

**FEDERAL RESERVE BANK
OF RICHMOND**

**TWENTY-FIFTH ANNUAL REPORT
— YEAR 1939 —**

RICHMOND, VA., January 6, 1940.

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

There is submitted herein a comparative statement of the condition of the Federal Reserve Bank of Richmond at the close of business December 31, 1939, and December 31, 1938, together with a comparative statement of profit and loss for the years 1939 and 1938, and other operating data.

Very truly yours,



President.

COMPARATIVE STATEMENT OF CONDITION

<u>ASSETS:</u>	<u>DECEMBER 31, 1939</u>	<u>DECEMBER 31, 1938</u>
Gold certificates on hand and due from U. S. Treasury.....	\$ 405,603,330.26	\$ 356,644,940.06
Redemption fund—Federal Reserve notes.....	934,635.00	1,221,860.00
Other cash	20,223,145.30	21,916,857.88
TOTAL RESERVES	426,761,110.56	379,783,657.94
<u>BILLS DISCOUNTED:</u>		
Secured by U. S. Government obligations, direct and guaranteed.....	41,500.00	54,000.00
Other bills discounted	230,860.00	152,500.00
TOTAL BILLS DISCOUNTED.....	272,360.00	206,500.00
Bills bought in open market.....		23,616.39
Industrial advances	947,873.81	1,466,432.15
<u>U. S. GOVERNMENT SECURITIES, DIRECT AND GUARANTEED:</u>		
Bonds	70,076,000.00	39,460,500.00
Notes	58,778,500.00	54,291,500.00
Bills		26,569,000.00
TOTAL U. S. GOVERNMENT SECURITIES, DIRECT AND GUARANTEED....	128,854,500.00	120,321,000.00
TOTAL BILLS AND SECURITIES.....	130,074,733.81	122,017,548.54
Due from foreign banks	2,007.68	7,401.68
Federal Reserve notes of other banks	4,189,320.00	2,946,340.00
Uncollected items	64,944,486.51	47,040,022.83
Bank premises	2,544,624.23	2,620,812.92
Other assets	3,484,748.99	2,507,548.30
TOTAL ASSETS.....	632,001,031.78	556,923,332.21
<u>LIABILITIES:</u>		
Federal Reserve notes in actual circulation	229,549,820.00	208,286,735.00
<u>DEPOSITS:</u>		
Member bank—reserve account	282,998,014.51	231,575,701.52
U. S. Treasurer—general account	25,590,078.78	48,507,379.14
Foreign bank	17,473,282.46	8,575,995.05
Other deposits	2,513,049.24	2,033,040.69
TOTAL DEPOSITS	328,574,424.99	290,692,116.40
Deferred availability items	58,805,169.12	43,155,218.66
Other liabilities	9,643.00	108,099.73
TOTAL LIABILITIES.....	616,939,057.11	542,242,169.79
<u>CAPITAL ACCOUNTS:</u>		
Capital paid in	5,171,000.00	5,004,900.00
Surplus (Section 7)	5,247,218.46	4,982,671.81
Surplus (Section 13b)	3,245,938.25	3,292,772.65
Other capital accounts	1,397,817.96	1,400,817.96
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	632,001,031.78	556,923,332.21
Contingent liability on bills purchased for foreign correspondents.....		3,265.04
Commitments to make industrial advances.....	760,572.67	1,281,852.95

COMPARATIVE PROFIT AND LOSS ACCOUNT

EARNINGS:	1939	1938
Discount on bills discounted	\$ 4,983.41	\$ 9,042.05
Discount on bills purchased	99.89	112.21
Interest earned on Industrial Advances under Section 13b.....	61,822.60	82,454.32
Fees received on Commitments to make Industrial Advances.....	9,334.66	15,074.47
Interest on United States securities.....	1,941,562.30	1,762,670.88
Other earnings	27,683.82	46,598.37
Total Current Earnings.....	2,045,486.68	1,915,952.30
EXPENSES:		
Operating expenses (including depreciation on bank premises) after deducting reimbursements received for certain Fiscal Agency and other expenses.....	1,539,502.79	1,515,248.54
Assessments for expenses of Board of Governors.....	69,372.67	74,329.27
Cost of Federal Reserve Currency.....	81,157.39	99,637.46
Total Net Expenses.....	1,690,032.85	1,689,215.27
CURRENT NET EARNINGS.....	355,453.83	226,737.03
ADDITIONS TO CURRENT NET EARNINGS:		
Profits on sales of U. S. Government securities.....	229,376.12	437,837.06
Other additions	21,095.14	33,882.56
Total additions	250,471.26	471,719.62
DEDUCTIONS FROM CURRENT NET EARNINGS:		
Contributions to F. R. Retirement System on account of prior service.....		314,088.00
Losses and reserves for losses on Industrial Advances (net).....	70,554.54	161,248.42
Other deductions	12,244.61	22,245.21
Total deductions	82,799.15	497,581.63
Net addition	167,672.11	25,862.01*
AVAILABLE FOR DIVIDENDS, PAYMENT TO TREASURER OF U. S. UNDER SECTION 13b, AND SURPLUS ACCOUNTS	523,125.94	200,875.02
Dividends paid member banks.....	305,413.69	297,732.38
Payment to Treasurer of U. S. under Section 13b of F. R. Act.....	217,712.25	96,857.36†
Net addition to surplus accounts	217,712.25	96,857.36†

