

Eighteenth Annual Report

Federal Reserve Bank of New York

For the Year Ended December 31, 1932



**Federal Reserve Agent
Second Federal Reserve District**

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**FEDERAL RESERVE BANK
OF NEW YORK**

New York, February 10, 1933

SIRS:

I have the honor to submit herewith the eighteenth annual report of the Federal Reserve Bank of New York, covering the year 1932.

Respectfully yours,

J. HERBERT CASE,
Chairman and Federal Reserve Agent.

FEDERAL RESERVE BOARD,
Washington, D. C.

Eighteenth Annual Report Federal Reserve Bank of New York

At the beginning of the year 1932 the country was in the midst of a severe contraction of credit. Heavy gold losses following the suspension of gold payments by Great Britain, and large withdrawals of currency by domestic depositors had led banks throughout the country, including the largest New York City institutions, to endeavor to strengthen their cash position by disposing of their investments and by reducing their loans. The result was the most rapid liquidation of bank credit in many years. It was apparent as the year 1932 opened, however, that for the banking system of the country as a whole the strengthening of the cash position of the banks by this process was extremely slow, as a reduction of \$2,500,000,000 in the loans and investments of all member banks in the last three months of 1931 had released only \$200,000,000 of cash reserves through the reduction in reserve requirements due to diminished deposits. Meanwhile the process of liquidation was having seriously adverse effects on business and on the price structure.

Withdrawals of funds from the banks by depositors continued in sufficient volume during the first few weeks of 1932 to nullify the efforts of the banks to make their position more liquid, and the indebtedness of member banks at the Reserve Banks remained in excess of \$800,000,000 during January and February. Although the large city banks in general had high percentages of liquid assets, they still had practically no cash reserves in excess of their immediate requirements, and many of the smaller banks throughout the country were encountering difficulty in obtaining ready funds against sound assets which were not eligible for rediscount at the Reserve Banks and could be marketed only at a sacrifice.

The creation of the Reconstruction Finance Corporation early in the year provided an organization through which the banks and other institutions could obtain cash against assets that were ineligible for discount at the Reserve Banks, without the necessity of selling such assets at a sacrifice and thus depressing prices further. Loans made by the Corporation relieved the situation of many banks and the number of bank suspensions decreased markedly.

It was apparent, however, that if member banks were to attain a more comfortable cash position, substantial assistance by the Federal Reserve Banks was necessary. But the freedom of action of the Reserve Banks was restricted at the opening of 1932 by

requirements concerning the collateral to be maintained against Federal Reserve notes. The result of these requirements was that a large part of the gold held by the Federal Reserve Banks in excess of minimum reserve requirements was tied up as collateral for Federal Reserve notes, and the scope of action possible to the Reserve Banks was limited.

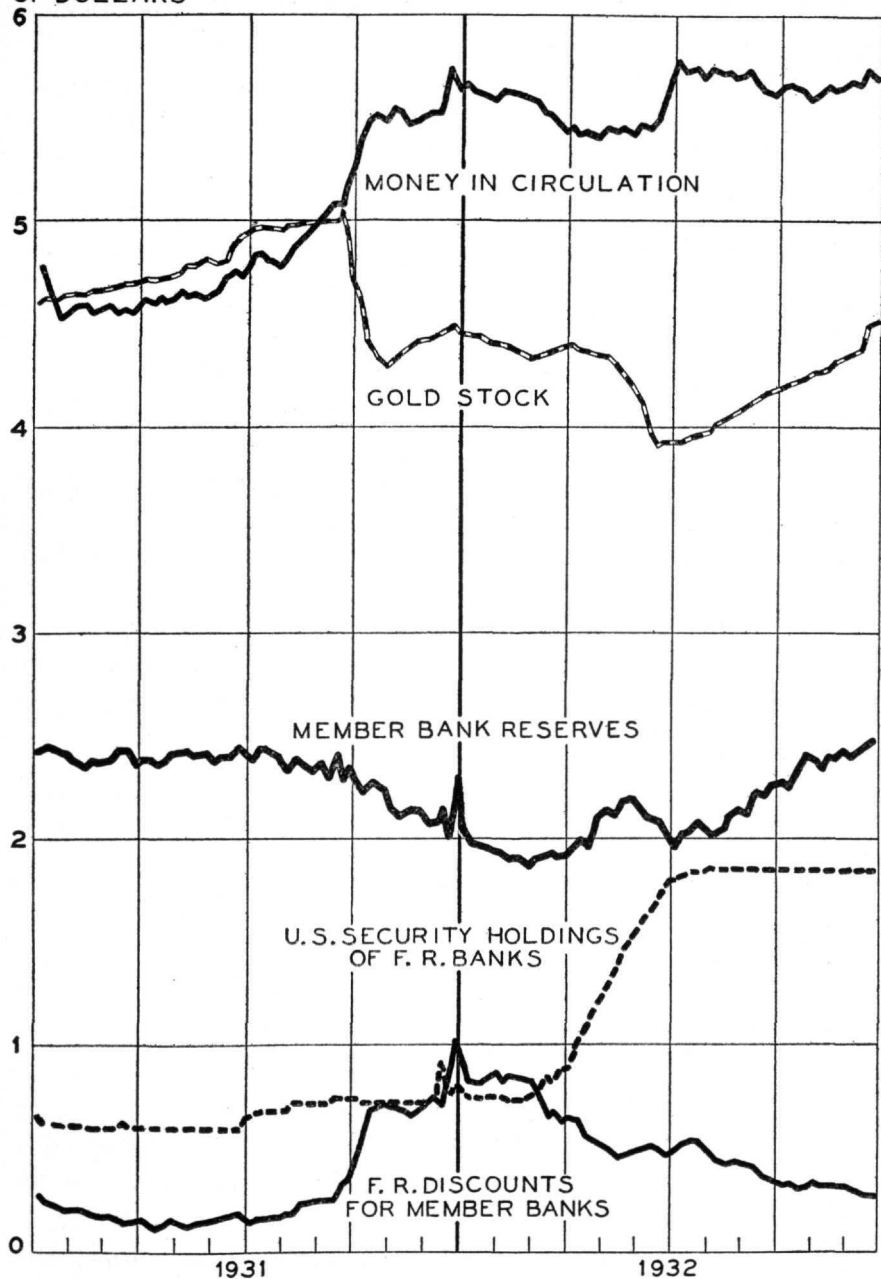
This situation was remedied near the end of February by the passage of the Glass-Steagall Bill, which authorized the Federal Reserve Board, as an emergency measure, to permit Federal Reserve Banks to use Government securities as collateral for Federal Reserve notes. This made it possible to release for other uses, as the occasion required, up to about one billion dollars of the gold held by the Reserve Banks in excess of the legal reserve requirements, which would otherwise have been tied up as collateral for notes.

Open Market Operations

Following the passage of this Act, the Federal Reserve System at once undertook to relieve the situation of member banks through the purchase of United States Government securities. Purchases were begun in the first week of March at the rate of \$25,000,000 weekly, and were continued at that rate until the second week of April, when the rate of purchases was increased to approximately \$100,000,000 a week. Purchases at the higher rate were continued for five weeks, after which they were at a somewhat reduced but still substantial rate until the end of June. Some further small purchases were made in July and the early part of August. For this whole period the Government security holdings of the Reserve Banks showed a total increase of approximately \$1,100,000,000.

