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ELEVENTH ANNUAL REPORT

OF THE

FEDERAL RESERVE BANK

OF RICHMOND

FOR THE YEAR ENDED DECEMBER 31, 1925



WM. W. HOXTON
Chairman and Federal Reserve Agent

**FEDERAL RESERVE BANK
OF RICHMOND**

February 19, 1926.

**FEDERAL RESERVE BOARD,
Washington, D. C.**

GENTLEMEN:

I have the honor to submit herewith the Eleventh Annual Report of the Federal Reserve Bank of Richmond, for the year ended December 31, 1925.

Respectfully,

WM. W. HOXTON,
Chairman of the Board and
Federal Reserve Agent.

**DIRECTORS AND OFFICERS OF
THE FEDERAL RESERVE BANK OF RICHMOND
For Year 1926**

Directors

Class A

L. E. JOHNSON, 1926,
Alderson, W. Va.
CHAS. E. RIEMAN, 1927,
Baltimore, Md.
JAMES C. BRASWELL, 1928,
Rocky Mount, N. C.

Class B

D. R. COKER, 1926,
Hartsville, S. C.
EDMUND STRUDWICK, 1927,
Richmond, Va.
EDWIN C. GRAHAM, 1928,
Washington, D. C.

Class C

WM. W. HOXTON, 1926, Chairman of
the Board, Richmond, Va.
FREDERIC A. DELANO, 1927, Deputy
Chairman, Washington, D. C.
ROBERT LASSITER, 1928, Charlotte,
N. C.

OFFICERS

GEORGE J. SEAY, Governor.	WM. W. HOXTON, Chairman of the
CHAS. A. PEPLE, Deputy Governor.	Board and Federal Reserve Agent.
R. H. BROADDUS, Deputy Governor.	J. G. FRY, Assistant Federal Reserve
J. S. WALDEN, Jr., Controller.	Agent.
GEORGE H. KEESEE, Cashier.	HUGH LEACH, Auditor.

ALBERT S. JOHNSTONE, Manager,
Personnel and Service.
JOHN T. GARRETT, Manager, Bank
Relations Dept.

W. W. DILLARD,
EDWARD WALLER, Jr.,
GEORGE S. SLOAN,
Assistant Cashiers.

Counsel

MAXWELL G. WALLACE

Member Federal Advisory Council

JOHN F. BRUTON, 1926,
Wilson, N. C.

BALTIMORE BRANCH

Directors

A. H. DUDLEY, 1926, Baltimore, Md.	EDMUND P. COHILL, 1926, Hancock, Md.
CARTER G. OSBURN, 1926, Baltimore, Md.	JOHN G. ROUSE, 1927, Baltimore, Md.
H. B. WILCOX, 1927, Baltimore, Md.	WM. H. MATTHAI, 1928, Baltimore, Md.
LEVI B. PHILLIPS, 1928, Cambridge, Md.	

Officers

A. H. DUDLEY, Managing Director.	THOMAS I. HAYES, Assistant Cashier.
M. F. REESE, Cashier.	JOHN R. CUPIT, Assistant Cashier.

ELEVENTH ANNUAL REPORT FEDERAL RESERVE BANK OF RICHMOND

GENERAL BUSINESS CONDITIONS

On the whole, 1925 was a satisfactory year in the Fifth Federal Reserve District, an examination of the chief business barometers indicating that a considerably larger volume of business was done than in 1924. Trade was good during the entire year, and there was comparatively little fluctuation from month to month, except for regular seasonal variations.

The continuation of a very active construction program during 1925 played a leading part in keeping labor well employed, which in turn insured a large purchasing power on the part of the public. Not quite as many building permits for new work were issued in twenty-eight reporting cities of the Fifth District in 1925 as in 1924, but 1925 valuation figures exceeded those of the earlier year by 11.6 per cent. Building work was especially active in North Carolina during the past year.

