

Statement of Condition

R E S O U R C E S	\$ Dec. 31, 1922	Dec. 31, 1921
CASH RESERVES held by this bank against its deposits and note circulation:		
GOLD AND GOLD CERTIFICATES in vault.....	\$118,126,581.76	\$283,141,669.40
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.....	169,378,439.83	130,058,226.99
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.....	658,970,228.28	653,004,078.28
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.....	10,308,820.39	15,000,000.00
LEGAL TENDER NOTES, SILVER, AND SILVER CERTIFICATES in the vaults of the bank (available as reserve only against deposits).....	31,313,929.70	50,335,841.00
TOTAL CASH RESERVES.....	\$988,097,999.96	\$1,131,539,815.67
LOANS AND INVESTMENTS		
LOANS TO MEMBER BANKS:		
On the security of obligations of the United States.....	\$168,235,591.11	\$156,013,679.05
By the discount of commercial or agricultural paper or acceptances.....	16,053,362.30	53,066,308.08
ACCEPTANCES bought in the open market.....	60,863,602.89	72,593,292.33
UNITED STATES GOVERNMENT bonds, notes and certificates of indebtedness.....	167,252,450.00	103,525,400.00
TOTAL LOANS AND INVESTMENTS (or Earning Assets).	\$412,405,006.30	\$385,198,679.46
MISCELLANEOUS RESOURCES		
BANK PREMISES.....	\$10,238,178.58	\$6,647,921.86
5% REDEMPTION FUND in the hands of the Treasurer of the United States, for Federal Reserve Bank notes (mostly in \$1 and \$2 denominations) presented to the Treasury for redemption. This fund was closed out on December 28, 1922, when the Treasury assumed liability for all such notes remaining unretired.....	1,603,360.00
CHECKS AND OTHER ITEMS IN PROCESS OF COLLECTION...	134,303,106.41	103,362,741.74
ALL OTHER MISCELLANEOUS RESOURCES.....	1,892,589.25	2,851,848.89
TOTAL MISCELLANEOUS RESOURCES.....	\$146,433,874.24	\$114,465,872.49
TOTAL RESOURCES.....	\$1,546,936,880.50	\$1,631,204,367.62

Federal Reserve Bank of New York

LIABILITIES	Dec. 31, 1922	Dec. 31, 1921
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.....	\$597,071,293.50	\$663,363,181.00
FEDERAL RESERVE BANK NOTES in actual circulation, payable on demand. Liability for all such notes has now been assumed by the Treasury.....	20,559,200.00
TOTAL CURRENCY IN CIRCULATION.....	\$597,071,293.50	\$683,922,381.00
DEPOSITS		
RESERVE DEPOSITS maintained by member banks as legal reserves against the deposits of their customers.....	\$749,005,902.75	\$726,097,832.01
UNITED STATES GOVERNMENT DEPOSITS carried at the Reserve Bank for current requirements of the Treasury.....	517,656.11	32,616,430.48
OTHER DEPOSITS including foreign deposits, deposits of non-member banks, etc.....	11,439,182.74	14,450,428.68
TOTAL DEPOSITS.....	\$760,962,741.60	\$773,164,691.17
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.....	\$98,100,885.92	\$83,847,856.21
ALL OTHER MISCELLANEOUS LIABILITIES.....	2,313,986.23	2,958,462.10
TOTAL MISCELLANEOUS LIABILITIES.....	\$100,414,872.15	\$86,806,318.31
CAPITAL AND SURPLUS		
CAPITAL PAID IN, equal to 3 per cent. of the capital and surplus of member banks.....	\$28,688,450.00	\$27,113,850.00
SURPLUS—That portion of accumulated net earnings which the bank is legally permitted to retain.....	59,799,523.25	60,197,127.14
TOTAL CAPITAL AND SURPLUS.....	\$88,487,973.25	\$87,310,977.14
TOTAL LIABILITIES.....	\$1,546,936,880.50	\$1,631,204,367.62

