept tax payments.

An important service performed for member banks by the Bank was the purchase and sale, including the clearance, of United States Government securities in the open market. This service was performed without charge to the member banks, except for the small fee the Treasury Department charges for transferring securities by wire. During 1951, there were 7,579 transactions handled in the Sixth District, representing \$1,328 million in maturity value.

The Bank also acts as custodian of securities for member banks and as custodian of securities deposited for municipal and governmental purposes. On December 31, 1951, the Bank held \$1,271 million of these securities.

Commodity Credit Corporation

Under a continuing agreement the bank serves as fiscal agent and custodian for the Commodity Credit Corporation. Funds are received for the Corporation's account from note repayments and collections forwarded by the various PMA Commodity Offices. Funds are paid out by the issuance of United States Treasury checks in accordance with schedules of disbursements prepared by the PMA Commodity Offices, in payment of sight drafts drawn on the Corporation by authorized agents, and in payment of public vouchers prepared by the Bank. Cotton loan notes and related collateral, consisting of negotiable warehouse receipts, are serviced by the Bank and held in its vault.

The 1950 cotton loan program, reflecting in part the application of acreage controls, was one of the smallest in recent years. Only 2,107 bales, produced in the states served by the Bank, were pledged under the Government loan.

Offerings under the 1951 cotton loan program were in greatly

expanded volume. At the end of the year, 403,817 bales from the states served by the Bank had been pledged under the loan, and 108,034 bales had been redeemed.

Under the general commodities programs, which covered wheat, corn, oats, soybeans, cottonseed, sweet potatoes, and farm-storage facilities, the Atlanta office paid 23,120 sight drafts (PMA-377) totaling \$13 million. Disbursements under the 1951 peanut loan and purchase programs amounted to \$33 million.

The New Orleans Branch during the year issued 6,889 checks on the Treasurer of the United States amounting to \$81,357,783. The checks were issued against schedules of disbursement furnished by the New Orleans PMA Commodity Office.

On March 5, 1951, the Production and Marketing Administration of the Department of Agriculture began drawing checks on the New Orleans Branch in payment of equities due cotton producers in settlement of the 1948 Cotton Producers' Pool. Approximately 1,200,000 checks, having a value in excess of \$66,000,000, were issued for this purpose.

The Jacksonville Branch, under the 1950 and 1951 peanut programs, paid sight drafts amounting to \$4,888,569, and received deposits of \$6,611,708.

Check Clearing and Collection

Check clearing and collection activities were in sharply larger volume. The number of checks and Post Office money orders cleared during 1951 was 156,403,000 and 13,905,000, respectively. The number of checks cleared in 1950, which marked the previous high in volume, was 142,446,000, postal money orders not having been handled during that period.

An important responsibility in the handling of the new Post Office money orders, beginning July 1, 1951, was assumed by the

Federal Reserve Banks' check collection system. A new 24-compartment transit proof machine, with a punching device added, was developed by a manufacturer to function these items. As the money orders are fed into the machine, the operator punches amounts into the money orders. They are then almost simultaneously listed, endorsed, and sorted into designated machine pockets according to paying Regional Accounting Post Offices.

A continued growth in the percentage of par checks in circulation bearing the uniform routing symbol was revealed. The survey made toward the end of 1950 revealed that 78 percent of all checks in circulation in the Sixth District bore the uniform routing symbol in the proper location, which is in the upper right-hand corner of the check. A similar survey made in December 1951, in comparison, indicated that 82 percent of such checks bore the routing symbol.

Currency and Coin

Currency and coin handled during the year was in the largest volume on record. Receipts from banks totaled \$1,712 million, compared with receipts of \$1,520 million for 1950, an increase of \$192 million. Payments to banks of \$1,489 million compared with payments of \$1,264 million for 1950, an increase of \$225 million. The number of pieces of currency received and counted totaled 295 million and the number of coins received and counted totaled 350 million, reflecting increases over 1950 of 23 million pieces of currency and 38 million pieces of coin.

During the last half of the year, the Bank was faced with a coin shortage, particularly of pennies, resulting from heavy demands of commercial banks for coin supplies and the inability of the Treasury to produce coins in sufficient volume to meet the increased demands. To insure an equitable distribution of the

coins available, it was necessary to resort to a temporary rationing of the supply. By the close of the year, however, the supply situation had materially eased.