In agriculture the year's returns were less satisfactory than those in trade and industry. In the spring favorable weather gave the farmers an early start and prospects appeared to be exceptionally good, but from April through September rainfall was far below normal, and in certain sections crops were virtual failures. The drought was worse in the Piedmont counties of South Carolina, where very poor crops led to many bankruptcies and bank failures during the fall. On the other hand, southern and eastern South Carolina made better crops than for several years, bringing the state yields in most crops above those of the previous year. The state of Virginia suffered severe damage from the dry weather, and North Carolina crops were also adversely affected, but in neither case was the damage so severe as in upper South Carolina. Maryland and West Virginia farmers had a very satisfactory year, on the whole. District yields of corn, wheat, oats, tobacco, cotton and peanuts in 1925 exceeded 1924 yields, while the yields of potatoes, hay and fruit were much below those of the earlier year. Prices of cotton and tobacco, the two chief money crops, averaged lower in 1925 than in 1924.

Trade during 1925 was in distinctly larger volume than 1924. Debits to individual account figures, showing the total

of checks charged to depositors' accounts in the clearing house banks in twenty-three of the District's leading cities, were more than a billion and a half dollars above the 1924 figures, an increase of nearly 11 per cent. Retail trade as reflected in dollar sales by twenty-nine department stores in the Fifth District, was 5.4 per cent above the volume of trade in 1924. Wholesale trade in 1925 was in practically the same dollar volume as in the preceding year, in spite of lower average prices last year in dry goods. Wholesale trade in groceries, shoes, furniture and drugs exceeded 1924 trade. Collections in 1925 averaged better than in 1924.

Industrially, 1925 was an excellent year in the Fifth District. Textile mills were handicapped during the late summer and fall by power shortage, some of the mills losing as much as two and a half days each week, but the Fifth District mills consumed 2,537,393 bales of cotton last year in comparison with 2,210,411 bales used in 1924. Forward orders were hard to secure, but a large volume of orders for early shipment kept the mills running steadily and took their manufactured stock as it was made up. As the year closed, forward orders were increasing at many mills. Lumber mills were busy in 1925, operating to capacity most of the time, and the active building program kept stocks of manufactured lumber low. Tobacco factories ran full time, cigarette factories having kept especially busy. The coal industry in the Fifth District had a splendid year insofar as tonnage was concerned. Early in the year orders were not available to keep the mines running full time, but during the closing months of the year the West Virginia mines led the country in output. In addition to the natural increase in coal orders at the end of the year, the anthracite strike turned a large volume of business to the bituminous field, and West Virginia, with splendid railroad and mining facilities, received a very large share of the shift from hard to soft coal.

VOLUME OF BUSINESS

The following table shows the volume of work handled in the principal departments of the Bank during the year 1925, as compared with the year 1924:

	1925	1924	Per Cent of Increase or Decrease
BILLS DISCOUNTED AND BOUGHT:			
Number	75,715	77,019	— 1.69
Amount	\$ 2,314,263,396	\$ 1,367,175,358	69.27

	1925	1924	Per Cent of Increase or Decrease
CHECKS HANDLED BY TRANSIT DEPARTMENT:			
Number	48,171,677	46,779,081	2.98
Amount	\$14,038,542,000	\$13,254,632,000	5.91
NON-CASH COLLECTIONS HANDLED:			
Number	201,136	205,468	— 2.11
Amount	\$ 236,341,688	\$ 213,053,392	10.93
CURRENCY RECEIVED AND COUNTED:			
*Number of pieces.....	93,233,000	94,155,000	— 0.98
*Amount	\$ 482,560,000	\$ 482,854,000	— 0.06
COIN RECEIVED AND COUNTED:			
*Number of pieces.....	147,919,000	161,693,000	— 8.52
*Amount	\$ 14,910,000	\$ 14,585,000	2.23
TELEGRAPHIC TRANSFERS OF FUNDS:			
Number	106,317	96,378	10.31
Amount	\$ 3,975,049,800	\$ 3,287,811,530	20.90
FISCAL AGENCY—U. S. SECURITIES RECEIVED, ISSUED, REDEEMED, CANCELLED OR EXCHANGED:			
Number	83,361	137,347	—39.31
Amount	\$ 93,542,822	\$ 126,474,371	—26.04

— Denotes decrease; other figures show gains.

* New currency and coin not included.

