

Statement of Condition

FEDERAL RESERVE BANK OF NEW YORK	
Dec. 31, 1921	Dec. 31, 1920
180,058,235 99	143,901,898 46
523,004,078 38	524,375,320 89
15,000,000 00	39,000,000 00
2,131,530,815 67	2,618,170,689 67
TOTAL CASH RESERVES	
We hand you herewith a condensed statement of the condition of this bank at the close of its fiscal year, December 31, 1921, and of the Profit and Loss account for that year, showing the disposition of net profits.	
For convenient comparison, the relative items for the previous year, 1920, are also shown.	
Supplementing the Profit and Loss account is a statement showing the size and cost of the various operations conducted by the bank in 1921.	
We trust that you will find these various statements of interest, pending receipt of the more complete report of the year's operations contained in the report of the Chairman to the Federal Reserve Board, now in preparation, a copy of which we shall send you as soon as it is published.	
108,362,741 76	141,346,423 91
2,821,818 39	1,431,316 02
2,114,662,378 49	2,149,636,607 36
2,131,530,815 67	2,618,170,689 67
TOTAL MISCELLANEOUS RESOURCES	
TOTAL RESOURCES	

Circular No. 432
January 23, 1922.

Accounting Department

Seventh Annual Statement

To the Stockholders of the
Federal Reserve Bank of New York:

Very truly yours,
BENJ. STRONG,
Governor.

Statement of Condition

R E S O U R C E S	Dec. 31, 1921	Dec. 31, 1920
CASH RESERVES held by this bank against its deposits and note circulation:		
GOLD AND GOLD CERTIFICATES in vault.....	\$283,141,669.40	\$132,723,247.12
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.....	130,058,226.99	45,901,896.46
GOLD WITH FOREIGN AGENCIES.....		1,211,100.00
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.....	653,004,078.28	254,575,330.89
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.....	15,000,000.00	39,000,000.00
LEGAL TENDER NOTES, SILVER, AND SILVER CERTIFICATES in the vaults of the bank (available as reserve only against deposits).....	50,335,841.00	144,759,115.20
TOTAL CASH RESERVES	\$1,131,539,815.67	\$618,170,689.67
LOANS AND INVESTMENTS		
LOANS TO MEMBER BANKS:		
On the security of obligations of the United States.....	\$156,013,679.05	\$454,751,722.52
By the discount of commercial or agricultural paper or acceptances.....	53,066,308.08	416,686,474.82
ACCEPTANCES bought in the open market.....	72,593,292.33	113,740,374.53
UNITED STATES GOVERNMENT bonds, notes and certificates of indebtedness (including certificates securing Federal Reserve Bank notes).....	103,525,400.00	61,184,305.55
TOTAL LOANS AND INVESTMENTS (or Earning Assets).	\$385,198,679.46	\$1,046,362,877.42
MISCELLANEOUS RESOURCES		
BANK PREMISES.....	\$6,647,921.86	\$4,092,497.30
5% REDEMPTION FUND in the hands of the Treasurer of the United States to be used for redeeming such Federal Reserve Bank notes (mostly in \$1 and \$2 denominations) as are presented to the Treasury for redemption. This fund may not legally be included in the reserves of the bank.....	1,603,360.00	2,766,360.00
CHECKS AND OTHER ITEMS IN PROCESS OF COLLECTION...	103,362,741.74	141,346,433.94
ALL OTHER MISCELLANEOUS RESOURCES.....	2,851,848.89	1,431,316.02
TOTAL MISCELLANEOUS RESOURCES	\$114,465,872.49	\$149,636,607.26
TOTAL RESOURCES	\$1,631,204,367.62	\$1,814,170,174.35