Bank and Public Relations

Bank and public relations activities were concerned with the development of closer relationships with bankers of the region and with efforts to comply with requests from various public organizations and groups for information and services that arise in connection with the Bank's operations. No program is maintained for the purpose of enlarging the Bank's responsibilities or directing public opinion or legislation.

The Bank is much interested in improving its service functions for commercial bankers of the region. Its activities in this regard are closely identified with the operating and service functions of the Bank itself and have no other significance or purpose.

During 1951, representatives of the Bank and its Branches met and talked with officers of every commercial bank in the District. With the exception of a few small banks and small savings banks, every bank in the District was visited one or more times. These calls numbered 1,364 for the year, 630 of which were to member banks and 734 to nonmember banks.

Representatives of the Bank attended all of the 140 principal bankers meetings in the District. In addition to these meetings, the Bank was represented at the State Bankers Conventions in each of the six states of the District, at the National Convention of the American Bankers Association, and the National Convention of the Financial Public Relations Association. During the year, Bank representatives also attended 103 other meetings where banking matters pertaining to the economy of the District were discussed.

Public relations activities, as such, were conducted largely in

response to specific public requests for assistance and information. That is to say, there was no planned program involving the promotion of meetings or the issuance of printed material designed to enhance the Bank in public favor. As in the case of other institutions, Bank representatives are frequently called upon to make public addresses on financial and economic affairs. In response to such requests, representatives of the Bank made 62 public speeches during the year to an aggregate audience of 13,000 people.

Inasmuch as the Bank and its Branches in large measure represent the financial heart of their region and conduct many important and intricate operations, they are frequently called upon by interested groups to conduct tours of their facilities. Requests for such tours are welcomed, particularly as they come mostly from groups of school children. Approximately 1,000 individuals were conducted on such tours through the Bank and Branches in 1951.

In response to numerous requests from school, civic, and banking groups, the Bank has made available for public showing three sound films explaining the operations, purposes, and functions of the Federal Reserve System. One of the films, *The Federal Reserve System*, was produced by Encyclopaedia Britannica Films Inc., the Board's staff assisting in the technical review of the script. The Bank has five prints available for showing. The second film, *The Federal Reserve Bank and You*, was produced by the Federal Reserve Bank of Minneapolis but is applicable to all Federal Reserve Banks. The Bank also has five prints of this film. A third film, *A Day at the Federal Reserve Bank of Cleveland*, was also produced by an individual Federal Reserve Bank and is equally applicable to all Federal Reserve Banks. The Bank has one print of this film available for public showing. During the year, 178 separate groups viewed one or more of these films.

Discount and Credit

Discounts and advances totaled \$300,000 at the end of 1951. During the year, the Bank made 381 advances accommodating 47 member banks to the extent of \$1,040,119,000. Of that amount, \$1,005,469,000 was secured by United States Government obligations; \$30,985,000 by eligible paper; \$665,000 by collateral not eligible for discount or purchase; and \$3,000,000 represented commercial paper rediscounted.

Member bank borrowings reached their high point on January 30, 1951, when \$43,862,000 was outstanding. As in 1950, no advances were made during the year to nonmember banks. In most instances, advances made during the year were for short periods and were for the purpose of covering temporary reserve deficiencies of the member banks.

The number and amount of notes discounted during 1951 increased 47.1 and 142 percent, respectively, compared with 1950.

Industrial advances totaled \$583,885, an increase of \$577,288. One direct loan in the amount of \$30,000 was advanced during 1951. The Bank also participated to the extent of 50 percent with one member bank in a revolving-credit loan of \$1,800,000. Ninety percent of this loan is guaranteed by the Department of the Army under the terms of Regulation V. Advances made during the year on the loan aggregated \$2,065,766.24, half of which was advanced by the member bank servicing the loan, and half by this Bank.

Re-established in 1950, the V-Loan Program was continued throughout 1951. Additional vigor was given the program when on May 15, 1951, Public Law 30—82nd Congress was enacted, removing uncertainties about the rights of financing institutions to take assignments of Government contracts as security for loans to defense contractors. These uncertainties had proved to be a hindrance to the program.