An examination of the items in the table shows that the number of bills discounted or bought in 1925 declined 1.69 per cent in comparison with 1924, but the amount involved rose by 69.27 per cent. The clearing operations of the Transit Department increased 2.98 per cent in number of checks handled and 5.91 per cent in the amount involved. Non-cash collection items handled declined 2.11 per cent in number during 1925 in comparison with 1924, but the amount handled increased by 10.93 per cent. The number of pieces of currency and coin received and counted declined .98 per cent and 8.52 per cent, respectively, and the amount of currency declined .06 per cent in comparison with 1924, but the value

of the coins received rose 2.23 per cent. The number of transfers of money by wire rose 10.31 per cent, and the aggregate amount thus transferred rose 20.90 per cent. The only marked decline in the volume of work handled was in the Fiscal Agency Department, in which the number of securities received, issued, redeemed, cancelled or exchanged declined 39.31 per cent and the amount involved dropped 26.04 per cent. The decline in Fiscal Agency work was due to decreases in War Savings Securities offered for redemption and in Liberty and other Government bonds exchanged, the number and amount of new securities issued for the Government having increased moderately in 1925.

FINANCIAL RESULTS OF OPERATIONS

The gross earnings of the Bank for the year 1925 were \$2,182,460, as compared with \$2,210,240 for 1924, a decrease of \$27,780. The decrease was due entirely to lower rates on discounts and other paper handled during 1925, the volume of credit extended having exceeded that of 1924. Approximately 79 per cent or \$1,720,967 of the total gross earnings resulted from the discount of paper for member banks, as compared with 86 per cent of gross earnings derived from the same source in 1924 and 93 per cent in 1923. The average rate of earnings on all earning assets during 1925 was .0383, as compared with .0423 during 1924, the average rate for 1925 being the lowest since 1917.

Current expenses of the Bank were \$1,451,614, as compared with \$1,537,834 in 1924, a decrease of \$86,220, while current net earnings for 1925 were \$730,846, as compared with \$672,406 for 1924, an increase of \$58,440. It is interesting to note the decrease of \$86,220 in current expenses, notwithstanding the fact that the general volume of business transacted was in excess of that for 1924, and that the cost of issuing and redeeming Federal Reserve currency and printing and maintaining an adequate emergency supply was \$35,000 in excess of the cost in the previous year. The \$730,846 of net earnings were distributed between reserve, depreciation and miscellaneous charges, dividends to member banks on capital stock, and to surplus account. No payment was made on account of Franchise tax.

The following is a condensed statement of earnings, expenses, dividends and surplus accounts for the year 1925:

	Average Daily Holdings	Average Daily Earnings	Total Earnings	Annual Rate of Earnings
Bills Discounted.....	\$ 43,025,803	\$4,715	\$ 1,720,967	.0400
Bills Purchased.....	6,719,911	595	217,075	.0323
U. S. Securities.....	4,848,314	422	154,068	.0318
Penalties, Miscellaneous Earnings, and Foreign Loans on Gold.....		248	90,350	
Totals.....	\$ 54,593,528	\$5,980	\$ 2,182,460	
Current Expenses.....			1,451,614	
Current Net Earnings.....			\$ 730,846	
Account of Reserves, De- preciation, etc.....			154,736	
Net earnings Available for Dividends, Surplus and Franchise Tax.....			576,110	
Dividends Paid.....			\$ 358,162	
Transferred to Surplus Account			217,948	
			\$ 576,110	

DISCOUNT OPERATIONS

The total amount of paper discounted or purchased in 1925 was \$2,314,263,395, as compared with \$1,367,175,358 in 1924, but the number of notes and acceptances handled declined from 77,019 in 1924 to 75,715 in 1925. The average amount of each note handled rose from \$17,751 in 1924 to \$30,565 in 1925.

Of the total volume of 1925 discounts, approximately 64 per cent were secured by Government obligations, 28 per cent were otherwise secured, and only 8 per cent were unsecured, as compared with approximately 72 per cent secured by Government obligations in 1924, 6 per cent otherwise secured, and 22 per cent unsecured. A larger proportion of the borrowing in 1925 was done by city banks, which accounts for both the increase in the average amount of the notes discounted and in the lower percentage of unsecured paper.

