

**Ninth Annual Report**

**Federal Reserve Bank  
of New York**

**For the Year Ended December 31, 1923**



**Second Federal Reserve District**

**Ninth Annual Report**

**Federal Reserve Bank  
of New York**

**For the Year Ended December 31  
1923**

**Second Federal  
Reserve District**

FEDERAL RESERVE BANK  
OF NEW YORK

*New York, January 16, 1924.*

GENTLEMEN: I have the honor to submit herewith the ninth annual report of the Federal Reserve Bank of New York, covering the year 1923.

Respectfully,

PIERRE JAY,

*Chairman and Federal Reserve Agent.*

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

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# Federal Reserve Bank of New York

## DIRECTORS AND OFFICERS, JANUARY 1, 1924

### DIRECTORS

| <i>Class Group</i>  | <i>Term Expires Dec. 31</i> |
|---|-----------------------------|
| A 1 GATES W. MCGARRAH, New York City . . . . .<br>Chairman, The Mechanics and Metals National Bank        | 1925                        |
| A 2 ROBERT H. TREMAN, Ithaca, N. Y. . . . .<br>President, The Tompkins County National Bank               | 1926                        |
| A 3 CHARLES SMITH, Oneonta, N. Y. . . . .<br>President, The Citizens National Bank                        | 1924                        |
| B 1 OWEN D. YOUNG, New York City . . . . .<br>Chairman, General Electric Company                          | 1925                        |
| B 2 THEODORE F. WHITMARSH, New York City . . . . .<br>President, Francis H. Leggett & Company             | 1926                        |
| B 3 FRANK L. STEVENS, North Hoosick, N. Y. . . . .<br>President, Stevens and Thompson, Inc.               | 1924                        |
| C PIERRE JAY, New York City, <i>Chairman</i> . . . . .  | 1925                        |
| C W. L. SAUNDERS, Plainfield, N. J., <i>Deputy Chairman</i> . . . . .<br>Chairman, Ingersoll-Rand Company | 1926                        |
| C CLARENCE M. WOOLLEY, New York City . . . . .<br>President, American Radiator Company                    | 1924                        |

### MEMBER OF FEDERAL ADVISORY COUNCIL

PAUL M. WARBURG, New York City

### OFFICERS

#### General Officers

BENJ. STRONG, *Governor*

J. HERBERT CASE, *Deputy Governor*

GEORGE L. HARRISON, *Deputy Governor*

LOUIS F. SAILER, *Deputy Governor*

EDWIN R. KENZEL, *Deputy Governor*

DUDLEY H. BARROWS, *Secretary*

JAY E. CRANE, *Assistant Secretary*

L. RANDOLPH MASON, *General Counsel*

JESSE HOLLADAY PHILBIN, *Assistant General Counsel*

#### Senior Officers

GILBERT E. CHAPIN,  
*Controller of Loans*

JOSEPH D. HIGGINS,  
*Controller at Large*

ARTHUR W. GILBERT,  
*Controller of Cash and  
Controller of Collections*

J. WILSON JONES,  
*Controller of Administration*

LAURENCE H. HENDRICKS,  
*Controller of Fiscal Agency Functions*

EDWIN R. KENZEL,  
*Controller of Investments, Pro tem.*

# DIRECTORS AND OFFICERS, JANUARY 1, 1924—Cont'd.

## Junior Officers

CHARLES H. COE,  
*Manager, Collection Department*

JAY E. CRANE,  
*Manager, Foreign Department*

EDWIN C. FRENCH,  
*Manager, Cash Department*

BETHUNE M. GRANT,  
*Manager, Government Bond Department*

WILLIAM A. HAMILTON,  
*Manager, Building Maintenance Department*

HOWARD M. JEFFERSON,  
*Manager, Personnel Development Department*

ALAN K. LAUCKNER,  
*Manager, Methods and Supplies Department*

ADOLPH J. LINS,  
*Manager, Check Department*

WALTER B. MATTESON,  
*Manager, Certificates of Indebtedness Department and Manager, Securities Department*

JOSEPH L. MORRIS,  
*Manager, Credit Department*

HENRY R. MURRAY,  
*Manager, Securities Custody Department*

ROBERT M. O'HARA,  
*Manager, Bill Department*

JAMES M. RICE,  
*Manager, Accounting Department*

STEPHEN S. VANSANT,  
*Manager, Discount Department*

I. WARD WATERS,  
*Manager, Office Service Department and  
Manager, Personnel Service Department*

## Auditor

LESLIE R. ROUNDS, *General Auditor*

EDWARD L. DODGE, *Manager, Auditing Department*

## FEDERAL RESERVE AGENT

PIERRE JAY, *Federal Reserve Agent*

SHEPARD MORGAN, *Assistant Federal Reserve Agent*

CARL SNYDER, *General Statistician*

W. RANDOLPH BURGESS,  
*Assistant Federal Reserve Agent*

WILLIAM H. DILLISTIN,  
*Assistant Federal Reserve Agent  
and Manager, Bank Examinations Department*

GEORGE B. ROBERTS, *Manager, Reports Department*

## BUFFALO BRANCH

### Directors

FRED J. COE,  
*President, Power City Bank,  
Niagara Falls*

WOLCOTT J. HUMPHREY,  
*President, Wyoming County National  
Bank, Warsaw*

JOHN A. KLOEFFER,  
*President, Liberty Bank of Buffalo*

ELLIOTT C. McDOUGAL,  
*President, Marine Trust  
Company, Buffalo*

HARRY T. RAMSDELL,  
*President, Mfrs. and Traders  
National Bank, Buffalo*

CARLTON M. SMITH,  
*President, Smith, Fassett &  
Company, Buffalo*

WALTER W. SCHNECKENBURGER, *Manager*

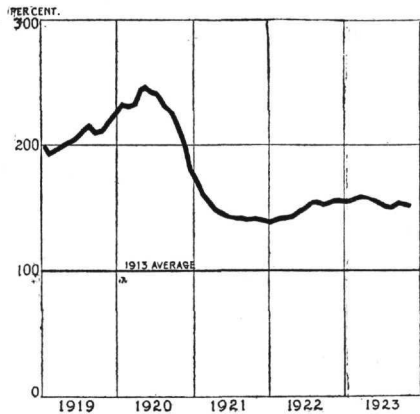
### Officers

WALTER W. SCHNECKENBURGER, *Manager*  
CLIFFORD L. BLAKESLEE, *Assistant Cashier*

HALSEY W. SNOW, JR., *Cashier*  
ELMER L. THEOBALD, *Assistant Cashier*



**Index of Production in Basic Industries**  
 (1919 Average = 100 per cent.)  
 Allowance has been made for seasonal fluctuations



**Department of Labor Index Number of Wholesale Commodity Prices**  
 (1913 Average = 100 per cent.)



**Index of the Dollar Value of Wholesale Trade in the Second District**  
 (1919 Average = 100 per cent.)  
 Allowance has been made for seasonal fluctuations but not for changes in prices or normal year to year growth



**Index of the Dollar Value of Retail Trade in the Second District**  
 (1919 Average = 100 per cent.)  
 Allowance has been made for seasonal fluctuations but not for changes in prices or normal year to year growth

# I

## BUSINESS AND CREDIT CONDITIONS IN THE DISTRICT IN 1923

**T**HE business and credit conditions under which the Federal Reserve Bank of New York operated during 1923 may be summarized as follows:

### Industry and Trade

The movement of business in the early part of 1923 was a continuation of the upward trend which had marked the year 1922, and from March to May new high figures in many lines of industry and trade were reached. For the balance of the year there was some tendency toward a decreasing volume of business, but in most lines activity was continued at a high enough rate to yield unusually high figures for the year as a whole. This upward tendency of business in the early part of the year and the declining tendency which followed, were accompanied by a similar movement in commodity prices. The charts facing this page picture the tendencies of the year in production, wholesale and retail trade, and prices. Freight car loadings, employment, bank clearings, and other phases of industry and trade showed similar tendencies, when the usual seasonal changes are taken into consideration.

An unusual factor of the business expansion and moderate decline in 1923 is found in the absence of that heavy speculation and large overstocking of goods, which frequently characterized periods of unusual business activity in the past. This was true notwithstanding the fact that there existed in the country the basis for an expansion in bank credit far larger than that which actually took place. That the period of unusual activity passed without the occurrence of large speculative commitments, may be ascribed mainly to a sound policy of caution on the part of both business men and bankers.

### Gold Imports and the Volume of Credit

During the year 1923 the net imports of gold were \$294,000,000, following the net importation of \$238,000,000 in 1922 and \$667,000,000 in 1921, bringing the total to \$1,377,000,000 since the cessation of the outward flow in 1920. In the earlier part of this period of gold inflow much of the incoming gold was

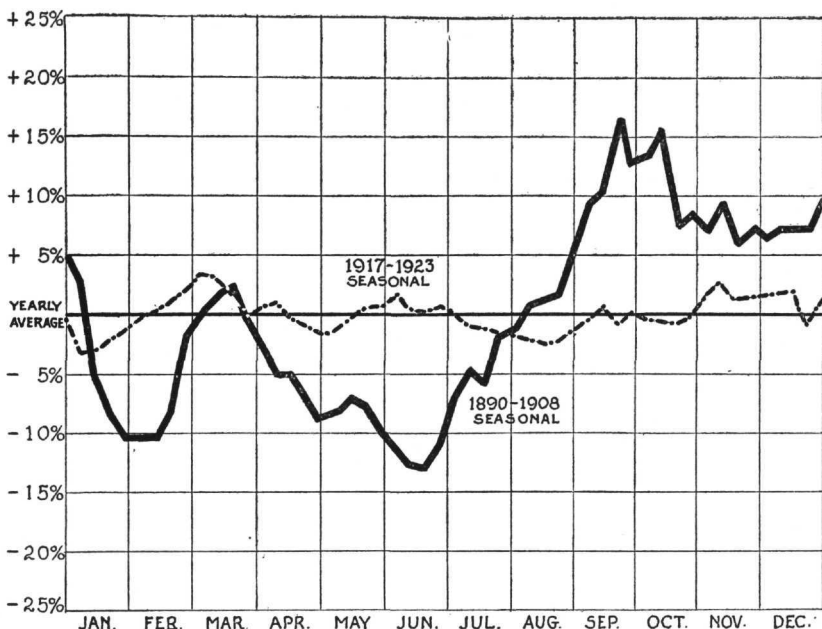
used to liquidate the indebtedness of member banks at the Federal Reserve Bank. Throughout most of 1922 and 1923, however, the incoming gold was not used for this purpose, but was available as a basis for the creation of additional bank credit.

As all bank credit is based in the final analysis upon bank reserves, the amount of credit outstanding tends to keep in rather constant relationship with the amount of bank reserves available. When gold is imported from abroad it is usually deposited by a member bank in the Federal Reserve Bank where it serves to increase bank reserves, first those of the member bank depositing it, and then those of other banks to which, in the course of the rapid flow of credit it is soon transferred. Gold imports, therefore, automatically increase bank reserves and not only permit but in times of business activity are likely to effect an increase of bank credit from three to six or more times the amount of gold so imported. On the basis of the more than \$1,200,000,000 of gold imported into this country since January 1921, there has been an expansion in bank deposits amounting to about \$5,000,000,000, the major part of it taking place in the year 1922. This occurred without additional borrowings from the Federal Reserve Banks. The deposit of the gold in the Federal Reserve Banks, however, has greatly increased their power to extend additional credit should it be required. It also has concentrated the gold where member banks could readily obtain it for export, if required, by borrowing at their Reserve Banks.

### Money Rates

One effect of continued gold imports and expansion in bank credit has been an easier tendency in interest rates. As business activity increased in 1922 and early 1923 interest rates rose also, but interest rates on commercial paper in the open market did not rise above the 5½ per cent. rate which prevailed during September and October 1923. The rates on other types of paper, including the open market rates on Treasury certificates, bankers bills, and call money, and the rates charged by banks to their customers, have been correspondingly low.

The comparative steadiness of interest rates throughout the year, in spite of the large monthly movements of funds into and out of New York City, indicates the stabilizing influence which ready recourse to the Federal Reserve Bank exerts. The following chart shows the usual course of interest rates on commercial paper before and since the establishment of the Federal Reserve System.



Typical Seasonal Changes in Interest Rates on 60 to 90 Day Commercial Paper for the Years 1890 to 1908 and the Years 1917 to 1923. Weekly Variations are shown as Percentage Deviations from the Yearly Average

## Rediscounts and Open Market Operations

The earning assets of the Federal Reserve Bank of New York, and of the System as a whole, were not increased except temporarily for brief periods during the entire business expansion between the middle of 1921 and the spring of 1923.

During the latter months of 1922 and during 1923 there was, however, a change in the type of earning assets held by the Federal Reserve Banks. In the middle of 1922 more than half of the earning assets held by the Federal Reserve Banks was in the form of United States securities, which had been acquired in the open market, but in the latter months of 1922 and during 1923 these investment holdings of securities were gradually reduced either by redemption at maturity or by selling them in the open market. When placed upon the market they were purchased by banks or other investors, thereby tending to bring about an increase in the direct borrowing by member banks at the Federal Reserve Banks. This operation had the effect of placing upon member banks the responsibility for the amount of Federal Reserve credit called into use; it also required them to pay for this credit at the published rates of the Reserve Banks at which they borrowed.

In an editorial in the Federal Reserve Bulletin for January 1924, the Federal Reserve Board makes the following comment on the effect of the increase in direct member bank borrowing:

“With the growth of discounts, however, which accompanied the reduction in the holdings of Government securities, the influence of existing discount rates was extended to a larger proportion of the total Federal Reserve Bank credit in use, and the cost of obtaining Reserve Bank credit was borne more directly by member banks. Changes in discount rates made with a view of influencing the demand for rediscount accommodation from Federal Reserve Banks are better understood by the general public than open market operations. The experience of the past year, however, shows that changes in the volume of securities held by the Reserve Banks, when such changes are well timed, are capable of exerting an important and useful influence on credit conditions. The weekly statement of condition of the Federal Reserve Banks shows the amount and composition of open market holdings and makes it possible for the public to follow these changes from week to week.”

## II

# BANK OPERATIONS

## STATEMENT OF CONDITION

The comparative statement of condition of the Federal Reserve Bank of New York as of December 31, 1923, and December 31, 1922, is given in brief form below. A statement in greater detail and with notes explanatory of the various items appears in the appendix, pages 46 and 47.

### RESOURCES

|   | Dec. 31, 1923      | Dec. 31, 1922      |
|---|--------------------|--------------------|
| <b>CASH RESERVES:</b>   |                    |                    |
| Gold.....   | \$871,495,014.73   | \$956,784,070.26   |
| Legal tender notes, silver, etc.....  | 24,437,091.00      | 31,313,929.70      |
| Total reserves.....   | 895,932,105.73     | 988,097,999.96     |
| <b>NON-RESERVE CASH</b> .....   | 11,845,810.23      | .....              |
| <b>LOANS AND INVESTMENTS:</b>   |                    |                    |
| <b>Loans to Member Banks:</b>   |                    |                    |
| Secured by Government obligations.....  | 136,174,500.00     | 168,235,591.11     |
| Secured by discount of commercial paper<br>or agricultural paper or acceptances.... | 28,360,300.73      | 16,053,362.30      |
| <b>Bills and securities purchased:</b>  |                    |                    |
| Acceptances.....  | 93,151,232.70      | 60,863,602.89      |
| United States securities.....   | 46,755,950.00      | 167,252,450.00     |
| Total loans and investments (or earning<br>assets).....                             | 304,441,983.43     | 412,405,006.30     |
| <b>ALL OTHER RESOURCES</b> (mostly uncollected<br>checks).....                      | 130,803,534.55     | 146,433,874.24     |
| <b>TOTAL RESOURCES</b> .....  | \$1,343,023,433.94 | \$1,546,936,880.50 |

### LIABILITIES

|   |                    |                    |
|---|--------------------|--------------------|
| <b>FEDERAL RESERVE NOTES IN CIRCULATION</b> ....                            | \$420,371,240.00   | \$597,071,293.50   |
| <b>DEPOSITS:</b>  |                    |                    |
| Reserve deposits of member banks.....                                       | 712,857,792.81     | 749,005,902.75     |
| Government deposits.....  | 9,562,383.00       | 517,656.11         |
| All other deposits.....   | 12,405,744.27      | 11,439,182.74      |
| Total deposits.....   | 734,825,920.08     | 760,962,741.60     |
| <b>MISCELLANEOUS LIABILITIES</b> (mostly checks<br>on deferred credit)..... | 98,458,006.65      | 100,414,872.15     |
| <b>CAPITAL</b> .....  | 29,439,300.00      | 28,688,450.00      |
| <b>SURPLUS</b> .....  | 59,928,967.21      | 59,799,523.25      |
| <b>TOTAL LIABILITIES</b> .....  | \$1,343,023,433.94 | \$1,546,936,880.50 |

## INCOME AND DISBURSEMENTS

A comparative summary of the income and disbursements of the Federal Reserve Bank of New York for the past two years is given in the following table. A more detailed statement appears in the appendix, page 48.

|   | 1923                   | 1922                   |
|---|------------------------|------------------------|
| <b>EARNINGS:</b>  |                        |                        |
| From rediscounts and advances to member banks                   | \$8,255,645.84         | \$3,970,209.76         |
| From acceptances owned.....                                     | 1,969,837.16           | 1,619,512.13           |
| From United States Government securities owned                  | 1,087,250.95           | 5,643,385.44           |
| Other earnings.....   | 100,448.81             | 108,211.44             |
| <b>Total earnings.....</b>                                      | <b>\$11,413,182.76</b> | <b>\$11,341,318.77</b> |
| <b>DEDUCTIONS FROM EARNINGS:</b>                                |                        |                        |
| For current bank operations.....                                | \$6,458,906.87         | \$6,223,404.61         |
| For cost of Federal Reserve currency.....                       | 421,229.30             | 553,124.78             |
| For depreciation, self-insurance, and other reserves, etc. .... | 1,489,367.49           | 843,196.31             |
| <b>Total deductions from earnings.....</b>                      | <b>\$8,369,503.66</b>  | <b>\$7,619,725.70</b>  |
| <b>Net income.....</b>  | <b>\$3,043,679.10</b>  | <b>\$3,721,593.07</b>  |
| <b>DISTRIBUTION OF NET INCOME:</b>                              |                        |                        |
| Dividends paid.....   | \$1,749,239.47         | \$1,652,138.30         |
| Added to surplus.....   | 129,443.96             | 206,945.48             |
| Paid United States Government as franchise tax....              | 1,164,995.67           | 1,862,509.29           |
| <b>Total.....</b>   | <b>\$3,043,679.10</b>  | <b>\$3,721,593.07</b>  |

Total earnings in 1923 were about equal to those of 1922, due to the fact that approximately equal amounts of earning assets were held during the two years and discount rates throughout both years were 4 or 4½ per cent. The rates of yield on bills and Government securities purchased were also within about the same ranges. The principal difference in earnings between the two years lay in the type of paper from which income was derived. In 1922 Government securities owned were the largest source of revenue. In 1923 two-thirds of total earnings were yielded by bills discounted for member banks.

The current expenses of bank operations have been maintained at about the same level as last year in spite of a considerable increase in the volume of work. In particular, the amounts of checks and other items handled for collection, the funds transferred by telegraph, and the amounts of currency and coin handled showed increases of from 6 to 17 per cent. The exceptionally active business of early 1923 resulted in a larger volume of checks drawn, a larger volume of currency in circulation, and a more rapid turnover of funds in the banks of the district, all of which led to greater activity in the operating departments

of the Reserve Bank. The changes in volume of important operations in the past three years are shown in Appendix N.