During the period covered by these purchases an additional and final outflow of foreign funds occurred, involving a further loss to this country of nearly \$500,000,000 of gold. In June, a new wave of bank closings centering in the Middle West was accompanied by renewed currency hoarding on a large scale. Nevertheless, the funds issued by the Reserve Banks in payment for Government securities purchased were in sufficient volume not only to offset in the aggregate the further losses of gold and currency sustained by member banks, but also to permit member banks to reduce their indebtedness at the Reserve Banks by a substantial amount, and in some cases to acquire a moderate amount of cash reserves in excess of their immediate needs. Near the end of June, the System's open market operations were supplemented by a reversal of the gold movement. Gold previously taken from the

BILLIONS
OF DOLLARS



Principal Factors Affecting Member Bank Reserves.

United States gold stock and earmarked for foreign account was released in substantial volume and restored to the gold stock of this country.

When the System's open market operations were initiated there was some question as to the possibility of reaching the banks that were in debt at the Reserve Banks. The greater part of the Government security purchases necessarily had to be made in the New York market whereas most of the indebtedness of member banks was outside of New York. As subsequent events proved, however, a large part of the funds paid out in New York was distributed throughout the country, chiefly through Government disbursements, including the operations of the Reconstruction Finance Corporation. In fact, the excess funds that accumulated in New York during 1932 were largely the result of deposits made by banks in other parts of the country.

The principal movements of funds affecting the cash position of all member banks during the period of open market purchases of Government securities by the Reserve Banks are summarized in the following table.

	Change from February 24 to August 10
<i>Funds obtained or released through</i>	(Millions of dollars)
Reserve Bank purchases of U. S. securities.....	1,110
Reduction in required reserves.....	39
All other sources.....	21
Total.....	1,170
<i>Disposition of funds</i>	
Used to meet gold losses (net).....	345
Used to meet currency withdrawals (net).....	115
Used to repay indebtedness at F. R. Banks.....	383
Used to retire acceptances held by F. R. Banks and other Federal Reserve credit.....	104
Total.....	947
Balance added to excess reserves.....	223

As this indicates, the member banks as a whole emerged from the acute difficulties involved in the final outflow of gold and mid-year currency withdrawals with a greatly strengthened reserve position.

Supplementing the purchases of Government securities, the Federal Reserve Bank of New York also reduced its discount rate from $3\frac{1}{2}$ to 3 per cent, effective February 26, and from 3 to $2\frac{1}{2}$ per cent, effective June 24.

Banking Developments from July to December

When the withdrawal of foreign funds came to an end and the gold movement was reversed, a marked revival of public confidence was evident. This improvement in public sentiment was reflected in a strong recovery in bond prices and in stock prices from June to September, and there was a moderate recovery also in the commodity markets. A further indication of greater confidence appeared in a return flow to the banks of currency previously hoarded. The total volume of currency outstanding, instead of showing the usual large increase during the autumn, declined gradually from early July to the end of October, and thereafter showed less than half of the usual seasonal increase.

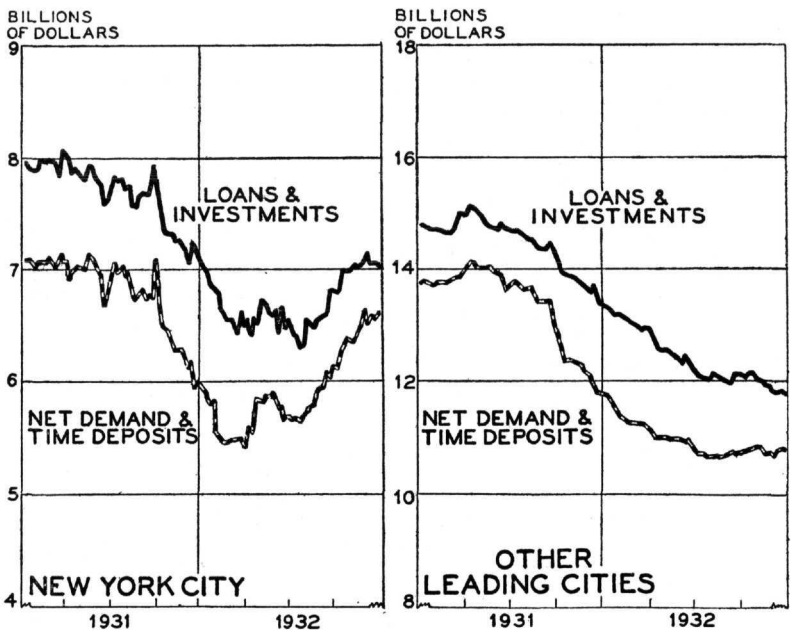
The result was that, while the banks were gaining funds in substantial volume through the gold movement, they largely escaped the usual seasonal drain on their cash reserves due to currency withdrawals, so that their reserve position was steadily strengthened. Borrowings of member banks from the Reserve Banks, which tend to increase during the autumn under ordinary circumstances, declined substantially further and reached the lowest point of the year at the end of December. Excess reserves of all member banks rose above \$500,000,000 by the end of the year. The principal additions to and uses of member bank reserves from August to December are shown in the following table.

	Change from August 10 to December 28
<i>Funds obtained through</i>	(Millions of dollars)
Gain of gold.....	500
Increase in Treasury currency outstanding due to new issues of National bank notes.....	99
Net return flow of currency of all kinds from circulation.....	20
Total.....	619
<i>Disposition of funds</i>	
Used to repay indebtedness at F. R. Banks.....	185
Used as reserve against increased deposits.....	117
Miscellaneous.....	14
Total.....	316
Balance added to excess reserves.....	303

Accompanying this strengthening of the reserve position of member banks there was a marked reduction in the rate of contraction in member bank credit. Between the end of September 1931

and the early part of March 1932, the total loans and investments of weekly reporting member banks in New York City declined at an annual rate of approximately 43 per cent, and in all reporting banks throughout the country the decline was at the rate of 29 per cent per annum. As the reserve position of member banks was strengthened through the Government security purchases of the Reserve Banks, the rate of decline in member bank loans and investments gradually diminished. For a brief period in June and July there was a renewal of the rapid shrinkage in member bank loans and investments accompanying the new outbreak of banking difficulties and currency hoarding at that time, but the decline in member bank credit was checked in the early autumn.

From the end of July to the end of November the total loans and investments of the principal New York City banks increased approximately \$850,000,000, and thereafter showed little change. The New York City banks were continuously in possession of a substantial amount of excess reserves, although, as in the preceding months, the excess funds in New York represented largely funds deposited by correspondent banks in other parts of the country.



Total Loans and Investments and Net Demand and Time Deposits of Weekly Reporting Member Banks in New York City and in Other Leading Cities in United States.

The greater part of the increase in loans and investments of the New York banks was in their holdings of United States Government securities, although their holdings of other securities also increased moderately. The loans of these banks showed comparatively little change during the last five months of the year, after declining rapidly during the preceding year and a half.

In the principal cities outside of New York there was no net increase in the total loans and investments of reporting banks, but the decline which had been in progress for many months appeared to have been checked; in the smaller localities some further reduction occurred. Deposits of New York City banks at the end of the year were \$1,200,000,000 above the low point in March, including the increase in balances held for correspondent banks, and deposits of reporting member banks in other localities showed a small net increase during the latter part of the year.

The check to credit liquidation that occurred during the last five months of the year is indicated by the following table, which compares changes in the loans and investments of weekly reporting member banks during the first seven months of 1932 with changes during the latter part of the year.