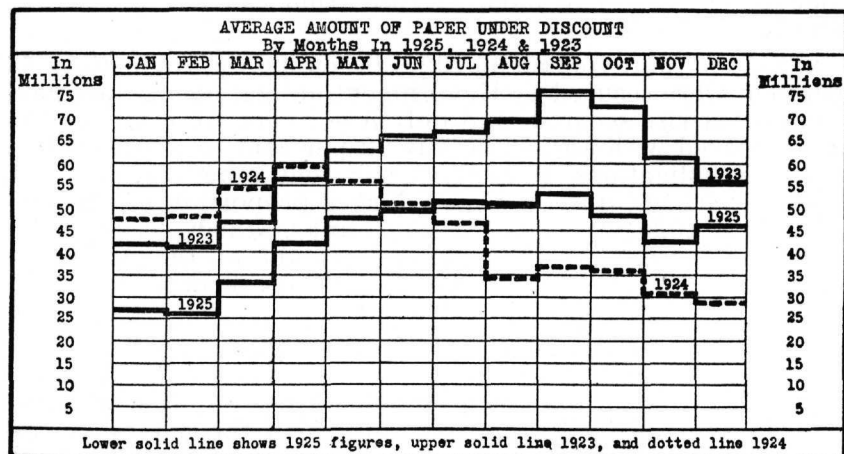
The average amount of paper under discount each day is a much better indicator of the actual credit extended to member banks than the total volume of discounts for the year, the latter figure being too much influenced by the class of paper offered and the length of time for which the money is borrowed. Measured by the average amount of member bank paper under discount, the amount of credit extended to members in 1925 was less than that extended in 1924, Maryland

and North Carolina being the only states to show higher daily average borrowings last year. The following table shows by states the average amount of paper under discount at the Federal Reserve Bank of Richmond during the year 1925, and in comparison with 1924:

States	1925	1924	Per Cent of Increase or Decrease
Maryland	\$ 5,505,460	\$ 4,832,822	13.92
District of Columbia.....	1,271,282	1,385,542	— 8.25
Virginia	14,379,139	15,483,037	— 7.13
West Virginia	3,853,092	6,547,399	—41.15
North Carolina	13,823,088	11,399,777	21.26
South Carolina	4,221,886	4,370,342	— 3.40
Fifth District	\$43,053,947	\$44,018,919	— 2.19

— Denotes decrease; other percentages show increases.

The daily average amount of paper under discount was highest in September, with an average of \$53,271,459, and the low point was in February, with an average of \$25,606,233. In 1924 the highest average was in April and the lowest was in December, but in 1923 the high and low averages occurred in September and February, respectively, corresponding exactly with 1925 in that respect. The accompanying chart shows graphically how the upward and downward movement of the average amount of paper under discount during 1925 followed a widely different course in comparison with 1924, but paralleled very closely the movement in 1923.



On December 31, 1925, the total of discounted paper held

by the Bank was \$44,003,506, of which nearly 66 per cent was borrowed for 15 days or less. In addition to the paper under discount at the end of the year, the bank held \$2,695,826 in Bankers' acceptances purchased in the open market.

During the year 428 member banks discounted paper with the Federal Reserve Bank of Richmond, and on December 31, 1925, 247 of the 607 member banks were being accommodated.

The discount rate at the bank on all classes of member bank paper was 4 per cent throughout 1925.

CHECK COLLECTIONS

The Transit Department handled a larger volume of business in 1925 than in 1924 in both number of checks and amounts involved. The number of cash items handled last year was 48,171,677, totaling in amount \$14,038,542,000, as compared with 46,779,081 items and an amount of \$13,254,632,000 handled in 1924. The average amount of the 1925 checks was \$291, as compared with \$283 in 1924. The number of items handled daily averaged 159,509, with an aggregate value of \$46,485,238, as compared with 153,879 items and a total of \$43,600,763 handled daily in 1924. Of the 48,171,677 items handled during the year, 4,115,045 were forwarded to other Federal reserve banks and branches, and 1,369,806 were drawn on the Treasurer of the United States.

Member banks in the Fifth District forwarded direct to other Federal reserve banks and branches for collection and credit to member banks' account with this Bank, 197,448 cash letters, containing items amounting to \$1,902,666,600, as compared with 184,895 cash letters sent direct to other districts in 1924, amounting to \$1,622,449,700.