The handling of this increased volume of work without any large increase in expenses was largely the result of improvement in administrative methods. The staff and general organization of the bank were built up rapidly during the war and since that time it has been possible gradually to develop more efficient procedure and eliminate unnecessary steps. A considerable gain in efficiency comes simply from the increasing experience of members of the staff, all of whom were new a few years ago.

Somewhat larger deductions from net earnings have been made this year for depreciation and other reserves, because of the necessity for setting aside a reserve against a portion of the expenditure in connection with the new bank building. The reserve set aside on this account in 1923 is the bulk of the total eventually so to be set aside.

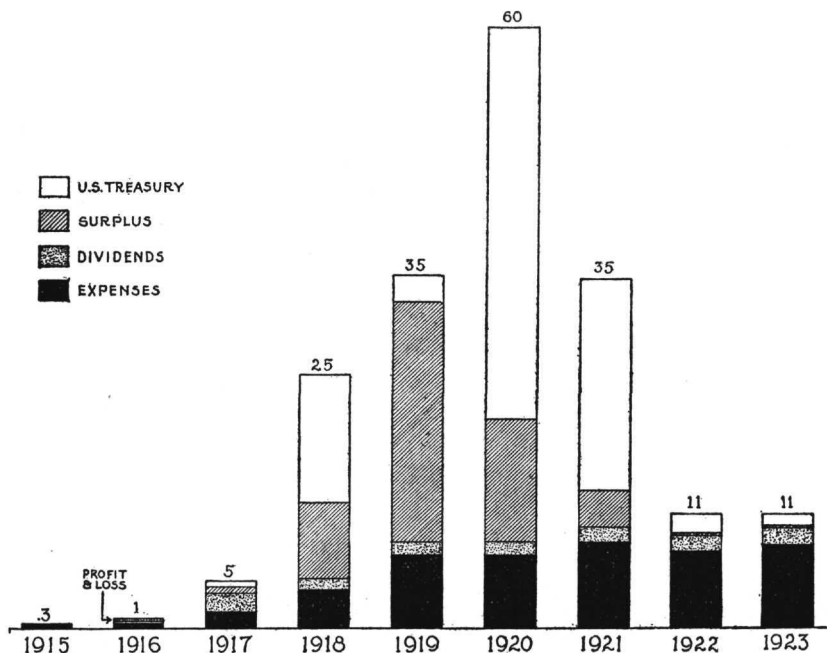
### Disposition of Income

Net income for 1923, available for dividends, addition to surplus, and franchise tax, amounted to \$3,044,000. About 57 per cent. of this sum, or \$1,749,000, was paid as dividends to member banks at the rate of 6 per cent. on paid in capital stock, as provided in the Federal Reserve Act. In accordance with further provisions of the Act, 10 per cent. of the balance was transferred to surplus and the remainder, amounting to \$1,165,000, paid to the Government as a franchise tax. Amounts so paid in by the Reserve Banks are available to the Treasury only for the purpose of placing additional gold reserve behind United States notes, known as greenbacks, or for use in retiring the Government's bonded debt.

The disposition of the gross earnings of the Federal Reserve Bank of New York in each of its nine complete years of operation is shown in the following diagram.

Total gross earnings, indicated by the heights of the columns, have responded directly to the extent to which the Reserve Bank has been used as a seasonal or emergency institution. The heaviest earnings reflected the large borrowings of the war and post-war periods. The earnings of the past two years, derived from earning assets fluctuating between \$200,000,000 and \$300,000,000, represent a more nearly normal state of affairs.

The current expenses of the bank increased steadily from 1915 to 1921 as the activities of the bank were developed with great rapidity. Since 1921 there has been a reduction in expenses of about 16 per cent. It is worth noting that the volume of work which the bank is called upon to perform bears little relation to the earnings. Earnings are related to only one of the bank's functions, its lending operations, which engage the time of only about 5 per cent. of the bank's staff.



Disposition of Gross Earnings of the Federal Reserve Bank of New York  
(In Millions of Dollars)

The amounts paid in dividends have varied but little from year to year since 1917, when back dividends were paid for 1916.

Amounts carried to surplus were heavy in the early years in accordance with the provision of the amended Reserve Act that earnings above dividends should be paid into a surplus fund until it amounted to 100 per cent. of the subscribed capital stock. Additions to surplus in 1923 were the smallest in any year since transfers to surplus were begun in 1917.

The franchise tax paid to the Government, representing that portion of the earnings not absorbed by operating expenses, dividends, and additions to surplus, was the smallest since 1917.

## Expenses of Operation

The expenses of carrying on the work of the bank, divided as nearly as possible according to functions, are given in the following tabular exhibit. Such general expenses as building maintenance, protection, personnel service, stenographic, messenger, and telephone service, files, insurance, legal service, etc., amounting in the aggregate to \$1,725,829, have been apportioned among the various functions.

## 1. MAINTAINING THE ACCOUNTS OF THE BANK.

This work included making about 9,026,000 entries a year in the accounts maintained with member and other banks, and the current determination of reserve balances, which are required by law. . . . .

**\$211,363**

## 2. SUPPLYING CURRENCY AND COIN.

PAYING OUT, RECEIVING, AND REDEEMING CURRENCY, involving the count of about 775,000,000 individual notes during the year. . . . .

**\$896,934**

PAYING OUT AND RECEIVING COIN. This service was formerly performed largely by the Subtreasury, and is now entirely in the hands of the Federal Reserve Bank. Receipts and issues amounted to \$228,798,000 for the year. . . . .

**172,025**

CURRENCY AND COIN SHIPMENTS to and from out-of-town banks. There were 234,621 such shipments in and out during the year. . . . .

**429,038**

PRINTING NEW FEDERAL RESERVE CURRENCY to replace worn notes in circulation and to maintain supplies unissued and on hand, including cost of transportation. Currency is printed by the Government but the cost is borne by the bank. . . . .

**421,229**

SUPPLYING CURRENCY AND COIN . . . . .

**\$1,919,226**

## 3. MAKING LOANS AND INVESTMENTS.

MAKING DISCOUNTS AND ADVANCES TO MEMBER BANKS.

The number of items handled during the year was 72,177, aggregating \$17,952,000,000. . . . .

**\$275,110**

PURCHASING ACCEPTANCES AND GOVERNMENT OBLIGATIONS for the account of this bank and other Federal Reserve Banks. The items purchased during the year aggregated \$3,528,000,000. . . . .

**142,907**

MAKING LOANS AND INVESTMENTS. . . . .

**\$418,017**

## 4. COLLECTING CHECKS, DRAFTS, NOTES, AND COUPONS.

COLLECTION OF CASH ITEMS, mostly checks. The average number collected was 425,151 a day, or 128,400,000 for the year, aggregating \$65,518,000,000. . . . .

**\$1,705,245**

COLLECTION OF NON-CASH ITEMS, including drafts, notes, and coupons. The number of items handled during the year was about 2,177,000, aggregating \$1,921,000,000. . . . .

**501,816**

COLLECTING CHECKS, ETC. . . . .

**\$2,207,061**

## 5. SUPPLEMENTARY SERVICES.

CUSTODY OF SECURITIES. This service involved holding in safekeeping on the average about \$700,000,000 of securities for the United States Government, \$50,000,000 for the War Finance Corporation and \$260,000,000 from other sources. . . . .

**\$186,129**

|  |           |
|--|-----------|
| <b>PURCHASE AND SALE OF BANKERS ACCEPTANCES</b> and other securities for member banks and foreign banks amounting for the year to \$237,712,000, and receiving and delivering securities for the account of member banks, amounting for the year to about \$500,000,000. In addition the bank has acted for the Treasury Department in the purchase and sale of Government securities. . . . . | 145,638   |
| <b>TELEGRAPHIC TRANSFER OF FUNDS.</b> This service is performed over the telegraph wires of the Federal Reserve System, and is used by the Treasury Department and member banks. It involves making an average of 939 transfers of funds to all parts of the country each day, amounting to about \$92,820,000 and aggregating for the year \$28,031,500,000. . . . .                          | 115,440   |
| <b>SUPPLEMENTARY SERVICES</b> . . . . .  | \$447,207 |

## 6. SERVICES IN CONNECTION WITH GOVERNMENT LOANS.

This work included during 1923 the receipt or delivery of 1,345,000 individual Government bonds, notes, and certificates, amounting to \$2,622,000,000, which were exchanged or converted or handled in connection with registration; and the payment of 17,683,617 individual coupons on Government bonds, notes, and certificates. It also involved the sale and issue of 124,846 pieces amounting to \$851,583,000, and the redemption of 788,758 pieces amounting to \$807,929,000 of Government bonds, notes, and certificates. Aside from amounts received from the Treasury in partial reimbursement, the cost of such operations to the bank was. . . . .

\$648,310

(In addition to these operations for the Treasury, the bank performed other work for the Government connected with the currency, the collection of checks, the custody, purchase and sale of securities, the transfer of funds, etc., which have been referred to under their respective headings.)

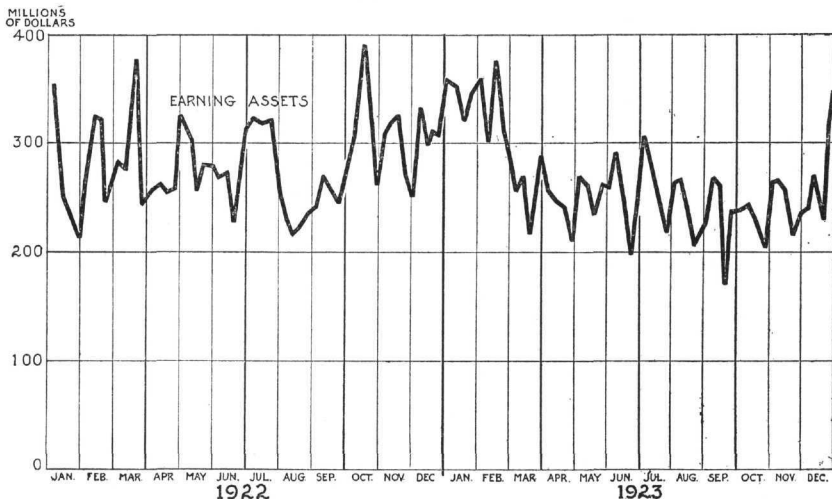
## 7. GENERAL OR SUPERVISORY EXPENSES, not apportioned among the functions specified above.

|   |                    |
|---|--------------------|
| <b>EXECUTIVE SALARIES</b> (Chairman, governor, four deputy governors, and secretary of the bank, and manager and cashier of the Buffalo Branch. . . . .   | \$203,640          |
| <b>WORK OF THE FEDERAL RESERVE AGENT</b> , including note issues, examination of member banks, visits to member banks, statistical and information services, such as the preparation of weekly bank statements and the publication of the Monthly Review. . . . . | 352,575            |
| <b>MAINTAINING THE GENERAL AUDIT</b> , including the daily checking of transactions and records, together with periodical verifications of securities, cash and cash items. . . . .   | 260,226            |
| <b>DIRECTORS' FEES AND TRAVELING EXPENSES</b> . . . . .   | 21,664             |
| <b>THIS BANK'S SHARE OF THE EXPENSES OF THE FEDERAL RESERVE BOARD</b> . . . . .   | 190,847            |
| <b>GENERAL OR SUPERVISORY EXPENSES</b>  | <u>\$1,028,952</u> |
| <b>TOTAL</b> . . . . .  | <u>\$6,880,136</u> |

## EARNING ASSETS

The earning assets of the bank during 1923 were on the average slightly under the level of 1922. The total fluctuated mainly between \$200,000,000 and \$300,000,000 and averaged about \$260,000,000. The largest amounts of earning assets were held early in the year coincidentally with the period of most active business. The smallest amount on a weekly reporting date was on September 19 in a period of temporary ease in the money markets due to Government operations in the redemption and issue of certificates and the collection of tax checks.

Earning assets during the past two years have been comparatively free from the extraordinary influences of the war period and as a consequence the influence of seasonal and other temporary tendencies has been more in evidence. The character of these tendencies is shown in the following diagram of total earning assets on the reporting date of each week.



Total Earning Assets of the Federal Reserve Bank of New York each week

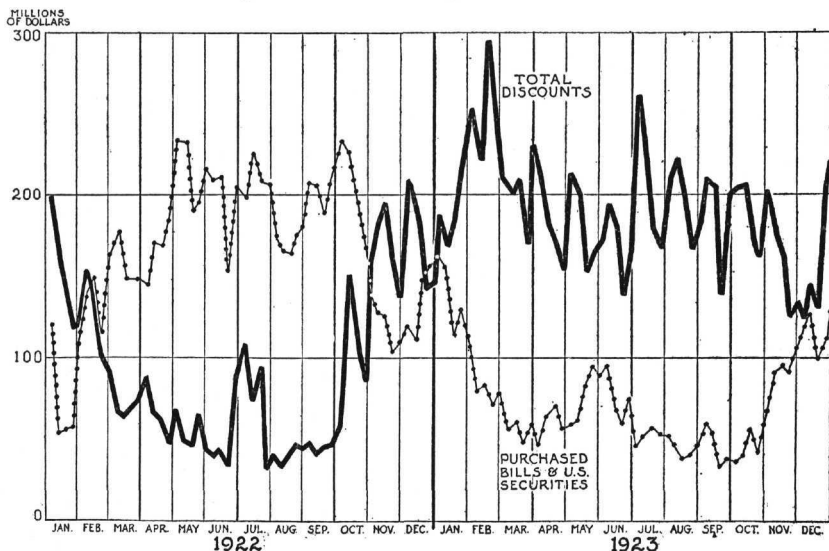
At the first of every month large dividend and interest payments are made all over the country by financial and business corporations having their headquarters in New York City. As these checks return to New York for collection, funds are transferred out of this district in settlement, and member banks rediscount at the Reserve Bank to replenish their reserves. As a result the earning assets of this bank show a marked temporary increase at the first of almost every month. Later in the month funds tend to flow back to New York for reinvestment, and advances by this bank are correspondingly reduced. This reduction in earning assets is particularly marked in those months

when there are redemptions and new issues of Treasury certificates. The amount of certificates redeemed is usually larger than the amount of new issues sold in this district because certificates sold originally in other parts of the country tend to flow towards New York, where the open market for them centers.

These periodic tendencies towards tightness or ease of money are reflected not only in the fluctuations of earning assets of this bank but are also reflected in the rates for call loans, which under present conditions have been characteristically firm early in the month and easier after the middle of the month.

### Discounts and Advances

Loans to member banks in the form of discounts and advances during 1923 were generally at a somewhat higher level than in 1922, accompanying more active business conditions and smaller holdings by the bank of United States securities. The largest amount of discounts and advances held on a reporting date was \$294,000,000 on February 14, at about the time when industry and the financial markets were most active. An average level, between \$150,000,000 and \$200,000,000, continued throughout most of the year. The lowest amount on a reporting date was \$124,000,000 on December 5. The borrowings by banks in the Second District outside of New York City showed a moderate but steady increase throughout the year, whereas borrowings by New York City banks were highest early in the year, and were much reduced in the summer and at the end of the year. The diagram below shows the fluctua-



**Discounted Bills (Rediscounts and Advances), and Purchased Bills and U. S. Securities held by the Federal Reserve Bank of New York each week (Pittman Act and Special Certificates not included)**

tions in discounts and advances for member banks and compares them with the changes in the holdings of United States securities and bills purchased in the open market. The diagram indicates that the regular monthly fluctuations, which were commented upon in the preceding paragraph, are largely due to direct borrowings by member banks, whereas the changes in open market holdings reflect more closely conditions in the particular markets.

The aggregate amount of discounts and advances made during the year was increased from \$9,000,000,000 in 1922 to \$18,000,000,000 in 1923, and the number of banks to which loans were made was 590 compared with 544 in 1922. As in the previous year the majority of loans was in the form of advances against the notes of members secured by Government obligations rather than the rediscount of customers' paper. The large aggregate amount of discounts and advances is due to the fact that advances to the larger institutions are usually only for a few days, in many cases for a single day; and frequent renewals of large day-to-day advances make immense aggregates. The items discounted, the names checked for eligibility and acceptability, and the number of financial statements analyzed by the departments of the bank charged with those responsibilities, were increased over 1922. The following table compares certain of the more important figures relating to discounts and advances for each of the past three years.

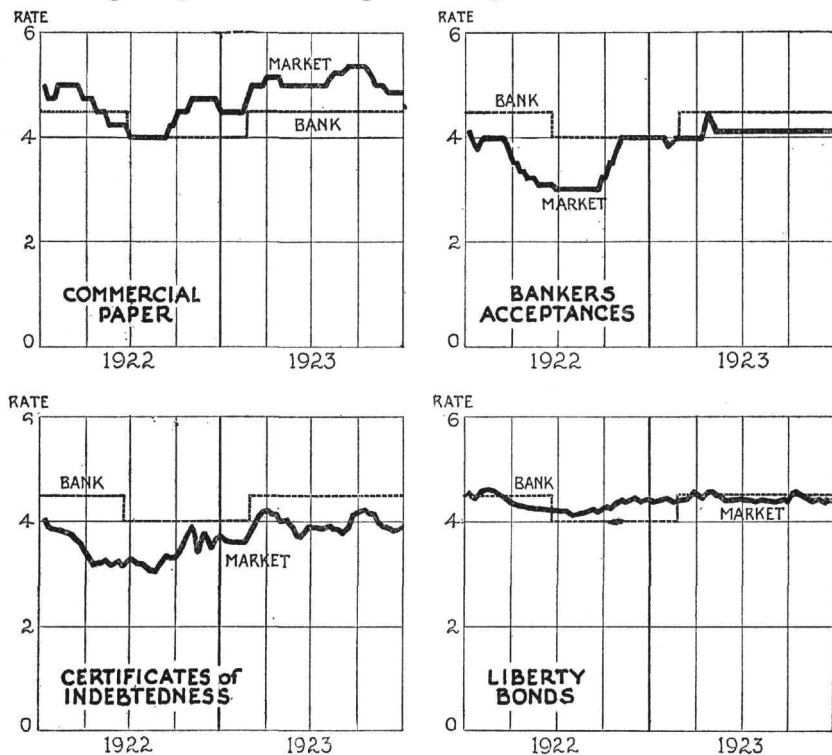
|   | 1923                | 1922               | 1921                |
|---|---------------------|--------------------|---------------------|
| Applications received . . . . .                                 | 17,418              | 14,178             | 21,461              |
| Amount discounted or advanced upon . . . . .                    | \$17,951,843,277.03 | \$9,206,363,786.02 | \$30,768,989,922.52 |
| Number of pieces of paper discounted or advanced upon . . . . . | 72,177              | 60,715             | 149,868             |
| Largest note advanced upon . . . . .                            | \$108,075,000.00    | \$75,000,000.00    | \$78,100,000.00     |
| Smallest piece of paper rediscounted . . . . .                  | \$25.59             | \$13.22            | \$16.72             |
| Average size of notes advanced upon . . . . .                   | \$1,242,511.00      | \$761,102.00       | \$1,116,565.00      |
| Average size of paper rediscounted . . . . .                    | \$7,542.26          | \$7,397.41         | \$29,797.96         |

## Discount Rates

At the beginning of the year the rate on all discounts and advances was 4 per cent., a rate which had been in effect since June 22, 1922. This rate was maintained until February 23, when it was raised to 4½ per cent., as a reflection of increases

in rates in the open market and in order to bring this bank's discount rate in conformity with rates throughout the Federal Reserve System. A lower rate of discount at the New York, Boston, and San Francisco banks than at the other Reserve Banks was tending to throw an undue relative burden of discounting on those banks. The 4½ per cent. rate was maintained throughout the balance of the year.

The relationship of the discount rates of the bank to the market rates on commercial paper, bankers acceptances, certificates of indebtedness, and Liberty bonds is shown in the following diagram for the past two years.