(In Millions of Dollars)

	Dec. 30, 1931	July 27, 1932	Dec. 28, 1932
<i>New York City Banks</i>			
Loans.....	4,492	3,492	3,450
U. S. Government securities.....	1,712	1,870	2,481
Other securities.....	943	955	1,089
Total loans and investments.....	7,147	6,317	7,020
<i>Banks in other principal cities</i>			
Loans.....	8,612	7,500	6,847
U. S. Government securities.....	2,348	2,266	2,726
Other securities.....	2,425	2,251	2,211
Total loans and investments.....	13,385	12,017	11,784
<i>All reporting banks</i>			
Loans.....	13,104	10,992	10,297
U. S. Government securities.....	4,060	4,136	5,207
Other securities.....	3,368	3,206	3,300
Total loans and investments.....	20,532	18,334	18,804

The Situation at the End of 1932

Although business activity remained at a very low level and many difficult problems remained to be solved at the end of 1932, the situation at that time showed some improvement over the conditions which prevailed as the year opened. Member banks which at the beginning of the year had no funds available with which to supply additional credit, but rather were heavily in debt and struggling to strengthen their position by reducing their loans and investments, at the close of the year held a large amount of cash reserves above their legal requirements, and had repaid a large part of their indebtedness. They were therefore in a position to supply a volume of credit sufficient to finance a substantial revival of business. Bank suspensions were about one-third less in 1932 than in 1931, and were fewer in the last half of the year than in the first half.

The gold movement, which at the beginning of 1932 had been viewed as a threat to the position of the banks, at the end of the year was heavily in favor of the United States and was adding substantially to the available supply of cash reserves. Currency hoarding, which at two different periods during the year had assumed serious proportions, was offset by subsequent redeposits of currency in the banks and less than the usual withdrawals of currency for seasonal uses, and at the close of the year the amount of money outstanding was about the same as at the end of 1931. However, there were indications that the public still held a large volume of currency which may be expected to come into active use when confidence is sufficiently restored.

In addition to the fact that there was a large supply of idle funds available in member banks, and a large amount of hoarded currency in the hands of the public at the close of the year, there was evidence that the funds outstanding were not being used at anything like their full efficiency, as the velocity or rate of turnover of bank deposits was at an exceptionally low level. This low rate of turnover of funds is more probably a result than a cause of reduced business activity, but nevertheless indicates that with a return of confidence a considerably larger volume of business could be transacted with the available supply of funds than was in progress at the end of 1932.

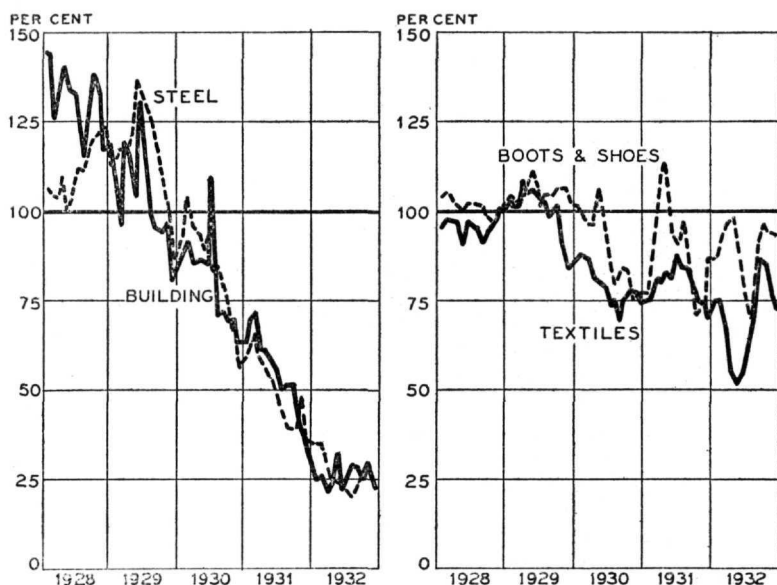
Some progress in the restoration of confidence by the end of 1932 was reflected in the greater stability of the security markets during the latter part of the year. Commodity prices also, though



Activity of Bank Deposits in 140 Centers Outside of New York City (Adjusted for seasonal variation; 1919-1925 average = 100 per cent).

still at the lowest levels of the depression, showed greater stability during the last seven months of the year than in any similar period since the rapid decline began in 1929. Industrial activity, after a further decline in the first half of the year, increased more than seasonally in the autumn and held a considerable part of the gain to the end of the year. Railroad freight car loadings also increased more than is usual after July, and as the result of operating economies, the net income of the railroads showed a substantially greater recovery in the latter part of the year than did the volume of traffic.

Depressed business conditions at the end of 1932 reflected largely the extremely low level of activity of the so-called heavy industries, including the iron and steel industry, the construction industry, and the railroad and industrial equipment industries. As these industries are to a considerable extent dependent upon the employment of new capital, the supply of funds for medium or long term investment and the condition of the market for new securities have an important bearing upon their activity. During the past year the amount of new capital obtained through the security markets by borrowers other than the United States Government was less than one-fifth of the average for the years 1926 to 1930, and was the smallest for any year since the war.



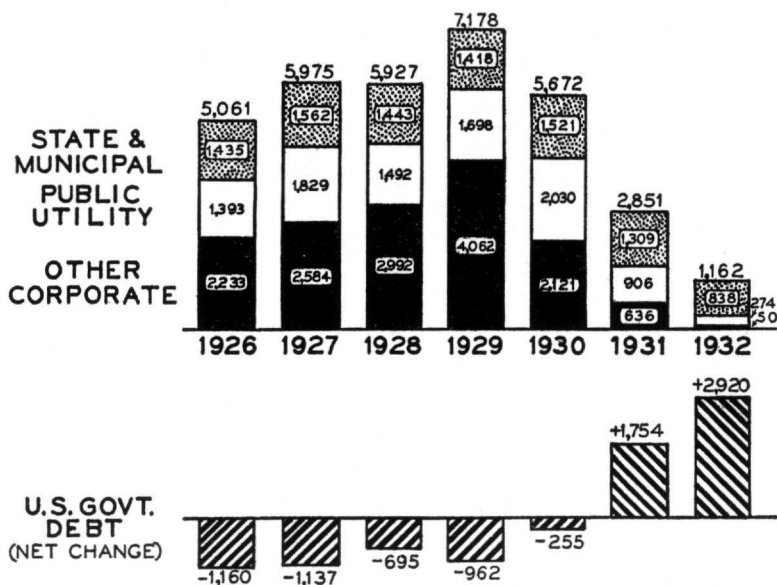
Decline in Heavy Industries represented by Building Contracts and Steel Production contrasted with the decline in Consumers' Goods represented by the Shoe and Textile Industries.
(Trend of past years = 100 per cent.)

New issues of corporation bonds were very small throughout the year, consisting chiefly of occasional sales of public utility bonds. State and municipal bonds were sold in considerable volume during the early months of the year, but offerings decreased considerably after March, and there was an accompanying decline in contracts for the construction of public works, such as highways, bridges, and public buildings, which had been the chief sustaining factor in the construction industry.

The record of new capital issues during the past seven years, excluding refunding and investment trust issues, and also foreign issues, is as follows:

(In Millions of Dollars)

Year	Public Utility	Railroad	Other Corporate	State and Municipal	Total
1926.....	1,393	299	1,934	1,435	5,061
1927.....	1,829	431	2,153	1,562	5,975
1928.....	1,492	318	2,674	1,443	5,927
1929.....	1,698	382	3,680	1,418	7,178
1930.....	2,030	697	1,424	1,521	5,672
1931.....	906	226	410	1,309	2,851
1932.....	274	13	37	838	1,162



New Security Issues—State and Municipal, Public Utility, and Other Corporate Issues, excluding Refunding, Foreign, and Investment Trust Issues, and Net Change in Interest Bearing Debt of the United States, in millions of dollars (Commercial and Financial Chronicle figures for domestic issues).

To some extent the decline in flotations of corporation and municipal securities was accompanied by an increase in issues of the United States Treasury, but including the funds obtained through that source the amount of new capital invested in 1932 was still far below any other recent year.

