

FEDERAL RESERVE BANK  
OF NEW YORK

[ Circular No. 8500 ]  
January 19, 1979

SIXTY-FOURTH ANNUAL STATEMENT

To the Member Banks  
of the Second Federal Reserve District:

Herewith is a statement of condition of the Federal Reserve Bank of New York at the close of the year 1978, and of earnings and expenses for that year. For comparison purposes, the corresponding figures for 1977 are also shown. In addition, printed on the following pages are current listings of the directors and officers of this Bank and its Buffalo Branch.

The regular annual report of the Bank, containing a review of economic and financial developments and of Bank operations in 1978, is now being prepared. When it is issued, a copy will be sent to each member bank in the District.

PAUL A. VOLCKER,  
*President.*



## Statement of Condition

ASSETS	<i>Dec. 31, 1978</i>	<i>Dec. 31, 1977</i>
Gold certificate account .....	\$ 3,205,935,246	\$ 3,492,174,498
Special Drawing Rights certificate account .....	330,000,000	313,000,000
Coin .....	20,732,835	18,079,848
Total .....	<u>\$ 3,556,668,081</u>	<u>\$ 3,823,254,346</u>
Advances .....	\$ 310,780,000	\$ 102,800,000
Acceptances held under repurchase agreements	587,128,600	953,597,256
U.S. Government securities:		
Bought outright* .....	26,632,041,344	23,819,212,000
Held under repurchase agreements .....	1,083,900,000	1,901,000,000
Federal agency obligations:		
Bought outright .....	1,920,695,909	1,889,089,015
Held under repurchase agreements .....	133,000,000	451,000,000
Total loans and securities .....	<u>\$30,667,545,853</u>	<u>\$29,116,698,271</u>
Other assets:		
Cash items in process of collection .....	\$ 1,359,756,205	\$ 1,450,436,176
Bank premises .....	9,965,152	9,207,030
All other† .....	1,039,906,461	492,282,697
Total other assets .....	<u>\$ 2,409,627,818</u>	<u>\$ 1,951,925,903</u>
Interdistrict settlement account .....	<u>\$ 854,493,329</u>	<u>(\$ 1,312,886,283)</u>
TOTAL ASSETS .....	<u>\$37,488,335,081</u>	<u>\$33,578,992,237</u>

\* Includes securities loaned—\$257,930,000 as of December 31, 1978, and \$135,935,000 as of December 31, 1977.

† Includes assets denominated in foreign currencies. The amount of such assets on December 31, 1978 reflects re-valuations made at market rates as of December 29, 1978.



## Statement of Condition (Continued)

LIABILITIES	Dec. 31, 1978	Dec. 31, 1977
Federal Reserve notes .....	\$26,335,259,348	\$23,678,138,605
Deposits:		
Member bank reserve accounts .....	\$ 6,884,225,999	\$ 5,783,978,634
U.S. Treasury—general account .....	1,032,980,458	1,398,528,731
Foreign .....	217,335,351	173,647,386
Other .....	814,920,098	688,984,628
Total deposits .....	<u>\$ 8,949,461,906</u>	<u>\$ 8,045,139,379</u>
Other liabilities:		
Deferred availability cash items .....	\$ 919,995,734	\$ 990,862,184
All other* .....	723,933,593	331,434,169
Total other liabilities .....	<u>\$ 1,643,929,327</u>	<u>\$ 1,322,296,353</u>
<b>TOTAL LIABILITIES .....</b>	<b><u>\$36,928,650,581</u></b>	<b><u>\$33,045,574,337</u></b>
CAPITAL ACCOUNTS		
Capital paid in .....	\$ 279,842,250	\$ 266,708,950
Surplus .....	279,842,250	266,708,950
<b>TOTAL CAPITAL ACCOUNTS .....</b>	<b><u>\$ 559,684,500</u></b>	<b><u>\$ 533,417,900</u></b>
<b>TOTAL LIABILITIES AND CAPITAL ACCOUNTS .....</b>	<b><u>\$37,488,335,081</u></b>	<b><u>\$33,578,992,237</u></b>

\* The December 31, 1978 amount includes exchange translation account balance reflecting the revaluation of outstanding foreign exchange commitments as of December 29, 1978.