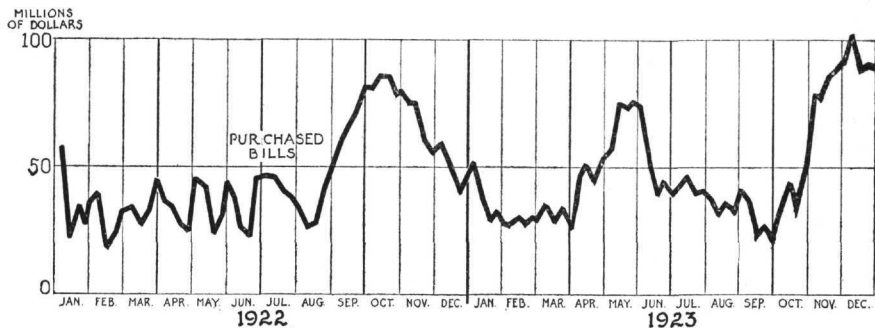
**Open Market Interest Rates at New York Compared with the Discount Rates of the Federal Reserve Bank of New York**

Open Market Rates Shown are for Prime 4 to 6 Months Commercial Paper, Prime 90-day Bankers Acceptances, Certificates Maturing in 4 to 6 Months, and an Average of the Yields of 3 Issues of Liberty Bonds

### Bankers Acceptances

This bank's holdings of bankers acceptances were in moderate volume during the first half of 1923, but in the latter half increased to the largest amount since early in 1921. This increase was due first to a large volume of bills arising from heavy exports at higher prices than a year ago, particularly in the case of cotton, and second to conditions in the money market

which made it difficult for dealers to carry their portfolios without recourse to the Reserve Bank. The changes in bill holdings during the past two years, are shown in the accompanying diagram.



**Purchased Bills held by the Federal Reserve Bank of New York each week**

The following table shows the amounts of purchased bills held at the close of several years by the Federal Reserve Bank of New York and by all Federal Reserve Banks, compared

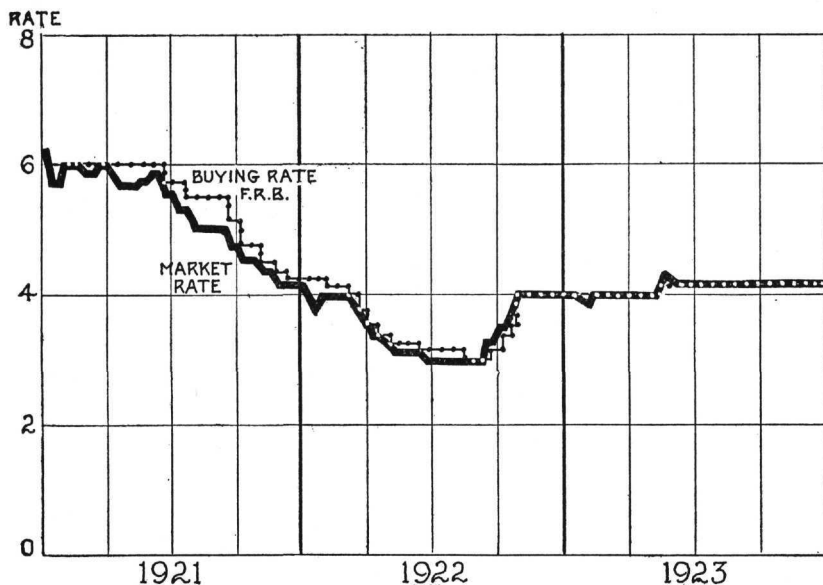
| End of Year | Owned by Federal Reserve Bank of New York | Owned by All Federal Reserve Banks | Estimated Amount Outstanding | Percentage Owned by All Federal Reserve Banks of Estimated Amount Outstanding |
|-------------|---|------------------------------------|------------------------------|---|
| 1916.....   | \$41,457,000                              | \$127,497,000                      | \$250,000,000                | 51.0  |
| 1917.....   | 148,125,000                               | 275,366,000                        | 450,000,000                  | 61.2  |
| 1918.....   | 69,323,000                                | 303,673,000                        | 750,000,000                  | 40.5  |
| 1919.....   | 191,312,000                               | 585,212,000                        | 1,000,000,000                | 58.5  |
| 1920.....   | 109,902,000                               | 255,702,000                        | 1,000,000,000                | 25.6  |
| 1921.....   | 47,313,000                                | 114,240,000                        | 600,000,000                  | 19.0  |
| 1922.....   | 45,789,000                                | 246,293,000                        | 600,000,000                  | 41.0  |
| 1923.....   | 90,052,000                                | 336,415,000                        | 650,000,000                  | 51.8  |

with the estimated amount of bills outstanding. The total amount outstanding is an approximate figure estimated from reports made to the Federal Reserve Banks.

This bank's total purchases of bankers and trade acceptances in the open market during 1923 amounted in the aggregate to \$1,950,000,000 as compared with \$1,400,000,000 in 1922. There was also a large increase in the number of pieces handled. The purchases during the year for the account of this bank, for other Federal Reserve Banks, and for the account of member banks and foreign banks are shown in the following table.

|  | 1923    |                 | 1922    |                 |
|--|---------|-----------------|---------|-----------------|
|  | Pieces  | Amount          | Pieces  | Amount          |
| For account of this bank. . . . .                        | 75,701  | \$1,178,000.000 | 56,474  | \$871,000,000   |
| For account of other Federal Reserve Banks. . . . .      | 45,029  | 579,000,000     | 23,108  | 316,000,000     |
| For account of members of this Federal Reserve Bank. . . | 2,267   | 13,000,000      | 2,342   | 17,000,000      |
| For account of members of other Federal Reserve Banks. . | 168     | 1,000,000       | 632     | 6,000,000       |
| For account of foreign banks. . .                        | 14,714  | 179,000,000     | 17,864  | 207,000,000     |
| Total. . . . .   | 137,879 | \$1,950,000,000 | 100,420 | \$1,417,000,000 |

The minimum rates at which indorsed bills were purchased by this bank for its own account and for the account of other Federal Reserve Banks are shown in the accompanying diagram in comparison with the current open market rates on acceptances. Figures are also shown in the appendix.



Buying Rate of the Federal Reserve Bank of New York compared with the Market Offering Rate for 90 day Bankers Acceptances

As the preceding table shows, this bank purchased less bills for foreign banks of issue than in 1922; but the investment in the discount market of foreign money through other agencies increased. The distribution of bills has continued on a fairly wide basis through the efforts of distributing houses. Owing to local money conditions, purchases were largely by the interior and for foreign account, rather than by local banks of deposit.

As an indication of the wide distribution of bills, the following table shows certain of the purchasers in England, France, Switzerland, Holland, Sweden, Austria, Czechoslovakia, Portugal, Egypt, Cuba, Porto Rico, Philippines, and Japan, and in 45 out of the 48 States of this country, on the books of one New York dealer. While the major part of the sale of bills is to commercial and savings banks and large corporations, the list indicates that the distribution is by no means confined to such purchasers.

|                                   |                           |
|-----------------------------------|---------------------------|
| A cement company                  | A copper mine             |
| A hosiery mill                    | An oil company            |
| A furniture manufacturer          | A land company            |
| A shoe manufacturer               | A warehouse               |
| A cough drop manufacturer         | A university              |
| A manufacturer of dental supplies | A sanatorium              |
| A railway supply manufacturer     | A hardware company        |
| A barrel manufacturer             | A paper exporter          |
| An ice cream manufacturer         | A coffee importer         |
| A fountain pen manufacturer       | A wholesale lumber dealer |
| A jewelry manufacturer            | A cotton dealer           |
| A cotton mill                     | A department store        |
| A soap manufacturer               | A taxicab company         |
| A steel manufacturer              | An advertising agency     |
| A zinc company                    | A life insurance company  |
| A machine tool manufacturer       | A railroad company        |
| An automobile manufacturer        | A steamship company       |
| A pottery manufacturer            | A forwarding agent        |
| A thread company                  | A home for aged people    |
| A street railway                  | Estates                   |
| A gas company                     | Individuals               |
| A telephone company               |                           |

There has been no substantial change during the year in the average maturity of purchased bills, as is indicated by the following table, which shows the average maturities of holdings at three month intervals. Few six months bills drawn in export and import transactions and practically no six months bills secured by staple agricultural products have been offered to the bank.

| Date        | 1923    | 1922    |
|-------------|---------|---------|
| January 1   | 22 Days | 15 Days |
| April 1     | 30 "    | 28 "    |
| July 1      | 20 "    | 16 "    |
| October 1   | 19 "    | 50 "    |
| December 31 | 15 "    | 22 "    |

## Government Obligations Owned

Other earning assets of the bank consisted of the following groups of Government obligations.

1. *Special certificates of indebtedness running for a few days.* The reduction in the number of Government issues in 1923, and the prompt collection of quarterly income tax checks,

resulted in reducing the number of days on which temporary advances were made to the Government on  $2\frac{1}{2}$  per cent. special certificates of indebtedness to 38 days, as compared with 45 days in 1922 and 60 days in 1921. The largest advance during the current year was that of December 15 amounting to \$106,000,000 as compared with \$135,000,000 in 1922.

2. *Treasury notes and certificates under sales contracts.* As an aid to the open market for Government securities, the bank continued its practice of purchasing from discount houses and dealers moderate amounts of Victory notes and Treasury notes and certificates, under the provision that they be repurchased within 15 days. The maximum amount held at any one time during the year was \$51,000,000 on January 2, 1923, and the average amount during the year was \$12,000,000. In conformity with a continued rise in money rates and increased investment yields on Government securities, the rate on such purchases was increased from 4 per cent. to  $4\frac{1}{2}$  per cent. on April 10, 1923.

3. *Holdings of Government obligations for account of the bank.* The policy adopted by the bank in the latter part of 1922 of allowing its investment holdings of Government securities to mature or gradually selling them in the market as credit conditions warranted, resulted in disposing by April 30, 1923, of the entire amount held on January 1, 1923, with the exception of a little more than \$1,000,000 held in the self-insurance reserve



United States Government Securities held by the Federal Reserve Bank of New York (Pittman Act and Special Certificates not included)

fund. The amounts held on dates at quarterly intervals were as follows:

| Date               | Maturing in<br>One Year<br>or Less | Maturing in<br>One to<br>Five Years | *Maturing in<br>Over<br>Five Years |
|--------------------|------------------------------------|-------------------------------------|------------------------------------|
| Dec. 31, 1922..... | \$65,745,000                       | \$32,520,800                        | \$1,148,750                        |
| Apr. 4, 1923.....  | 0                                  | 10,000,000                          | 1,148,750                          |
| July 4, 1923.....  | 0                                  | 0                                   | 1,148,750                          |
| Oct. 3, 1923.....  | 0                                  | 0                                   | 1,148,750                          |
| Dec. 31, 1923..... | 6,301,500                          | 2,757,000                           | 1,202,450                          |

\*Represents investment of self-insurance reserve fund.

## FEDERAL RESERVE CURRENCY

Advancing commodity prices and wages and more active trade late in 1922 and early in 1923 resulted in an increased demand for hand to hand currency for the payment of wages and for use in retail purchases. Total money in circulation as reported by the Treasury Department increased \$547,000,000, or 12½ per cent. between July 1, 1922 and December 1, 1923. This increase took the form principally of an increase in gold certificates, as certain of the Federal Reserve Banks continued their policy of again placing gold certificates in circulation as hand to hand currency. In the New York district demands for currency of the larger denominations were mainly supplied by the issuance of gold certificates, and there was a decline of \$207,000,000, or about 30 per cent. in the circulation of the notes of the Federal Reserve Bank of New York. The following table shows the changes in the principal types of currency in circulation in the United States between July 1, 1922, and December 1, 1923.

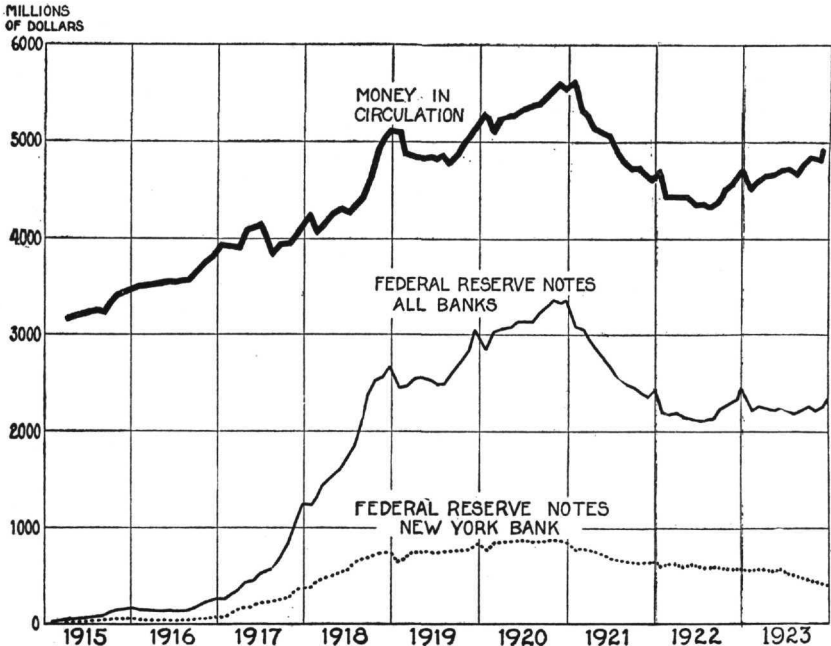
(In Millions of Dollars)

| Type of Currency              | July 1, 1922 | December 1, 1923 | Change |
|-------------------------------|--------------|------------------|--------|
| Gold certificates.....        | 173          | 533              | + 360  |
| Notes of N. Y. Reserve Bank.  | 641          | 434              | —207   |
| Notes of other Reserve Banks. | 1,497        | 1,803            | + 306  |
| Other Currency and Coin.....  | 2,065        | 2,153            | + 88   |
| Total.....                    | 4,376        | 4,923            | + 547  |

The principal increase in other forms of currency and coin, paid out by the New York and other Reserve Banks, was in silver certificates issued against silver purchased in 1920-22, under the provisions of the Pittman Act. In December 1923, issues of silver certificates took the form of currency of a new design in accordance with the Treasury's plan to make the

currency more uniform in appearance and also to take further precautions against counterfeiting and raising.

The fluctuations during the year in the notes of this bank, in the notes of all Reserve Banks, and in the total money in circulation, are shown in the accompanying diagram. The seasonal fluctuations followed the course which has become customary since Federal Reserve Bank operations have introduced greater elasticity in the volume of currency.



**Federal Reserve Notes in Circulation Compared with the Total Money in Circulation in the United States Outside of the Treasury and the Federal Reserve Banks**

The increased demand during the year for currency of various kinds was reflected in the operations of this bank by an increase of 11 per cent. in the average number of pieces of money handled each day by the cash department of the bank. The following table gives a few representative figures indicating the volume of operations of this department.

(Average daily transactions)

|  | 1923      | 1922      | 1921      |
|--|-----------|-----------|-----------|
| Number of bills counted, including verification count.....               | 2,566,225 | 2,304,636 | 2,274,834 |
| Tons of coin handled in paying, receiving, and counting*.....            | 41        | 36        | 28        |
| Number of currency and coin shipments to and from out-of-town banks..... | 778       | 712       | 579       |

\* Exclusive of Buffalo Branch operations.

## RESERVES AND RESERVE POSITION

Additions during the year to the gold reserves of the bank through imports were offset through loss of gold certificates placed in circulation. As a consequence, the reserves of the bank were maintained at a fairly constant level throughout most of the year, and were reduced slightly in the latter part of the year.

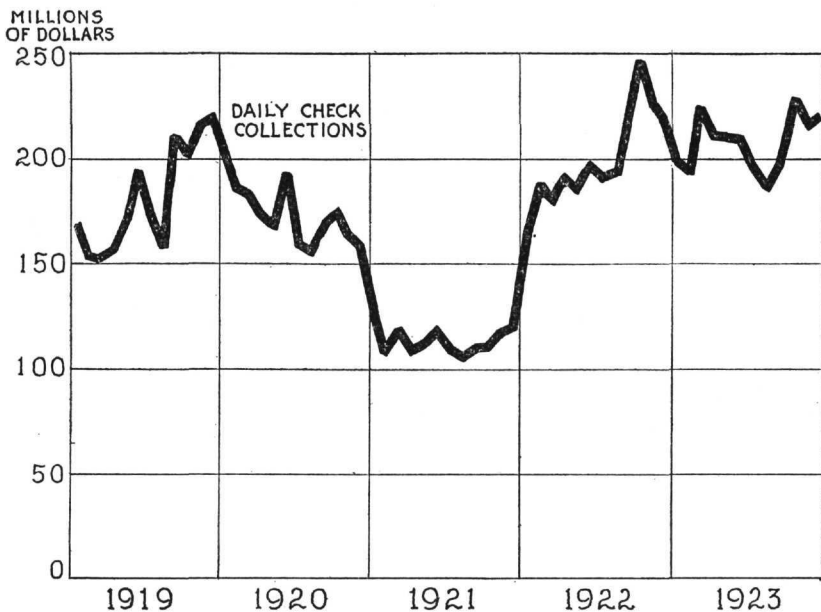
In the computations of the reserve percentage of the bank a slight decrease in reserves was offset by a decrease in note liabilities. The reserve percentage moved within a comparatively narrow range and showed little net change from the position a year ago. The movement of the ratio since 1917 is shown in the following chart, in comparison with the ratio for the Reserve System as a whole.



Reserve Percentages of Federal Reserve Bank of New York and all Federal Reserve Banks each month since 1917

## COLLECTIONS AND CLEARINGS

As a result of active business, a somewhat higher price level, and an increase in the number of banks using the facilities, the number of checks, notes, drafts, coupons, and bonds collected through this bank was larger than in any previous year. There was a similar increase in the amount of funds transferred by telegraph.



Daily Average Amount of Checks Handled for Collection by the Federal Reserve Bank of New York (Excluding Buffalo Branch)

### Check Collections

At the close of 1923, out of 839 member banks in this district, 746 were using this bank's check collection system, as compared with 692 banks at the close of 1922. The following table shows the increase in checks handled in recent years.

| Year      | Banks Using the Collection Facility | Daily Average |               | Total for the Year |                  |
|-----------|-------------------------------------|---------------|---------------|--------------------|------------------|
|           |                                     | Items         | Amount        | Items              | Amount           |
| 1919..... | 375                                 | 244,000       | \$185,881,000 | 74,066,000         | \$56,322,041,000 |
| 1920..... | 508                                 | 286,000       | 181,991,000   | 87,036,000         | 55,325,111,000   |
| 1921..... | 628                                 | 346,000       | 119,541,000   | 104,519,000        | 36,101,511,000   |
| 1922..... | 692                                 | 393,000       | 206,226,000   | 118,589,000        | 62,280,122,000   |
| 1923..... | 746                                 | 425,000       | 216,947,000   | 128,396,000        | 65,518,030,000   |

At the end of the year there were 697 employees engaged in this work, as against 663 at the close of 1922.

Various arrangements made during previous years with groups of banks or with individual banks for making the proceeds of checks collected more quickly available to member banks, were carried forward in 1923, with a number of additions to the banks cooperating in such arrangements.

The number of banks in this district which send checks drawn against banks in other districts direct to other Federal Reserve Banks for collection, has increased during the year. There was also an increase in the number of banks in other districts which send checks direct to the Federal Reserve Bank of New York.