Gold Movements

Notwithstanding the unusually large movements of gold during the past year, there was little net change in the monetary gold stock of the United States for the year as a whole. Between the end of 1931 and the close of 1932 the gold stock increased, in round figures, from \$4,460,000,000 to \$4,513,000,000. Of this increase \$6,700,000 represented a net acquisition of gold from abroad, and \$46,200,000 was derived from domestic production. The small net change in gold holdings, due to international transactions, was the result of unusually large losses of gold during the first half of the year, and of equally large gains during the succeeding six months. The year's gold movements are summarized in the following table.

(In Thousands of Dollars)

	January to June	July to December	1932 Total
Shipments:			
Exports.....	768,500	40,700	809,200
Imports.....	146,300	212,100	358,400
Net exports.....	622,200	*171,400	450,800
Gold earmarked for foreign account:			
New earmarkings.....	479,300	73,500	552,800
Releases from earmark.....	543,400	394,300	937,700
Net release.....	64,100	320,800	384,900
Gold held abroad for Federal Reserve Bank of New York:			
New earmarkings.....	.....	95,500	95,500
Releases from earmark.....	.....	22,900	22,900
Net earmarking.....	.....	72,600	72,600
Net Gain or Loss from Foreign Transactions	-558,100	+564,800	+6,700
Net Amount of Domestic Production added to Monetary Gold Stock.....	16,600	29,600	46,200
Total Change in United States Monetary Gold Stock.....	-541,500	+594,400	+52,900

*Net imports.

As this table indicates, practically all of the year's export of gold took place during the first six months of the year, and imports in that period were less than one-fifth of exports. This movement was reversed completely during the second half of the year. Exports during the latter period were small and represented chiefly gold which had previously passed into foreign ownership and was held under earmark at this bank. Imports were substantial during this period and in addition there was a large reduction in gold held under earmark for foreign account.

The gold shipments received from abroad near the end of the year included \$22,900,000 imported from England out of \$95,550,000 of gold earmarked abroad for the Federal Reserve Bank of New York on December 15. The \$95,550,000 earmarking of gold represented a payment by the Government of the United Kingdom to the United States Treasury in settlement of the amount due December 15, 1932 under the war debt funding agreement of June 18, 1923. This transaction was effected through the Bank of England and the Federal Reserve Bank of New York. At the request of the Bank of England, the Federal Reserve Bank of New York placed at the disposal of the Bank of England, on December 15, 1932 gold to the value of \$95,550,000 against an equivalent amount of gold which was earmarked for the account of the Federal Reserve Bank of New York at the Bank of England, pending shipment to New York.

The sources and destinations of physical imports and exports of gold during the year 1932 are shown in the following table. The large exports indicated were partly offset, not only by the imports shown, but also in some cases by substantial releases of gold previously earmarked at the Federal Reserve Bank of New York. The net amount of gold so released as previously indicated was \$385,000,000.

Country	*Exports to	*Imports from	** Net
Argentina.....	.....	\$13,000,000	+ \$13,000,000
Australia.....	.....	8,800,000	+ 8,800,000
Belgium.....	\$82,700,000	1,000,000	- 81,700,000
Canada.....	200,000	64,800,000	+ 64,600,000
China and Hongkong...	.....	38,900,000	+ 38,900,000
Colombia.....	.....	3,200,000	+ 3,200,000
England.....	11,300,000	70,800,000	+ 59,500,000
France.....	450,700,000	14,100,000	- 436,600,000
Germany.....	5,400,000	400,000	- 5,000,000
Holland.....	131,900,000	16,700,000	- 115,200,000
India.....	.....	25,400,000	+ 25,400,000
Japan.....	.....	49,700,000	+ 49,700,000
Mexico.....	300,000	20,400,000	+ 20,100,000
Peru.....	100,000	3,200,000	+ 3,100,000
Philippines.....	.....	7,100,000	+ 7,100,000
Portugal.....	2,400,000	.....	- 2,400,000
Switzerland.....	121,400,000	350,000	- 121,050,000
Uruguay.....	.....	4,400,000	+ 4,400,000
All Other.....	2,800,000	16,150,000	+ 13,350,000
Total.....	\$809,200,000	\$358,400,000	-\$450,800,000

*These figures differ slightly from those published by the Department of Commerce for two principal reasons: first, because the ultimate source or destination of shipments was ascertained by this bank in cases where only the immediate source or destination was reported to the Department of Commerce; second, because certain imports were received on December 31, 1932 too late for purchase by the assay office until January 1, 1933.

** + Excess of imports; - excess of exports.

The monetary gold stock of the United States at the close of the year 1932 was approximately \$500,000,000 less than the peak figure of \$5,015,000,000 reached in September 1931. It is interesting to note, however, that since that date there has been a substantial reduction of foreign short term balances in this market so that the country's gold stock, in relation to foreign and domestic claims*, probably was larger on December 31, 1932, than at any time in recent years. Comparative figures for this country's stock of monetary gold and for foreign short term funds in this country for the years since these latter figures have been available are as follows:

End of Year	United States Monetary Gold Stock	Foreign Funds at Short Term in United States**
	(Billions of dollars)	(Billions of dollars)
1927.....	4.4	3.1
1928.....	4.1	3.0
1929.....	4.3	3.0
1930.....	4.6	2.7
1931.....	4.5	1.5
1932.....	4.5	0.9

**As reported to Finance and Investment Division, Bureau of Foreign and Domestic Commerce; 1932 figure estimated.

From the above figures it appears that during the past three years this country has repaid \$2,200,000,000 of short term debt to foreign countries, which had accumulated during the previous decade as foreigners sought safety or high interest rates in this country. Despite this repayment, the monetary gold stock of the country during the same period increased approximately \$200,000,000. The recent heavy gold movements indicate clearly the strength of the international balance of payments position of the United States.

*No accurate data are available with respect to the total amount of foreign long term funds (foreign holdings of dollar securities, etc.) in this country.

The Foreign Exchanges

The year 1932 was characterized by marked instability of the foreign exchanges which served to impair confidence, added to the hazards of international business transactions and, particularly in cases of severe depreciation, exerted a downward pressure on commodity prices.

In the first half of the year the New York quotations of the major foreign gold currencies were largely dominated by influences unfavorable to the dollar. Except in January and for a brief time

in March, the French and Swiss francs, the guilder, and the belga not only stood above par, but were quoted for relatively long periods above the theoretical gold export point from New York. An efflux of gold to these countries reflected the state of the exchanges. By mid-June, however, the dollar had fully demonstrated its strength, and the short term balances owned by foreigners in this market had been drawn down close to the minimum compatible with their commercial and financial relations with this country. Thereafter, a sharp downward movement took place in the quotations of the exchanges of gold standard countries, and although there was a brief upturn in early October, they generally were quoted below par during the last four months of the year. One major currency, the French franc, was almost constantly at or below the gold import point from France near the end of 1932.

Sterling oscillated in a wide range during the year. From a quotation around \$3.40 at the start of the year it rose irregularly to \$3.82 $\frac{3}{4}$ on March 28. Subsequently, however, it declined gradually to \$3.50 $\frac{7}{8}$ at the end of July. After holding around that level for some time, it dipped suddenly in the last week of October and again in the latter part of November, reaching a record low of \$3.14 $\frac{1}{2}$ on November 29. During December it recovered irregularly to \$3.33 $\frac{1}{8}$ on the closing business day of the year. The Swedish crown tended to follow sterling. The reichsmark, being subject to official control, held a nominal quotation relatively close to its parity, and the lira also moved in a relatively narrow range.

The Canadian dollar opened the year at a discount of 15 $\frac{1}{2}$ per cent, and fluctuated widely during the course of the year. The highest point of the year was reached in October when the discount stood at 6 $\frac{1}{4}$ per cent, but subsequently it declined to a discount of around 16 per cent, and at the year-end was quoted 11 $\frac{5}{8}$ per cent below par.