## Statement of Earnings and Expenses

	1978	1977
Total current earnings .....	\$ 2,108,679,754	\$ 1,702,740,726
Net expenses .....	135,546,130	131,678,202
Current net earnings .....	<u>\$ 1,973,133,624</u>	<u>\$ 1,571,062,524</u>
Additions to current net earnings .....	<u>\$ 361,442</u>	<u>\$ 3,740,033</u>
Deductions from current net earnings:		
Loss on foreign exchange (net)* .....	\$ 130,971,648	\$ 37,474,391
Loss on sales of U.S. Government securities and Federal agency obligations (net) .....	31,579,498	11,783,645
All other .....	582,453	659,296
Total deductions .....	<u>\$ 163,133,599</u>	<u>\$ 49,917,332</u>
Net deductions .....	<u>\$ 162,772,157</u>	<u>\$ 46,177,299</u>
Assessment for the Board of Governors .....	<u>\$ 13,851,000</u>	<u>\$ 12,048,600</u>
Net earnings available for distribution .....	<u>\$ 1,796,510,467</u>	<u>\$ 1,512,836,625</u>
Dividends paid .....	\$ 16,518,453	\$ 15,319,899
Transferred to surplus .....	\$ 13,133,300	\$ 15,452,000
Payments to U.S. Treasury (interest on Federal Reserve notes) .....	\$ 1,766,858,714	\$ 1,482,064,726
<b>SURPLUS ACCOUNT</b>		
Surplus—beginning of year .....	\$ 266,708,950	\$ 251,256,950
Transferred from net earnings for year .....	13,133,300	15,452,000
Surplus—end of year .....	<u>\$ 279,842,250</u>	<u>\$ 266,708,950</u>

\* The amount shown for 1978 includes New York's share of realized losses on foreign exchange transactions of \$77.0 million and unrealized losses of \$54.0 million resulting from revaluing foreign exchange holdings and outstanding commitments at current market exchange rates. Of these amounts, \$68.3 million and \$38.9 million, respectively, reflect New York's share of losses associated with Swiss franc commitments entered into before August 15, 1971. The unrealized net loss is calculated using market exchange rates of December 29, 1978 to value the System's foreign currency holdings and foreign currency commitments; liquidation or payment may actually take place at exchange rates that differ from these rates.



# Federal Reserve Bank of New York

## DIRECTORS

ROBERT H. KNIGHT (C-1980\*),  
Partner, Shearman & Sterling, Attorneys,  
New York, N.Y.  
*Chairman, and Federal Reserve Agent*

BORIS YAVITZ (C-1979),  
Dean, Graduate School of Business,  
Columbia University,  
New York, N.Y.  
*Deputy Chairman*

RAYMOND W. BAUER (A-1980),  
Chairman and President,  
United Counties Trust Company,  
Elizabeth, N. J.  
(Elected by Group 2 banks)

JOHN R. MULHEARN (B-1981),  
President, New York  
Telephone Company,  
New York, N. Y.  
(Elected by Group 3 banks)

MAURICE F. GRANVILLE (B-1979),  
Chairman of the Board, Texaco Inc.,  
White Plains, N. Y.  
(Elected by Group 1 banks)

ELLMORE C. PATTERSON (A-1979),  
Former Chairman of the Board,  
Morgan Guaranty Trust Company of New York,  
New York, N. Y.  
(Elected by Group 1 banks)

GERTRUDE G. MICHELSON (C-1981),  
Senior Vice President,  
Macy's New York,  
New York, N. Y.

WILLIAM S. SNEATH (B-1980),  
Chairman of the Board, Union Carbide Corporation,  
New York, N. Y.  
(Elected by Group 2 banks)

JAMES WHELDEN (A-1981),  
President, Ballston Spa National Bank,  
Ballston Spa, N. Y.  
(Elected by Group 3 banks)

---

\* The letter indicates the class of directors; term expires December 31 of the year indicated.

---

## MEMBER OF FEDERAL ADVISORY COUNCIL

WALTER B. WRISTON,  
Chairman of the Board, Citibank, N.A.,  
New York, N. Y.



# Federal Reserve Bank of New York

## OFFICERS

PAUL A. VOLCKER, *President*

THOMAS M. TIMLEN, *First Vice President*

ALAN R. HOLMES, *Executive Vice President*

PETER FOUSEK, *Senior Vice President and Director of Research*  
EDWARD G. GUY, *Senior Vice President and Counsel to the President*  
PAUL B. HENDERSON, JR., *Senior Vice President*  
JAMES H. OLTMAN, *General Counsel*

