

**FEDERAL RESERVE BANK
OF RICHMOND**

**TWENTY-SIXTH ANNUAL REPORT
— YEAR 1940 —**

RICHMOND, VA., January 6, 1941.

*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, 1940, and December 31, 1939, together with a comparative statement of profit and loss for the years 1940 and 1939, and other operating data.

Very truly yours,



President.

COMPARATIVE STATEMENT OF CONDITION

<u>ASSETS:</u>	<u>DECEMBER 31, 1940</u>	<u>DECEMBER 31, 1939</u>
Gold certificates on hand and due from U. S. Treasury.....	\$ 553,293,809.24	\$ 405,603,330.26
Redemption fund—Federal Reserve notes.....	1,107,900.00	934,635.00
Other cash	18,805,938.67	20,223,145.30
TOTAL RESERVES	573,207,647.91	426,761,110.56
BILLS DISCOUNTED:		
Secured by U. S. Government obligations, direct and guaranteed.....	10,000.00	41,500.00
Other bills discounted	40,721.00	230,860.00
TOTAL BILLS DISCOUNTED.....	50,721.00	272,360.00
Industrial advances	781,190.84	947,873.81
U. S. GOVERNMENT SECURITIES, DIRECT AND GUARANTEED:		
Bonds	68,167,500.00	70,076,000.00
Notes	47,732,500.00	58,778,500.00
TOTAL U. S. GOVERNMENT SECURITIES, DIRECT AND GUARANTEED....	115,900,000.00	128,854,500.00
TOTAL BILLS AND SECURITIES.....	116,731,911.84	130,074,733.81
Due from foreign banks	2,008.39	2,007.68
Federal Reserve notes of other banks	3,328,240.00	4,189,320.00
Uncollected items	76,132,408.87	64,944,486.51
Bank premises	2,590,044.55	2,544,624.23
Other assets	2,755,749.00	3,484,748.99
TOTAL ASSETS.....	774,748,010.56	632,001,031.78
 <u>LIABILITIES:</u>		
Federal Reserve notes in actual circulation	283,520,205.00	229,549,820.00
DEPOSITS:		
Member bank—reserve account	354,132,060.99	282,998,014.51
U. S. Treasurer—general account	12,636,367.83	25,590,078.78
Foreign	33,322,184.71	17,473,282.46
Other deposits	4,243,970.08	2,513,049.24
TOTAL DEPOSITS	404,334,583.61	328,574,424.99
Deferred availability items	70,836,075.68	58,805,169.12
Other liabilities	245,732.76	9,643.00
TOTAL LIABILITIES.....	758,936,597.05	616,939,057.11
 <u>CAPITAL ACCOUNTS:</u>		
Capital paid in	5,365,650.00	5,171,000.00
Surplus (Section 7)	5,247,218.46	5,247,218.46
Surplus (Section 13b)	3,244,217.38	3,245,938.25
Other capital accounts	1,954,327.67	1,397,817.96
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	774,748,010.56	632,001,031.78
 Commitments to make industrial advances.....	539,713.53	760,572.67

COMPARATIVE PROFIT AND LOSS ACCOUNT

EARNINGS:	1940	1939
Discount on bills discounted	\$ 2,349.45	\$ 4,983.41
Discount on bills purchased	99.89	99.89
Interest earned on Industrial Advances under Section 13b.....	54,207.02	61,822.60
Fees received on Commitments to make Industrial Advances.....	7,453.15	9,334.66
Interest on United States securities.....	2,152,495.97	1,941,562.30
Other earnings	28,116.63	27,683.82
Total Current Earnings.....	2,244,622.27	2,045,486.68
EXPENSES:		
Operating expenses (including depreciation on bank premises) after deducting reimbursements received for certain Fiscal Agency and other expenses.....	1,599,608.84	1,539,502.79
Assessments for expenses of Board of Governors.....	74,242.58	69,372.67
Cost of Federal Reserve Currency.....	87,641.62	81,157.39
Total Net Expenses.....	1,761,493.04	1,690,032.85
CURRENT NET EARNINGS.....	483,129.23	355,453.83
ADDITIONS TO CURRENT NET EARNINGS:		
Profits on sales of U. S. Government securities.....	608,518.15	229,376.12
Other additions	72,575.62	21,095.14
Total additions	681,093.77	250,471.26
DEDUCTIONS FROM CURRENT NET EARNINGS:		
Charge-Off on Other Real Estate	35,433.07
Reserve for alterations and improvements—Bank Premises.....	225,000.00
Losses and reserves for losses on Industrial Advances (net).....	30,500.00	70,554.54
Other deductions	741.26	12,244.61
Total deductions	291,674.33	82,799.15
Net addition	389,419.44	167,672.11
AVAILABLE FOR DIVIDENDS, PAYMENT TO TREASURER OF U. S. UNDER SECTION 13b, AND SURPLUS ACCOUNTS		
.....	872,548.67	523,125.94
Dividends paid member banks.....	317,759.83	305,413.69
Payment to Treasurer of U. S. under Section 13b of F. R. Act.....	554,788.84	217,712.25
Net addition to surplus accounts	554,788.84	217,712.25
SURPLUS ACCOUNT (Section 7)		
Balance at close of previous year.....	\$ 5,247,218.46	\$ 4,982,671.81
Credited from profits of year.....	556,509.71	264,546.65
Transferred to Reserve for contingencies.....	556,509.71
BALANCE AT CLOSE OF CURRENT YEAR.....	5,247,218.46	5,247,218.46
SURPLUS ACCOUNT (Section 13b)		
Balance at close of previous year.....	\$ 3,245,938.25	\$ 3,292,772.65
Charged for year (Proportion of excess of expenses, charge-offs and reserves on Industrial Loans over earnings and recoveries thereon).....	1,720.87	46,834.40
BALANCE AT CLOSE OF CURRENT YEAR.....	3,244,217.38	3,245,938.25
CAPITAL STOCK ACCOUNT (Representing amount paid in, which is 50% of amount subscribed)		
Balance at close of previous year.....	\$ 5,171,000.00	\$ 5,004,900.00
Issued during the year.....	219,750.00	223,850.00
.....	5,390,750.00	5,228,750.00
Cancelled during the year.....	25,100.00	57,750.00
BALANCE AT CLOSE OF CURRENT YEAR.....	5,365,650.00	5,171,000.00