Open market quotations for the leading South American currencies showed small variations in 1932, being pegged at official rates, well below par of exchange in most cases, under governmental regulation.

The yen, par for which is \$0.4985, declined rather steadily from \$0.35 at the beginning of the year to a low point of \$0.20 on November 29, after which it recovered slightly. Paralleling the declining price of silver, the Chinese exchanges showed a substantial depreciation and closed the year weak, Shanghai being quoted at \$0.2725 on December 31, as compared with \$0.3350 at the beginning of the year.

Foreign exchange is freely available in relatively few of the trading nations of the world. Thirty countries now regulate their exchanges, either explicitly under governmental decrees or implicitly by arrangements between the monetary authorities and the commercial banks. In the majority of these countries the law requires that all foreign exchange standing in the name of a citizen of the country be offered for sale, or sold within a specified lapse of time, to the agency of control. In practically all of them, written authority is necessary in order to acquire foreign exchange for most general purposes, such as payment for imports or meeting of debt service due abroad, save in small and expressly limited amounts. In certain countries, foreign exchange required by importers will be delivered only if payment is to be made for the import of commodities deemed necessary to the national economy and specified in a list published by the governmental authority. Even in those cases the amount delivered is in some countries limited to fixed percentages of the normal import of such commodities in previous years.

The classified list which follows gives an indication of the extent of foreign exchange control around the world, but is subject to frequent change. It is based upon information compiled by the Finance and Investment Division of the United States Department of Commerce, as of January 1, 1933.

1. Countries with no Foreign Exchange Restrictions

Australia	Honduras	Peru
Belgium	India	Puerto Rico
Canada	Irish Free State	El Salvador
China	Lithuania	Siam
Cuba	Mexico	Straits Settlements
Danzig	Netherlands	Sweden
Dominican Republic	Netherlands East	Switzerland
Egypt	Indies	Union of South Africa
France	New Zealand	United Kingdom
Guatemala	Panama	Venezuela
Haiti		

2. Countries with "voluntary" Foreign Exchange Restrictions

Finland	Norway
Italy	Poland

3. Countries with Legal Foreign Exchange Restrictions

Argentina	Denmark	Nicaragua
Austria	Ecuador	Paraguay
Bolivia	Estonia	Persia
Brazil	Germany	Portugal
Bulgaria	Greece	Rumania
Chile	Hungary	Spain
Colombia	Japan	Turkey
Costa Rica	Latvia	Uruguay
Czechoslovakia		Yugoslavia

Measures of exchange control have served in various ways to choke the channels of international trade and to stop the international flow of capital. The restrictions which they have placed upon foreign payments in countries contributing approximately one-third of the world's commerce have played an important part in contracting the total volume of trade carried on between the nations. The barriers which they have erected against the free flow of funds have impaired confidence and made international lending difficult if not impossible.

Foreign Relations

During 1932 the Federal Reserve Bank of New York, on behalf of all twelve Federal Reserve Banks, maintained relations with thirty-three foreign banks of issue and with the Bank for International Settlements. Included in this number are the new accounts opened during the year, with the approval of the Federal Reserve Board, for the banks of issue of Denmark, Bolivia, and Ecuador. As in the past, the opening of these accounts resulted from steps initially taken by the foreign banks concerned.

There was a considerable change in the character and volume of the foreign central bank accounts at this bank during the year. This was the result chiefly of a tendency on the part of many foreign banks of issue which had held a substantial part of their legal or actual reserves in foreign gold currencies, principally dollars and sterling, to convert these foreign currency holdings into gold. The movement began in the spring of 1931, was accelerated following the suspension of gold payments by Great Britain in September, and continued during the early months of 1932. First, there was a wholesale transfer of the dollar holdings of these banks from in-

vestment in acceptances and United States Government securities to sight balances and gold held here under earmark. Subsequently, the sight balances were used for the acquisition of further gold, and a progressive repatriation of this gold and of gold previously earmarked took place. Ultimately, the dollar assets of a number of central banks were depleted to the point where it became necessary for them to resell some of the gold earmarked for their accounts, in order to obtain the dollars required by the balance of payments position of their respective countries vis-a-vis the United States.

No new credit facilities were extended to foreign banks of issue by the Federal Reserve Banks during 1932. On January 31, 1932, the agreement to purchase prime commercial bills from the Bank of England, entered into on August 1, 1931 and renewed on November 1 in the reduced amount of \$75,000,000, expired; no transactions took place under that renewal and no further renewal was requested. The agreements governing the funds made available by the Federal Reserve Banks, and other central banks, to the banks of issue of Austria, Hungary, and Germany, described in the annual report of this bank for 1931, were renewed at intervals during 1932 by the participating creditor banks. The last renewals were as follows: on October 17, 1932 the agreement with the Austrian National Bank was renewed to January 16, 1933 in the total amount of approximately \$12,600,000, the Federal Reserve participation being approximately \$975,000; on October 18, 1932 two agreements in favor of the National Bank of Hungary, covering a total sum of \$16,570,000, with Federal Reserve participation amounting to \$4,000,000, were renewed to January 18, 1933; on December 5, 1932, following repayments during the year aggregating \$14,000,000, the credit in favor of the Reichsbank was renewed to March 4, 1933 in the amount of \$86,000,000 the Federal Reserve participation being reduced from \$25,000,000 to \$21,500,000. Without exception, the Federal Reserve participation in these various undertakings is in the form of an agreement to purchase prime commercial bills endorsed or guaranteed by the respective foreign banks of issue, and all such agreements provide for ultimate repayment in gold, if necessary.

Amendments to Federal Reserve Act Broadening Reserve Bank Lending Powers

In addition to provisions of the Glass-Steagall Act, referred to on page 6, which authorized the Reserve Banks to use Government securities as collateral for Federal Reserve notes, there were two other important changes in the Federal Reserve Act during the year. One was contained in other provisions of the Glass-Steagall Act which authorized the Reserve Banks in exigent circumstances to lend to member banks on their promissory notes secured by collateral that was previously ineligible, in cases where the borrowing banks have no adequate amounts of eligible paper. Two ways were provided by which loans of this character could be made. The first provision was for loans to groups of five or more banks; no loans were made under this provision in the Second District by the end of 1932. The second provision was for loans to individual banks having a capital not in excess of \$5,000,000. Loans made under this provision by the Federal Reserve Bank of New York did not at any time attain large volume during 1932, but a number of comparatively small loans were made. The maximum amount of such loans outstanding in the Second District at any one time was \$3,500,000, and at the end of the year, the amount outstanding was \$2,800,000, as compared with a total of \$50,300,000 of loans on eligible paper.

This authority for Federal Reserve Banks to discount member bank notes secured by paper previously ineligible, although used to a comparatively small extent in this district, has demonstrated its usefulness in emergencies, in enabling the Reserve Bank to assist a number of member banks in difficult circumstances.

DIRECT LOANS TO INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS

Another amendment to the Federal Reserve Act was contained in the Emergency Relief and Construction Act of 1932, by which the Federal Reserve Board was permitted to authorize the Federal Reserve Banks "in unusual and exigent circumstances" to discount paper for any individual, partnership, or corporation, under certain conditions. The principal conditions were the following:

- (1) The paper discounted must be of the kinds and maturities made eligible for discount for member banks under other provisions of the Federal Reserve Act;
- (2) The paper must not only be of a type that is eligible, but must be indorsed and otherwise secured to the satisfaction of the Federal Reserve Bank;

- (3) Before discounting such paper the Federal Reserve Bank must obtain evidence that the borrower is unable to secure adequate credit accommodations from other banking institutions.