NON-CASH COLLECTIONS

The Federal Reserve Bank of Richmond, through its Collection Department, handled for member banks 201,136 non-cash items, aggregating \$236,341,688, as compared with 205,468 items aggregating \$213,053,392 handled in 1924. These items were notes, acceptances, drafts and securities.

GOLD SETTLEMENT FUND

Receipts from Federal reserve banks and other sources through the Gold Settlement Fund in 1925 amounted to \$6,919,122,000, as compared with \$5,839,535,000 in 1924, while payments made by the Federal Reserve Bank of Richmond aggregated \$6,913,893,000 as against \$5,861,775,000 in

1924. The excess of receipts over disbursements resulted in a net increase for the year of \$5,229,000, leaving a balance of \$23,952,000 in the Fund at the close of business December 31, 1925.

The following table shows the total receipts from and payments to other Federal reserve banks on account of daily transit clearings, with percentages of the total.

(000 omitted)

District	Receipts from	Payments to	Total Settlements	Percentage of Total
Boston	\$ 165,035	\$ 170,321	\$ 335,356	3.50
New York.....	2,284,305	2,299,313	4,583,618	47.83
Philadelphia	708,370	772,970	1,481,340	15.46
Cleveland	611,507	541,351	1,152,858	12.03
Atlanta	488,244	424,636	912,880	9.52
Chicago	280,709	343,835	624,544	6.52
St. Louis	123,432	154,831	278,263	2.90
Minneapolis	16,380	10,616	26,996	.28
Kansas City.....	32,062	26,455	58,517	.61
Dallas	37,159	18,102	55,261	.58
San Francisco.....	39,437	34,465	73,902	.77
Totals.....	\$4,786,640	\$4,796,895	\$9,583,535	100.
Settlements between Head Office and Branch:				
Richmond	\$1,044,438	\$ 909,725	\$1,954,163	
Baltimore	909,725	1,044,438	1,954,163	
Totals.....	\$6,740,803	\$6,751,058	\$13,491,861	

The percentages of settlements with Boston, New York and Atlanta were higher in 1925 than in 1924, while the percentages with all other districts decreased last year. We received more from than we paid to Cleveland, Atlanta, Minneapolis, Kansas City, Dallas and San Francisco, while we paid more to than we received from Boston, New York, Philadelphia, Chicago and St. Louis. Settlements with all districts in 1925 were in larger amounts than those of 1924.

WIRE TRANSFER OPERATIONS

Member banks used the Bank's facilities for transferring funds by wire 106,317 times in 1925, the total amount so transferred being \$3,975,049,800, as compared with 96,378

transfers aggregating \$3,287,811,530 made in 1924. This service for member banks, which is provided without cost to them, is facilitated by the operation of the private leased wire connecting all Federal reserve banks and branches, and the Federal Reserve Board. There were 89,443 telegrams sent or received over the private wire during 1925.

NOTE ISSUES

The movement of Federal reserve notes followed seasonal lines in 1925, declining from the first of the year to July, and then increasing steadily and sharply to the high point of the year in December. The average daily circulation was lower in 1925 than in 1924, due to the unusually large amount outstanding during the first three months of 1924. From August to the end of the year outstanding circulation each month in 1925 exceeded circulation during the corresponding five months of 1924. Average daily circulation outstanding in 1925 was \$78,026,007, as compared with an average of \$80,303,751 outstanding throughout 1924, \$88,187,848 in 1923, and \$90,924,033 in 1922. On December 31, 1925, the volume of notes in actual circulation totaled \$93,111,750, as compared with \$87,578,810 on December 31, 1924.

CURRENCY AND COIN SERVICE

Currency and coin amounting to \$455,722,030 was received from member and non-member banks during 1925, and there was paid and shipped to banks during the same period \$397,192,714, making a total of \$852,914,744 received from and paid to banks, an increase of 2.7 per cent over the total amount handled in 1924.

The cost of shipping currency and coin to and from member banks is absorbed by the Federal Reserve Bank. The Bank also pays the cost of shipments by non-member banks in settlement for cash letters, but the expense of all other shipments to and from non-member banks is borne by the banks involved.