Federal Reserve Bank of New York

LIABILITIES	Dec. 31, 1921	Dec. 31, 1920
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.....	\$663,363,181.00	\$867,480,630.00
FEDERAL RESERVE BANK NOTES in actual circulation, payable on demand. These notes, mostly for \$1 and \$2, are secured by Treasury certificates issued under the Pittman Act....	20,559,200.00	38,833,200.00
TOTAL CURRENCY IN CIRCULATION.....	\$683,922,381.00	\$906,313,830.00
DEPOSITS		
RESERVE DEPOSITS maintained by member banks as legal reserves against the deposits of their customers.....	\$726,097,832.01	\$702,431,237.92
UNITED STATES GOVERNMENT DEPOSITS carried at the Reserve Bank for current requirements of the Treasury.....	32,616,430.48	11,297,895.88
OTHER DEPOSITS including foreign deposits, deposits of non-member banks, etc.....	14,450,428.68	12,133,377.48
TOTAL DEPOSITS.....	\$773,164,691.17	\$725,862,511.28
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.....	\$83,847,856.21	\$93,318,901.11
ALL OTHER MISCELLANEOUS LIABILITIES.....	2,958,462.10	5,887,825.92
TOTAL MISCELLANEOUS LIABILITIES.....	\$86,806,318.31	99,206,727.03
CAPITAL AND SURPLUS		
CAPITAL PAID IN, equal to 3 per cent. of the capital and surplus of member banks.....	\$27,113,850.00	\$26,372,650.00
SURPLUS—Transferred from net earnings in past years and this year.....	60,197,127.14	56,414,456.04
TOTAL CAPITAL AND SURPLUS.....	\$87,310,977.14	\$82,787,106.04
TOTAL LIABILITIES.....	\$1,631,204,367.62	\$1,814,170,174.35

Profit and Loss Account

	Dec. 31, 1921	Dec. 31, 1920
EARNINGS		
FROM LOANS TO MEMBER BANKS and paper discounted for them	\$30,762,021.40	\$49,839,182.52
FROM ACCEPTANCES OWNED	1,829,665.00	8,323,050.37
FROM UNITED STATES GOVERNMENT SECURITIES owned, including United States Treasury certificates which secure Federal Reserve Bank note circulation	1,978,433.39	1,975,648.96
OTHER EARNINGS	197,168.98	387,439.92
TOTAL EARNINGS	\$34,767,288.77	\$60,525,321.77
DEDUCTIONS FROM EARNINGS		
FOR CURRENT BANK OPERATION. (The expenses for 1921 include expenses incurred as fiscal agent of the United States from July 1 to December 31, 1921. Prior to July 1, 1921, such expenses were reimbursed by the Treasury)	\$7,076,187.58	\$6,350,862.58
FOR FEDERAL RESERVE CURRENCY, mainly the cost of printing new notes to replace worn notes in circulation, and to build up supplies unissued and on hand	1,091,591.96	648,392.46
FOR SELF-INSURANCE AND OTHER RESERVES, DEPRECIATION, ETC.	505,677.03	397,936.09
TOTAL DEDUCTIONS FROM EARNINGS	\$8,673,456.57	\$7,397,191.13
NET INCOME available for dividends, additions to surplus, and payment to the United States Government	\$26,093,832.20	\$53,128,130.64
DISTRIBUTION OF NET INCOME		
In dividends paid to member banks, at the rate of 6 per cent. on paid-in capital	\$1,608,721.16	\$1,477,096.58
In additions to surplus—an amount equivalent to the increase in the bank's subscribed capital during the year, plus 10 per cent. of the remaining net income, as provided by law	3,782,671.10	12,332,523.41
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.)	20,702,439.94	39,318,510.65
TOTAL NET INCOME DISTRIBUTED	\$26,093,832.20	\$53,128,130.64

EXPENSES OF THE FEDERAL RESERVE BANK OF ST. LOUIS Gross Earnings by Months

The following figures show in comparison the gross earnings of the bank by months for the years 1921 and 1920:

	1921	1920
January	\$5,335,895.85	\$3,999,906.01
February	4,763,396.65	4,266,984.48
March	4,696,542.45	4,791,127.35
April	3,706,630.43	4,433,053.25
May	3,537,521.77	4,858,821.66
June	2,652,685.72	4,986,885.14
July	2,350,879.59	5,395,165.28
August	2,085,282.18	5,487,126.99
September	1,671,063.19	5,229,776.97
October	1,448,945.87	5,777,295.19
November	1,194,674.82	5,567,154.47
December	1,323,770.25	5,732,024.98
	\$34,767,288.77	\$60,525,321.77

Ratio of Net Earnings

	1921	1920
Per Cent. Earned on Capital	97.3	215.7
Per Cent. Earned on Capital and Surplus	30.8	71.7
Per Cent. Earned on Capital, Surplus and Deposits	3.4	6.3

3. MAKING LOANS

MAKING DEPOSITS AND ADVANCES TO MEMBER BANKS. The number of items made during the year was 149,181, aggregating \$20,767,500,000.

\$210,402

4. COLLECTING CHECKS, DRAFTS, NOTES AND COUPONS

COLLECTION ON CASH ITEMS MONTHLY CHECKS. The average number of checks handled was 316,190 a day, or 104,510,000 for the year, aggregating \$26,196,000,000.