Arrangements were first made in 1921 by which groups of member banks in a number of counties of the district forward checks drawn on other member banks in the same county direct to such banks, and simultaneously advise the Federal Reserve Bank of the amounts in order that the aggregate of the transactions may be cleared by appropriate entries on its books. This plan was extended during the year to two more counties, and the banks in 19 counties are now cooperating in such arrangements. This plan results in the saving of at least two days in the time required for the collection of such checks and avoids the necessity for having the checks mailed to and from the Reserve Bank or a correspondent. The following table shows the county groups and the number of banks in each group organized in this manner, together with the volume of settlements so effected in the years 1922 and 1923.

| Group      | County   | 1923            |                       | 1922            |                       |
|------------|--|-----------------|-----------------------|-----------------|-----------------------|
|            |  | Number of Banks | Volume of Settlements | Number of Banks | Volume of Settlements |
| 1          | Delaware, N. Y.....                              | 15              | \$10,642,000          | 16              | \$10,525,000          |
| 2          | Monmouth, N. J.....                              | 25              | 28,897,000            | 22              | 25,676,000            |
| 3          | Broome, Chemung, Tioga<br>and Tompkins, N. Y.... | 19              | 23,722,000            | 19              | 21,353,000            |
| 4          | Middlesex, N. J.....                             | 20              | 27,183,000            | 20              | 19,083,000            |
| 5          | Westchester, N. Y.....                           | 19              | 49,110,000            | 23              | 43,168,000            |
| 6          | Otsego, N. Y.....                                | 13              | 6,437,000             | 13              | 5,728,000             |
| 7          | Herkimer, N. Y.....                              | 15              | 11,015,000            | 14              | 8,552,000             |
| 8          | Steuben, N. Y.....                               | 8               | 1,815,000             | 8               | 1,584,000             |
| 9          | Nassau, N. Y.....                                | 26              | 14,453,000            | 24              | 10,594,000            |
| 10         | Bergen, N. J.....                                | 28              | 30,926,000            | 29              | 19,946,000            |
| 11         | Sullivan, N. Y.....                              | 9               | 9,036,000             | 9               | 6,860,000             |
| 12         | Saratoga, Warren, and<br>Washington, N. Y.....   | 17              | 6,837,000             | 17              | 4,249,000             |
| 13         | Essex, N. J.....                                 | 26              | 104,908,000           | ..              | ....                  |
| 14         | Orange, N. J.....                                | 22              | 4,041,000             | ..              | ....                  |
| Total..... |  | 262             | \$329,022,000         | 214             | \$177,318,000         |

An arrangement was made with the Orange, New Jersey, clearing house banks by which their balances should be settled daily on the books of this bank, in much the same fashion as has been done in the case of the Newark, New Jersey, Clearing House Association, and the clearing house banks of Syracuse, Elmira, and Binghamton. By this means a day is saved in making final settlements of clearing house balances, which were previously settled by New York check.

The Northern New Jersey Clearing House Association, in which this bank participates as a member, was extended in scope to include as associate members 5 more banks. There are now participating in the arrangement 21 member banks and 9 associate banks. Daily clearings of the association averaged about \$7,227,000 in 1923, as compared with \$6,721,000 in 1922. Of the \$2,182,465,000 total clearings for 1923 this bank presented items aggregating \$1,706,308,000.

In the Boroughs of Manhattan, Brooklyn, and The Bronx 24 additional banks and branches of banks participated in the one-way collection facilities which have been maintained for several years. The number of banks and branches participating in these arrangements is now 110, and during the year 1923 this bank presented checks drawn against these banks to the amount of \$7,250,955,000.

This bank continued to maintain a postal sub-station on its premises through which it is possible to send pouches directly to trains and to route them to sub-stations in other cities in order to secure the most rapid service possible. Progress was also made in other directions during the year in securing greater speed in the mechanical operations involved in check collections.

### Note and Coupon Collections

There was a further increase during 1923 in the non-cash items handled for collection, consisting of notes and drafts and maturing bonds and coupons. The collections each year since 1919 are shown in the following table, exclusive of Government bonds and coupons which are reported elsewhere.

| Year | Notes and Drafts*     |                            | Bonds and Coupons* |
|------|-----------------------|----------------------------|--------------------|
|      | Payable in N. Y. City | Payable outside N. Y. City |                    |
|      | Number                | Number                     | Amount             |
| 1919 | 99,978                | 146,037                    | \$39,748,000       |
| 1920 | 227,262               | 336,552                    | 60,115,000         |
| 1921 | 254,911               | 559,418                    | 104,844,000        |
| 1922 | 262,318               | 702,510                    | 129,903,000        |
| 1923 | 305,061               | 788,537                    | 168,486,000        |

\*Exclusive of Buffalo Branch

As the table indicates, the increase recently in notes and drafts collected has been largely in items drawn on places outside New York City.

Transactions at the Buffalo Branch are referred to in the section dealing with the operations of the branch.

As heretofore, the collection of notes and drafts and maturing bonds and coupons has been handled for member banks without charge, except that such charges as were made by collecting banks were passed back to the banks depositing such items.

### Telegraphic Transfer Service

This bank continued as in previous years to transfer funds over the lines of the Federal Reserve System, to and from all parts of the country for the Treasury and for member banks. The number of transfers in 1923 was 20 per cent. larger than in 1922 and the dollar amount 12 per cent. larger. The following table shows the telegraphic transfers of this bank to and from other Reserve Banks and within this district from 1916 to 1923.

| Year               | Number | Amount         | Year      | Number  | Amount           |
|--------------------|--------|----------------|-----------|---------|------------------|
| 1916 (nine months) | 2,971  | \$484,500,000  | 1920..... | 154,176 | \$17,409,900,000 |
| 1917.....          | 10,302 | 6,768,400,000  | 1921..... | 214,480 | 18,160,300,000   |
| 1918.....          | 33,099 | 19,384,400,000 | 1922..... | 236,368 | 25,126,100,000   |
| 1919.....          | 84,110 | 18,364,500,000 | 1923..... | 283,712 | 28,031,500,000   |

### Gold Settlement Fund

The amount of transactions carried on by this bank through the gold settlement fund, operated by the Federal Reserve Board in Washington, was larger than in any previous year, although only slightly larger than in 1920 when the amount involved in transactions was affected by the high level of commodity prices. Daily transactions for the account of this bank in 1923 averaged about \$178,000,000 compared with \$151,000,000 in 1922. Transactions settled in this way include the balances between Federal Reserve districts arising from check collections, note collections, telegraphic transfers of funds for member banks and their customers, for the United States Treasury, and for the several Federal Reserve Banks. They include in fact a large percentage of all the out-of-town financial transactions of banks, business houses, and individuals in this district. The following table shows for this district the aggregate transactions through the fund in each year from 1915 to 1923.

|           |                |           |                  |
|-----------|----------------|-----------|------------------|
| 1915..... | \$556,432,000  | 1920..... | \$48,840,900,000 |
| 1916..... | 2,335,225,000  | 1921..... | 39,697,533,000   |
| 1917..... | 17,118,917,000 | 1922..... | 45,465,167,000   |
| 1918..... | 32,935,576,000 | 1923..... | 53,609,847,000   |
| 1919..... | 41,932,723,000 |           |                  |

### RELATIONS WITH MEMBER BANKS

During 1923 the policy of previous years was maintained of keeping in contact with member banks through visits of representatives, and accepting invitations to be present and at times to speak at various State, group, and local bankers' meetings. The effect of adherence to this policy was to maintain personal relations between this bank and its members. Thus the officers of this bank obtain a clearer understanding of banking and business conditions throughout the district, and the officers of

member banks obtain a better understanding of the operations and policies of the Federal Reserve Bank.

In June representatives of this bank assisted the Federal Reserve Bank of Atlanta in preparing an exhibit of the activities of the Federal Reserve System for the annual convention of the National Association of Credit Men, held in Atlanta. In September assistance was given to the Federal Reserve Bank of Philadelphia in preparing a somewhat similar exhibit for the convention of the American Bankers Association. Copies of the exhibit material in pamphlet form, under the caption "*—of Service to Banks and Business,*" were later distributed to member banks and to others on request.

The bank continued to issue to member banks, their customers, and others desiring it, a *Monthly Review of Credit and Business Conditions*. A number of articles explanatory of operations of the Federal Reserve System were published in this *Review*. At the close of the year the *Review* had a circulation of about 40,000 copies.

The right of banks to exercise fiduciary powers in accordance with the terms of the Federal Reserve Act, was extended during the year to 34 National banks in the district. A total of 233 of the National banks of the district have now been granted the right to exercise these powers.

### Work of Bank Examinations Department

In the examination of member banks this bank as in previous years worked closely with the State Banking Departments in New York, New Jersey, and Connecticut, and with the National bank examiners having charge of work in this district.

During the year this bank's examiners made credit investigations or participated in examinations of 85 member banks, in conjunction with visits to these banks by the examiners of the State Banking Departments. They also made 39 special visits to member and non-member banks in the district examining banks contemplating membership, assisting in the opening of new banks, and rendering other special services.

### Bank Changes in 1923

In the year ended December 31, 1923, there was an increase of 31 banks in the membership of the System in this district, of which 24 were National banks, and 7, State banks and trust companies. There was also an increase of 17 in the number of non-member banks in the district. These increases are larger than those which took place in the previous year, a reflection perhaps of greater business activity. The following table shows the number of banks in this Federal Reserve district on December 31, 1923, exclusive of savings banks, classified according to their charters, whether National or State, and according to their membership in the Federal Reserve System.

| Type of Bank        | December 31, 1923 |             |                   | December 31, 1922 |             |                   |
|---------------------|-------------------|-------------|-------------------|-------------------|-------------|-------------------|
|                     | Members           | Non-Members | Per Cent. Members | Members           | Non-Members | Per Cent. Members |
| National Banks..... | 695               | ...         | 100               | 671               | ...         | 100               |
| State Banks.....    | 55                | 226         | 20                | 49                | 218         | 18                |
| Trust Companies...  | 89                | 134         | 40                | 88                | 125         | 41                |
| Total.....          | 839               | 360         | 70                | 808               | 343         | 70                |

The resources of member banks constitute about 88 per cent. of the resources of the banks in the district (excluding savings banks).

The changes which took place during the year in the banks of the district were as follows:

|   |       |
|---|-------|
| Total number of banks in the district, January 1, 1923.....   | 1,151 |
| New National Banks established during the year.....           | 29    |
| New State banks established during the year.....              | 34    |
|   | 63    |
|   | 1,214 |
| National banks absorbed by State institutions*.....           | 1     |
| National banks absorbed by other National banks*.....         | 2     |
| State institutions absorbed by National banks*.....           | 1     |
| State institutions absorbed by other State institutions*..... | 9     |
| National banks liquidated.....                                | 2     |
|   | 15    |
| National banks converted into State institutions.....         | 4     |
| State institutions converted into National banks.....         | 4     |
| Total number of banks in the district, December 31, 1923..... | 1,199 |

\*Consolidated, merged, or assets purchased and liabilities assumed.

### Membership of State Institutions

State banks and trust companies in this district which are members of the Federal Reserve System numbered 144 on December 31. During the year nine State institutions were admitted to membership and none withdrew from membership.

#### NEW MEMBERS

| Month      | Location                 | Bank or Trust Company          | Resources Dec. 31, 1923 |
|------------|--------------------------|--------------------------------|-------------------------|
| January... | Fort Lee, N. J.....      | Fort Lee Trust Company*.....   | \$395,451               |
| March....  | Bloomfield, N. J.....    | Watsessing Bank.....           | 2,150,192               |
| April..... | Long Branch, N. J.....   | Long Branch Banking Company    | 2,308,171               |
|            | Williamsville, N. Y..... | Amherst Bank*.....             | 558,631                 |
| May.....   | New York City, N. Y..    | Amalgamated Bank of New York*  | 2,580,265               |
| July.....  | New York City, N. Y..    | Federation Bank of New York*   | 3,593,052               |
| August.... | Newark, N. J.....        | Mutual Bank of Roseville.....  | 2,621,280               |
| November.  | Carteret, N. J.....      | Carteret Trust Company*.....   | 527,484                 |
| December.  | Pearl River, N. Y.....   | State Bank of Pearl River*.... | 104,362                 |

\*New Institution.

Approximately one-third of the eligible State institutions in this district are now members of the Federal Reserve System, and their resources amount to about 80 per cent. of the total resources of State institutions in the district eligible for membership.

## CUSTODY OF SECURITIES

This bank continued during 1923 to serve the Government, various governmental agencies, other Federal Reserve Banks, member banks, and foreign correspondents by purchasing and selling securities for them, largely United States Government securities, and by holding securities in safekeeping. There was a small increase in the number of member banks taking advantage of these facilities.

## RELATIONS WITH FOREIGN BANKS

With the continuation of unsettled conditions abroad the foreign business of this bank as in previous years was confined to the performance of services here for foreign banks of issue such as the investment of funds in this market.

The relationships established during the past few years with foreign banks of issue were maintained and in addition accounts were opened here by the Bankovni urad Ministerstva Financi of Prague, the Bank of the Republic of Colombia, and the Sveriges Riksbank. The following are the banks of issue with which the Federal Reserve Bank of New York has relations, acting in the case of most of them for itself and other Federal Reserve Banks.

|                                 |                            |
|---------------------------------|----------------------------|
| Bank of England                 | Banque Nationale Suisse    |
| Bank of France                  | De Javasche Bank           |
| Bank of Italy                   | De Nederlandsche Bank      |
| Bank of Japan                   | National Bank of Belgium   |
| Bank of the Republic (Colombia) | National Bank of Nicaragua |
| Bankovni urad Ministerstva Fin- | Reichsbank                 |
| anci (Czechoslovakia)           | Sveriges Riksbank          |

One of the officers of this bank, Howard M. Jefferson, was granted a seven months leave of absence by the bank to become a member of an American Mission invited by the Government of the Republic of Colombia to study banking and government finance in that country and to make recommendations. The visit of the commission resulted in the establishment of the Bank of the Republic, a central bank of rediscount and issue.

## ORGANIZATION OF THE BANK

### Board of Directors

The board of directors of the bank met regularly on Wednesday of each week as usual. The executive committee held meetings on Mondays and Thursdays, and the building committee once a week, usually on Wednesday. Meetings of other committees of the board were held as occasion required.

Richard H. Williams, a director of the bank since June 1, 1920, died on April 28, 1923.

At their meeting on May 9 the directors passed the following minute:

“The Board of Directors of the Federal Reserve Bank of New York records with deep regret the death, on April the twenty-eighth, of Richard H. Williams, a director of the bank since June 1920.

“Mr. Williams was the senior member of the firm of Williams & Peters, wholesale coal merchants, the outgrowth of a firm which he established nearly fifty years ago. He was one of the three directors of this bank chosen to represent commerce, industry, and agriculture. He brought to this service a long experience in dealing with large affairs, a wide acquaintance with business and business men, and a well-matured and balanced judgment. His upright character and his personality of compelling charm brought him the high respect and affection of the members of this board and of the officers of the bank.

“His death deprives the bank of a wise counsellor and his friends of an esteemed associate.”

In October and November an election was held for two directors to succeed Mr. Treman in Class A, and Mr. Williams in Class B, both elected by Group 2 banks, that is banks having a capital and surplus not exceeding \$1,999,000 and not below \$201,000. On December 4, 1923, the unanimous election was announced of Robert H. Treman, President, Tompkins County National Bank, Ithaca, N. Y., as Class A director, to succeed himself, and Theodore F. Whitmarsh, President, Francis H. Leggett & Company, New York, as Class B director, to succeed Mr. Williams, each to serve for a term of three years from January 1, 1924. Of the 255 Group 2 banks 202 cast votes. The Federal Reserve Board has redesignated Pierre Jay, of New York City, Chairman of the Board and Federal Reserve Agent for the year 1924, and has reappointed W. L. Saunders, of New York City, Chairman of the Ingersoll-Rand Company, as Class C director, for a term of three years beginning January 1, 1924, and redesignated him Deputy Chairman of the Board for the year 1924.

## Member of Advisory Council

At a meeting of the board of directors held on January 3, 1923, Paul M. Warburg, of New York City, was reelected a member of the Federal Advisory Council from the Second Federal Reserve District for the year 1923.

## Officers and Staff

The general plan of organization for the operation of the bank was continued during 1923, with only minor modifications, but there were a number of changes in official personnel.

On January 3, Carl Snyder, formerly manager of the statistics department, was appointed general statistician of the bank, and W. Randolph Burgess, formerly chief of the reports division, was appointed manager of the reports department. The name of the statistics department was changed to the reports department.

On January 31, Ray M. Gidney resigned as controller at large to accept a position with a member bank in Buffalo.

On April 30, Francis Oakey resigned as general auditor to resume private practice as an accountant; Leslie R. Rounds, formerly controller of accounts, became acting general auditor; and Joseph D. Higgins, controller at large, was assigned to the accounts function. On January 1, 1924, Mr. Rounds became general auditor.

On August 30, Shepard Morgan, assistant Federal Reserve agent, was granted a year's leave of absence without pay on account of his health, to be effective October 1; Gilbert E. Chapin, controller of loans, assumed supervision of the member bank relations department in addition to his other duties; W. Randolph Burgess, formerly manager of the reports department, was appointed assistant Federal Reserve agent; W. H. Dillistin was appointed assistant Federal Reserve agent in addition to his duties as manager of the bank examinations department; and George B. Roberts, formerly chief of the reports division, became manager of the reports department.

The number of employees of the bank was reduced from 3,043 on December 31, 1922, to 2,738 on December 31, 1923, or a reduction of 305 persons. A considerable part of this reduction was due to the fact that in December a year ago work in connection with the redemption of Victory Notes and War Savings Stamps made necessary a temporary increase of about 175 employees. The balance of the reduction was a result of more economical procedure in various departments of the bank and was effected notwithstanding the fact that the volume of work handled by many of the operating departments was considerably enlarged, and that increases in the staffs of some of these departments were necessary.

The salary liability of the bank, exclusive of officers, decreased from \$4,261,533.33 on December 31, 1922, to \$4,058,433.33 on December 31, 1923, or \$203,100, in spite of considerable salary increases. The reduction in salary liability was accomplished by reduction in the size of the staff and by replacing at lower salaries employees who resigned. During the year 1,268 employees receiving average salaries of \$1,090 per annum resigned or were released, and 965 new and less experienced employees were taken on at an average salary of \$885.

An educational course in the principles and operations of the bank was continued during the year with the special group, organized in 1922, one-half of whom were selected young men from the bank and one-half recent college graduates. These men were also assigned progressively to the different departments of the bank for practical experience. Training classes were also conducted for newly engaged junior employees before assigning them to work in the check department, the city collection division, or as pages. Many consultations were held with employees concerning educational work outside of office hours.

The organization of employees of the bank, known as the Federal Reserve Club, at the request of its governing board, was furnished with an executive secretary, a director of men's activities, and a director of women's activities. A club office was established, the activities of the organization increased and placed on a more substantial basis. The club organizes and directs educational, social, and athletic activities, maintains a thrift association with over \$100,000 on deposit, and recreational library, and publishes a weekly bulletin. It keeps employees informed concerning available educational courses and administers a fund made available by the bank to pay half the tuition of employees who complete satisfactorily approved educational courses. The club includes in its active membership most of the non-official staff of the bank.

## BANK PREMISES

During the year the operations of the bank were conducted as in the previous year in scattered offices on the basement, first, third, fourth, fifth, twenty-fourth, and twenty-fifth floors of the Equitable Building, in the Subtreasury, and in the bank's annex building. In addition certain of the bank's securities and other property were stored in the vaults of the New York Clearing House. As the work of the operating departments of the bank steadily increased, the inconvenience and insecurity arising from these conditions became even more evident than in previous years.

Work went forward rapidly on the new building, which is being constructed in the block on Nassau Street between Liberty Street and Maiden Lane. The steel frame work had been completed in 1922. In 1923 the exterior stone work was completed, the building closed in, and the interior work well advanced. The vaults are about 95 per cent. complete. The building should be ready for occupancy some time during 1924.