Voluntary Credit Restraint

The Voluntary Credit Restraint Program was promulgated under the powers given the President by the Defense Production Act of 1950 and delegated by the President to the Board of Governors of the Federal Reserve System. The program was implemented by the appointment by the Board of Governors of a national Voluntary Credit Restraint Committee, by the acceptance by lenders of a set of broad principles for credit restraint, and by the establishment of various regional committees. On the national committee are representatives of major types of financing institutions. Each regional committee is composed of representatives of some major category of finance, i.e., insurance, commercial banking, etc., operates in a territory which is usually co-extensive with a Federal Reserve District, and may be consulted on matters pertaining to the program.

Two subcommittees have been established in the Atlanta Federal Reserve District, namely, the Sixth District Commercial Banking Voluntary Credit Restraint Committee and the Sixth District Savings and Loan Voluntary Credit Restraint Committee.

Members of the Sixth District Commercial Banking Committee are: John A. Sibley, (Chairman) Chairman of the Board, Trust Company of Georgia, Atlanta, Georgia; J. Finley McRae, (Vice Chairman) President, The Merchants National Bank of Mobile, Mobile, Alabama; James G. Hall, Executive Vice President, The First National Bank of Birmingham, Birmingham, Alabama; V. H. Northcutt, President, The First National Bank of Tampa, Tampa, Florida; Herman Jones, Jr., Executive Vice President, The First National Bank of Atlanta, Atlanta, Georgia; Dale Graham, President, The National Bank of Commerce in New Orleans, New Orleans, Louisiana; Dawson B. Harris, President, Hamilton National Bank of Chattanooga, Chattanooga, Tennessee; and V. K. Bowman, Vice President, Federal Reserve Bank

of Atlanta, Atlanta, Georgia. Dowdell Brown, Jr., Assistant to the General Counsel, Federal Reserve Bank of Atlanta, serves the Committee as Secretary.

Members of the Sixth District Savings and Loan Committee are: J. D. McLamb, (Chairman) President, First Federal Savings & Loan Association, Savannah, Georgia; F. B. Yeilding, Jr., President, Jefferson Federal Savings & Loan Association, Birmingham, Alabama; Irving H. Schonberg, President, Union Savings & Loan Association, New Orleans, Louisiana; C. L. Clements, President, Chase Federal Savings & Loan Association, Miami Beach, Florida; and V. K. Bowman, Vice President, Federal Reserve Bank of Atlanta, Atlanta, Georgia. Dowdell Brown, Jr., is also Secretary for this Committee.

Fundamentally, the objective of the Voluntary Credit Restraint Program is to assure adequate financing for defense and defense-related activities and to curtail credit for nonessential or deferrable purposes on a voluntary basis at the source. Broadly speaking the program is concerned with all extensions of credit not otherwise controlled by law or by a regulation or ruling of a governmental agency or administrative body, and such as are guaranteed, or insured, or authorized as to purpose by the Federal Government or an agency thereof. The core of the program is the Statement of Principles, wherein credits of various kinds are classified according to whether they may be regarded as essential or are of a kind which might be postponed in the national interest. Voluntary co-operation of financing institutions is sought on the basis that they will screen applications for credit in the light of this Statement of Principles and will reject those applications, which, if made, would be inflationary and would not further the defense effort. The primary function of the two committees in the Sixth District is to assist financing institutions in their efforts to extend credit on a basis consistent with the purposes of the Voluntary Credit Restraint Program. To this end, the respective subcommittee renders assistance to financing institutions within its jurisdiction by receiving from such institutions requests for advice

as to the propriety of certain proposed credit transactions under the program, and by expressing advisory opinions in regard to them.

From time to time the national committee has issued bulletins and other informative material dealing directly with the program and with the question of whether credit transactions of particular kinds should be made within the purview of the program. The Sixth Federal District committees have aided financing institutions by promptly distributing this material.

Financing institutions in the District have accepted the program favorably, and it has received the endorsement of the State Bankers Associations of all the Sixth District states and of the clearing house associations in the larger cities.