RESERVE POSITION

The ratio of cash reserves to deposit and note liabilities combined averaged 67.56 per cent in 1925, as compared with 71.33 per cent in 1924. The monthly average was highest in February, 83.44 per cent, and the lowest average was 58.23 per cent in July, when accommodations to member banks were at the high point of the year. After July the ratio rose each month to an average of 71.50 per cent in November, but declined in December to 68.71 per cent. The ratio was lower in 1925 than in 1924 from May to the end of the year.

Average daily deposits were \$67,878,628 in 1925 and \$65,230,830 in 1924; average daily note circulation was \$78,026,007 last year and \$80,303,751 in 1924; and daily average cash reserves were \$98,569,739 in 1925 and \$103,804,538 in 1924. Deposits were highest in November and lowest in June; note circulation was highest in December and lowest in July; and cash reserves were highest in January and lowest in July.

CHANGES IN MEMBERSHIP

Twelve banks joined the Federal Reserve System during 1925 in the Fifth District, but 29 members were lost through liquidations or mergers, a net decline in membership of 17 banks. At the end of 1925 there were 607 member banks in the District, of which 550 were national banks and 57 were State bank members. The 57 State bank members had 33 branches at the end of the year. Increased capital and surplus, with the new member banks, added 4,532 shares of stock of the Reserve bank to the members' holdings during 1925, while liquidations, mergers and withdrawals deducted 2,677 shares, a net gain of 1,855 shares during the year. On December 31, 1925, the shares in this Bank owned by member banks numbered 119,850, as compared with 117,995 shares so held on December 31, 1924. The net increase in the paid-up capital of the Bank during 1925 was \$92,750.

BANK RELATIONS DEPARTMENT

In the year 1925 a total of 764 visits were made to banks in the Fifth Federal Reserve District by members of this Department. While as in previous years a number of these visits represented special cases, our visits included a wider circle of banks than heretofore and our efforts were renewed to bring them in touch with the operations of the Federal Reserve System and the Federal Reserve Bank of Richmond in particular. Information was obtained which was helpful to the officers of this Bank in dealing with individual banks.

A representative of the Bank Relations Department is assigned to the territory served by the Baltimore Branch.

One or more of our representatives attended each State Banking Convention held in the District throughout the year and representatives were also present at a number of group meetings held under the auspices of the State Bankers Associations.

A number of speeches were made in various parts of the District by officers of the Bank upon the general subject of the Federal Reserve System.

BANK EXAMINATION DEPARTMENT

The Examination Department consists of four examiners and assistants, a clerk, and two stenographers, under the personal supervision of the Assistant Federal Reserve Agent.

Following the policy adopted in 1923, the Examination Department chiefly concerned itself during 1925 with credit investigations of member banks, making few formal examinations. The investigations cover every credit line of importance in the banks under consideration, and have proven satisfactory. Nearly all of our investigations were made in co-operation with State Banking Departments, with which cordial relations have been maintained.

Examinations and credit investigations were made during 1925 as follows:

	Banks	Branches
Credit investigations made at time bank was being examined by State Bank Examiners.....	54	14
Independent credit investigations of State member banks		1
State banks examined in connection with their application for merger	1	2
Independent credit investigations of National Banks..	1	
Credit investigations made at time bank was being examined by National Bank Examiners.....	6	
Total.....	62	17

STOCKHOLDERS MEETING

On April 14, 1925, the stockholders of the Federal Reserve Bank of Richmond met at the Bank, in response to an invitation extended by our directors and officers. This was the first meeting of Reserve Bank stockholders in the Fifth District, and proved of much value in bringing a closer relationship between member banks and this Bank. The meeting was attended by two members of the Federal Reserve Board, eight directors of the Federal Reserve Bank of Richmond, seven directors of the Baltimore Branch, the Chief National Bank Examiner for the Fifth District, and 177 representatives from 160 member banks. Mr. Henry M. Victor, of Charlotte, N. C., was unanimously elected Chairman, and presided over the meeting. A number of interesting and instructive addresses were made, lunch was served to the delegates, and a set of important resolutions was formulated and adopted. These resolutions provided for annual stockholders' meetings, and created a Stockholders' Advisory Committee of twelve elected and two ex-officio members. In the words of the reso-