During 1923 unusually difficult conditions of building have resulted in some delay. There were strikes in a number of the important building trades, and on the settlement of these strikes a shortage of workers was created by the fact that many of the mechanics who had left town during the strikes to obtain work elsewhere did not return when strike conditions no longer prevailed. It was in many cases impossible to procure a sufficient number of artisans to carry forward the work with maximum speed. It was deemed desirable to avoid as far as possible overtime and night work because of the excessive costs which they would involve.

With the work so nearly completed it is now possible to make a reasonably close estimate of the total cost of the building, which may be conservatively placed somewhere in the neighborhood of \$14,000,000, including vault equipment and such other new equipment as is required. This figure is more than 20 per cent. under the original estimate of the cost of the building and equipment amounting to approximately \$18,600,000. The saving from the original estimate has been partly the result of some decrease in the general level of building costs between the time when first estimates were made early in 1921, and the time when contracts were actually signed, but more largely the result of the constant efforts of the architects and contractors to secure economy of design and execution.

The new building is an investment of the bank and its cost is not chargeable against current expenditures, and hence is not deducted from the bank's annual earnings, except as depreciation and other reserves are set aside in accordance with usual accounting practice under the rulings of the Federal Reserve Board. The new building will afford great added convenience for the bank, together with a maximum degree of safety. Pending further growth of the bank it will be possible to rent some space in the new bank building as well as in the annex building. The leases which the bank now holds for certain floors of the Equitable Building should be disposed of on favorable terms. The Subtreasury building will be freed for Government use.

## BUFFALO BRANCH

The following tabular summary of the operations of the Buffalo Branch indicates that the work carried on by that branch, which deals primarily with the 10 most western counties of New York State, has been increasing at an even more rapid rate than the work of the main bank in New York.

(000 omitted)

| Year      | Currency and Coin Operations | Loans Made  | Interest Earned | Checks and Transit Items* | Notes, Drafts, and other Time Collection Items | Wire Transfers |
|-----------|------------------------------|-------------|-----------------|---------------------------|--|----------------|
| 1921..... | \$286,944                    | \$1,043,884 | \$1,694         | \$1,888,363               | \$88,932                                       | \$389,944      |
| 1922..... | 321,897                      | 608,768     | 457             | 1,969,746                 | 85,253   | 613,981        |
| 1923..... | 411,715                      | 860,520     | 976             | 2,559,765                 | 102,934  | 678,677        |

\*The following items which represent amounts sent to New York Bank for collection are excluded: 1921—\$226,067; 1922—\$223,771; 1923—\$223,148.

The numbers of officers and employees on December 31 of each year and the annual expenses of operation were as follows:

| Dec. 31 | Number of Employees |       | Expenses of Operation |
|---------|---------------------|-------|-----------------------|
|         | Officers            | Other |                       |
| 1920    | 3                   | 124   | \$278,553             |
| 1921    | 3                   | 131   | 338,777               |
| 1922    | 4                   | 153   | 279,639               |
| 1923    | 4                   | 132   | 324,035               |

The directors of the branch, all of whose terms expire each year, have been reappointed for 1924, with the exception of Messrs. E. J. Barcalo and Thomas E. Lannin. Messrs. Carlton M. Smith and Wolcott J. Humphrey have been appointed to fill the vacancies. There has been no change during the year in the official staff of the branch.

### III

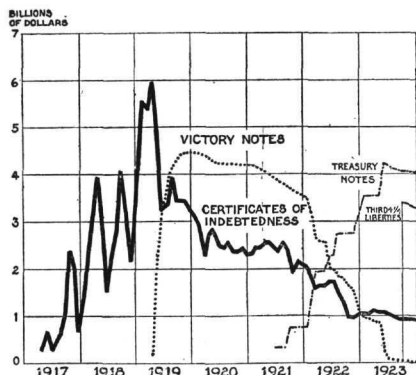
## FISCAL AGENCY OPERATIONS

The bank continued, as fiscal agent of the United States, to perform duties similar to those carried on in previous years. The bank performed for the Government seven major functions.

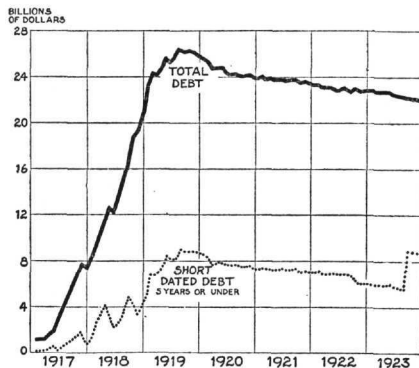
1. The sale and redemption of Treasury certificates of indebtedness.
2. The sale of short term Treasury notes.
3. The redemption and exchange of Victory notes.
4. The handling of Government deposits and disbursements.
5. The exchange and conversion of Government bonds.
6. The redemption and exchange of War Savings certificates.
7. The sale of Treasury Savings certificates.

### Treasury Notes and Certificates

Under the policy inaugurated by the Treasury in 1921 of redistributing the short maturing Government debt into more distant and more manageable maturities, there were sold in the early months of 1923 two more issues of short term Treasury notes to retire certificates of indebtedness and to refund maturing Victory notes. Taken together, the five issues of notes in 1922 and the two issues in 1923 amounted to about \$3,550,000,000, or an amount practically identical with the amount of Victory notes maturing in the two years. As a result of these operations, together with purchases for the sinking fund, the maturity of Victory notes was handled without disturbance to the money markets and without the necessity for any large single refunding issue. The amount of certificates of indebtedness outstanding was also reduced by more



Changes in Type of Short-dated Government Debt Outstanding



The Government Debt

than \$1,000,000,000. In January 1922, there were more than \$2,000,000,000 of certificates outstanding and at the close of 1923 the amount was less than \$1,000,000,000.

The changes since 1917 in the type of the short dated Government debt outstanding are shown in the diagram on the left at the bottom of page 41. The movement of the three lines shows the retirement of Victory notes, the issues of 3 and 4 year Treasury notes, and the accompanying reduction in the amount of certificates outstanding.

The diagram on the right shows the changes in the amount of the total gross debt and the debt that matures within five years and indicates a gradual reduction of \$4,680,000,000 since the high point on August 31, 1919. The short dated debt (which largely consisted of Treasury certificates of indebtedness and Treasury notes maturing within five years) was reduced from the high point of \$8,991,000,000 on August 31, 1919, to \$5,451,000,000 by September 1, 1923.

The Third Liberty Loan bonds maturing in 1928, of which on December 31, 1923, there were outstanding \$3,267,000,000, have since fallen within the five year class and have accordingly increased the amount of the short dated debt to \$8,641,000,000 on December 31, 1923.

The amounts and rates of notes and certificates sold in 1923 are shown in the following table.

| Issue                        | Maturity         | Rate | Total Allotment in United States | Allotment in 2nd District |
|------------------------------|------------------|------|----------------------------------|---------------------------|
| Treasury Notes               |                  |      |                                  |                           |
| Jan. 15, 1923                | Dec. 15, 1927    | 4½   | \$366,981,500                    | \$131,411,400             |
| May 15, 1923                 | Mar. 15, 1927    | 4¾   | 668,201,400                      | 262,491,600               |
| Certificates of Indebtedness |                  |      |                                  |                           |
| Mar. 15, 1923                | { Sept. 15, 1923 | 4¼   | 154,252,000                      | 62,789,000                |
|                              | { Mar. 15, 1924  | 4½   | 321,196,000                      | 118,685,500               |
| June 15, 1923                | Dec. 15, 1923    | 4    | 189,833,500                      | 74,855,500                |
| Sept. 15, 1923               | Mar. 15, 1924    | 4¼   | 249,750,500                      | 78,348,500                |
| Dec. 15, 1923                | { June 16, 1924  | 4    | 135,128,500                      | 43,743,500                |
|                              | { Dec. 15, 1924  | 4¼   | 214,149,000                      | 62,405,000                |
| <b>Total</b>                 |                  |      | <b>\$2,299,492,400</b>           | <b>\$834,730,000</b>      |

The reduction in certificates outstanding has made possible fewer and smaller sales of certificates, as is indicated by the following table of the amounts of certificates sold in successive years, both in the country as a whole and in the New York district.

| Year | Certificates Sold<br>U. S. | Certificates Sold<br>2nd District |
|------|----------------------------|-----------------------------------|
| 1917 | \$3,880,570,000            | \$2,422,075,500                   |
| 1918 | 10,742,094,000             | 4,091,260,000                     |
| 1919 | 11,246,820,500             | 4,506,155,500                     |
| 1920 | 3,939,832,500              | 1,716,680,500                     |
| 1921 | 2,909,981,500              | 1,176,843,000                     |
| 1922 | 1,427,226,000              | 624,382,000                       |
| 1923 | 1,264,309,500              | 440,827,000                       |

There was a substantial investment demand for the new Government issues throughout the year and the method adopted by the Treasury of allotting in full to small subscribers resulted in a wider distribution. Many banks and corporations continued to find Government securities a profitable means of employing temporarily idle funds.

The extent of bank holdings of Government securities in this district is indicated by the following table of Government obligations held at the end of December of successive years by the reporting member banks in the principal cities of the district, representing about 80 per cent. of the banking resources (including savings banks) of the district.

| End of<br>Year | Certificates of Indebtedness,<br>Victory Notes, and Treasury Notes | Liberty Bonds and Treasury Bonds |
|----------------|--|----------------------------------|
| 1918           | \$451,901,000  | \$326,007,000                    |
| 1919           | 387,583,000  | 271,521,000                      |
| 1920           | 244,298,000  | 260,673,000                      |
| 1921           | 298,793,000  | 316,077,000                      |
| 1922           | 585,997,000  | 543,794,000                      |
| 1923           | 502,005,000  | 475,815,000                      |

### Redemption of Victory Notes

At the beginning of 1923 a total of about \$1,092,000,000 of Victory notes was outstanding, of which about \$237,000,000 was of the series called for redemption on December 15, 1922.

On March 8 the Secretary of the Treasury offered to exchange outstanding Victory notes, called or uncalled, for new Treasury issues of more distant maturity, and on March 26 offered to redeem, at the option of the holders, unmatured notes at par and accrued interest in advance of the redemption dates. At the end of 1923 the total that remained outstanding was \$28,221,200.

The operations of this bank during the past two years in connection with the retirement of Victory notes are summarized in the following table.

|  | Redeemed by Exchange |             | Redeemed for Cash |             |
|--|----------------------|-------------|-------------------|-------------|
|  | 1922                 | 1923        | 1922              | 1923        |
| Victory Notes:                           |                      |             |                   |             |
| 3¾ per cent., called June 15, 1922       | \$8,401,900          | .....       | \$218,192,350     | \$1,325,800 |
| 4¾ per cent., called Dec. 15, 1922       | 730,638,350          | \$1,012,550 | 123,585,200       | 40,056,800  |
| 4¾ per cent., matured May 20, 1923 ..... | 30,427,450           | 168,530,600 | 1,419,000         | 92,394,700  |

### Government Deposits and Disbursements

The banks of this district which subscribed for new issues of Government obligations continued to pay for them largely by crediting the account of the Federal Reserve Bank of New York as fiscal agent of the United States. Deposits so created bear 2 per cent. interest and are drawn down ratably from time to time as the Government requires funds. The smallest amount on deposit with qualified depositories in 1923 was \$9,992,350 on December 14 and the largest \$210,569,000 on May 19. Collateral pledged with this bank as security against such deposits amounted at maximum to \$341,205,000.

As has been customary, tax receipts were credited to the Treasurer's account with this bank, and at quarterly dates of income tax payments this bank lent the Collectors of Internal Revenue a staff of clerks for an average period of ten days to assist in handling tax receipts expeditiously. The clerks were paid by the Government for overtime, but their ordinary salaries were paid by the bank. This assistance has made it possible for the Treasurer to receive credit on the day following the receipt of checks in the Collector's office. As tax receipts in New York City have been approximately one-quarter of receipts throughout the country rapid collection of such checks resulted in a large saving of interest to the Government. It has also resulted in a reduction of advances by this bank to the Government at tax periods, covered by special certificates of indebtedness.

The number and amount of Government checks handled by this bank during the past 7 years are given below.

| Year      | Number     | Amount          |
|-----------|------------|-----------------|
| 1917..... | 3,029,000  | \$1,099,458,000 |
| 1918..... | 11,108,000 | 4,936,592,000   |
| 1919..... | 13,052,000 | 7,653,565,000   |
| 1920..... | 10,852,000 | 2,465,931,000   |
| 1921..... | 12,488,000 | 1,638,094,000   |
| 1922..... | 12,728,000 | 1,308,752,000   |
| 1923..... | 13,125,000 | 1,392,272,000   |

NOTE: The officers' checks issued by this bank to redeem certificates of indebtedness, and Victory notes, and in payment of coupons, are not included in the above figures.

## Exchange and Conversion of Government Bonds and Notes

As in previous years, the bank conducted exchanges from one denomination to another of Liberty bonds, certificates of indebtedness, and Treasury notes, as well as Victory notes up to the time of their due date May 20, 1923; also conversions of 4 per cent. Liberty bonds for  $4\frac{1}{4}$  per cent., with an adjustment of interest, and exchanges of coupon bonds for registered and registered for coupon. The extent of these transactions during 1923 compared with 1922 appears in the following table.

| Year       | Received  |                 | Delivered |                 |
|------------|-----------|-----------------|-----------|-----------------|
|            | Pieces    | Value           | Pieces    | Value           |
| 1922 ..... | 5,136,531 | \$1,883,483,660 | 848,393   | \$1,885,298,010 |
| 1923 ..... | 1,762,613 | \$1,150,862,870 | 471,626   | \$1,160,653,050 |

The bank continued to cash coupons from Government bonds, Federal Farm Loan bonds, War Finance Corporation bonds, and other similar issues. Federal Farm Loan bonds called for payment May 1, 1923 were also redeemed. The amount of such coupons aggregated \$337,344,000, or 17,683,617 pieces during the year, and the amount of Federal Farm Loan bonds redeemed was \$32,868,000.

## Redemption and Exchange of War Savings Certificates

The bank continued throughout 1923 to redeem War Savings certificates of the series of 1918, or to exchange them for Treasury Savings certificates. The largest volume of these transactions was handled during January 1923, when the bank received for redemption or exchange 4,297,346 separate \$5 stamps, amounting to \$21,486,730.

## Treasury Savings Certificates

On December 1, 1923, the Secretary of the Treasury placed on sale a new issue of Treasury Savings certificates at the reduced price of \$80 per \$100 certificate, as compared with the former price of \$82 per \$100 certificate. This change in price has the effect of raising the rate of interest from about 4 per cent. to approximately  $4\frac{1}{2}$  per cent. compounded semi-annually, if the certificates are held to maturity. On December 1 the bank began the redemption and exchange of the 1919 series of War Savings certificates under practically the same terms and regulations as covered the 1918 issue. During the month of December 1923, this bank effected exchanges of this issue amounting to \$48,400 and received \$515,315 for redemption as of January 1, 1924.

## APPENDIX

### EXHIBITS

| LETTER | TITLE  | PAGE  |
|--------|--|-------|
| A      | Statement of Condition . . . . .                             | 46-47 |
| B      | Profit and Loss Account . . . . .                            | 48    |
| C      | Capital and Surplus Accounts . . . . .                       | 49    |
| D      | Principal Assets and Liabilities each week in 1923 . . . . . | 50-51 |
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## Exhibit A

## STATEMENT OF CONDITION

At the Close of Business, Dec. 31, 1923, and Dec. 31, 1922

| Resources  | Dec. 31, 1923             | Dec. 31, 1922             |
|--|---------------------------|---------------------------|
| Cash reserves held by this bank against its deposits and note circulation:   |                           |                           |
| Gold held by the Federal Reserve agent as part of the collateral deposited by the bank when it obtains Federal Reserve notes. This gold is lodged partly in the vaults of the bank and partly with the Treasurer of the United States..... | \$583,625,240.61          | \$658,970,228.28          |
| Gold redemption fund in the hands of the Treasurer of the United States to be used to redeem such Federal Reserve notes as are presented to the Treasury for redemption.....   | 9,441,006.21              | 10,308,820.39             |
| Gold and gold certificates in vault.....   | 168,615,033.36            | 118,126,581.76            |
| Gold in the Gold Settlement Fund lodged with the Treasurer of the United States for the purpose of settling current transactions between Federal Reserve districts..   | 109,813,734.55            | 169,378,439.83            |
| Legal tender notes, silver, and silver certificates in the vaults of the bank (available as reserve only against deposits).....  | 24,437,091.00             | 31,313,929.70             |
| <b>Total cash reserves.....</b>  | <b>\$895,932,105.73</b>   | <b>\$988,097,999.96</b>   |
| Non-Reserve Cash, consisting of National Bank notes, Federal Reserve Bank notes and minor coin (included in 1922 largely under checks and other items in process of collection).....   | \$11,845,810.23           | .....                     |
| Loans and Investments:   |                           |                           |
| Loans to member banks:   |                           |                           |
| On the security of obligations of the United States.....   | \$136,174,500.00          | \$168,235,591.11          |
| By the discount of commercial or agricultural paper or acceptances.....  | 28,360,300.73             | 16,053,362.30             |
| Acceptances bought in the open market....  | 93,151,232.70             | 60,863,602.89             |
| United States Government bonds, notes, and certificates of indebtedness.....   | 46,755,950.00             | 167,252,450.00            |
| <b>Total loans and investments (or earning assets).....</b>  | <b>\$304,441,983.43</b>   | <b>\$412,405,006.30</b>   |
| Miscellaneous resources:   |                           |                           |
| Bank premises.....   | \$14,671,614.78           | \$10,238,178.58           |
| Checks and other items in process of collection.   | 115,064,470.49            | 134,303,106.41            |
| All other miscellaneous resources.....   | 1,067,449.28              | 1,892,589.25              |
| <b>Total miscellaneous resources.....</b>  | <b>\$130,803,534.55</b>   | <b>\$146,433,874.24</b>   |
| <b>Total resources.....</b>  | <b>\$1,343,023,433.94</b> | <b>\$1,546,936,880.50</b> |

## Exhibit A—Continued

## STATEMENT OF CONDITION

At the Close of Business, Dec. 31, 1923, and Dec. 31, 1922

| Liabilities  | Dec. 31, 1923      | Dec. 31, 1922      |
|--|--------------------|--------------------|
| Currency in circulation:   |                    |                    |
| Federal Reserve notes in actual circulation, payable on demand. These notes are secured in full by gold and discounted and purchased paper. . . . .  | \$420,371,240.00   | \$597,071,293.50   |
| Deposits:  |                    |                    |
| Reserve deposits maintained by member banks as legal reserves against the deposits of their customers. . . . .   | \$712,857,792.81   | \$749,005,902.75   |
| United States Government deposits carried at the Reserve Bank for current requirements of the Treasury. . . . .  | 9,562,383.00       | 517,656.11         |
| Other deposits, including foreign deposits, deposits of non-member banks, etc. . . . .   | 12,405,744.27      | 11,439,182.74      |
| Total deposits. . . . .  | \$734,825,920.08   | \$760,962,741.60   |
| Miscellaneous liabilities:   |                    |                    |
| Deferred items, composed mostly of uncollected checks on banks in all parts of the country. Such items are credited as deposits after the average time needed to collect them elapses, ranging from 1 to 8 days. . . . . | \$95,341,849.44    | \$98,100,885.92    |
| All other miscellaneous liabilities*. . . . .  | 3,116,157.21       | 2,313,986.23       |
| Total miscellaneous liabilities. . . . .   | \$98,458,006.65    | \$100,414,872.15   |
| Capital and surplus:   |                    |                    |
| Capital paid in, equal to 3 per cent. of the capital and surplus of member banks. . . . .  | \$29,439,300.00    | \$28,688,450.00    |
| Surplus — that portion of accumulated net earnings which the bank is legally permitted to retain. . . . .  | 59,928,967.21      | 59,799,523.25      |
| Total capital and surplus. . . . .   | \$89,368,267.21    | \$88,487,973.25    |
| Total liabilities. . . . .   | \$1,343,023,433.94 | \$1,546,936,880.50 |

\* Includes depreciation reserve of \$1,373,552.31 for 1923 and \$137,615.78 for 1922 set aside against bank premises.