Personnel

An active employee-recruiting program was conducted by the Personnel Department throughout the year. The Bank, including the Branches, employed 393 additional workers, but there were 256 terminations. On January 1, 1952, there were 1,098 officers and employees on the payroll, compared with 961 at the beginning of 1951.

During the year, a new group life insurance coverage was provided for the employees. The new protection is on a System basis and replaces the individual group life insurance which a majority of the Federal Reserve Banks had acquired for their employees.

As in the past, the Bank encouraged study at advanced banking schools by its key office members. Four of the staff members received their graduate diplomas from the Graduate School of Banking at Rutgers University. Two staff members enrolled in the banking School of the South at Louisiana State University in 1951 in addition to the two who had enrolled for the 1950 session.

A formal employee and executive training and development program was instituted during the year. In addition to placing emphasis upon improved techniques for employee selection, the program provided for planned in-service training of key staff members as well as new employees.

The training program involved assignment of certain staff members to the branch offices or to specific departments for the express purpose of acquainting them with new responsibilities and procedures, the institution of a rotation plan whereby key staff members would exchange duties for certain periods, and assignment of two staff members to member banks for brief training in commercial bank practices.

Two formal instruction courses in Federal Reserve policies, procedures, and functions were also established. One of the courses was designed for staff members at the supervisory level and provided a reasonably comprehensive survey of the responsibilities of the Federal Reserve System. The other course was designed for new employees for the purpose of acquainting them with Bank operations.



Sixth Federal Reserve District

DIRECTORS AND OFFICERS

Directors of the Bank are nine in number, divided into three classes of three each, designated as classes A, B, and C. Class A and Class B Directors are elected by the member banks. Class C Directors, one of whom is designated Chairman and another as Deputy Chairman, are appointed by the Board of Governors of the Federal Reserve System.

Each of the four branches has a Board of Directors of seven members. Four of these members are appointed by the Federal Reserve Bank and three by the Board of Governors.

The directors of the Federal Reserve Bank appoint all officers. Appointments of the President and the First Vice President, for terms of five years, are subject to the approval of the Board of Governors.

◀ **UPPER:** *Sorting and Counting Silver Coins*

◀ **LOWER:** *Preparing Currency for Shipment to Banks*

Federal Reserve Bank of Atlanta



CLASS A

Elected by Member Banks

	<i>Term Expires</i>
	<i>Group December 31</i>
LESLIE R. DRIVER	2 1952
President, The First National Bank in Bristol Bristol, Tennessee	
ROLAND L. ADAMS	3 1953
President, Bank of York York, Alabama	
W. C. BOWMAN	1 1954
Chairman of the Board, The First National Bank of Montgomery Montgomery, Alabama	

CLASS B


Elected by Member Banks

DONALD COMER	3 1952
Chairman of the Board, Avondale Mills Birmingham, Alabama	
A. B. FREEMAN	1 1953
Chairman of the Board, Louisiana Coca-Cola Bottling Company, Ltd. New Orleans, Louisiana	
J. A. McCRARY	2 1954
Vice President and Treasurer, J. B. McCrary Company, Inc. Atlanta, Georgia	

CLASS C

*Appointed by the Board of Governors of the
Federal Reserve System*

FRANK H. NEELY, <i>Chairman</i>	1953
Chairman of the Board, Rich's, Inc. Atlanta, Georgia	
RUFUS C. HARRIS, <i>Deputy Chairman</i>	1952
President, The Tulane University of Louisiana New Orleans, Louisiana	
PAUL E. REINHOLD	1954
President, Foremost Dairies, Inc. Jacksonville, Florida	