SURPLUS ACCOUNT (Section 7)

Balance at close of previous year.....	\$ 4,982,671.81	\$ 4,963,636.05
Credited from profits of year.....	264,546.65	19,035.76
BALANCE AT CLOSE OF CURRENT YEAR.....	5,247,218.46	4,982,671.81

SURPLUS ACCOUNT (Section 13b)

Balance at close of previous year.....	\$ 3,292,772.65	\$ 3,408,665.77
Charged for year (Proportion of excess of expenses, charge-offs and reserves on Industrial Loans over earnings and recoveries thereon).....	46,834.40	115,893.12
BALANCE AT CLOSE OF CURRENT YEAR.....	3,245,938.25	3,292,772.65

CAPITAL STOCK ACCOUNT

(Representing amount paid in, which is 50% of amount subscribed)

Balance at close of previous year.....	\$ 5,004,900.00	\$ 4,895,950.00
Issued during the year.....	223,850.00	141,050.00
	5,228,750.00	5,037,000.00
Cancelled during the year.....	57,750.00	32,100.00
BALANCE AT CLOSE OF CURRENT YEAR.....	5,171,000.00	5,004,900.00

*Net deduction from current net earnings.

†Net deduction from surplus accounts.

VOLUME OF PRINCIPAL OPERATIONS

CHECKS HANDLED:	Total Number of Items	Total Amount	Average Amount Per Item	Daily Averages	
				Number of Items	Amount
YEAR 1939 (299 days).....	76,814,000	\$13,720,123,000	\$179	256,903	\$45,886,699
YEAR 1938 (301 days).....	74,114,000	12,145,850,000	164	246,226	40,351,661
YEAR 1937 (301 days).....	71,878,000	13,174,474,000	183	238,798	43,769,016
YEAR 1936 (301 days).....	69,683,000	11,897,385,000	171	231,505	39,526,196
YEAR 1935 (301 days).....	59,518,000	10,436,538,000	175	197,734	34,672,884
YEAR 1934 (301 days).....	55,643,000	9,638,415,000	173	184,860	32,021,312
YEAR 1933 (301 days).....	46,191,000	7,659,951,000	166	153,458	25,448,342
YEAR 1932 (301 days).....	46,554,000	7,809,312,000	168	154,664	25,944,558
YEAR 1931 (301 days).....	52,652,000	10,435,697,000	198	174,923	34,670,090
YEAR 1930 (301 days).....	54,109,000	12,795,015,000	236	179,764	42,508,355
YEAR 1929 (302 days).....	55,730,000	14,118,820,000	253	184,536	46,751,060
YEAR 1928 (302 days).....	54,570,000	13,990,057,000	256	180,695	46,324,692
YEAR 1927 (302 days).....	52,859,000	13,502,105,000	255	175,030	44,708,957
YEAR 1926 (302 days).....	50,430,000	13,924,751,000	276	166,987	46,108,447
YEAR 1925 (302 days).....	48,171,677	14,038,542,000	291	159,509	46,485,238
YEAR 1924 (304 days).....	46,779,081	13,254,632,000	283	153,879	43,600,763
YEAR 1923 (301 days).....	47,226,755	13,111,823,500	278	156,900	43,560,875
YEAR 1922 (302 days).....	42,884,054	8,762,818,547	204	142,000	29,015,955
YEAR 1921 (303 days).....	39,260,432	8,620,888,130	220	129,572	28,451,776
YEAR 1920 (304 days).....	33,731,801	11,505,945,224	341	110,960	37,848,504

CURRENCY AND COIN HANDLED:

	1939	1938
Currency received (including new notes):		
Number of notes	191,699,811	182,127,805
Amount	\$ 673,096,200	\$ 624,653,700
Currency paid out (including notes returned for redemption):		
Number of notes	194,506,343	183,676,064
Amount	\$ 675,090,500	\$ 630,055,100
Coin received (including new coin):		
Number of coins	241,389,859	196,072,926
Amount	\$ 19,091,300	\$ 16,187,600
Coin paid out (including coin returned for redemption):		
Number of coins	242,266,865	198,942,485
Amount	\$ 19,054,900	\$ 16,541,100