## Exhibit B

## PROFIT AND LOSS ACCOUNT

## For the Calendar Years 1923 and 1922

| EARNINGS   | 1923                   | 1922                   |
|--|------------------------|------------------------|
| From loans to member banks and paper discounted for them . . . . .   | \$8,255,645.84         | \$3,970,209.76         |
| From acceptances owned . . . . .   | 1,969,837.16           | 1,619,512.13           |
| From United States Government securities owned . . . . .   | 1,087,250.95           | 5,643,385.44           |
| Other earnings . . . . .   | 100,448.81             | 108,211.44             |
| <b>Total earnings . . . . .</b>  | <b>\$11,413,182.76</b> | <b>\$11,341,318.77</b> |
| <b>DEDUCTIONS FROM EARNINGS</b>  |                        |                        |
| For current bank operation. (These figures include the greater portion of expenses incurred as fiscal agent of the United States.) . . . . .   | \$6,458,906.87         | \$6,223,404.61         |
| For Federal Reserve currency, mainly the cost of printing new notes to replace worn notes in circulation, and to maintain supplies unissued and on hand . . . . .  | 421,229.30             | 553,124.78             |
| For depreciation, self-insurance, and other reserves, etc. . . . .   | 1,489,367.49           | 843,196.31             |
| <b>Total deductions from earnings . . . . .</b>  | <b>\$8,369,503.66</b>  | <b>\$7,619,725.70</b>  |
| <b>Net income available for dividends, additions to surplus, and payment to the United States Government . . . . .</b>   | <b>\$3,043,679.10</b>  | <b>\$3,721,593.07</b>  |
| <b>DISTRIBUTION OF NET INCOME</b>  |                        |                        |
| In dividends paid to member banks, at the rate of 6 per cent. on paid-in capital . . . . .   | \$1,749,239.47         | \$1,652,138.30         |
| In additions to surplus. (The bank is permitted by law to accumulate out of net earnings, after payment of dividends, a surplus amounting to 100 per cent. of the subscribed capital; and after such surplus has been accumulated to pay into surplus each year 10 per cent. of the net income remaining after paying dividends) . . . . . | 129,443.96             | 206,945.48             |
| In payment to the United States Government representing the entire net income of the bank after paying dividends and making additions to surplus (Federal Reserve notes are not taxed, and this payment is in lieu of taxes on notes and other Federal taxes.) . . . . .   | 1,164,995.67           | 1,862,509.29           |
| <b>Total net income distributed . . . . .</b>  | <b>\$3,043,679.10</b>  | <b>\$3,721,593.07</b>  |

## Exhibit C

## CAPITAL AND SURPLUS ACCOUNTS

## Capital Account Reconciliation

|   |              |                 |
|---|--------------|-----------------|
| CAPITAL PAID IN JANUARY 1, 1923.....                        |              | \$28,688,450.00 |
| INCREASE:   |              |                 |
| Due to increase of capital and surplus of member banks..... | \$969,850.00 |                 |
| Due to organization of new National banks.....              | 301,250.00   |                 |
| Due to admission of State banks and trust companies         | 1,051,000.00 |                 |
|   |              | 2,322,100.00    |
|   |              | \$31,010,550.00 |
| DECREASE:   |              |                 |
| Due to decrease in capital and surplus of member banks..... | \$30,000.00  |                 |
| Due to banks liquidating, consolidating, or converting..... | 1,541,250.00 |                 |
| Due to banks withdrawing from System.....                   | 0            |                 |
|   |              | 1,571,250.00    |
| PAID IN CAPITAL DECEMBER 31, 1923.....                      |              | \$29,439,300.00 |

## Surplus Account

|  |  |                 |
|--|--|-----------------|
| SURPLUS ON JANUARY 1, 1923.....  |  | \$59,799,523.25 |
| INCREASE:  |  |                 |
| Due to payment into surplus of 10 per cent. of net income for 1923 remaining after paying dividends..... |  | 129,443.96      |
| SURPLUS ON DECEMBER 31, 1923.....  |  | \$59,928,967.21 |

## PRINCIPAL ASSETS AND LIABILITIES—EACH WEEK IN 1923

(Amounts in thousands of dollars)

| Date       | Total Earning Assets (2+5+6) | Bills Discounted for Member Banks |  |                        | Bills Bought in Open Market | United States Securities | Total Cash Reserves | Member Banks' Reserve Deposits | Total Deposits | Federal Reserve Notes in Circulation | Reserve Percentages |
|------------|------------------------------|-----------------------------------|--|------------------------|-----------------------------|--------------------------|---------------------|--------------------------------|----------------|--------------------------------------|---------------------|
|            |                              | Total                             | Bills Secured by U. S. Govt. Obligations | Other Bills Discounted |                             |                          |                     |                                |                |                                      |                     |
|            |                              |                                   |  |                        |                             |                          |                     |                                |                |                                      |                     |
| Jan. 3.... | \$358,749                    | \$185,584                         | \$169,695                                | \$15,889               | \$51,796                    | \$121,369                | \$1,013,570         | \$741,929                      | \$754,455      | \$597,350                            | 75.0                |
| 10....     | 352,055                      | 167,852                           | 154,575                                  | 13,277                 | 37,724                      | 146,479                  | 1,025,054           | 762,804                        | 775,000        | 565,213                              | 76.5                |
| 17....     | 322,176                      | 182,733                           | 161,502                                  | 21,231                 | 29,394                      | 110,049                  | 986,428             | 711,692                        | 723,930        | 552,218                              | 77.3                |
| 24....     | 345,557                      | 216,641                           | 191,283                                  | 25,358                 | 32,066                      | 96,850                   | 977,448             | 722,717                        | 739,942        | 545,265                              | 76.1                |
| 31....     | 358,718                      | 251,864                           | 230,612                                  | 21,252                 | 27,785                      | 79,069                   | 983,868             | 720,929                        | 744,157        | 551,029                              | 76.0                |
| Feb. 7.... | 300,749                      | 221,033                           | 193,109                                  | 27,924                 | 27,410                      | 52,306                   | 1,041,269           | 719,607                        | 743,923        | 554,344                              | 80.2                |
| 14....     | 377,278                      | 294,250                           | 259,758                                  | 34,492                 | 29,793                      | 53,235                   | 1,002,764           | 755,686                        | 778,494        | 560,010                              | 74.9                |
| 21....     | 311,349                      | 240,447                           | 194,473                                  | 45,974                 | 27,312                      | 43,590                   | 1,024,725           | 707,269                        | 727,740        | 569,795                              | 79.0                |
| 28....     | 289,490                      | 210,222                           | 179,216                                  | 31,006                 | 30,470                      | 48,798                   | 1,050,354           | 712,106                        | 734,747        | 568,124                              | 80.6                |
| Mar. 7.... | 255,775                      | 200,239                           | 170,341                                  | 29,898                 | 29,480                      | 26,056                   | 1,061,547           | 683,969                        | 704,761        | 570,391                              | 83.2                |
| 14....     | 269,173                      | 209,482                           | 176,173                                  | 33,309                 | 35,264                      | 24,427                   | 1,069,933           | 724,458                        | 734,753        | 567,169                              | 82.2                |
| 21....     | 216,941                      | 170,037                           | 136,465                                  | 33,572                 | 29,242                      | 17,662                   | 1,115,002           | 681,053                        | 719,303        | 568,287                              | 86.6                |
| 28....     | 287,949                      | 228,901                           | 176,967                                  | 51,934                 | 34,309                      | 24,739                   | 1,081,560           | 707,865                        | 756,172        | 565,691                              | 81.8                |
| Apr. 4.... | 256,891                      | 210,603                           | 165,668                                  | 44,935                 | 27,462                      | 18,826                   | 1,085,976           | 689,544                        | 733,837        | 574,400                              | 83.0                |
| 11....     | 246,046                      | 182,175                           | 137,336                                  | 44,839                 | 46,840                      | 17,031                   | 1,074,395           | 691,416                        | 717,708        | 565,181                              | 83.7                |
| 18....     | 239,528                      | 169,576                           | 131,015                                  | 38,561                 | 50,911                      | 19,041                   | 1,094,888           | 722,586                        | 745,315        | 561,366                              | 83.8                |
| 25....     | 210,444                      | 154,134                           | 123,134                                  | 31,000                 | 45,161                      | 11,149                   | 1,091,527           | 682,516                        | 704,004        | 559,220                              | 86.4                |
| May 2....  | 269,686                      | 211,574                           | 136,456                                  | 75,118                 | 54,373                      | 3,739                    | 1,094,695           | 713,310                        | 753,009        | 571,466                              | 82.7                |
| 9....      | 260,141                      | 198,730                           | 148,603                                  | 50,127                 | 56,838                      | 4,573                    | 1,071,201           | 694,445                        | 719,109        | 566,318                              | 83.3                |
| 16....     | 236,031                      | 153,237                           | 124,537                                  | 28,700                 | 75,645                      | 7,149                    | 1,105,163           | 722,577                        | 715,348        | 562,182                              | 84.1                |
| 23....     | 263,019                      | 163,317                           | 133,017                                  | 30,300                 | 73,552                      | 26,150                   | 1,070,674           | 707,626                        | 728,269        | 559,876                              | 83.1                |
| 29....     | 259,851                      | 171,125                           | 127,711                                  | 43,414                 | 75,500                      | 13,226                   | 1,065,715           | 680,128                        | 707,548        | 566,030                              | 83.7                |
| June 6.... | 289,625                      | 194,419                           | 153,421                                  | 40,998                 | 74,058                      | 21,148                   | 1,057,622           | 704,990                        | 735,840        | 568,599                              | 81.1                |
| 13....     | 248,003                      | 179,079                           | 130,194                                  | 48,885                 | 52,314                      | 16,610                   | 1,076,726           | 714,054                        | 737,673        | 555,158                              | 83.3                |
| 20....     | 198,320                      | 138,845                           | 105,381                                  | 33,464                 | 38,964                      | 20,511                   | 1,116,884           | 700,560                        | 727,047        | 547,527                              | 87.6                |
| 27....     | 235,183                      | 160,328                           | 120,956                                  | 39,372                 | 43,712                      | 31,143                   | 1,083,365           | 705,323                        | 739,368        | 533,713                              | 85.1                |

Exhibit D—Continued

|       |        | 1         | 2         | 3         | 4        | 5        | 6       | 7           | 8         | 9         | 10        | 11   |
|-------|--------|-----------|-----------|-----------|----------|----------|---------|-------------|-----------|-----------|-----------|------|
| July  | 3....  | \$304,651 | \$259,723 | \$197,137 | \$62,586 | \$40,101 | \$4,827 | \$1,031,267 | \$730,923 | \$753,915 | \$546,814 | 79.3 |
|       | 11.... | 271,961   | 219,643   | 161,777   | 57,866   | 42,345   | 9,973   | 1,025,090   | 719,493   | 737,686   | 526,422   | 81.1 |
|       | 18.... | 243,237   | 185,821   | 149,662   | 36,159   | 46,456   | 10,960  | 1,027,659   | 697,983   | 720,222   | 513,330   | 83.3 |
|       | 25.... | 219,475   | 167,569   | 126,417   | 41,152   | 39,671   | 12,235  | 1,011,198   | 661,780   | 684,314   | 503,111   | 85.2 |
| Aug.  | 1....  | 261,580   | 209,406   | 148,391   | 61,015   | 40,000   | 12,174  | 1,017,321   | 715,734   | 738,899   | 497,762   | 82.3 |
|       | 8....  | 266,498   | 222,872   | 172,663   | 50,209   | 37,002   | 6,624   | 989,687     | 690,236   | 707,441   | 504,061   | 81.7 |
|       | 15.... | 233,184   | 195,625   | 146,794   | 48,831   | 31,910   | 5,649   | 986,539     | 668,701   | 690,204   | 496,945   | 83.1 |
|       | 22.... | 207,142   | 167,391   | 124,742   | 42,649   | 35,905   | 3,846   | 1,013,247   | 659,730   | 683,676   | 495,327   | 85.9 |
| Sept. | 29.... | 226,163   | 180,312   | 125,507   | 54,805   | 33,440   | 12,411  | 998,367     | 674,461   | 694,471   | 484,705   | 84.7 |
|       | 5....  | 269,440   | 209,788   | 152,620   | 57,168   | 41,271   | 18,381  | 951,030     | 674,965   | 692,207   | 486,765   | 80.7 |
|       | 12.... | 259,772   | 205,694   | 144,183   | 61,511   | 36,828   | 17,250  | 975,459     | 689,101   | 718,050   | 481,804   | 81.3 |
|       | 19.... | 172,216   | 138,737   | 90,196    | 48,541   | 23,435   | 10,044  | 1,029,633   | 664,932   | 696,654   | 478,053   | 87.7 |
| Oct.  | 26.... | 236,967   | 200,452   | 146,370   | 54,082   | 26,556   | 9,959   | 995,597     | 690,808   | 720,642   | 469,443   | 83.7 |
|       | 3....  | 239,907   | 203,976   | 136,459   | 67,517   | 22,357   | 13,574  | 990,412     | 700,065   | 721,257   | 474,894   | 82.8 |
|       | 10.... | 244,637   | 205,047   | 146,344   | 58,703   | 32,741   | 6,849   | 980,209     | 693,640   | 711,542   | 471,073   | 82.9 |
|       | 17.... | 226,604   | 170,808   | 116,593   | 54,215   | 43,727   | 12,069  | 982,225     | 705,579   | 725,956   | 463,507   | 82.6 |
| Nov.  | 24.... | 204,087   | 163,441   | 111,001   | 52,440   | 36,097   | 4,549   | 996,601     | 688,145   | 706,001   | 457,029   | 85.7 |
|       | 31.... | 265,149   | 201,803   | 149,580   | 52,223   | 52,437   | 10,909  | 977,501     | 718,144   | 742,567   | 449,883   | 82.0 |
|       | 7....  | 265,486   | 174,430   | 119,262   | 55,168   | 78,407   | 12,649  | 948,503     | 673,563   | 692,226   | 455,559   | 82.6 |
|       | 14.... | 257,436   | 162,286   | 117,986   | 44,300   | 78,420   | 16,730  | 930,354     | 695,828   | 723,644   | 443,898   | 79.7 |
| Dec.  | 21.... | 216,164   | 125,645   | 86,575    | 39,070   | 84,420   | 6,099   | 981,238     | 699,803   | 717,909   | 433,315   | 85.2 |
|       | 28.... | 235,440   | 131,843   | 102,644   | 29,199   | 87,993   | 15,604  | 964,147     | 701,181   | 720,319   | 429,997   | 83.8 |
|       | 5....  | 238,789   | 124,149   | 92,041    | 32,108   | 91,980   | 22,660  | 932,116     | 685,630   | 703,261   | 426,837   | 82.5 |
|       | 12.... | 270,119   | 143,594   | 98,610    | 44,984   | 102,300  | 24,225  | 927,206     | 716,648   | 731,995   | 421,946   | 80.4 |
| Dec.  | 19.... | 229,591   | 130,598   | 104,894   | 25,704   | 89,294   | 9,699   | 914,396     | 669,767   | 684,474   | 422,165   | 82.6 |
|       | 26.... | 317,407   | 204,956   | 158,190   | 46,766   | 90,052   | 22,399  | 885,222     | 705,485   | 725,480   | 428,579   | 76.7 |

Exhibit E  
**RATES IN EFFECT DURING 1923**  
**For Discounts and Advances to Member Banks**

| Period                       | Rates on All Classes of Eligible Paper |
|------------------------------|--|
| January 1–February 22.....   | 4                                      |
| February 23–December 31..... | 4½                                     |

**For Open Market Purchases of Bankers Acceptances**

| Period                  | Minimum Rates   |            |            |            |             |             |
|-------------------------|-----------------|------------|------------|------------|-------------|-------------|
|                         | Author-<br>ized | Actual     |            |            |             |             |
|                         |                 | 30<br>Days | 60<br>Days | 90<br>Days | 120<br>Days | 180<br>Days |
| January 1–April 16..... | 2½              | 3⅞         | 4          | 4          | 4⅞          | 4¼          |
| April 17–May 16.....    | 2½              | 4          | 4          | 4          | 4⅞          | 4⅝          |
| May 17–May 22.....      | 2½              | 4          | 4          | 4⅞         | 4⅞          | 4⅝          |
| May 23–July 6.....      | 2½              | 4          | 4⅞         | 4⅞         | 4⅞          | 4⅝          |
| July 7–December 31..... | 2½              | 4          | 4⅞         | 4⅞         | 4¼          | 4⅝          |

## Exhibit F

## DISCOUNTS AND ADVANCES

### Total Made Each Month, 1923 and 1922

| Month             | 1923            |                            | 1922            |                           |
|-------------------|-----------------|----------------------------|-----------------|---------------------------|
|                   | Number of Items | Amount                     | Number of Items | Amount                    |
| January.....      | 4,290           | \$2,612,835,315.53         | 6,438           | \$945,228,301.93          |
| February.....     | 4,501           | 2,393,408,807.49           | 5,405           | 745,682,000.68            |
| March.....        | 6,096           | 1,995,975,852.61           | 6,261           | 482,865,862.32            |
| April.....        | 5,860           | 1,793,116,182.15           | 4,665           | 453,641,385.25            |
| May.....          | 6,390           | 1,747,308,520.33           | 5,410           | 277,364,584.90            |
| June.....         | 7,337           | 1,113,221,550.22           | 5,269           | 345,164,080.11            |
| July.....         | 7,549           | 1,503,906,579.29           | 4,405           | 617,935,631.29            |
| August.....       | 6,613           | 1,137,184,815.40           | 3,976           | 344,202,169.31            |
| September.....    | 6,142           | 806,281,429.32             | 4,538           | 391,409,970.31            |
| October.....      | 6,581           | 939,391,666.37             | 4,913           | 1,046,396,172.94          |
| November.....     | 4,973           | 942,119,471.65             | 4,732           | 1,703,058,212.80          |
| December.....     | 5,845           | 967,093,086.67             | 4,703           | 1,853,415,414.18          |
| <b>Total.....</b> | <b>72,177</b>   | <b>\$17,951,843,277.03</b> | <b>60,715</b>   | <b>\$9,206,363,786.02</b> |

### Type and Maturity of Bills Held December 31, 1923

| Maturity                      | Discounts or Advances Based on United States Securities | Discounts or Advances Based on Commercial Paper | Purchased Bills         | Total                   |
|-------------------------------|---|---|-------------------------|-------------------------|
| Within 15 days.....           | \$136,165,100.00  | \$20,220,859.48                                 | \$73,566,026.80         | \$229,951,986.28        |
| 16-30 days.....               |   | 2,891,131.64                                    | 7,030,463.56            | 9,921,595.20            |
| 31-60 days.....               | 9,400.00  | 3,479,731.95                                    | 9,600,390.23            | 13,089,522.18           |
| 61-90 days.....               |   | 1,756,296.51                                    | 2,769,550.81            | 4,525,847.32            |
| Over 90 days.....             |   |   |                         |                         |
| 91-120 days.....              |   | 8,314.15  | 175,751.62              | 184,065.77              |
| 121-150 days.....             |   | 3,967.00  |                         | 3,967.00                |
| 151-180 days.....             |   |   | 9,049.68                | 9,049.68                |
| <b>Total Dec. 31, 1923.</b>   | <b>\$136,174,500.00</b>                                 | <b>\$28,360,300.73</b>                          | <b>\$93,151,232.70</b>  | <b>\$257,686,033.43</b> |
| Average maturity in days..... | 8   | 18  | 15                      | 12                      |
| <b>Total Dec. 31, 1922.</b>   | <b>\$168,235,591.11</b>                                 | <b>\$16,053,362.30</b>                          | <b>\$60,863,602.89</b>  | <b>\$245,152,556.30</b> |
| Average maturity in days..... | 8   | 21  | 22                      | 12                      |
| <b>Total Dec. 31, 1921.</b>   | <b>\$156,013,679.05</b>                                 | <b>*\$53,066,308.08</b>                         | <b>\$72,593,292.33</b>  | <b>\$281,673,279.46</b> |
| Average maturity in days..... | 8   | 23  | 15                      | 13                      |
| <b>Total Dec. 31, 1920.</b>   | <b>\$454,751,722.52</b>                                 | <b>\$416,686,474.82</b>                         | <b>\$113,740,374.53</b> | <b>\$985,178,571.87</b> |
| Average maturity in days..... | 16  | 13  | 28                      | 16                      |
| <b>Total Dec. 31, 1919.</b>   | <b>\$562,089,842.45</b>                                 | <b>\$228,713,445.79</b>                         | <b>\$202,902,609.54</b> | <b>\$993,705,897.78</b> |
| Average maturity in days..... | 14  | 18  | 44                      | 21                      |

\*Includes agricultural paper and acceptances discounted.