Officers

MALCOLM BRYAN, *President*

LEWIS M. CLARK, *First Vice President*

**V. K. BOWMAN
*Vice President***

**J. E. DENMARK
*Vice President***

**E. L. RAUBER
*Director of Research***

**R. DEWITT ADAMS
*General Auditor***

**J. H. BOWDEN
*Assistant Vice President***

**C. R. CAMP
*Assistant Vice President***

**J. E. MCCORVEY
*Assistant Vice President***

**S. P. SCHUESSLER
*Vice President***


**HAROLD T. PATTERSON
*Vice President
and General Counsel***

**F. H. MARTIN
*Assistant Vice President***

**I. H. MARTIN
*Assistant Vice President***

**ROY E. MILLING
*Assistant Vice President***

**L. B. RAISTY
*Assistant Vice President***



**Member
Federal
Advisory
Council**

**PAUL M. DAVIS
Chairman of the Board
First American National Bank of Nashville
Nashville, Tennessee**


**SHANNON M. GAMBLE
Executive Vice President
Standard-Coosa-Thatcher Company
Chattanooga, Tennessee**

**I. C. MILNER
President
Gate City Mills Company
East Point, Georgia**

**LUTHER RANDALL
President
Randall Brothers, Inc.
Atlanta, Georgia**

**JOHN E. SANFORD
President
Armour Fertilizer Works
Atlanta, Georgia**

**GEORGE WINSHIP
President
Fulton Supply Company
Atlanta, Georgia**



**Industrial
Advisory
Committee**

Birmingham Branch

Directors

*Appointed by the Board of Governors
of the Federal Reserve System*

	<i>Term Expires December 31</i>
JOHN M. GALLALEE, <i>Chairman</i>	1953
President, University of Alabama Tuscaloosa, Alabama	
THAD HOLT	1952
President and Treasurer, Voice of Alabama, Inc. (Radio Station WAPI) Birmingham, Alabama	
EDWIN C. BOTTCHER	1954
Cotton and Dairy Farmer Cullman, Alabama	

*Appointed by Board of Directors,
Federal Reserve Bank of Atlanta*

J. B. BARNETT	1952
President, Monroe County Bank Monroeville, Alabama	
A. M. SHOOK	1952
President, Security Commercial Bank Birmingham, Alabama	
T. J. COTTINGHAM	1953
President, State National Bank of Decatur Decatur, Alabama	
A. J. GOODWIN, JR.	1954
Vice President, The Anniston National Bank Anniston, Alabama	

Officers

P. L. T. BEAVERS, *Vice President and Manager*

H. C. FRAZER H. J. URQUHART MELVIN McILWAIN
Assistant Manager Cashier Assistant Cashier

Jacksonville Branch



*Appointed by the Board of Governors
of the Federal Reserve System*

*Term Expires
December 31*

- HOWARD PHILLIPS, *Chairman* 1952
Vice President and General Manager, Dr. P. Phillips Company
Orlando, Florida
- MARSHALL F. HOWELL 1953
Vice President, Bond-Howell Lumber Company
Jacksonville, Florida
- J. HILLIS MILLER 1954
President, University of Florida
Gainesville, Florida

*Appointed by Board of Directors,
Federal Reserve Bank of Atlanta*

- J. E. BRYAN 1952
President, Union Trust Company
St. Petersburg, Florida
- N. RAY CARROLL 1952
President, The First National Bank of Kissimmee
Kissimmee, Florida
- CLEMENT B. CHINN 1953
President, The First National Bank of Miami
Miami, Florida
- G. W. REESE 1954
President, The Citizens and Peoples National Bank of Pensacola
Pensacola, Florida

T. A. LANFORD, *Vice President and Manager*

- T. C. CLARK**
Assistant Manager
- J. WYLY SNYDER**
Cashier
- C. MASON FORD**
Assistant Cashier



Nashville Branch

Directors

*Appointed by the Board of Governors
of the Federal Reserve System*

	<i>Term Expires December 31</i>
H. C. MEACHAM, <i>Chairman</i> Agriculture and Livestock Franklin, Tennessee	1954
C. E. BREHM President, University of Tennessee Knoxville, Tennessee	1953
W. BRATTEN EVANS President, Tennessee Enamel Manufacturing Company Nashville, Tennessee	1952

*Appointed by Board of Directors,
Federal Reserve Bank of Atlanta*

T. L. CATHEY President, Peoples and Union Bank Lewisburg, Tennessee	1952
THOMAS D. BRABSON President, The First National Bank of Greeneville Greeneville, Tennessee	1952
G. C. GRAVES President, The First National Bank of Athens Athens, Tennessee	1953
SAM M. FLEMING President, Third National Bank in Nashville Nashville, Tennessee	1954