VOLUME OF PRINCIPAL OPERATIONS

CHECKS HANDLED:	Total Number of Items	Total Amount	Average Amount Per Item	Daily Averages	
				Number of Items	Amount
YEAR 1940 (301 days).....	79,938,000	\$15,474,834,000	\$194	265,575	\$51,411,409
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:

	<u>1940</u>	<u>1939</u>
Currency received (including new notes):		
Number of notes	214,926,198	191,699,811
Amount	\$ 761,693,700	\$ 673,096,200
Currency paid out (including notes returned for redemption):		
Number of notes	214,936,187	194,506,343
Amount	\$ 764,290,300	\$ 675,090,500
Coin received (including new coin):		
Number of coins	267,773,758	241,389,859
Amount	\$ 20,669,100	\$ 19,091,300
Coin paid out (including coin returned for redemption):		
Number of coins	265,152,957	242,266,865
Amount	\$ 20,734,400	\$ 19,054,900

VOLUME OF PRINCIPAL OPERATIONS

(Continued)

DIRECT ROUTED CASH LETTERS:	<u>1940</u>	<u>1939</u>
Number	180,085	176,171
Amount	\$ 2,324,592,000	\$ 1,874,402,000
NON-CASH COLLECTION ITEMS RECEIVED:	<u>1940</u>	<u>1939</u>
Number	281,140	276,440
Amount	\$ 211,138,000	\$ 245,686,000
COUPONS PAID—FROM DIRECT AND FULLY GUARANTEED GOVERNMENT OBLIGATIONS:	<u>1940</u>	<u>1939</u>
Number	573,207	598,040
Amount	\$ 17,387,000	\$ 16,936,000
TRANSFERS OF FUNDS FOR MEMBER BANKS:	<u>1940</u>	<u>1939</u>
Number	55,651	56,686
Amount	\$ 5,635,545,000	\$ 5,372,945,000
INTERDISTRICT SETTLEMENT FUND DAILY TRANSIT CLEARINGS:	<u>1940</u>	<u>1939</u>
Total received from F. R. Banks and Branches.....	\$ 8,182,254,000	\$ 7,124,893,000
Total paid to F. R. Banks and Branches.....	8,091,140,000	7,113,382,000

PERSONNEL

Number of officers and employees at end of year:

Officers	18	18
Employees	657	657
Total	675	675

MEMBER BANKS

Number of member banks at end of year:

National banks	336	334
State banks	95	77
Total	431	411

During the year 1940, the twenty-one banks listed below, located in the Fifth Federal Reserve District, became members on the dates shown:

January	20	The Citizens and Southern National Bank of South Carolina, Charleston, S. C.
February	17	City National Bank of Winston-Salem, Winston-Salem, N. C.
March	1	The Citizens-Waynesboro Bank and Trust Company, Waynesboro, Va.
March	5	Bank of Christiansburg, Christiansburg, Va.
March	6	The Bank of Wadesboro, Wadesboro, N. C.
March	8	The Bank of Monroe, Union, W. Va.
April	15	The Bank of Quinwood, Quinwood, W. Va.
May	22	Farmers and Bank of Amherst, Amherst, Va.
July	3	Commercial National Bank of Kinston, Kinston, N. C.
July	11	The City Bank of Washington, Washington, D. C.
July	27	The Farmers and Merchants Bank of Rich Creek, Rich Creek, Va.
August	23	Shenandoah County Bank and Trust Company, Woodstock, Va.
September	6	Farmers and Merchants Bank of Blacksburg, Virginia, Blacksburg, Va.
October	18	The Farmers Bank of Edinburg, Inc., Edinburg, Va.
October	18	South Boston Bank and Trust Company, South Boston, Va.
October	24	Bank of Greene, Inc., Stanardsville, Va.
November	4	The Planters Bank of Bridgewater, Bridgewater, Va.
November	14	Bank of Alberta, Inc., Alberta, Va.
November	19	Peoples' Bank of Mount Jackson, Mount Jackson, Va.
November	23	State Bank of Remington, Inc., Remington, Va.
December	30	Bank of Shawsville, Inc., Shawsville, Va.

One member bank was absorbed by a non-member bank. There was a net gain in membership of twenty banks.

**DIRECTORS AND OFFICERS
FOR YEAR 1941**

DIRECTORS

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

W. G. WYSOR,
DEPUTY CHAIRMAN OF THE BOARD.

Class A

L. E. JOHNSON, 1941,
ALDERSON, W. VA.

CHAS. E. RIEMAN, 1942,
BALTIMORE, MD.

JAMES C. BRASWELL, 1943,
ROCKY MOUNT, N. C.

CHAIRMAN OF BOARD, FIRST NATIONAL BANK,
ALDERSON, W. VA.

PRESIDENT, WESTERN NATL. BANK OF BALTIMORE,
BALTIMORE, MD.

PRESIDENT, PLANTERS NATL. BANK & TRUST Co.,
ROCKY MOUNT, N. C.

Class B

EDWIN MALLOY, 1941,
CHERAW, S. C.

CHAS. C. REED, 1942,
RICHMOND, VA.

JOHN H. HANNA, 1943,
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.

CHAIRMAN OF BOARD, CAPITAL TRANSIT Co.,
WASHINGTON, D. C.

Class C

CHARLES P. McCORMICK, 1941,
BALTIMORE, MD.

W. G. WYSOR, 1942,
RICHMOND, VA.

ROBERT LASSITER, 1943,
CHARLOTTE, N. C.

PRESIDENT, McCORMICK & COMPANY,
MFRS. OF TEAS, SPICES, EXTRACTS, INSECTICIDES, ETC.,
BALTIMORE, MD.

GENERAL MANAGER, SOUTHERN STATES COOPERATIVE, INC.,
RICHMOND, VA.

CHAIRMAN OF BOARD, MOORESVILLE COTTON MILLS,
MOORESVILLE, N. C.

OFFICERS

HUGH LEACH,
PRESIDENT.

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

J. G. FRY,
VICE PRESIDENT.

GEORGE H. KEESEE,
CASHIER.

W. W. DILLARD,
ASSISTANT CASHIER.

EDWARD WALLER, JR.,
ASSISTANT CASHIER.

ALBERT S. JOHNSTONE,
ASSISTANT 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, 1941,
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.

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

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

LUDLOW H. BALDWIN,
PRESIDENT, TERMINAL WAREHOUSE Co.,
BALTIMORE, MD.

DIRECTORS AND OFFICERS

FOR YEAR 1941

(Continued)

BALTIMORE BRANCH

DIRECTORS

W. R. MILFORD, 1941, BALTIMORE, MD.	MANAGING DIRECTOR.
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.
JAMES DIXON, 1943, EASTON, MD.	PRESIDENT, THE EASTON NATL. BANK OF MARYLAND, EASTON, 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.
W. FRANK ROBERTS, 1943, BALTIMORE, MD.	PRESIDENT, STANDARD GAS EQUIPMENT CORPORATION, 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, 1941, CHARLOTTE, N. C.	MANAGING DIRECTOR.
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.
T. E. HEMBY, 1943, CHARLOTTE, N. C.	EXECUTIVE VICE PRESIDENT, AMERICAN TRUST COMPANY, CHARLOTTE, N. C.
CHARLES L. CREECH, SR., 1941, WINSTON-SALEM, N. C.	CHAIRMAN OF BOARD, B. F. HUNTLEY FURNITURE COMPANY, & GENERAL MANAGER, UNIQUE FURNITURE MAKERS, WINSTON-SALEM, N. C.
D. W. WATKINS, 1942, CLEMSON, S. C.	DIRECTOR OF EXTENSION, CLEMSON COLLEGE, CLEMSON, S. C.
GEORGE M. WRIGHT, 1943, GREAT FALLS, S. C.	PRESIDENT, REPUBLIC COTTON MILLS, GREAT FALLS, S. C.

OFFICERS

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