lution, "The Stockholders' Advisory Committee shall perform such services as may be assigned to it at the meetings of the stockholding banks, and shall receive for consideration such matters as may be referred to it by the Directors or Officers of the Federal Reserve Bank of Richmond, and shall have power to make such further recommendations as they see fit." This Committee shall elect one of its members as Chairman, and shall meet upon his call or upon request of any two members of the Committee. The final action of the meeting was the election of officers for the coming year, and the election of the Advisory Committee. Mr. H. M. Victor, of Charlotte, N. C., was elected as Chairman, Mr. C. M. Gohen, of Huntington, W. Va., was chosen Vice-Chairman, and Mr. George H. Keesee, of Richmond, was selected as Secretary. Members of the Advisory Committee were selected as follows:

Maryland	George R. Gehr.....	Westminster
	W. S. Gordy, Jr.....	Salisbury
District of Columbia.....	Victor B. Deyber.....	Washington
	John Poole	Washington
Virginia	R. S. Cahoon.....	Norfolk
	E. B. Spencer.....	Roanoke
West Virginia.....	C. M. Gohen.....	Huntington
	W. F. McAvery.....	Martinsburg
North Carolina.....	W. C. Wilkinson.....	Charlotte
	C. A. Johnson.....	Tarboro
South Carolina.....	Wm. D. Morgan.....	Georgetown
	B. H. Moss.....	Orangeburg

INTERNAL ORGANIZATION

The Board of Directors held twelve regular monthly meetings in 1925, and in addition met in special session twice, on February 13th and April 15.

In the annual fall election, member banks in Group 2 elected James C. Braswell, of Rocky Mount, N. C., as a Class A Director, to succeed John F. Bruton, who declined re-election after serving as a Director since the organization of this Bank. Edwin C. Graham, of Washington, D. C., was re-elected as a Class B Director by Group 3 banks. Both of these Directors will serve three years from January 1, 1926.

The Federal Reserve Board reappointed Robert Lassiter, of Charlotte, N. C., as a Class C Director, his term to run three years. The Board also redesignated Wm. W. Hoxton as Chairman of the Board and Federal Reserve Agent for the year 1926. Frederic A. Delano was redesignated Deputy Chairman for the coming year.

At the December meeting of the Board of Directors, John

F. Bruton, President of the First National Bank of Wilson, N. C., was elected as the member of the Federal Advisory Council for the Fifth District, vice John M. Miller, Jr., of Richmond, who had completed three years as a member of the Council.

Changes in the official personnel at the Head Office and the Baltimore Branch during the calendar year 1925 were as follows:

C. V. Blackburn, Assistant Cashier in charge of the Money Department, resigned on March 31st. Thomas Marshall, Assistant Cashier in charge of the Discount Department, died suddenly on April 3rd. E. G. Grady, Cashier of the Baltimore Branch, resigned to become senior Vice-President of the Western National Bank, Baltimore, and M. F. Reese, formerly Assistant Cashier at the Branch, was promoted to the Cashiership. John R. Cupit, formerly Manager of the Transit Department at the Branch, was appointed Assistant Cashier to succeed Mr. Reese. The resignation of Mr. Grady was effective December 31st, and Mr. Reese and Mr. Cupit assumed their new positions on January 1, 1926. On March 1, 1925, the position of a special Auditor for the Branch was discontinued.

During 1925 the total number of employees of the Federal Reserve Bank of Richmond, including the Baltimore Branch, decreased from 663 to 576, a net decrease of 87, of whom 62 were at Richmond and 25 at Baltimore. Of the 576 officers and employees at Richmond and Baltimore on December 31, 1925, the salaries of 13 were reimbursed to the Bank, compared with 19 persons so paid of the 663 employees on the rolls at the end of 1924.

BALTIMORE BRANCH

The actual number and amount of all transactions of the Baltimore Branch are included in the aggregate volume reported by the Head Office. The physical volume of the business as well as the total value of the transactions conducted through the Branch during the year 1925 exceeded that of any previous year. This applies particularly to the volume and number of checks handled and transfers of funds effected through the Branch during 1925. While the general volume of business transacted materially increased during the year, the number of employees, including officers, decreased from 201 on January 1, 1925, to 176 at the close of the year, of whom 97 were women and 79 were men.