## Exhibit G

## OPEN MARKET ACCEPTANCE PURCHASES

## Bills Bought for the Account of the Federal Reserve Bank of New York in 1923

| Month                | Bankers<br>Acceptances<br>Import<br>and Export | Bankers<br>Domestic<br>Acceptances | Indorsed Trade<br>Bills of<br>Foreign Origin | Bills Drawn<br>to furnish<br>Dollar Exchange | Domestic<br>Trade<br>Acceptances | Total<br>1923             | Total<br>1922           |
|----------------------|--|------------------------------------|--|--|----------------------------------|---------------------------|-------------------------|
| January .....        | \$38,242,533.80                                | \$9,246,231.42                     | \$889,305.48                                 | \$850,000.00                                 | .....                            | \$49,228,070.70           | \$49,226,015.07         |
| February .....       | 30,826,449.73                                  | 14,821,451.56                      | 1,529,367.00                                 | 3,001,873.56                                 | .....                            | 50,179,141.85             | 74,878,839.28           |
| March .....          | 57,093,705.08                                  | 11,561,255.89                      | 1,888,068.80                                 | 5,152,879.78                                 | \$78,908.72                      | 75,774,818.27             | 85,210,111.70           |
| April .....          | 59,512,994.41                                  | 18,405,943.65                      | 1,588,340.52                                 | 6,142,051.21                                 | .....                            | 85,649,329.79             | 44,388,359.88           |
| May .....            | 81,619,318.54                                  | 30,595,328.89                      | 1,289,183.61                                 | 6,248,544.79                                 | .....                            | 119,752,375.83            | 66,604,872.20           |
| June .....           | 74,644,766.74                                  | 15,444,707.78                      | 835,429.01                                   | 2,195,872.86                                 | .....                            | 93,120,776.39             | 66,858,834.41           |
| July .....           | 68,575,669.35                                  | 18,608,131.36                      | 59,416.37                                    | 5,578,563.34                                 | .....                            | 92,821,780.42             | 72,453,584.06           |
| August .....         | 56,865,773.27                                  | 17,853,319.27                      | 321,886.06                                   | 1,774,512.03                                 | .....                            | 76,815,490.63             | 78,070,599.63           |
| September .....      | 59,140,019.61                                  | 13,481,252.37                      | 754,166.48                                   | 3,401,711.86                                 | .....                            | 76,777,150.32             | 109,248,537.30          |
| October .....        | 69,546,051.52                                  | 25,140,651.52                      | 722,956.79                                   | 6,182,521.72                                 | .....                            | 101,592,181.55            | 82,421,764.78           |
| November .....       | 129,841,154.72                                 | 51,945,661.11                      | 1,623,621.62                                 | 7,400,777.76                                 | .....                            | 190,811,215.21            | 58,712,701.29           |
| December .....       | 112,466,190.71                                 | 43,417,100.93                      | 1,119,250.80                                 | 7,552,784.77                                 | 569,590.83                       | 165,124,918.04            | 83,358,523.83           |
| <b>Total 1923...</b> | <b>\$838,374,627.48</b>                        | <b>\$270,521,035.75</b>            | <b>\$12,620,992.54</b>                       | <b>\$55,482,093.68</b>                       | <b>\$648,499.55</b>              | <b>\$1,177,647,249.00</b> | .....                   |
| <b>Total 1922...</b> | <b>\$654,419,797.81</b>                        | <b>\$174,382,335.98</b>            | <b>\$5,215,711.49</b>                        | <b>\$37,122,858.15</b>                       | <b>\$292,040.00</b>              | .....                     | <b>\$871,432,743.40</b> |

Exhibit G—Continued

OPEN MARKET ACCEPTANCE PURCHASES

Bills Bought for the Account of Other Federal Reserve Banks in 1923

| Month            | Bankers<br>Acceptances<br>Import<br>and Export | Bankers<br>Domestic<br>Acceptances | Bills Drawn<br>to furnish<br>Dollar Exchange | Total<br>1923    | Total<br>1922    |
|------------------|--|------------------------------------|--|------------------|------------------|
| January .....    | \$24,312,804.48                                | \$6,555,163.11                     | \$982,556.66                                 | \$31,850,524.25  | \$15,255,872.79  |
| February .....   | 48,511,817.54                                  | 11,775,061.77                      | 1,378,766.97                                 | 61,665,646.28    | 14,277,590.79    |
| March .....      | 81,468,451.46                                  | 15,233,328.62                      | 3,223,083.93                                 | 99,924,864.01    | 13,834,343.31    |
| April .....      | 38,102,396.92                                  | 8,099,684.27                       | 649,236.03                                   | 46,851,317.22    | 5,631,200.65     |
| May .....        | 20,360,157.53                                  | 6,561,717.02                       | 1,210,000.00                                 | 28,131,874.55    | 12,004,483.64    |
| June .....       | 15,035,947.45                                  | 3,344,215.40                       | 553,616.00                                   | 18,933,778.85    | 18,078,210.74    |
| July .....       | 27,877,235.93                                  | 6,690,276.74                       | 2,011,872.77                                 | 36,579,385.44    | 17,087,022.56    |
| August .....     | 28,644,838.51                                  | 7,206,044.85                       | 318,512.69                                   | 36,169,396.05    | 31,504,010.16    |
| September .....  | 27,444,054.87                                  | 7,669,648.33                       | 1,115,098.65                                 | 36,228,801.85    | 45,135,254.11    |
| October .....    | 35,165,976.06                                  | 8,696,620.76                       | 1,485,000.00                                 | 45,347,596.82    | 41,980,824.29    |
| November .....   | 35,316,118.73                                  | 9,250,146.70                       | 1,717,319.06                                 | 46,283,584.49    | 56,892,833.15    |
| December .....   | 66,016,813.60                                  | 21,056,426.74                      | 4,338,506.39                                 | 91,411,746.73    | 44,109,466.93    |
| Total 1923 ..... | \$448,256,613.08                               | \$112,138,334.31                   | \$18,983,569.15                              | \$579,378,516.54 | .....            |
| Total 1922 ..... | \$250,975,281.79                               | \$55,958,079.04                    | \$8,857,752.29                               | .....            | \$315,791,113.12 |

## Exhibit H

ACCEPTANCES REDISCOUNTED FOR MEMBER  
BANKS IN 1923

## Distribution by Months and Classes of Bills

| Month          | Bankers<br>Acceptances | Trade Acceptances |                | Total          |
|----------------|------------------------|-------------------|----------------|----------------|
|                |                        | Domestic          | Foreign        |                |
| January.....   | \$94,050.00            | \$139,548.29      | \$110,000.00   | \$343,598.29   |
| February.....  | 289,804.07             | 150,551.29        | 173,012.40     | 613,367.76     |
| March.....     | 25,659.64              | 285,997.78        | 409,200.00     | 720,857.42     |
| April.....     | .....                  | 609,738.12        | .....          | 609,738.12     |
| May.....       | .....                  | 178,135.44        | 301,000.00     | 479,135.44     |
| June.....      | .....                  | 715,051.20        | 193,000.00     | 908,051.20     |
| July.....      | 9,500.80               | 517,119.62        | 173,000.00     | 699,620.42     |
| August.....    | 12,500.00              | 592,028.71        | .....          | 604,528.71     |
| September..... | .....                  | 567,182.91        | .....          | 567,182.91     |
| October.....   | 23,666.97              | 378,125.44        | 20,000.00      | 421,792.41     |
| November.....  | 15,000.00              | 558,010.17        | .....          | 573,010.17     |
| December.....  | .....                  | 504,319.85        | .....          | 504,319.85     |
| Total 1923..   | \$470,181.48           | \$5,195,808.82    | \$1,379,212.40 | \$7,045,202.70 |
| Total 1922..   | \$192,028.29           | \$7,205,907.97    | \$1,317,127.06 | \$8,715,063.32 |

Exhibit I

## FEDERAL RESERVE NOTES

### Issues, Retirements, and Amount Outstanding

|  |                    |                    |
|--|--------------------|--------------------|
| Total issued to the bank by the Federal Reserve Agent:                                 |                    |                    |
| 1914 to 1922, inclusive.....   |                    | \$3,326,123,000.00 |
| During 1923.....   |                    | 346,270,000.00     |
|  |                    | \$3,672,393,000.00 |
| Notes unfit for circulation retired:   |                    |                    |
| 1914 to 1922, inclusive.....   | \$2,551,189,120.00 |                    |
| During 1923.....   | 408,790,630.00     |                    |
|  |                    | a2,959,979,750.00  |
| Amount outstanding December 31, 1923.....  |                    | \$712,413,250.00   |
| Amount outstanding December 31, 1923:  |                    |                    |
| In actual circulation.....   |                    | \$420,371,240.00   |
| Held by Federal Reserve Bank.....  |                    | 292,042,010.00     |
| Total.....   |                    | \$712,413,250.00   |
| On December 31, 1923, the Federal Reserve Agent held<br>against Federal Reserve notes: |                    |                    |
| Gold and gold certificates.....  |                    | \$583,625,240.61   |
| Eligible paper.....  |                    | 224,279,692.11     |
| Total.....   |                    | \$807,904,932.72   |

<sup>a</sup> Includes \$288,033,000 of notes fit for circulation returned by the bank and by the United States Treasurer.

## Exhibit J

## CHECK COLLECTIONS

## Classification of Checks Handled by the Federal Reserve Bank of New York in 1923

(Amounts in thousands of dollars)

Excluding duplications between main bank and branch

| Month                  | On Treasurer of United States |                    | On Banks in Other Federal Reserve Districts |                    | On New York Clearing House |                      | On New York City Outside of Clearing House |                      | On All Other Banks in Second District |                    | TOTAL              |                     |
|------------------------|-------------------------------|--------------------|---|--------------------|----------------------------|----------------------|--|----------------------|---------------------------------------|--------------------|--------------------|---------------------|
|                        | Number                        | Amount             | Number                                      | Amount             | Number                     | Amount               | Number                                     | Amount               | Number                                | Amount             | Number             | Amount              |
| Jan. . . . .           | 1,271,326                     | \$131,897          | 1,325,614                                   | \$150,215          | 1,987,430                  | \$1,952,548          | 420,292                                    | \$2,225,082          | 5,632,959                             | \$734,123          | 10,637,621         | \$5,193,865         |
| Feb. . . . .           | 928,204                       | 91,751             | 1,149,393                                   | 125,965            | 1,559,136                  | 1,590,031            | 358,124                                    | 1,903,381            | 4,687,849                             | 566,025            | 8,682,706          | 4,277,153           |
| March . . .            | 1,100,216                     | 98,852             | 1,414,454                                   | 156,086            | 2,024,530                  | 2,058,793            | 502,704                                    | 3,032,039            | 5,725,803                             | 699,643            | 10,767,707         | 6,045,413           |
| April . . . .          | 1,180,790                     | 92,926             | 1,324,506                                   | 162,520            | 1,773,880                  | 1,886,931            | 413,217                                    | 2,437,491            | 5,079,740                             | 714,166            | 9,772,133          | 5,294,034           |
| May . . . . .          | 1,154,040                     | 137,517            | 1,292,279                                   | 160,938            | 1,768,152                  | 1,969,275            | 444,494                                    | 2,460,623            | 5,014,266                             | 748,287            | 9,673,231          | 5,476,640           |
| June . . . . .         | 1,017,649                     | 110,239            | 1,286,564                                   | 156,415            | 1,839,898                  | 2,091,728            | 490,293                                    | 2,347,439            | 5,054,056                             | 764,684            | 9,688,460          | 5,470,505           |
| July . . . . .         | 894,210                       | 101,216            | 1,212,624                                   | 150,214            | 2,050,805                  | 1,926,942            | 469,993                                    | 2,032,860            | 4,950,385                             | 744,558            | 9,578,017          | 4,955,790           |
| August . . .           | 1,000,542                     | 102,031            | 1,161,593                                   | 143,064            | 1,838,707                  | 1,727,170            | 529,386                                    | 2,178,794            | 4,801,588                             | 693,406            | 9,331,816          | 4,844,465           |
| Sept. . . . .          | 1,113,725                     | 97,542             | 1,174,797                                   | 146,310            | 1,825,727                  | 1,795,593            | 519,923                                    | 2,042,721            | 4,531,568                             | 677,975            | 9,165,740          | 4,760,141           |
| Oct. . . . .           | 1,238,214                     | 142,655            | 1,430,073                                   | 178,603            | 2,082,340                  | 2,041,932            | 554,495                                    | 2,790,649            | 5,260,297                             | 765,004            | 10,565,419         | 5,918,843           |
| Nov. . . . .           | 1,065,943                     | 128,076            | 1,322,325                                   | 152,688            | 1,767,801                  | 1,931,034            | 514,270                                    | 2,287,122            | 5,005,281                             | 708,339            | 9,675,620          | 5,207,259           |
| Dec. . . . .           | 974,965                       | 126,730            | 1,468,832                                   | 147,751            | 1,806,547                  | 2,118,254            | 586,949                                    | 2,364,271            | 5,475,923                             | 757,151            | 10,313,216         | 5,514,157           |
| <b>TOTAL . . .</b>     | <b>12,939,824</b>             | <b>\$1,361,432</b> | <b>15,563,054</b>                           | <b>\$1,830,769</b> | <b>22,324,953</b>          | <b>\$23,090,231</b>  | <b>5,804,140</b>                           | <b>\$28,102,472</b>  | <b>61,219,715</b>                     | <b>\$8,573,361</b> | <b>117,851,686</b> | <b>\$62,958,265</b> |
| Buffalo . . .          | 184,966                       | \$30,840           | 1,690,665                                   | \$311,879          | a2,624,747                 | a\$1,298,658         | b23,904                                    | b\$190,396           | 6,019,610                             | \$727,992          | 10,543,892         | \$2,559,765         |
| <b>GRAND TOTAL . .</b> | <b>13,124,790</b>             | <b>\$1,392,272</b> | <b>17,253,719</b>                           | <b>\$2,142,648</b> | <b>c24,949,700</b>         | <b>c\$24,388,889</b> | <b>d5,828,044</b>                          | <b>d\$28,292,868</b> | <b>67,239,325</b>                     | <b>\$9,301,353</b> | <b>128,395,578</b> | <b>\$65,518,030</b> |

a On Buffalo Clearing House.

b On Buffalo outside of Clearing House.

c On New York and Buffalo Clearing Houses.

d On New York and Buffalo outside of Clearing Houses.

Exhibit K  
TELEGRAPHIC TRANSFERS

Daily Average

| Month          | Number of Transfers |      |      |      |      |      |       | Amount Transferred (in thousands of dollars) |          |          |          |          |          |           |
|----------------|---------------------|------|------|------|------|------|-------|--|----------|----------|----------|----------|----------|-----------|
|                | 1917                | 1918 | 1919 | 1920 | 1921 | 1922 | 1923  | 1917   | 1918     | 1919     | 1920     | 1921     | 1922     | 1923      |
| January.....   | ..                  | 65   | 211  | 375  | 721  | 731  | 875   | .....  | \$49,138 | \$61,452 | \$63,012 | \$59,498 | \$65,714 | \$108,223 |
| February.....  | ..                  | 80   | 213  | 388  | 682  | 747  | 881   | .....  | 50,064   | 54,293   | 55,790   | 50,885   | 70,847   | 92,428    |
| March.....     | ..                  | 88   | 213  | 425  | 645  | 723  | 852   | .....  | 42,693   | 60,427   | 58,394   | 57,417   | 73,723   | 93,619    |
| April.....     | ..                  | 101  | 221  | 423  | 615  | 725  | 904   | .....  | 54,740   | 49,146   | 54,051   | 53,439   | 73,355   | 90,057    |
| May.....       | ..                  | 112  | 235  | 466  | 697  | 773  | 1,009 | .....  | 55,046   | 47,515   | 50,651   | 58,757   | 81,484   | 95,713    |
| June.....      | ..                  | 110  | 270  | 502  | 711  | 774  | 900   | .....  | 70,647   | 57,251   | 53,973   | 63,248   | 92,846   | 91,588    |
| July.....      | 31                  | 135  | 281  | 510  | 650  | 739  | 917   | \$31,801                                     | 67,710   | 69,702   | 53,003   | 53,153   | 80,924   | 86,560    |
| August.....    | 35                  | 142  | 283  | 501  | 686  | 726  | 857   | 28,536                                       | 54,046   | 61,420   | 49,652   | 56,034   | 77,602   | 79,167    |
| September..... | 38                  | 168  | 316  | 534  | 733  | 824  | 930   | 30,893                                       | 55,640   | 69,960   | 61,765   | 66,536   | 90,343   | 83,136    |
| October.....   | 48                  | 188  | 342  | 577  | 800  | 889  | 1,013 | 37,304                                       | 98,785   | 60,311   | 65,127   | 62,612   | 107,409  | 91,979    |
| November.....  | 73                  | 187  | 368  | 640  | 871  | 887  | 1,105 | 47,191                                       | 68,018   | 62,597   | 58,022   | 71,315   | 84,956   | 94,077    |
| December.....  | 70                  | 209  | 371  | 741  | 731  | 867  | 1,040 | 50,308                                       | 86,149   | 70,495   | 63,792   | 68,930   | 98,662   | 106,734   |