Officers

R. E. MOODY, JR., *Vice President and Manager*

E. R. HARRISON	E. C. RAINEY	LEO W. STARR
<i>Assistant Manager</i>	<i>Assistant Manager</i>	<i>Cashier</i>

New Orleans Branch



*Appointed by the Board of Governors
of the Federal Reserve System*

*Term Expires
December 31*

- | | |
|---|------|
| H. G. CHALKLEY, JR., <i>Chairman</i> | 1953 |
| President, Sweet Lake Land and Oil Company, Inc.
Lake Charles, Louisiana | |
| E. O. BATSON | 1952 |
| President, Batson-McGehee Company, Inc.
Millard, Mississippi | |
| JOEL L. FLETCHER, JR. | 1954 |
| President, Southwestern Louisiana Institute
Lafayette, Louisiana | |

*Appointed by Board of Directors,
Federal Reserve Bank of Atlanta*

- | | |
|---|------|
| PERCY H. SITGES | 1952 |
| President, Louisiana Bank and Trust Company
New Orleans, Louisiana | |
| ELBERT E. MOORE | 1952 |
| President, Louisiana National Bank of Baton Rouge
Baton Rouge, Louisiana | |
| WILLIAM C. CARTER | 1953 |
| President, Gulf National Bank of Gulfport
Gulfport, Mississippi | |
| G. M. MCWILLIAMS | 1954 |
| President, Citizens Bank of Hattiesburg
Hattiesburg, Mississippi | |

E. P. PARIS, *Vice President and Manager*

- | | | |
|--------------------------|---------------------|--------------------------|
| M. L. SHAW | W. H. SEWELL | L. Y. CHAPMAN |
| <i>Assistant Manager</i> | <i>Cashier</i> | <i>Assistant Cashier</i> |



Sixth Federal Reserve District

FINANCIAL and VOLUME REPORTS

Reserve Position of Member Banks

SEMIMONTHLY PERIOD ENDED DECEMBER 31, 1951

<i>State</i>	<i>Required Reserves</i>	<i>Actual Reserves</i>	<i>Excess Reserves</i>	<i>Percent of Actual Reserves to Required Reserves</i>
ALABAMA	\$132,800,000	\$142,600,000	\$ 9,800,000	107.4
FLORIDA	186,600,000	197,600,000	11,000,000	105.9
GEORGIA	193,800,000	204,100,000	10,300,000	105.3
LOUISIANA	165,200,000	183,900,000	18,700,000	111.3
MISSISSIPPI	27,000,000	29,800,000	2,800,000	110.4
TENNESSEE	125,800,000	137,100,000	11,300,000	109.0
DISTRICT	<u>\$831,200,000</u>	<u>\$895,100,000</u>	<u>\$63,900,000</u>	<u>107.7</u>

Currency and Coin Operations Main Bank and Branches

NUMBER OF PIECES RECEIVED AND COUNTED FOR 1951 AND 1950, BY MONTHS

<i>Month</i>	<i>Currency (In Thousands)</i>		<i>Coin</i>	
	<i>1951</i>	<i>1950</i>	<i>1951</i>	<i>1950</i>
January	25,417	22,181	35,139	30,861
February	20,993	21,465	30,712	24,641
March	24,449	25,493	32,341	25,230
April	25,309	21,495	26,768	21,899
May	28,258	23,980	30,186	28,351
June	23,393	21,535	28,973	26,265
July	23,808	20,638	34,524	24,287
August	26,300	23,518	33,138	29,265
September	24,085	22,412	22,676	27,619
October	24,837	22,842	24,743	24,562
November	24,457	23,292	23,825	26,289
December	23,751	23,108	27,331	23,169
TOTAL	295,057	271,959	350,356	312,438