Profit and Loss Account

	Dec. 31, 1922	Dec. 31, 1921
EARNINGS		
FROM LOANS TO MEMBER BANKS and paper discounted for them.....	\$3,970,209.76	\$30,762,021.40
FROM ACCEPTANCES OWNED.....	1,619,512.13	1,829,665.00
FROM UNITED STATES GOVERNMENT OBLIGATIONS owned, including United States Treasury certificates which secured Federal Reserve Bank note circulation.....	5,643,385.44	1,978,433.39
OTHER EARNINGS.....	108,211.44	197,168.98
TOTAL EARNINGS.....	\$11,341,318.77	\$34,767,288.77
DEDUCTIONS FROM EARNINGS		
FOR CURRENT BANK OPERATION. (These figures include the greater portion of expenses incurred as fiscal agent of the United States, since July 1, 1921).....	\$6,223,404.61	\$7,076,187.58
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.....	553,124.78	1,091,591.96
FOR SELF-INSURANCE AND OTHER RESERVES, DEPRECIATION, ETC.....	843,196.31	505,677.03
TOTAL DEDUCTIONS FROM EARNINGS.....	\$7,619,725.70	\$8,673,456.57
NET INCOME available for dividends, additions to surplus, and payment to the United States Government.....	\$3,721,593.07	\$26,093,832.20
DISTRIBUTION OF NET INCOME		
In dividends paid to member banks, at the rate of 6 per cent. on paid-in capital.....	\$1,652,138.30	\$1,608,721.16
In additions to surplus—The bank is permitted by law to accumulate out of earnings 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.....	206,945.48	3,782,671.10
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.)	1,862,509.29	20,702,439.94
TOTAL NET INCOME DISTRIBUTED.....	\$3,721,593.07	\$26,093,832.20

Gross Earnings by Months

The following figures show in comparison the gross earnings of the bank by months for the years 1922 and 1921:

	1922	1921
January.....	\$984,407.49	\$5,335,895.85
February.....	886,241.10	4,763,396.65
March.....	973,938.13	4,696,542.45
April.....	881,586.90	3,706,630.43
May.....	1,027,701.56	3,537,521.77
June.....	890,161.83	2,652,685.72
July.....	964,385.25	2,350,879.59
August.....	849,052.29	2,085,282.18
September.....	910,386.31	1,671,063.19
October.....	974,884.30	1,448,945.87
November.....	907,626.40	1,194,674.82
December.....	1,090,947.21	1,323,770.25
	\$11,341,318.77	\$34,767,288.77

Ratio of Net Earnings

	1922	1921
Per Cent. earned on capital paid in.....	13.6	97.3
Per Cent. earned on capital and surplus.....	4.3	30.8
Per Cent. earned on capital, surplus and deposits.....	0.5	3.4

EXPENSES OF OPERATION DURING 1922

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 3,043 persons.

The expenses for carrying on the work of the bank, divided according to functions, 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 9,420,000 entries a year in the accounts maintained with member and other banks, and the current determination of reserve balances which are required by law..... \$219,034

2. SUPPLYING CURRENCY AND COIN

PAYING OUT, RECEIVING AND REDEEMING CURRENCY, involving the count of about 696,000,000 individual notes during the year..... \$855,913

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 \$186,500,000 for the year..... 173,601

CURRENCY AND COIN SHIPMENTS to and from out-of-town banks. There were 215,000 such shipments in and out during the year..... 336,961

COST OF PRINTING NEW FEDERAL RESERVE CURRENCY to replace worn notes in circulation and to maintain supplies unissued and on hand, including cost of transportation..... 553,125

TAX on Federal Reserve Bank note circulation, mostly of notes in the \$1 and \$2 denominations. (Federal Reserve note circulation is not taxed.) 69,374

SUPPLYING CURRENCY AND COIN..... \$1,988,974

3. MAKING LOANS

MAKING DISCOUNTS AND ADVANCES TO MEMBER BANKS. The number of items handled during the year was 60,715, aggregating \$9,206,000,000... \$307,250

PURCHASING ACCEPTANCES AND GOVERNMENT OBLIGATIONS for the account of this bank and other Federal Reserve Banks. The items purchased during the year aggregated \$3,750,000,000..... 115,377

MAKING LOANS..... \$422,627

4. COLLECTING CHECKS, DRAFTS, NOTES AND COUPONS

COLLECTION OF CASH ITEMS, mostly checks. The average number collected was 392,715 a day, or 118,600,000 for the year, aggregating \$62,300,000,000 \$1,537,067

COLLECTION OF NON-CASH ITEMS, including drafts, notes and coupons. The number of items handled during the year was about 1,740,000, aggregating \$1,520,000,000..... 512,585

