

**FEDERAL RESERVE BANK
OF RICHMOND**

TWENTY-SEVENTH ANNUAL REPORT

— YEAR 1941 —

RICHMOND, VA., January 7, 1942.

*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, 1941, and December 31, 1940, together with a comparative statement of profit and loss for the years 1941 and 1940, and other operating data.

Very truly yours,

A handwritten signature in cursive script, reading "Hugh Leach".

President.

COMPARATIVE STATEMENT OF CONDITION

<u>ASSETS:</u>	<u>DECEMBER 31, 1941</u>	<u>DECEMBER, 31, 1940</u>
Gold certificates on hand and due from U. S. Treasury.....	\$ 790,447,353.41	\$ 553,293,809.24
Redemption fund—Federal Reserve notes.....	1,436,505.00	1,107,900.00
Other cash	14,393,612.81	18,805,938.67
TOTAL RESERVES	806,277,471.22	573,207,647.91
BILLS DISCOUNTED:		
Secured by U. S. Government obligations, direct and guaranteed.....		10,000.00
Other bills discounted		40,721.00
TOTAL BILLS DISCOUNTED.....		50,721.00
Industrial advances	764,973.90	781,190.84
U. S. GOVERNMENT SECURITIES, DIRECT AND GUARANTEED:		
Bonds	89,614,500.00	68,167,500.00
Notes	47,488,500.00	47,732,500.00
Bills	634,000.00	
TOTAL U. S. GOVERNMENT SECURITIES, DIRECT AND GUARANTEED....	137,737,000.00	115,900,000.00
TOTAL BILLS AND SECURITIES.....	138,501,973.90	116,731,911.84
Due from foreign banks	2,008.78	2,008.39
Federal Reserve notes of other banks	8,759,520.00	3,328,240.00
Uncollected items	83,668,733.24	76,132,408.87
Bank premises	2,982,213.67	2,590,044.55
Other assets	2,751,532.23	2,755,749.00
TOTAL ASSETS.....	1,042,943,453.04	774,748,010.56
<u>LIABILITIES:</u>		
Federal Reserve notes in actual circulation	431,488,610.00	283,520,205.00
DEPOSITS:		
Member bank—reserve account	451,775,889.51	354,132,060.99
U. S. Treasurer—general account	23,728,668.06	12,636,367.83
Foreign	32,829,405.71	33,322,184.71
Other deposits	6,106,509.93	4,243,970.08
TOTAL DEPOSITS	514,440,473.21	404,334,583.61
Deferred availability items	80,625,056.86	70,836,075.68
Other liabilities	246,251.89	245,732.76
TOTAL LIABILITIES.....	1,026,800,391.96	758,936,597.05
<u>CAPITAL ACCOUNTS:</u>		
Capital paid in	5,708,550.00	5,365,650.00
Surplus (Section 7)	5,235,966.03	5,247,218.46
Surplus (Section 13b)	3,244,217.38	3,244,217.38
Other capital accounts	1,954,327.67	1,954,327.67
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	1,042,943,453.04	774,748,010.56
 Commitments to make industrial advances.....	 856,636.45	 539,713.53

COMPARATIVE PROFIT AND LOSS ACCOUNT

EARNINGS:	1941	1940
Discount on bills discounted	\$ 654.96	\$ 2,349.45
Interest earned on Industrial Advances under Section 13b.....	47,030.15	54,207.02
Fees received on Commitments to make Industrial Advances.....	9,677.77	7,443.15
Interest on United States securities.....	2,281,195.68	2,152,495.97
Other earnings	25,788.60	28,116.68
Total Current Earnings.....	<u>2,364,347.16</u>	<u>2,244,622.27</u>
EXPENSES:		
Operating expenses (including depreciation on bank premises) after deducting reimbursements received for certain Fiscal Agency and other expenses.....	1,796,284.00	1,599,608.84
Assessments for expenses of Board of Governors.....	79,084.25	74,242.58
Cost of Federal Reserve Currency.....	210,579.23	87,641.62
Total Net Expenses.....	<u>2,085,947.48</u>	<u>1,761,493.04</u>
CURRENT NET EARNINGS.....	<u>278,399.68</u>	<u>483,129.23</u>
ADDITIONS TO CURRENT NET EARNINGS:		
Profits on sales of U. S. Government securities.....	69,594.05	608,518.15
Other additions	8,260.92	72,575.62
Total additions	<u>77,854.97</u>	<u>681,093.77</u>
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).....	15,734.64	30,500.00
Other deductions	7,784.02	741.26
Total deductions	<u>23,518.66</u>	<u>291,674.33</u>
Net additions	<u>54,336.31</u>	<u>389,419.44</u>
AVAILABLE FOR DIVIDENDS, PAYMENT TO TREASURER OF U. S. UNDER SECTION 13b, AND SURPLUS ACCOUNTS	<u>332,735.99</u>	<u>872,548.67</u>
Dividends paid member banks.....	330,179.90	317,759.83
Payment to Treasurer of U. S. under Section 13b of F. R. Act.....	13,808.52	
Net addition to surplus accounts		554,788.84
Net deduction from surplus accounts.....	11,252.43	