\$2,289,700

EXPENSES OF OPERATION DURING 1921

The principal expenses of the Federal Reserve Bank are incurred in carrying out functions prescribed by law or in performing services to member banks and through them to the whole business, agricultural and industrial community, which the legally prescribed functions imply. About one-third of all the banking resources of the country are within this Federal Reserve district, and the New York Reserve Bank conducts about one-third of the business of the entire Federal Reserve system. At the close of business on December 31, the total personnel of the New York Reserve Bank, including the Buffalo Branch, numbered 2,907 persons.

The expenses for carrying on the work of the bank, divided according to function, and with miscellaneous items of overhead apportioned among the various functions, were as follows:

1. MAINTAINING THE ACCOUNTS OF THE BANK.

This work includes making about 12,500,000 entries a year in the accounts maintained with member and other banks, and the current determination of reserve balances, which are required by law..... \$260,111

2. SUPPLYING CURRENCY AND COIN.

PAYING OUT, RECEIVING AND REDEEMING CURRENCY, involving the count of about 687,000,000 individual notes during the year..... \$1,247,912

PAYING OUT AND RECEIVING COIN. This service was formerly performed largely by the Sub-Treasury, and is now entirely in the hands of the Federal Reserve Bank. Receipts and issues amounted to \$164,000,000 for the year..... 193,572

CURRENCY AND COIN SHIPMENTS to and from out-of-town banks. There were 175,000 such shipments in and out during the year..... 209,826

COST OF PRINTING NEW FEDERAL RESERVE CURRENCY to replace worn notes in circulation and to build up supplies unissued and on hand, including cost of transportation..... 1,091,592

TAX on Federal Reserve Bank note circulation, mostly of notes in the \$1 and \$2 denomination. (Federal Reserve note circulation is not taxed) .. 136,310

SUPPLYING CURRENCY AND COIN..... \$2,879,212

3. MAKING LOANS.

MAKING DISCOUNTS AND ADVANCES TO MEMBER BANKS. The number of items handled during the year was 149,151, aggregating \$30,767,000,000. \$423,720

PURCHASING ACCEPTANCES AND TREASURY CERTIFICATES for the account of this bank and other Federal Reserve Banks. The items purchased during the year aggregated \$3,479,000,000..... 87,682

MAKING LOANS..... \$516,402

4. COLLECTING CHECKS, DRAFTS, NOTES AND COUPONS.

COLLECTION OF CASH ITEMS, mostly checks. The average number of checks handled was 346,100 a day, or 104,519,000 for the year, aggregating \$36,100,000,000..... \$1,768,685

COLLECTION OF NON-CASH ITEMS, including drafts, notes and coupons, aggregating for the year, \$1,580,000,000..... 621,024

COLLECTING CHECKS, ETC..... \$2,389,709

5. SUPPLEMENTARY SERVICES.

CUSTODY OF SECURITIES. This service involves holding in safekeeping on the average about \$800,000,000 of securities for the United States Government, \$300,000,000 for the War Finance Corporation and \$100,000,000 from other sources	\$121,309
PURCHASE AND SALE OF BANKERS ACCEPTANCES and other securities for member banks and foreign banks amounting to \$415,256,000 for the year, and receiving and delivering securities for the account of member banks, amounting for the year to about \$400,125,000. In addition the bank has acted for the Treasury Department in the purchase and sale of Government securities	137,207
TELEGRAPHIC TRANSFER OF FUNDS. 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 969 transfers of funds to all parts of the country each day, amounting to about \$60,133,000 and aggregating for the year \$18,160,344,000	94,034

SUPPLEMENTARY SERVICES **\$352,550**

6. SERVICES IN CONNECTION WITH GOVERNMENT LOANS.

This work included during 1921 the receipt or delivery of 10,520,094 individual Liberty bonds and Victory notes, amounting to \$2,379,500,000, which were exchanged or converted or handled in connection with registration; and the payment of 26,125,000 individual coupons on Government bonds, notes and certificates. It also involved the sale and issue of \$1,480,000,000 of Treasury notes and certificates, and the redemption of \$1,461,000,000 of Treasury certificates. Prior to July 1 the cost of such operations, less miscellaneous items of overhead, was reimbursed to the bank by the Treasury Department. The cost to the bank from July 1 to December 31 was

\$572,748

(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:

EXECUTIVE SALARIES (Chairman, governor, four deputy governors and secretary of the bank, and manager and cashier of the Buffalo Branch) ..	\$206,385
WORK OF THE FEDERAL RESERVE AGENT , 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	425,933
MAINTAINING THE GENERAL AUDIT	329,828
DIRECTORS' FEES AND TRAVELING EXPENSES	32,101
THIS BANK'S SHARE OF THE EXPENSES OF THE FEDERAL RESERVE BOARD ..	202,801
GENERAL OR SUPERVISORY EXPENSES	\$1,197,048
TOTAL	\$8,167,780