Paper eligible for discount at the Reserve Banks is limited to notes, drafts, and bills of exchange drawn to finance agriculture, industry, or trade, which have definite maturity at the time of discount not exceeding 90 days in the case of industrial and commercial paper or 9 months in the case of agricultural paper, and certain types of sight obligations. Paper is not eligible if the proceeds have been used, or are to be used, for permanent or fixed investments of any kind, such as land, buildings, or machinery, or for any other capital purpose. The amendment authorizing Reserve Bank loans to individuals, partnerships, and corporations in no way broadened the provisions for eligibility, and required that such loans must be well secured. It authorized direct loans to borrowers having paper of the kind that could be discounted by the Reserve Banks for member banks, provided those borrowers are unable to obtain adequate credit from other sources.

Soon after the passage of this Act the Federal Reserve Board authorized the Reserve Banks to make such loans for a period of six months beginning August 1, 1932 (since extended for an additional six months). The Federal Reserve Bank of New York at once received a large number of applications from prospective borrowers for direct loans. These applications were carefully examined, and in all cases where the loans appeared to be of an eligible character further investigation followed. The great majority, however, proved at once to be of an ineligible character, including many applications for mortgage loans and for funds for other capital purposes. Wherever possible applicants for ineligible loans were referred to other possible sources of funds. In general it was found that eligible borrowers who appeared to be entitled to bank credit were being provided for by the commercial banks. There were a few exceptions, however, and 13 direct loans to business organizations were authorized by the Federal Reserve Bank of New York by the end of 1932. The total amount of these commitments was \$1,292,500, against which advances of \$531,500 had been requested by the borrowers up to the end of the year, and of that amount \$465,450 was outstanding on December 31.

In addition to receiving applications for loans under this amendment to the Federal Reserve Act, the Federal Reserve Bank of New York, in cooperation with the Banking and Industrial Committee in this district, undertook a survey of the needs for credit which

were not being provided for by the existing banking facilities in the Second Federal Reserve District. The most numerous needs that were found were for mortgage loans either to refinance existing mortgages, or to provide new funds. A number of cases were found in which business concerns were in need of additional working capital, due to the fact that in the course of the depression they had largely exhausted their cash resources, and, with current operations on an unprofitable basis, were unable to offer a secure basis for bank loans. Many cases were also revealed in which personal loans were needed for a variety of purposes, most of which were ineligible for discount by the Reserve Bank. In a majority of cases the needs were for intermediate or long term loans, rather than for short term credit.

Banking and Industrial Committee

In furtherance of the program for making credit more freely available, a committee composed of prominent bankers and industrialists was appointed in this district on May 19 to assist in bringing together the demands for credit and the supply of funds. The announcement made at that time was as follows:

Governor Harrison of the Federal Reserve Bank of New York has called together a committee composed of bankers and industrialists for the purpose of considering methods of making the large funds now being released by the Federal Reserve Banks useful affirmatively in developing business. Its purpose also will be generally to cooperate with the Reconstruction Finance Corporation and other agencies to secure more coordinated and so more effective action on the part of the banking and industrial interests.

The following were appointed to membership on this committee:

Owen D. Young, *Chairman* . Chairman, General Electric Company
 Mortimer N. Buckner . Chairman, New York Trust Company
 Floyd L. Carlisle . . . Chairman, Consolidated Gas Company
 Walter S. Gifford . . . President, American Telephone and Telegraph Company
 Charles E. Mitchell . . Chairman, National City Bank
 William C. Potter . . . President, Guaranty Trust Company
 Jackson E. Reynolds . . President, First National Bank
 Alfred P. Sloan, Jr. . . President, General Motors Corporation
 Walter C. Teagle . . . President, Standard Oil Company
 (New Jersey)
 A. A. Tilney Chairman, Bankers Trust Company
 Albert H. Wiggin . . . Director, Chase National Bank
 Clarence M. Woolley . Chairman, American Radiator and Standard Sanitary Corporation

On January 16, 1933, Mr. George W. Davison, Chairman, Central Hanover Bank and Trust Company, was appointed as a member of the committee.

Soon after formation of the Banking and Industrial Committee of the Second Federal Reserve District, announcement was made of the formation of the American Securities Investing Corporation. This corporation was created for the purpose of facilitating coordinated action by the banks in the purchase of investment securities.

One of the first steps taken by the committee was to obtain an agreement from a group of New York banks to underwrite an issue of bonds by the Savings and Loan Bank of the State of New York, which operates somewhat as a central bank for savings and loan associations throughout the State. The proceeds of this issue of bonds were made available to member institutions for the purpose of providing additional mortgage funds.

The staff of the committee investigated the situation of particular industries which were reported to be in need of credit, and cooperated with the Federal Reserve Bank of New York in making general surveys of credit needs in the Second District. In this connection at the request of the Chairman the National Industrial Conference Board conducted an inquiry among industrial concerns throughout the country to determine the extent to which they were not obtaining needed credit.

The committee also took steps to encourage and promote the use of trade acceptances by business establishments, with the idea of improving the quality of credit instruments available to banks and thus facilitating the financing of business through bank credit.

Members of the committee and of its staff have cooperated with public bodies interested in obtaining funds for construction purposes, especially those desiring to borrow on self-liquidating projects from the Reconstruction Finance Corporation. In this connection the committee has acted in a liaison capacity between borrowers on the one hand and the Reconstruction Finance Corporation on the other.

As a result of the activities of an organization set up by the Banking and Industrial Committee, considerable progress has been made in the promotion of the Share-the-Work Movement, the purpose of which is to reduce the number of unemployed workers by reducing the working time of those employed and providing employment for additional people.

Finally, the committee has operated as a clearing house for programs in the economic field and has received and analyzed a large number and variety of plans for dealing with the present economic situation.

Membership Changes in 1932

The membership of the Federal Reserve System in this district decreased less during 1932 than in any year since 1929. The reduction was due entirely to a reduction in the number of National banks in operation in the district. There were three State bank and Trust companies admitted to membership and no withdrawals from membership. During 1932 the number of insolvencies was 11, as compared with 44 during the previous year. Mergers and consolidations among member banks continued to account for a large part of the decrease in membership.

Number of Member* and Nonmember Banks in Second Federal Reserve District at End of Year

TYPE OF BANK	DECEMBER 31, 1932			DECEMBER 31, 1931		
	Members*	Non-Members	Per Cent Members	Members*	Non-Members	Per Cent Members
National Banks.....	684	0	100	699	0	100
State Banks**.....	39	164	19	37	166	18
Trust Companies.....	104	169	38	105	174	38
Total.....	827	333	71	841	340	71

*In actual operation at end of year.

**Exclusive of savings banks.

Changes in Federal Reserve Membership in Second District During 1932

Total membership beginning of year.....	841
Increases:†	
National bank organized.....	1
National banks reopened.....	3
Admission of State banks and Trust companies.....	3
Member Trust company reopened.....	1
Total increases.....	8
Decreases:	
Member banks combined with other members.....	8
Members absorbed by nonmembers.....	2
Withdrawals.....	0
Insolvencies.....	11
Voluntary liquidation.....	1
Total decreases.....	22
Net decrease.....	14
Total membership end of year.....	827

†In addition to figures shown in this table, 4 nonmember banks were absorbed by members during the year.

Operating Statistics

Statistics of the operations of this bank are summarized briefly on the following pages. Detailed statistics for each Federal Reserve Bank are published in the annual report of the Federal Reserve Board.