SURPLUS ACCOUNT (Section 7)

Balance at close of previous year.....	\$5,247,218.46	\$5,247,218.46
Credited from profits of year 1940.....		556,509.71
Deficit of year 1941.....	11,252.43	
Transferred to Reserve for contingencies.....		556,509.71
BALANCE AT CLOSE OF CURRENT YEAR.....	<u>5,235,966.03</u>	<u>5,247,218.46</u>

SURPLUS ACCOUNT (Section 13b)

Balance at close of previous year.....	\$ 3,244,217.38	\$ 3,245,938.25
Charged for year (Proportion of excess of expenses, charge-offs and reserves on Industrial Loans over earnings and recoveries thereon).....		1,720.87
BALANCE AT CLOSE OF CURRENT YEAR.....	<u>3,244,217.38</u>	<u>3,244,217.38</u>

CAPITAL STOCK ACCOUNT

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

Balance at close of previous year.....	\$5,365,650.00	\$5,171,000.00
Issued during the year.....	360,200.00	219,750.00
	5,725,850.00	5,390,750.00
Cancelled during the year.....	17,300.00	25,100.00
BALANCE AT CLOSE OF CURRENT YEAR.....	<u>5,708,550.00</u>	<u>5,365,650.00</u>

VOLUME OF PRINCIPAL OPERATIONS

CHECKS HANDLED:	Total Number of Items	Total Amount	Average Amount Per Item	Daily Averages	
				Number of Items	Amount
YEAR 1941 (299 days)	87,796,000	\$20,410,680,000	\$232	293,632	\$68,263,144
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:

1941

1940

Currency received (including new notes):

Number of notes	272,724,536	214,926,198
Amount	\$ 1,094,096,709	\$ 761,693,700

Currency paid out (including notes returned for redemption):

Number of notes	274,065,386	214,936,187
Amount	\$ 1,095,153,800	\$ 764,290,300

Coin received (including new coin):

Number of coins	379,486,929	267,773,758
Amount	\$ 29,107,100	\$ 20,669,100

Coin paid out (including coin returned for redemption):

Number of coins	375,775,073	265,152,957
Amount	\$ 28,569,700	\$ 20,734,400

VOLUME OF PRINCIPAL OPERATIONS

• (Continued)

DIRECT ROUTED CASH LETTERS:		<u>1941</u>	<u>1940</u>
Number		175,039	180,085
Amount		\$ 3,017,700,000	\$ 2,324,592,000
NON-CASH COLLECTION ITEMS RECEIVED:			
Number		270,998	281,140
Amount		\$ 265,492,000	\$ 211,138,000
COUPONS PAID—FROM DIRECT AND FULLY GUARANTEED GOVERNMENT OBLIGATIONS:			
Number		564,442	573,207
Amount		\$ 18,893,000	\$ 17,387,000
TRANSFERS OF FUNDS FOR MEMBER BANKS:			
Number		62,146	55,651
Amount		\$ 8,291,963,000	\$ 5,635,545,000
INTERDISTRICT SETTLEMENT FUND DAILY TRANSIT CLEARINGS:			
Total received from F. R. Banks and Branches.....		\$10,810,509,000	\$ 8,182,254,000
Total paid to F. R. Banks and Branches.....		10,922,522,000	8,091,140,000

PERSONNEL

Number of officers and employees at end of year:			
Officers		19	18
Employees		776	657
Total		<u>795</u>	<u>675</u>

MEMBER BANKS

Number of member banks at end of year:			
National banks		337	336
State banks		110	95
Total		<u>447</u>	<u>431</u>

During the year 1941, the sixteen banks listed below, located in the Fifth Federal Reserve District, became members on the dates shown:

February	15	The Vienna Trust Company, Vienna, Va.
March	1	The Bank of Elkton, Incorporated, Elkton, Va.
March	12	Rock Hill National Bank, Rock Hill, S. C.
March	15	The Savings Bank of Williamsport, Maryland, Williamsport, Md.
May	13	Planters Bank and Trust Company, Chatham, Va.
May	14	The Bank of Dinwiddie, Incorporated, McKenney, Va.
July	9	McLachlen Banking Corporation, Washington, D. C.
July	26	Citizens Bank of South Boston, South Boston, Va.
August	12	Bank of White Sulphur Springs, White Sulphur Springs, W. Va.
August	16	The Pulaski Trust Company, Pulaski, Va.
September	29	The Capon Valley Bank, Wardensville, W. Va.
October	8	The Munsey Trust Company, Washington, D. C.
November	14	Carroll County Bank, Hillsville, Va.
December	9	Bank of Greenville, Greenville, W. Va.
December	12	The Fidelity Bank, Durham, N. C.
December	24	The Farmers Exchange Bank of Coeburn, Coeburn, Va.

DIRECTORS AND OFFICERS
FOR YEAR 1942

DIRECTORS

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

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

Class A

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

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

JOHN A. SYDENSTRICKER, 1944,
MARLINTON, W. VA.

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

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

CASHIER, FIRST NATIONAL BANK IN MARLINTON,
MARLINTON, W. VA.

Class B

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

JOHN H. HANNA, 1943,
WASHINGTON, D. C.

EDWIN MALLOY, 1944,
CHERAW, S. C.

VICE PRESIDENT & GENL. MANAGER, WILLIAMS & REED, INC.,
WHOLESALE DRY GOODS,
RICHMOND, VA.

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

PRESIDENT AND TREASURER, CHERAW COTTON MILLS, INC.,
CHERAW, S. C.

Class C

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

ROBERT LASSITER, 1943,
CHARLOTTE, N. C.

CHARLES P. McCORMICK, 1944,
BALTIMORE, MD.

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

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

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

OFFICERS

HUGH LEACH,
PRESIDENT.

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

J. G. FRY,
VICE PRESIDENT.

R. W. MERCER,
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.

C. B. STRATHY,
ASSISTANT CASHIER.

R. S. BROCK, JR.,
AUDITOR.

MAXWELL G. WALLACE,
COUNSEL.

MEMBER FEDERAL ADVISORY COUNCIL

ROBERT V. FLEMING, 1942,
PRESIDENT, RIGGS NATIONAL BANK,
WASHINGTON, D. 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 1942

(Continued)

BALTIMORE BRANCH

DIRECTORS

W. R. MILFORD, 1942, BALTIMORE, Md.	MANAGING DIRECTOR.
JAMES C. FENHAGEN, 1942, BALTIMORE, Md.	VICE CHAIRMAN OF BOARD, BALTIMORE NATL. BANK, BALTIMORE, Md.
JAMES DIXON, 1943, EASTON, Md.	PRESIDENT, THE EASTON NATL. BANK OF MARYLAND, EASTON, Md.
GEORGE W. REED, 1944, BALTIMORE, Md.	PRESIDENT, NATIONAL MARINE BANK, BALTIMORE, 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.
W. FRANK THOMAS, 1944, WESTMINSTER, Md.	CONSTRUCTION ENGINEER AND REAL ESTATE MANAGEMENT, WESTMINSTER, 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, 1942, CHARLOTTE, N. C.	MANAGING DIRECTOR.
B. M. EDWARDS, 1942, COLUMBIA, S. C.	PRESIDENT, SOUTH CAROLINA NATIONAL BANK, CHARLESTON, S. C.
T. E. HEMBY, 1943, CHARLOTTE, N. C.	EXECUTIVE VICE PRESIDENT, AMERICAN TRUST COMPANY, CHARLOTTE, N. C.
J. GERALD COWAN, 1944, ASHEVILLE, N. C.	VICE PRESIDENT, WACHOVIA BANK & TRUST COMPANY, ASHEVILLE, 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.
CHARLES L. CREECH, SR., 1944, WINSTON-SALEM, N. C.	CHAIRMAN OF BOARD, B. F. HUNTLEY FURNITURE COMPANY, & GENERAL MANAGER, UNIQUE FURNITURE MAKERS, WINSTON-SALEM, N. C.

OFFICERS

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