The working conditions in the buildings of the Baltimore Branch were not changed during the year 1925, the operations of the Branch being conducted in three separate build-

ings, its Main Office situated in the Branch Building at the corner of South and Redwood Streets, the Transit Department situated on the third floor of the Hearst Tower Building at the corner of Baltimore Street and Guilford Avenue, and the Money Department occupying the quarters of the former U. S. Sub-Treasury, in the Customs House Building at the corner of Gay and Water Streets.

There are 455 banking offices in the territory served by the Baltimore Branch, which comprises the State of Maryland and the following thirty counties in northern West Virginia:

Barbour	Hardy	Morgan	Taylor
Berkeley	Harrison	Nicholas	Tucker
Braxton	Jackson	Pendleton	Upshur
Calhoun	Jefferson	Pleasants	Webster
Doddridge	Lewis	Preston	Wirt
Gilmer	Marion	Randolph	Wood
Grant	Mineral	Ritchie	
Hampshire	Monongalia	Roane	

FIDUCIARY POWERS

Applications of the following National banks for permission to exercise fiduciary powers under authority of section 11 (k) of the Federal Reserve Act, as amended, were approved during the year 1925:

Name of Bank	Location	Date Granted
Dominion National Bank.....	Bristol, Va.....	5-8-25
Peoples National Bank.....	Farmville, Va.....	10-5-25
National Bank of Harrisonburg.....	Harrisonburg, Va.....	1-30-25
First National Bank of Lexington....	Lexington, Va.....	5-29-25
First National Bank of Nelson Co....	Lovingston, Va.....	1-8-25
Lynchburg National Bank (x).....	Lynchburg, Va.....	7-22-25
First National Bank.....	Portsmouth, Va.....	2-10-25
Massanutten National Bank.....	Strasburg, Va.....	3-31-25
First National Bank.....	Hagerstown, Md.....	4-23-25
National Bank of Commerce.....	Williamson, W. Va.....	5-29-25
National Bank of Snow Hill (x).....	Snow Hill, N. C.....	6-22-25
Murchison National Bank.....	Wilmington, N. C.....	1-7-25
Bank of Charleston, N. B. A.....	Charleston, S. C.....	12-19-25
Orangeburg National Bank (x).....	Orangeburg, S. C.....	7-2-25

(x) Limited or specified powers.

FISCAL AGENCY OPERATIONS

The volume of work done by the Federal Reserve Bank of Richmond as Fiscal Agent of the United States, was smaller in 1925 than in 1924, although the work done in connection with the issuance of new offerings of securities was greater. There were four issues of Treasury Certificates of Indebtedness and one issue of Treasury Bonds in 1925. Total subscrip-

tions in the Fifth District amounted to \$92,341,100, of which \$44,982,800 was allotted. Including deliveries, redemptions and exchanges of Certificates of Indebtedness, Treasury Notes and Treasury Bonds, 20,776 pieces, amounting to \$67,607,700, were handled during the year. The exchange, conversion, transfer, and redemption of Liberty Bonds, Victory Notes, Farm Loan Bonds and Federal Intermediate Credit Bank Debentures required the handling of 47,504 pieces, amounting to \$25,561,188. War Savings securities redeemed and prepared for redemption numbered 15,081 Certificates (92,341 stamps), with a cash value of \$372,200. Proposals received from banks and the public to sell Third Liberty Loan Bonds to the United States Government were 686, covering \$3,535,850 in bonds, of which 217 proposals, totaling \$273,700 in bonds, were accepted by the Government.

The analysis of the United States Treasurer's general account with the Bank shows that on January 1, 1925, the Treasurer had a balance of \$2,454,325. Receipts for the credit of the Treasurer during the year totaled \$709,673,024, while disbursements totaled \$710,452,568, leaving a balance due the Treasurer on December 31, 1925, of \$1,674,781.

NOTE

For a more complete statistical presentation of the operations of the Federal Reserve Bank of Richmond during 1925, the reader is referred to the tables in Part II of the Annual Report of the Federal Reserve Board for 1925.