STATEMENT OF CONDITION

RESOURCES	DEC. 31, 1932	DEC. 31, 1931
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.....	\$616,630,213.92	\$450,336,457.22
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.....	6,155,156.59	11,542,824.20
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.....	103,792,488.24	81,379,878.67
Gold and gold certificates in vault.....	289,509,470.99	300,478,183.81
Legal tender notes, silver, and silver certificates in the vaults of the bank (available as reserve only against deposits).....	52,385,395.00	37,739,315.00
Total cash reserves.....	\$1,068,472,724.74	\$881,476,658.90
Non-reserve cash consisting largely of National bank notes, and minor coin.....	\$21,158,222.18	\$19,234,621.23
LOANS AND INVESTMENTS:		
Loans to member banks:		
On the security of obligations of the United States.....	\$25,332,250.00	\$112,203,754.31
On the security of, or by the discount of, commercial or agricultural paper or acceptances.....	24,973,979.93	37,474,318.93
On the security of other collateral under Section 10(b) of the Federal Reserve Act, as amended.....	2,829,347.12	.....
Other loans.....	465,930.62	272,565.69
Bills bought in the open market.....	9,780,168.81	163,392,844.14
United States Government bonds, notes, bills, and certificates of indebtedness.....	733,353,950.00	309,355,850.00
Other securities.....	2,906,775.49	14,315,212.50
Total loans and investments.....	\$799,642,401.97	\$637,014,545.57
MISCELLANEOUS RESOURCES:		
Gold held abroad.....	\$72,637,893.28	.....
Checks and other items in process of collection	118,169,814.77	\$164,866,941.19
Bank premises.....	14,393,300.69	14,816,793.01
All other miscellaneous resources.....	25,545,469.28	20,499,027.40
Total miscellaneous resources.....	\$230,746,478.02	\$200,182,761.60
Total resources.....	\$2,120,019,826.91	\$1,737,908,587.30

LIABILITIES	DEC. 31, 1932	DEC. 31, 1931
CURRENCY IN CIRCULATION:		
Federal Reserve notes in actual circulation, payable on demand. As required by law, these notes are secured by gold; or notes, drafts, bills of exchange or acceptances; or obligations of the United States.....	\$587,565,860.90	\$574,185,857.40
Federal Reserve notes in circulation....	\$587,565,860.90	\$574,185,857.40
DEPOSITS:		
Reserve deposits maintained by member banks as legal reserves against the deposits of their customers.....	\$1,256,950,857.76	\$795,014,893.86
United States Government deposits carried at the Reserve Bank for current requirements of the Treasury.....	1,950,307.04	25,740,077.78
Other deposits including deposits of foreign correspondents, nonmember banks, etc....	12,965,444.15	41,313,401.35
Total deposits.....	\$1,271,866,608.95	\$862,068,372.99
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 periods specified in this bank's time schedules, which periods range from 1 to 7 days after receipt by this bank and are based on the average time required for collection.....	\$114,499,314.57	\$158,125,864.59
All other miscellaneous liabilities.....	2,410,521.19	6,812,787.98
Total miscellaneous liabilities.....	\$116,909,835.76	\$164,938,652.57
CAPITAL AND SURPLUS:		
Capital paid in, equal to 3 per cent of the capital and surplus of member banks.....	\$58,619,100.00	\$61,638,550.00
Surplus—That portion of accumulated net earnings which the bank is legally required to retain.....	85,058,421.30	75,077,154.34
Total capital and surplus.....	\$143,677,521.30	\$136,715,704.34
Total liabilities.....	\$2,120,019,826.91	\$1,737,908,587.30

INCOME AND DISBURSEMENTS

Income and disbursements for the year 1932 compared with 1931 are shown in the table on the following page. Total earnings in 1932 were nearly 16 million dollars, which is a little more than twice the amount of the previous year. This increase was due to a considerable rise in the amount of Reserve Bank credit outstanding. Most of the increase in income was from United States Government security holdings, which were greatly enlarged. Income from loans also was larger than in 1931, but income from acceptances was much

	1932	1931
EARNINGS:		
From loans.....	\$3,276,594.84	\$1,661,804.55
From bills bought in the open market.....	932,504.88	1,638,210.41
From United States Government obligations.....	11,157,506.72	3,613,854.20
Other earnings.....	582,336.21	641,344.16
Total earnings.....	\$15,948,942.65	\$7,555,213.32
ADDITIONS TO EARNINGS:		
For sundry additions to earnings, including income from Annex Building.....	\$1,362,375.51	\$1,107,406.45
DEDUCTIONS FROM EARNINGS:		
For current bank operation. (These figures include most of the expenses incurred as fiscal agent of the United States).....	\$6,190,061.12	\$6,298,732.43
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, and the cost of redemption.....	186,667.16	348,371.41
For depreciation, self-insurance, other reserves, losses, etc.....	530,039.45	483,435.21
Total deductions from earnings.....	\$6,906,767.73	\$7,130,539.05
Net income available for dividends, additions to surplus, and franchise tax to the United States Government.....	\$10,404,550.43	\$1,532,080.72
Dividends paid to member banks, at the rate of 6 per cent per annum on paid-in capital..	\$3,562,030.29	\$3,891,598.91
Excess of dividends over net income.....	.....	2,359,518.19
Additions to surplus—The bank is required 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.....	6,842,520.14	.....
Franchise tax—Any balance of net income remaining after paying dividends and making additions to surplus (as above) is required to be paid to the United States Government as a franchise tax. No balance remained for such payments in 1932 or 1931		
ADDITIONS TO SURPLUS ACCOUNT:		
Net earnings.....	\$6,842,520.14	.....
Restoration of depreciation reserve on United States Government securities.....	3,138,746.82	.....
Total additions to surplus account.....	\$9,981,266.96	.....
CHARGES TO SURPLUS ACCOUNT:		
Excess of dividends over net income.....	.....	\$2,359,518.19
Depreciation reserve on United States Government securities.....	.....	3,138,746.82
Total charges to surplus account.....	.....	\$5,498,265.01

reduced. Expenses of current bank operation again were smaller than the preceding year, notwithstanding an increase in the volume of work in many departments of the bank. There was also a substantial reduction in the cost of new currency.

Regular dividends were paid and \$9,981,266 was added to surplus, of which \$6,842,520 was from net earnings for 1932 and \$3,138,746 represented the restoration to surplus of a depreciation reserve on United States Government securities set up in 1931.

VOLUME OF OPERATIONS

The following table shows the volume of operations in the principal operating departments of the bank. While there was a decrease in the work in some of the operating departments of the bank, the volume of work in the bank as a whole was not reduced. In addition to the Discount Department, the operations of which are represented in the following table, there were several departments, in which the volume of work is difficult of precise measurement, that had an increase in activity in 1932. These included the Credit, Foreign, Government Bond and Safekeeping, Reports, and Securities Departments.

	1932	1931
Number of Pieces Handled		
Bills discounted:		
Applications.....	34,122	18,200
Notes discounted.....	94,436	57,251
Bills purchased in open market for own account.....	61,102	125,908
Currency received and counted.....	600,166,000	674,810,000
Coin received and counted.....	1,015,189,000	1,123,503,000
Checks handled.....	157,079,000	184,402,000
Collection items handled:		
United States Government coupons paid.....	4,359,000	4,488,000
All other.....	2,638,000	2,545,000
United States securities—issues, redemptions, and exchanges by fiscal agency department.....	835,000	1,187,000
Transfers of funds.....	341,000	375,000
Amounts Handled		
Bills discounted.....	\$4,912,325,000	\$4,200,712,000
Bills purchased in open market for own account.....	356,347,000	1,317,969,000
Currency received and counted.....	3,545,484,000	4,322,295,000
Coin received and counted.....	165,048,000	345,060,000
Checks handled.....	70,642,227,000	101,014,303,000
Collection items handled:		
United States Government coupons paid.....	256,177,000	233,190,000
All other.....	1,970,659,000	2,759,966,000
United States securities—issues, redemptions, and exchanges by fiscal agency department.....	13,416,054,000	11,434,584,000
Transfers of funds.....	49,476,304,000	62,189,715,000

PARTICIPATION IN THE SHARE-THE-WORK PLAN

In order to assist in providing employment for those out of work, the Federal Reserve Bank of New York is now participating in the Share-the-Work plan. The bank's participation was effected by placing all employees as far as possible on the equivalent of a five day week and taking on new employees to substitute for regular employees who are absent under this schedule. A total of about 145 new employees were thus placed in the various departments of the bank. A uniform deduction from the salaries of all officers and employees was made in an amount sufficient to cover the actual salary cost of the additional employees.