COLLECTING CHECKS, ETC..... \$2,049,652

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, \$100,000,000 for the War Finance Corporation and \$200,000,000 from other sources.....	\$135,019
PURCHASE AND SALE OF BANKERS ACCEPTANCES and other securities for member banks and foreign banks amounting for the year to \$302,000,000, and receiving and delivering securities for the account of member banks, amounting for the year to about \$916,000,000. In addition the bank has acted for the Treasury Department in the purchase and sale of Government securities.....	183,645
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 783 transfers of funds to all parts of the country each day, amounting to about \$83,000,000 and aggregating for the year \$25,126,000,000.....	100,242
SUPPLEMENTARY SERVICES	\$418,906

6. SERVICES IN CONNECTION WITH GOVERNMENT LOANS

This work included during 1922 the receipt or delivery of 6,387,000 individual Government bonds, notes and certificates, amounting to \$4,633,000,000, which were exchanged or converted or handled in connection with registration; and the payment of 22,685,000 individual coupons on Government bonds, notes and certificates. It also involved the sale and issue of 320,000 pieces amounting to \$1,922,000,000, and the redemption of 646,000 pieces amounting to \$1,451,000,000, 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.....	\$616,859
---	-----------

(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)...	\$209,330
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.....	365,219
MAINTAINING THE GENERAL AUDIT	264,971
DIRECTORS' FEES AND TRAVELING EXPENSES	23,075
THIS BANK'S SHARE OF THE EXPENSES OF THE FEDERAL RESERVE BOARD ..	197,882
GENERAL OR SUPERVISORY EXPENSES	\$1,060,477
TOTAL	\$6,776,529

DIRECTORS AND OFFICERS, JANUARY 1, 1923

DIRECTORS

Class	Group		Term Expires Dec. 31	Class	Group		Terms Expires Dec. 31
A	1	GATES W. MCGARRAH, New York City Chairman, The Mechanics and Metals National Bank	1925	B	2	RICHARD H. WILLIAMS, Madison, N. J. Williams & Peters, New York City	1923
A	2	ROBERT H. TREMAN, Ithaca, N. Y. President, The Tompkins County National Bank	1923	B	3	FRANK L. STEVENS, North Hoosick, N. Y. President, Stevens and Thompson, Inc.	1924
A	3	CHARLES SMITH, Oneonta, N. Y. President, The Citizens National Bank	1924	C		PIERRE JAY, New York City, <i>Chairman</i>	1925
B	1	OWEN D. YOUNG, New York City Chairman, General Electric Company	1925	C		WILLIAM L. SAUNDERS, Plainfield, N. J., <i>Deputy Chairman</i>	1923
				C		Chairman, Ingersoll-Rand Company CLARENCE M. WOOLLEY, New York City President, American Radiator Company	1924

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*

L. RANDOLPH MASON, *General Counsel*

JESSE HOLLADAY PHILBIN, *Assistant General Counsel*

SENIOR OFFICERS

GILBERT E. CHAPIN, *Controller of Loans*
RAY M. GIDNEY, *Controller at Large*
ARTHUR W. GILBERT, *Controller of Cash and
Controller of Collections*
LAURENCE H. HENDRICKS, *Controller of Fiscal Agency
Functions*

JOSEPH D. HIGGINS, *Controller at Large*
J. WILSON JONES, *Controller of Administration*
EDWIN R. KENZEL, *Controller of Investments,
Pro tem.*
LESLIE R. ROUNDS, *Controller of Accounts*

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 Indebted-
ness 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

FRANCIS OAKLEY, *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*

WILLIAM H. DILLISTIN, *Manager, Bank Examinations Dept.*

W. RANDOLPH BURGESS, *Manager, Reports Department*

BUFFALO BRANCH

DIRECTORS

E. J. BARCALO, *President, Barcalo Manufacturing Company, Buffalo*
FRED J. COE, *Vice-President, Power City Bank, Niagara Falls*
JOHN A. KLOEPFER, *President, Liberty Bank of Buffalo*

THOMAS E. LANNIN, *Vice-President, Lincoln-Alliance Bank, Rochester*
ELLIOTT C. McDUGAL, *President, Marine Trust Company, Buffalo*
HARRY T. RAMSDELL, *President, Mfrs. and Traders National Bank, 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*