VOLUME OF PRINCIPAL OPERATIONS

(Continued)

DIRECT ROUTED CASH LETTERS:		<u>1939</u>	<u>1938</u>
Number		176,171	199,520
Amount		\$ 1,874,402,000	\$ 2,036,240,000
NON-CASH COLLECTION ITEMS RECEIVED:			
Number		276,440	286,805
Amount		\$ 245,686,000	\$ 242,672,000
COUPONS PAID—FROM DIRECT AND FULLY GUARANTEED GOVERNMENT OBLIGATIONS:			
Number		598,040	621,815
Amount		\$ 16,936,000	\$ 18,192,000
TRANSFERS OF FUNDS FOR MEMBER BANKS:			
Number		56,686	60,035
Amount		\$ 5,372,945,000	\$ 4,978,735,000
INTERDISTRICT SETTLEMENT FUND DAILY TRANSIT CLEARINGS:			
Total received from F. R. Banks and Branches.....		\$ 7,124,893,000	\$ 6,555,063,000
Total paid to F. R. Banks and Branches.....		7,113,382,000	6,513,917,000

PERSONNEL

Number of officers and employees at end of year:

Officers	18	18
Employees	657	663
Total	<u>675</u>	<u>681</u>

MEMBER BANKS

Number of member banks at end of year:

National banks	334	337
State banks	77	69
Total	<u>411</u>	<u>406</u>

During the year 1939, the ten banks listed below, located in the Fifth Federal Reserve District, became members on the dates shown:

January	24	Merchants and Farmers Bank, Portsmouth, Va.
February	9	Southern Bank & Trust Company, Richmond, Va.
September	5	The Commercial Bank of Camden, Camden, S. C.
"	27	Belington Bank, Belington, W. Va.
October	31	Bank of Phoebus, Phoebus, Va.
November	16	Farmers Bank of Mathews, Mathews, Va.
"	22	Bank of Smithfield, Smithfield, Va.
December	5	Security Savings and Commercial Bank, Washington, D. C.
"	26	City National Bank of Fairmont, Fairmont, W. Va. (primary organization)
"	29	Citizens Bank of Poquoson, Odd, Va.

Three member banks consolidated with three other member banks and two became insolvent. There was a net gain in membership of five banks.

**DIRECTORS AND OFFICERS
FOR YEAR 1940**

DIRECTORS

Class A

JAMES C. BRASWELL, 1940,
ROCKY MOUNT, N. C.
L. E. JOHNSON, 1941,
ALDERSON, W. VA.
CHAS. E. RIEMAN, 1942,
BALTIMORE, MD.

PRESIDENT, PLANTERS NATL. BANK & TRUST CO.,
ROCKY MOUNT, N. C.
CHAIRMAN OF BOARD, FIRST NATIONAL BANK,
ALDERSON, W. VA.
PRESIDENT, WESTERN NATL. BANK OF BALTIMORE,
BALTIMORE, MD.

Class B

JOHN H. HANNA, 1940,
WASHINGTON, D. C.
EDWIN MALLOY, 1941,
CHERAW, S. C.
CHAS. C. REED, 1942,
RICHMOND, VA.

CHAIRMAN OF BOARD, CAPITAL TRANSIT CO.,
WASHINGTON, D. C.
PRESIDENT AND TREASURER, CHERAW COTTON MILLS, INC.,
CHERAW, S. C.
VICE PRESIDENT & GENL. MANAGER, WILLIAMS & REED, INC.,
WHOLESALE DRY GOODS,
RICHMOND, VA.

Class C

ROBERT LASSITER, 1940,
CHARLOTTE, N. C.
CHARLES P. MCCORMICK, 1941,
BALTIMORE, MD.
W. G. WYSOR, 1942,
RICHMOND, VA.

Chairman of the Board.
CHAIRMAN OF BOARD, MOORESVILLE COTTON MILLS,
MOORESVILLE, N. C.
PRESIDENT, MCCORMICK & COMPANY,
MFRS. OF TEAS, SPICES, EXTRACTS, INSECTICIDES, ETC.,
BALTIMORE, MD.
Deputy Chairman of the Board.
GENERAL MANAGER, SOUTHERN STATES COOPERATIVE, INC.,
RICHMOND, VA.

OFFICERS

ROBERT LASSITER,
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT.

HUGH LEACH,
PRESIDENT.