Changes in Directors and Officers

At a regular election in the fall of 1932, Edward K. Mills, President of the Morristown Trust Company, Morristown, N. J., was elected by member banks in Group 2 as a Class A director for a term of three years, beginning January 1, 1933, to succeed Thomas W. Stephens of Montclair, N. J., whose term expired December 31, 1932.

Walter C. Teagle, President of the Standard Oil Company (New Jersey), New York, N. Y., was elected by member banks in Group 2 as a Class B director to succeed Theodore F. Whitmarsh, New York, N. Y., whose term expired December 31, 1932, to serve for three years, beginning January 1, 1933.

The Federal Reserve Board redesignated J. Herbert Case as Chairman of the Board of Directors and as Federal Reserve Agent for the year 1933. The Federal Reserve Board also reappointed Owen D. Young as a Class C director for a term of three years from January 1, 1933 and as Deputy Chairman of the Board of Directors for the year 1933.

The Federal Reserve Board reappointed Frederick B. Cooley, President, New York Car Wheel Company, Buffalo, N. Y., as a director of the Buffalo Branch for a term of three years from January 1, 1933.

The Board of Directors of this bank reappointed Lewis G. Harriman, President, Manufacturers and Traders Trust Company, Buffalo, N. Y., as a director of the Buffalo Branch for a term of three years beginning January 1, 1933. The Board of Directors of this bank also reappointed Robert M. O'Hara as Managing Director of the Buffalo Branch for the year 1933.

MEMBER OF FEDERAL ADVISORY COUNCIL

The directors at their meeting January 5, 1933, selected George W. Davison, Chairman, Central Hanover Bank and Trust Company, as the member of the Federal Advisory Council from the Second Federal Reserve District for the year 1933 to succeed Robert H. Treman, President of the Tompkins County National Bank, Ithaca, N. Y., whose term expired December 31, 1932.

CHANGES IN OFFICERS

On February 5, 1932, the Loan and Discount Department was divided into two departments; Arthur Phelan was appointed Manager of the Discount Department and Jacques A. Mitchell, formerly Manager of the Loan and Discount Department, was made Manager of the Credit Department.

On January 3, 1933, Donald J. Cameron, formerly Chief of the Foreign Accounts Division, was appointed Manager of the Foreign Department; Edward O. Douglas, formerly Manager of the Foreign Department, became Manager of the Collection Department; and Robert F. McMurray, formerly Manager of the Collection Department, was placed in charge of the Reconstruction Finance Corporation Unit in the Government Bond and Safekeeping Department.

Theodore M. Crisp resigned as Assistant Counsel on April 30, 1932.

DIRECTORS AND OFFICERS

January 1, 1933

		DIRECTORS		<i>Term Expires Dec. 31</i>
<i>Class</i>	<i>Group</i>			
A	1	ALBERT H. WIGGIN, New York City	Director, The Chase National Bank of the City of New York	1934
A	2	EDWARD K. MILLS, Morristown, N. J.	President, Morristown Trust Company	1935
A	3	DAVID C. WARNER, Endicott, N. Y.	President, Endicott Trust Company	1933
B	1	WILLIAM H. WOODIN, New York City	President, American Car & Foundry Company	1934
B	2	WALTER C. TEAGLE, New York City	President, Standard Oil Company (New Jersey)	1935
B	3	SAMUEL W. REYBURN, New York City	President, Associated Dry Goods Corporation of New York	1933
C		J. HERBERT CASE, New York City, <i>Chairman</i>		1934
C		OWEN D. YOUNG, New York City, <i>Deputy Chairman</i>	Chairman, General Electric Company	1935
C		CLARENCE M. WOOLLEY, Greenwich, Conn.	Chairman, American Radiator and Standard Sanitary Corporation	1933

MEMBER OF FEDERAL ADVISORY COUNCIL

GEORGE W. DAVISON

Chairman, Central Hanover Bank and Trust Company, New York, N. Y.

OFFICERS OF FEDERAL RESERVE AGENT'S FUNCTION

J. HERBERT CASE, *Federal Reserve Agent*WILLIAM H. DILLISTIN, *Assistant Federal Reserve Agent*HAROLD V. ROELSE, *Manager, Reports Department and Assistant Secretary*HERBERT S. DOWNS, *Assistant Federal Reserve Agent and Manager, Bank Relations Department*CARL SNYDER, *General Statistician*EDWARD L. DODGE, *General Auditor*GEORGE W. FERGUSON, *Assistant General Auditor*

GENERAL OFFICERS

GEORGE L. HARRISON, *Governor*

W. RANDOLPH BURGESS, *Deputy Governor*
 JAY E. CRANE, *Deputy Governor*

EDWIN R. KENZEL, *Deputy Governor*
 WALTER S. LOGAN, *Deputy Governor and
 General Counsel*

ARTHUR W. GILBART, *Deputy Governor*

LESLIE R. ROUNDS, *Deputy Governor*

LOUIS F. SAILER, *Deputy Governor*

CHARLES H. COE,
Assistant Deputy Governor

L. WERNER KNOKE,
Assistant Deputy Governor

RAY M. GIDNEY,
Assistant Deputy Governor

WALTER B. MATTESON,
Assistant Deputy Governor

J. WILSON JONES,
Assistant Deputy Governor

JAMES M. RICE,
Assistant Deputy Governor

ALLAN SPROUL, *Assistant Deputy
 Governor and Secretary*

JUNIOR OFFICERS

DUDLEY H. BARROWS,
Manager, Administration Department

ROBERT F. McMURRAY,
*Manager, Government Bond and Safe-
 keeping Department*

WESLEY W. BURT,
Manager, Accounting Department

JACQUES A. MITCHELL,
Manager, Credit Department

DONALD J. CAMERON,
Manager, Foreign Department

ROBERT M. MORGAN,
Manager, Bill Department

EDWARD O. DOUGLAS,
Manager, Collection Department

ARTHUR PHELAN,
Manager, Discount Department

EDWIN C. FRENCH,
Manager, Cash Department

WILLIAM A. SCOTT,
*Manager, Government Bond and Safe-
 keeping Department*

HERBERT H. KIMBALL,
Assistant Counsel

I. WARD WATERS,
Manager, Check Department

BUFFALO BRANCH

DIRECTORS

	<i>Term Expires Dec. 31</i>
RAYMOND N. BALL, Rochester President, Lincoln-Alliance Bank and Trust Company	1934
FREDERICK B. COOLEY, Buffalo President, New York Car Wheel Company	1935
LEWIS G. HARRIMAN, Buffalo President, Manufacturers and Traders Trust Company	1935
GEORGE G. KLEINDINST, Buffalo President, Liberty Bank of Buffalo	1934
EDWARD G. MINER, Rochester Chairman, Pfaudler Company	1933
GEORGE F. RAND, Buffalo President, Marine Trust Company	1933
ROBERT M. O'HARA, <i>Managing Director</i>	1933

OFFICERS

ROBERT M. O'HARA,
Managing Director
 R. B. WILTSE,
Assistant Manager

HALSEY W. SNOW, JR.,
Cashier
 CLIFFORD L. BLAKESLEE,
Assistant Cashier