## Exhibit L

## GOLD SETTLEMENT FUND

Amounts Received and Paid by the New York Federal Reserve Bank in 1923 in Settlement of Accounts Due

| From or to                        | Received                   | Paid                       | Net Gain                | Net Loss                |
|-----------------------------------|----------------------------|----------------------------|-------------------------|-------------------------|
| Federal Reserve Banks:            |                            |                            |                         |                         |
| Boston.....                       | \$6,004,076,368.91         | \$6,030,032,727.93         | .....                   | \$25,956,359.02         |
| Philadelphia.....                 | 4,853,783,843.07           | 4,530,903,400.74           | \$322,880,442.33        | .....                   |
| Cleveland.....                    | 2,901,424,534.28           | 2,475,750,415.88           | 425,674,118.40          | .....                   |
| Richmond.....                     | 1,935,444,063.50           | 1,897,970,050.20           | 37,474,013.30           | .....                   |
| Atlanta.....                      | 1,040,373,057.69           | 1,340,467,436.36           | .....                   | 300,094,378.67          |
| Chicago.....                      | 4,844,833,352.87           | 5,123,314,767.03           | .....                   | 278,481,414.16          |
| St. Louis.....                    | 1,061,588,677.44           | 1,054,105,675.58           | 7,483,001.86            | .....                   |
| Minneapolis.....                  | 488,670,065.72             | 526,705,578.71             | .....                   | 38,035,512.99           |
| Kansas City.....                  | 684,527,620.37             | 705,549,069.23             | .....                   | 21,021,448.86           |
| Dallas.....                       | 692,068,700.42             | 927,046,993.62             | .....                   | 234,978,293.20          |
| San Francisco.....                | 1,802,850,911.71           | 1,756,859,785.98           | 45,991,125.73           | .....                   |
| Treasurer of United States.....   | 415,500,000.00             | 361,000,000.00             | 54,500,000.00           | .....                   |
| Federal Reserve Agent.....        | 50,000,000.00              | 30,000,000.00              | 20,000,000.00           | .....                   |
| Gold Redemption Fund.....         | .....                      | 75,000,000.00              | .....                   | 75,000,000.00           |
| <b>Total 1923.....</b>            | <b>\$26,775,141,195.98</b> | <b>\$26,834,705,901.26</b> | <b>\$914,002,701.62</b> | <b>\$973,567,406.90</b> |
| <b>Net gain or loss 1923.....</b> | .....                      | .....                      | .....                   | <b>\$59,564,705.28</b>  |
| <b>Total 1922.....</b>            | <b>\$22,752,243,738.55</b> | <b>\$22,712,923,525.71</b> | <b>\$908,895,884.57</b> | <b>\$869,575,671.73</b> |
| <b>Net gain or loss 1922.....</b> | .....                      | .....                      | <b>\$39,320,212.84</b>  | .....                   |

Exhibit L—Continued

**GOLD SETTLEMENT FUND**

Net Gain or Loss by the New York Federal Reserve Bank in 1923 in Settlement with other Federal Reserve Banks

(In thousands of dollars)

|                           | Boston   |          | Philadelphia |          | Cleveland |          | Richmond |          | Atlanta  |           | Chicago  |           | St. Louis |          | Minneapolis |          | Kansas City |          | Dallas   |           | San Francisco |          |         |
|---------------------------|----------|----------|--------------|----------|-----------|----------|----------|----------|----------|-----------|----------|-----------|-----------|----------|-------------|----------|-------------|----------|----------|-----------|---------------|----------|---------|
|                           | Net Gain | Net Loss | Net Gain     | Net Loss | Net Gain  | Net Loss | Net Gain | Net Loss | Net Gain | Net Loss  | Net Gain | Net Loss  | Net Gain  | Net Loss | Net Gain    | Net Loss | Net Gain    | Net Loss | Net Gain | Net Loss  | Net Gain      | Net Loss |         |
| January....               | ..       | \$14,753 | \$30,195     | ..       | \$13,784  | ..       | ..       | \$4,577  | ..       | \$14,625  | \$25,150 | ..        | ..        | \$10,341 | ..          | \$2,054  | ..          | \$678    | ..       | \$15,772  | ..            | ..       | \$5,432 |
| February....              | \$2,233  | ..       | 10,836       | ..       | 36,971    | ..       | \$7,807  | ..       | ..       | 9,951     | 6,354    | ..        | ..        | 14,619   | \$1,490     | ..       | \$9,446     | ..       | ..       | 4,116     | \$27,877      | ..       |         |
| March.....                | ..       | 8,263    | 37,358       | ..       | 68,686    | ..       | 14,682   | ..       | ..       | 11,803    | ..       | \$61,449  | \$13,869  | ..       | 1,199       | ..       | 6,180       | ..       | ..       | 6,671     | 25,767        | ..       |         |
| April.....                | ..       | 10,215   | 9,365        | ..       | 40,155    | ..       | 12,117   | ..       | ..       | 4,319     | ..       | 40,333    | 5,577     | ..       | 3,889       | ..       | 5,046       | ..       | ..       | 17,412    | ..            | 20,043   |         |
| May.....                  | ..       | 13,725   | 34,250       | ..       | 32,064    | ..       | 7,907    | ..       | ..       | 12,381    | ..       | 31,163    | 2,115     | ..       | 7,413       | ..       | 8,359       | ..       | ..       | 12,637    | ..            | 11,891   |         |
| June.....                 | 6,655    | ..       | 26,710       | ..       | 64,321    | ..       | 20,706   | ..       | ..       | 28,249    | ..       | 20,918    | ..        | 5,795    | ..          | 3,214    | ..          | 31,414   | ..       | 17,092    | ..            | 16,827   |         |
| July.....                 | ..       | 13,342   | 17,223       | ..       | 5,615     | ..       | 4,187    | ..       | ..       | 2,859     | ..       | 64,467    | ..        | 6,594    | ..          | 6,407    | 2,496       | ..       | ..       | 15,125    | 15,724        | ..       |         |
| August.....               | 14,081   | ..       | 29,169       | ..       | 21,915    | ..       | 10,277   | ..       | ..       | 9,787     | ..       | 37,928    | ..        | 561      | ..          | 8,012    | 1,664       | ..       | ..       | 29,588    | ..            | 6,484    |         |
| September..               | ..       | 12,084   | 31,396       | ..       | 25,060    | ..       | ..       | 436      | ..       | 19,909    | 4,008    | ..        | 7,305     | ..       | 2,736       | 10,792   | ..          | ..       | ..       | 26,508    | 10,751        | ..       |         |
| October....               | ..       | 9,943    | 46,469       | ..       | 53,180    | ..       | ..       | 12,373   | ..       | 53,255    | ..       | 9,088     | 1,615     | ..       | 1,515       | 7,335    | ..          | ..       | ..       | 35,037    | 1,052         | ..       |         |
| November..                | 23,651   | ..       | 29,078       | ..       | 30,000    | ..       | ..       | 19,348   | ..       | 58,102    | ..       | 27,313    | 8,615     | ..       | 2,296       | ..       | 3,966       | ..       | ..       | 28,913    | 9,544         | ..       |         |
| December..                | 9,749    | ..       | 20,831       | ..       | 33,923    | ..       | ..       | 3,475    | ..       | 74,854    | ..       | 21,334    | 6,297     | ..       | ..          | 791      | ..          | ..       | ..       | 26,107    | 15,953        | ..       |         |
| Net Gain...               | \$56,369 | ..       | \$322,880    | ..       | \$425,674 | ..       | \$77,683 | ..       | ..       | \$35,512  | ..       | \$45,393  | ..        | \$1,490  | ..          | \$34,622 | ..          | ..       | ..       | \$106,668 | ..            | ..       |         |
| Net Loss...               | ..       | \$82,325 | ..           | ..       | ..        | ..       | ..       | \$40,209 | ..       | \$300,094 | ..       | \$313,993 | ..        | \$37,910 | ..          | \$39,526 | ..          | \$55,643 | ..       | \$234,978 | ..            | \$60,677 |         |
| Excess Gain<br>or Loss... | ..       | \$25,956 | \$322,880    | ..       | \$425,674 | ..       | \$37,474 | ..       | ..       | \$300,094 | ..       | \$278,481 | \$7,483   | ..       | ..          | \$38,036 | ..          | \$21,021 | ..       | \$234,978 | \$45,991      | ..       |         |

## Exhibit L—Continued

## GOLD SETTLEMENT FUND

Net Gains and Losses Each Week During 1923 for the  
Account of the Federal Reserve Bank of New York

(Amounts in thousands of dollars)

| Week Ended    | Wire Transfers and Checks Drawn | United States Treasury Transfers | Other Transferred Funds | Net Change | Balance   |
|---------------|---------------------------------|----------------------------------|-------------------------|------------|-----------|
| Dec. 27, 1922 |                                 |                                  |                         |            | \$186,672 |
| Jan. 3, 1923  | + \$11,547                      | - \$50,000                       | + \$50,168              | + \$11,715 | 198,387   |
| 10...         | + 68,923                        | - 64,000                         | + 1,247                 | + 6,170    | 204,557   |
| 17...         | + 17,248                        | - 55,000                         | + 5,600                 | - 43,352   | 161,205   |
| 24...         | + 5,385                         | - 13,000                         | + 5,293                 | - 2,322    | 158,883   |
| 31...         | + 9,961                         | + 2,000                          | + 2,432                 | + 14,393   | 173,276   |
| Feb. 7...     | + 59,873                        | - 3,000                          | - 5,555                 | + 51,318   | 224,594   |
| 14...         | - 27,363                        | - 1,000                          | - 1,689                 | - 30,052   | 194,542   |
| 21...         | + 23,648                        | + 5,000                          | - 1,363                 | + 27,285   | 221,827   |
| 28...         | + 17,338                        | + 18,000                         | + 438                   | + 35,776   | 257,603   |
| Mar. 7...     | - 2,016                         | + 8,000                          | + 1,782                 | + 4,202    | 261,805   |
| 14...         | + 3,567                         | + 20,000                         | + 962                   | + 24,529   | 286,334   |
| 21...         | - 27,664                        | + 82,500                         | - 48,392                | + 6,444    | 292,778   |
| 28...         | - 24,356                        | + 2,000                          | - 4,994                 | - 27,350   | 265,428   |
| Apr. 4...     | + 1,247                         | + 11,000                         | - 14,780                | - 2,533    | 262,895   |
| 11...         | - 8,318                         |                                  | - 35                    | - 8,353    | 254,542   |
| 18...         | + 28,539                        | + 3,000                          | - 9,510                 | + 22,029   | 276,571   |
| 25...         | + 7,829                         | - 7,000                          | - 2,764                 | - 1,935    | 274,636   |
| May 2...      | - 11,564                        | + 22,500                         | + 557                   | + 11,493   | 286,129   |
| 9...          | - 35,721                        | + 11,500                         | - 8,641                 | - 32,862   | 253,267   |
| 16...         | + 22,145                        | + 15,000                         | - 25,050                | + 12,095   | 265,362   |
| 23...         | + 3,273                         | - 39,000                         | - 4,081                 | - 39,808   | 225,554   |
| 29...         | - 1,748                         | + 4,800                          | - 71                    | + 2,981    | 228,535   |
| June 6...     | - 23,985                        | + 11,000                         | - 2,978                 | - 15,963   | 212,572   |
| 13...         | - 10,268                        | + 25,650                         | - 2,569                 | + 12,813   | 225,385   |
| 20...         | + 34,185                        | + 16,500                         | - 8,979                 | + 41,706   | 267,091   |
| 27...         | - 15,405                        | + 2,000                          | - 394                   | - 13,799   | 253,292   |
| July 3...     | - 29,498                        | - 4,400                          | - 16,751                | - 50,649   | 202,643   |
| 11...         | - 9,557                         | + 3,200                          | - 7,690                 | - 14,047   | 188,596   |
| 18...         | - 3,280                         | + 6,000                          | - 1,646                 | + 1,074    | 189,670   |
| 25...         | - 29,443                        | + 21,000                         | - 2,021                 | - 10,464   | 179,206   |
| Aug. 1...     | + 19,048                        | + 4,000                          | - 25,375                | - 2,327    | 176,879   |
| 8...          | - 27,450                        | + 10,500                         | - 9,624                 | - 26,574   | 150,305   |
| 15...         | - 10,091                        | + 7,500                          | + 116                   | - 2,475    | 147,830   |
| 22...         | + 23,144                        | + 4,000                          | - 9,289                 | + 17,855   | 165,685   |
| 29...         | - 15,932                        | + 11,000                         | - 8,980                 | - 13,912   | 151,773   |
| Sept. 5...    | - 33,140                        | + 10,000                         | - 6,436                 | - 29,576   | 122,197   |
| 12...         | + 11,259                        | + 14,000                         | - 3,538                 | + 21,721   | 143,918   |
| 19...         | + 8,362                         | + 43,000                         | - 803                   | + 50,559   | 194,477   |
| 26...         | - 28,028                        | + 7,000                          | - 17,246                | - 38,274   | 156,203   |
| Oct. 3...     | - 6,018                         | + 13,000                         | - 3,933                 | + 3,049    | 159,252   |
| 10...         | - 18,080                        | + 14,000                         | - 11,526                | - 15,606   | 143,646   |
| 17...         | - 18,608                        | + 21,000                         | - 5,202                 | - 2,810    | 140,836   |
| 24...         | + 2,973                         | + 16,000                         | - 8,460                 | + 10,513   | 151,349   |
| 31...         | + 4,587                         | + 4,500                          | - 7,113                 | + 1,974    | 153,323   |
| Nov. 7...     | - 42,864                        | + 15,000                         | - 16,146                | - 44,010   | 109,313   |
| 14...         | - 31,648                        | + 12,000                         | - 16,309                | - 35,957   | 73,356    |
| 21...         | + 45,271                        | + 14,000                         | + 1,421                 | + 60,692   | 134,048   |
| 28...         | - 5,905                         | + 5,500                          | - 7,796                 | - 8,201    | 125,847   |
| Dec. 5...     | - 51,938                        | + 25,000                         | - 2,690                 | - 29,628   | 96,219    |
| 12...         | - 11,580                        | + 20,000                         | - 21,775                | - 13,355   | 82,864    |
| 19...         | - 67,550                        | + 85,500                         | - 19,094                | - 1,144    | 81,720    |
| 26...         | - 30,101                        | + 16,000                         | + 9,267                 | - 4,834    | 76,886    |

## Exhibit M

## PERSONNEL AND ANNUAL SALARY RATE

### Distribution by Departments, December 31, 1923

| FUNCTION   | Men          | Women        | Total        | Salaries<br>(per annum<br>rates) |
|--|--------------|--------------|--------------|----------------------------------|
| Officers.....  | 40           | ....         | 40           | \$489,500                        |
| Architectural Office.....                              | 7            | 2            | 9            | 37,333                           |
| <b>LAW FUNCTION</b>                                    |              |              |              |                                  |
| Legal Department.....                                  | 2            | 2            | 4            | 7,180                            |
| <b>ACCOUNTS FUNCTION</b>                               |              |              |              |                                  |
| Accounting Department.....                             | 81           | 71           | 152          | 256,570                          |
| Methods and Supplies Department.....                   | 27           | 9            | 36           | 69,390                           |
| <b>ADMINISTRATION FUNCTION</b>                         |              |              |              |                                  |
| Office Service Department.....                         | 231          | 110          | 341          | 460,180                          |
| Personnel Service Department.....                      | 16           | 48           | 64           | 102,040                          |
| Personnel Development Department.....                  | 9            | 21           | 30           | 41,300                           |
| <b>CASH AND CUSTODY FUNCTION</b>                       |              |              |              |                                  |
| Cash Department.....                                   | 211          | 233          | 444          | 694,570                          |
| Custody Department.....                                | 66           | 10           | 76           | 155,730                          |
| <b>COLLECTION FUNCTION</b>                             |              |              |              |                                  |
| Check Department.....                                  | 253          | 392          | 645          | 755,420                          |
| Collection Department.....                             | 164          | 127          | 291          | 378,070                          |
| Clearance Arrangements.....                            | 1            | ....         | 1            | 4,100                            |
| Northern New Jersey Clearing House<br>Association..... | 2            | ....         | 2            | 4,670                            |
| <b>FOREIGN RELATIONS FUNCTION</b>                      |              |              |              |                                  |
| Foreign Department.....                                | 11           | 2            | 13           | 22,220                           |
| <b>LOAN FUNCTION</b>                                   |              |              |              |                                  |
| Credit Department.....                                 | 26           | 14           | 40           | 70,610                           |
| Discount Department.....                               | 29           | 25           | 54           | 97,810                           |
| <b>INVESTMENT FUNCTION</b>                             |              |              |              |                                  |
| Bill Department.....                                   | 2            | ....         | 2            | 6,500                            |
| Securities Department.....                             | 26           | 14           | 40           | 75,920                           |
| <b>FISCAL AGENCY FUNCTION</b>                          |              |              |              |                                  |
| Certificates of Indebtedness Dept.....                 | 16           | 4            | 20           | 43,460                           |
| Government Bond Department.....                        | 68           | 52           | 120          | 217,800                          |
| Government Loan Organization Depart-<br>ment.....      | 34           | 7            | 41           | 86,530                           |
| <b>FEDERAL RESERVE AGENT'S<br/>FUNCTION</b>            |              |              |              |                                  |
| Member Bank Relations Department....                   | 4            | 1            | 5            | 20,410                           |
| Note Issues Department.....                            | 2            | 1            | 3            | 6,640                            |
| Bank Examinations Department.....                      | 8            | 2            | 10           | 26,820                           |
| Reports Department.....                                | 21           | 30           | 51           | 96,480                           |
| <b>AUDITING FUNCTION</b>                               |              |              |              |                                  |
| Auditing Department.....                               | 62           | 10           | 72           | 159,040                          |
| <b>TOTAL.....</b>                                      | <b>1,419</b> | <b>1,187</b> | <b>2,606</b> | <b>\$4,386,293</b>               |
| <b>BUFFALO BRANCH</b>                                  |              |              |              |                                  |
| Banking Departments.....                               | 59           | 71           | 130          | 158,400                          |
| Fiscal Agency Department.....                          | 1            | 1            | 2            | 3,240                            |
| <b>GRAND TOTAL.....</b>                                | <b>1,479</b> | <b>1,259</b> | <b>2,738</b> | <b>\$4,547,933</b>               |

Exhibit N

## VOLUME OF OPERATIONS IN MAJOR DEPARTMENTS

| NUMBER OF PIECES HANDLED   | 1923                | 1922               | 1921                |
|--|---------------------|--------------------|---------------------|
| <b>Bills discounted:</b>   |                     |                    |                     |
| Applications.....  | 17,418              | 14,178             | 21,461              |
| Notes discounted.....  | 72,177              | 60,715             | 149,868             |
| Bills purchased for own account.   | 75,701              | 56,474             | 46,836              |
| Currency received and counted †  | 477,256,770         | 412,346,942        | 411,514,500         |
| Coin received and counted. . . .   | 816,128,440         | 801,276,919        | 671,984,790         |
| Checks handled ¶.....  | 128,395,578         | 118,589,173        | 104,518,732         |
| <b>Collection items handled:</b>   |                     |                    |                     |
| U. S. Government coupons paid.....   | 17,683,617          | 22,684,751         | 26,125,705          |
| All other.....   | 2,176,964           | 1,741,432          | 1,429,924           |
| U. S. securities,—issues, redemptions, and exchanges by Fiscal Agency department. . .  | 8,246,772           | 7,030,043          | 8,368,113           |
| Telegraphic transfers of funds.  | 283,712             | 236,368            | 214,480             |
| Envelopes received and dispatched.....   | 7,673,335           | 6,760,529*         | Not available       |
| <b>AMOUNTS HANDLED</b>   |                     |                    |                     |
| Bills discounted.....  | \$17,951,843,277.03 | \$9,206,363,786.02 | \$30,768,989,922.52 |
| Bills purchased for own account  | 1,177,647,249.00    | 871,432,743.43     | 799,813,048.73      |
| Currency received and counted  | 3,006,283,134.00    | 2,610,697,300.00   | 3,192,093,258.00    |
| Coin received and counted. . . .   | 125,506,209.25      | 76,684,281.00      | 99,118,197.00       |
| Checks handled ¶.....  | 65,518,030,484.52   | 62,280,122,007.00  | 36,101,511,000.00   |
| <b>Collection items handled:</b>   |                     |                    |                     |
| U. S. Government coupons paid.....   | 337,343,799.40      | 336,468,175.00     | 312,872,704.00      |
| All other.....   | 1,920,719,205.51    | 1,519,894,267.00   | 1,580,525,801.00    |
| U. S. securities,— issues, redemptions, and exchanges by Fiscal Agency department. . . | 3,148,870,258.00    | 6,449,624,670.62   | 7,206,610,549.95    |
| Telegraphic transfers of funds. .  | 28,031,499,790.62   | 25,126,089,841.00  | 18,160,300,000.00   |

\*Buffalo not included.

†Not including the recount of about 300,000,000 notes.

‡Excluding duplication between main bank and branch.