W. W. DILLARD,
ASSISTANT CASHIER.

J. S. WALDEN, JR.,
FIRST VICE PRESIDENT.

EDWARD WALLER, JR.,
ASSISTANT CASHIER.

J. G. FRY,
VICE PRESIDENT.

ALBERT S. JOHNSTONE,
ASSISTANT CASHIER.

GEORGE H. KEESEE,
CASHIER.

C. L. GUTHRIE,
ASSISTANT CASHIER.

R. W. MERCER,
ASSISTANT CASHIER.

R. S. BROCK, JR.,
AUDITOR.

MAXWELL G. WALLACE,
COUNSEL.

MEMBER FEDERAL ADVISORY COUNCIL

R. M. HANES, 1940,
PRESIDENT, WACHOVIA BANK & TRUST COMPANY,
WINSTON-SALEM, N. C.

INDUSTRIAL ADVISORY COMMITTEE

J. G. HOLTZCLAW, *Chairman*,
PRESIDENT, VIRGINIA ELECTRIC & POWER CO.,
RICHMOND, VA.

WALKER D. STUART,
PRESIDENT, RICHMOND HARDWARE CO.,
RICHMOND, VA.

GEORGE E. PROBEST, JR.,
ASST. SECT'Y & ASST. TREAS.,
KOPPERS COMPANY—BARTLETT HAYWARD DIV.,
BALTIMORE, MD.

OVERTON D. DENNIS,
DOMINION OIL COMPANY,
RICHMOND, VA.

W. L. MANNING,
PRESIDENT, ROSEMARY MANUFACTURING CO.,
ROANOKE RAPIDS, N. C.

DIRECTORS AND OFFICERS

FOR YEAR 1940

(Continued)

BALTIMORE BRANCH

DIRECTORS

W. R. MILFORD, 1940, BALTIMORE, MD.	MANAGING DIRECTOR.
JAMES DIXON, 1940, EASTON, MD.	PRESIDENT, THE EASTON NATL. BANK OF MARYLAND, EASTON, MD.
GEORGE W. REED, 1941, BALTIMORE, MD.	PRESIDENT, NATIONAL MARINE BANK, BALTIMORE, MD.
JAMES C. FENHAGEN, 1942, BALTIMORE, MD.	CHAIRMAN, EXECUTIVE COMMITTEE, BALTIMORE NATL. BK., BALTIMORE, MD.
W. FRANK ROBERTS, 1940, BALTIMORE, MD.	PRESIDENT, STANDARD GAS EQUIPMENT CORPORATION, BALTIMORE, MD.
W. FRANK THOMAS, 1941, WESTMINSTER, MD.	CONSTRUCTION ENGINEER AND REAL ESTATE MANAGEMENT, WESTMINSTER, MD.
JOSEPH D. BAKER, JR., 1942, MONKTON, MD.	SECRETARY & TREASURER, STANDARD LIME & STONE Co., BALTIMORE, MD.

OFFICERS

W. R. MILFORD, MANAGING DIRECTOR.
JOHN R. CUPIT, CASHIER.
J. A. JOHNSTON, ASSISTANT CASHIER.
D. F. HAGNER, ASSISTANT CASHIER.

CHARLOTTE BRANCH

DIRECTORS

W. T. CLEMENTS, 1940, CHARLOTTE, N. C.	MANAGING DIRECTOR.
T. E. HEMBY, 1940, CHARLOTTE, N. C.	EXECUTIVE VICE PRESIDENT, AMERICAN TRUST COMPANY, CHARLOTTE, N. C.
J. GERALD COWAN, 1941, ASHEVILLE, N. C.	VICE PRESIDENT, WACHOVIA BANK & TRUST COMPANY, ASHEVILLE, N. C.
B. M. EDWARDS, 1942, COLUMBIA, S. C.	EXECUTIVE VICE PRESIDENT, SOUTH CAROLINA NATL. BANK, COLUMBIA, S. C.
GEORGE M. WRIGHT, 1940, GREAT FALLS, S. C.	PRESIDENT, REPUBLIC COTTON MILLS, GREAT FALLS, S. C.
GEORGE S. HARRIS, 1941, CHARLOTTE, N. C.	EXECUTIVE VICE PRESIDENT, SPRINGS COTTON MILLS, LANCASTER, S. C.
D. W. WATKINS, 1942, CLEMSON, S. C.	DIRECTOR OF EXTENSION, CLEMSON COLLEGE, CLEMSON, S. C.

OFFICERS

W. T. CLEMENTS, MANAGING DIRECTOR.
R. L. CHERRY, CASHIER.
L. D. BROOKS, ASSISTANT CASHIER.