RECEIPTS FROM BANKS AND PAYMENTS TO BANKS FOR 1951 AND 1950, BY MONTHS

<i>Month</i>	<i>Receipts (In Thousands)</i>		<i>Payments</i>	
	<i>1951</i>	<i>1950</i>	<i>1951</i>	<i>1950</i>
January	\$ 170,107	\$ 135,915	\$ 94,647	\$ 79,263
February	136,809	120,748	105,409	103,368
March	167,278	146,378	122,790	119,626
April	127,700	119,937	112,338	91,124
May	136,784	124,848	124,211	96,959
June	125,905	117,774	121,117	96,093
July	134,704	119,700	117,302	96,072
August	143,646	126,646	148,117	105,749
September	127,128	114,736	121,196	113,437
October	142,144	121,670	142,433	118,112
November	145,220	126,689	123,312	112,076
December	154,882	144,905	155,932	132,160
TOTAL	\$1,712,307	\$1,519,946	\$1,488,804	\$1,264,039

STATEMENT OF CONDITION

ASSETS	<i>December 31, 1951</i>	<i>December 31, 1950</i>
Gold Certificates	\$ 923,549,785.10	\$ 890,799,772.39
Redemption Fund for Federal Reserve Notes	49,807,655.00	39,540,790.00
Total Gold Certificate Reserves	\$ 973,357,440.10	\$ 930,340,562.39
Other Cash	26,578,804.50	18,763,112.38
Total Cash	\$ 999,936,244.60	\$ 949,103,674.77
Discounts and Advances	300,000.00	25,000.00
Industrial Loans	583,884.83	6,596.90
U. S. Government Securities—		
System Account	1,273,684,000.00	1,110,085,000.00
Total Loans and Securities	\$1,274,567,884.83	\$1,110,116,596.90
Federal Reserve Notes of Other Banks	21,262,000.00	20,312,250.00
Uncollected Cash Items	234,021,420.13	277,132,397.83
Bank Premises (Net)	2,882,290.00	1,720,100.56
Other Assets	7,313,701.39	6,328,745.61
TOTAL ASSETS	<u>\$2,539,983,540.95</u>	<u>\$2,364,713,765.67</u>
LIABILITIES		
Federal Reserve Notes in Actual Circulation	\$1,382,154,565.00	\$1,276,091,240.00
Deposits:		
Member Bank Reserve Accounts	915,857,708.27	740,421,957.53
U. S. Treasurer—General Account	4,030,392.51	38,559,111.47
Foreign	21,861,000.00	37,283,400.00
Other Deposits	6,020,107.75	42,761,729.66
Total Deposits	\$ 947,769,208.53	\$ 859,026,198.66
Deferred Availability Cash Items	168,835,435.70	191,070,072.32
Other Liabilities	590,648.75	200,073.95
TOTAL LIABILITIES	<u>\$2,499,349,857.98</u>	<u>\$2,326,387,584.93</u>
CAPITAL ACCOUNTS		
Capital Paid In	\$ 9,711,150.00	\$ 8,954,450.00
Surplus (Section 7)	23,871,396.70	22,368,597.95
Surplus (Section 13b)	762,425.68	762,425.68
Reserves for Contingencies	6,288,710.59	6,240,707.11
TOTAL CAPITAL ACCOUNTS	<u>\$ 40,633,682.97</u>	<u>\$ 38,326,180.74</u>
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	<u>\$2,539,983,540.95</u>	<u>\$2,364,713,765.67</u>

EARNINGS AND EXPENSES

	<i>1951</i>	<i>1950</i>
Current Earnings:		
Discounts and Advances	\$ 130,934.62	\$ 78,261.81
Industrial Loans	9,280.57	128.93
U. S. Government Securities—System Account	20,959,997.02	14,611,876.32
All Other	10,927.39	22,222.89
Total Current Earnings	<u>\$21,111,139.60</u>	<u>\$14,712,489.95</u>
Current Expenses	5,384,699.83	4,342,755.89
Current Net Earnings	<u>\$15,726,439.77</u>	<u>\$10,369,734.06</u>
Net Addition to Current Net Earnings	0	1,942,583.76
Net Deductions from Current		
Net Earnings	84,332.82	0
Total	<u>\$15,642,106.95</u>	<u>\$12,312,317.82</u>
Other Deductions:		
Transferred to Reserve for Contingencies	\$ 48,003.48	\$ 40,434.18
Paid to U. S. Treasury (Interest on Outstanding Federal Reserve Notes)	13,524,303.61	10,575,575.12
Total	<u>\$13,572,307.09</u>	<u>\$10,616,009.30</u>
Net Earnings after Reserves and Payment to U. S. Treasury	<u>\$ 2,069,799.86</u>	<u>\$ 1,696,308.52</u>
Distribution of Net Earnings:		
Dividends Paid	\$ 567,001.11	\$ 521,211.11
Transferred to Surplus (Section 7)	1,502,798.75	1,175,097.41
	<u>\$ 2,069,799.86</u>	<u>\$ 1,696,308.52</u>
Surplus (Section 7):		
Surplus January 1	\$22,368,597.95	\$21,193,500.54
Transferred to Surplus—As Above	1,502,798.75	1,175,097.41
Surplus December 31	<u>\$23,871,396.70</u>	<u>\$22,368,597.95</u>