BUFFALO BRANCH

DIRECTORS AND OFFICERS JANUARY, 1922

DIRECTORS

PIERRE JAY, New York City
Chairman
WILLIAM L. SAUNDERS, Plainfield, N. J.
Deputy Chairman
JAMES S. ALEXANDER, New York City

CHARLES SMITH, Oneonta, N. Y.
FRANK L. STEVENS, North Hoosick, N. Y.
CHARLES A. STONE, New York City
ROBERT H. TREMAN, Ithaca, N. Y.
RICHARD H. WILLIAMS, Madison, N. J.

CLARENCE M. WOOLLEY, New York City

MEMBER OF FEDERAL ADVISORY COUNCIL

PAUL M. WARBURG, New York City

OFFICERS

GENERAL OFFICERS

BENJ. STRONG, *Governor*

GEORGE L. HARRISON, *Deputy Governor*
EDWIN R. KENZEL, *Deputy Governor*

J. HERBERT CASE, *Deputy Governor*
LOUIS F. SAILER, *Deputy Governor*

DUDLEY H. BARROWS, *Secretary*
JAY E. CRANE, *Assistant Secretary*

EDWARD H. HART, *General Counsel*
L. RANDOLPH MASON, *Assistant General Counsel*

SENIOR OFFICERS

J. HERBERT CASE, *Controller of Foreign Relations, Pro tem.*
GILBERT E. CHAPIN, *Controller of Loans*
RAY M. GIDNEY, *Controller at Large*
ARTHUR W. GILBART, *Controller of Administration*
GEORGE L. HARRISON, *Controller of Collections, Pro tem.*

LAURENCE H. HENDRICKS, *Controller at Large*
JOSEPH D. HIGGINS, *Controller of Cash and Custodies*
J. WILSON JONES, *Controller of Fiscal Agency Functions*
EDWIN R. KENZEL, *Controller of Investments, Pro tem.*
LESLIE R. ROUNDS, *Controller of Accounts*

JUNIOR OFFICERS

GILBERT E. CHAPIN, *Manager, Loan Department, Pro tem.*
CHARLES H. COE, *Manager, Check Department*
JAY E. CRANE, *Manager, Foreign Department*
EDWIN C. FRENCH, *Manager, Custody Department*
ARTHUR W. GILBART, *Manager, Building Maintenance Department, Pro tem.*
BETHUNE M. GRANT, *Manager, Government Securities Sales Department*
WILLIAM A. HAMILTON, *Manager, Cash Department*
HOWARD M. JEFFERSON, *Manager, Personnel Development Department*
ADOLPH J. LINS, *Manager at Large*

WALTER B. MATTESON, *Manager, Certificates of Indebtedness Department and Manager, Securities Department*
JOSEPH L. MORRIS, *Manager, Credit Department*
HENRY R. MURRAY, *Manager, Collection Department*
ROBERT M. O'HARA, *Manager, Bill Department*
JOHN E. RAASCH, *Manager, Methods and Supplies Department*
JAMES M. RICE, *Manager, Government Bond Department*
LESLIE R. ROUNDS, *Manager, Accounting Department, Pro tem.*
STEPHEN S. VANSANT, *Manager, Discount Department*

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

AUDITOR

FRANCIS OAKEY, *General Auditor*
EDWARD L. DODGE, *Manager, Auditing Department*

FEDERAL RESERVE AGENT

PIERRE JAY, *Federal Reserve Agent*
SHEPARD MORGAN, *Assistant Federal Reserve Agent*

WILLIAM H. DILLISTIN, *Manager, Bank Examinations Department* CARL SNYDER, *Manager, Statistics Department*

BUFFALO BRANCH

DIRECTORS

E. J. BARCALO, Buffalo, N. Y.
FRED J. COE, Niagara Falls, N. Y.
JOHN A. KLOEFFER, Buffalo, N. Y.

THOMAS E. LANNIN, Rochester, N. Y.
ELLIOTT C. McDUGAL, Buffalo, N. Y.
HARRY T. RAMSDALL, Buffalo, N. Y.

WALTER W. SCHNECKENBURGER, Buffalo, N. Y.

OFFICERS

WALTER W. SCHNECKENBURGER, *Manager*

HALSEY W. SNOW, JR., *Cashier*

CLIFFORD L. BLAKESLEE, *Assistant Cashier*