MEMBER BANK COMPARATIVE STATEMENT

[Amounts in thousands of dollars]

	December 31 1951	December 30 1950
ASSETS		
Loans and investments	\$5,043,251	\$4,754,000
Loans (including overdrafts)	\$2,004,495	\$1,999,788
U. S. Government obligations, direct and guaranteed	2,526,334	2,286,801
Obligations of States and political subdivisions	422,426	386,446
Other bonds, notes and debentures	79,122	70,779
Corporate stocks (including Federal Reserve Bank stock)	10,874	10,186
Reserves, cash, and bank balances	2,126,768	1,811,038
Bank premises owned and furniture and fixtures	68,541	59,485
Other real estate owned	2,014	1,762
Investments and other assets indirectly representing bank premises and other real estate	1,605	1,392
Customers' liability on acceptances	7,195	6,945
Other assets	18,896	19,609
Total Assets	<u>\$7,268,270</u>	<u>\$6,654,231</u>
LIABILITIES		
Demand deposits	\$5,634,892	\$5,102,701
Individuals, partnerships, and corporations	\$3,869,324	\$3,544,023
U. S. Government	106,904	93,348
States and political subdivisions	703,599	624,019
Banks in U. S. and foreign countries	882,949	780,095
Certified and officers' checks, cash letters of credit and travelers' checks, etc.	72,116	61,216
Time deposits	1,155,016	1,114,368
Total deposits	\$6,789,908	\$6,217,069
Bills payable, rediscounts, and other liabilities for borrowed money	440	25
Acceptances outstanding	11,902	8,631
Other liabilities	45,819	37,952
Total liabilities	\$6,848,069	\$6,263,677
CAPITAL ACCOUNTS		
Capital	\$ 130,900	\$ 122,755
Surplus	198,013	182,902
Undivided profits	66,444	60,879
Other capital accounts	24,844	24,018
Total capital accounts	<u>\$ 420,201</u>	<u>\$ 390,554</u>
Total liabilities and capital accounts	<u>\$7,268,270</u>	<u>\$6,654,231</u>

CHANGES IN MEMBERSHIP 1944-1951

	1944	1945	1946	1947	1948	1949	1950	1951
Membership, beginning of year	316	317	325	333	340	346	351	353
Additions during year:								
Organization of National banks	4	0	0	3	2	0	1	2
Conversion of State banks to National banks*	3	4	6	1	2	3	1	1
Admission of State banks	3	7	5	6	4	5	2	0
Resumption following suspension	0	0	0	0	0	0	0	0
Total additions	10	11	11	10	8	8	4	3
Losses during year:								
Mergers between National banks	0	0	0	1	0	1	0	0
Mergers between State banks	0	0	0	0	0	0	1	0
Suspension or insolvency	0	0	0	0	0	0	0	0
Withdrawal of State banks*.	8	1	3	1	1	2	1	1
Voluntary liquidation	1	2	0	1	1	0	0	0
Conversion of member to nonmember banks**	0	0	0	0	0	0	0	0
Total losses	9	3	3	3	2	3	2	1
Net change during year	+1	+8	+8	+7	+6	+5	+2	+2
Membership end of year	317	325	333	340	346	351	353	355
National banks	266	268	274	276	279	281	283	286
State banks	51	57	59	64	67	70	70	69

*Includes conversion of State member banks to National banks.

**Includes conversion of National banks to nonmember banks, and absorption of members by nonmembers.

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