JAMES O. ASTON, *Vice President*  
PETER BAKSTANSKY, *Vice President*  
WILLIAM H. BRAUN, JR., *Vice President*  
E. GERALD CORRIGAN, *Vice President*  
RICHARD G. DAVIS, *Senior Economic Adviser*  
CHESTER B. FELDBERG, *Vice President*  
HENRY S. FUJARSKI, *Vice President*  
RONALD B. GRAY, *Vice President*  
MARGARET L. GREENE, *Vice President*  
WHITNEY R. IRWIN, *Vice President*  
PAUL MEEK, *Monetary Adviser*  
ERNEST T. PATRIKIS, *Deputy General Counsel*

JORGE A. BRATHWAITE, *Assistant Vice President*  
LOUIS J. BRENDEL, *Adviser*  
RALPH A. CANN III, *Assistant Vice President*  
DENIS L. CONWAY, *Assistant Vice President*  
HOWARD F. CRUMB, *Adviser*  
SUZANNE CUTLER, *Assistant Vice President*  
PETER J. FULLEN, *Assistant Vice President*  
ROBERTA J. GREEN, *Assistant Vice President*  
MICHAEL J. HAMBURGER, *Adviser*  
JOHN HOPKINS HEIRES, *Adviser*  
RICHARD H. HOENIG, *Assistant Vice President*  
ROBERT A. JACOBSEN, *Chief Examiner*

CAROL R. AGINS, *Manager, Common Systems Department*  
MARCELLE V. ARAK, *Research Officer and Senior Economist*  
LEONARD I. BENNETTS, *Manager, Jericho Office*  
JEROME BERGMAN, *Manager, Foreign Department*  
JERRY BERKOWITZ, *Manager, Currency Processing Department*  
DONALD L. BITTKER, *Assistant Counsel*  
GEORGE H. BOSSY, *Manager, Foreign Department*  
JOSEPH P. BOTTA, *Manager, Check Processing Department*  
JOHN M. CASAZZA, *Assistant Chief Examiner*  
TERRENCE J. CHECKI, *Secretary*  
JOHN CHOWANSKY, *Manager, Cash Services Department*  
STEPHEN V. O. CLARKE, *Research Officer and Senior Economist*  
MARY R. CLARKIN, *Securities Trading Officer*  
H. JOHN COSTALOS, *Operations Analysis Officer*  
ROBERT N. DAVENPORT, JR., *Assistant Counsel*  
FRED A. DENESEVICH, *Manager, Cranford Office*  
EDWARD H. DENHOFF, *Operations Officer, Utica Office*  
JANE L. DETRA, *Assistant Secretary and Assistant Counsel*  
JOSEPH F. DONNELLY, *Manager, Collection Department*  
MATTHEW C. DREXLER, *Manager, Building Operating Department*  
EDNA E. EHRLICH, *International Adviser*  
JOHN M. EIGHMY, *Manager, Personnel Department*  
EUGENE P. EMOND, *Manager, Credit and Discount Department*

SCOTT E. PARDEE, *Senior Vice President*  
FRED W. PIDERIT, JR., *Senior Vice President*  
THOMAS C. SLOANE, *Senior Vice President and Senior Adviser*  
PETER D. STERNLIGHT, *Senior Vice President*

EDWIN R. POWERS, *Vice President*  
A. MARSHALL PUCKETT, *Vice President*  
GERI M. RIEGGER, *Vice President*  
FREDERICK C. SCHADRACK, *Vice President\**  
FREDERICK L. SMEDLEY, *Vice President †*  
ROBERT C. THOMAN, *Vice President*  
RUDOLF THUNBERG, *Vice President and Assistant Director of Research*  
RICHARD VOLLKOMMER, *Vice President*  
HERBERT W. WHITEMAN, JR., *Vice President*  
H. DAVID WILLEY, *Vice President*

LEON KOROBOW, *Assistant Vice President*  
ROGER M. KUBARYCH, *Assistant Vice President\**  
JOSEPH M. O'CONNELL, *Assistant Vice President*  
BENEDICT RAFANELLO, *Assistant Vice President*  
DON N. RINGSMUTH, *Assistant General Counsel*  
GEORGE W. RYAN, *Assistant Vice President*  
IRWIN D. SANDBERG, *Assistant Vice President*  
ISRAEL SENDROVIC, *Assistant Vice President*  
CECIL A. SHEPHERD, *Assistant Vice President*  
STEPHEN G. THIEKE, *Assistant Vice President*  
SHEILA L. TSCHINKEL, *Assistant Vice President*

ROBERT T. FALCONER, *Research Officer and Senior Economist*  
STUART M. FEDER, *Manager, Research Support Department*  
LAWRENCE D. FRUCHTMAN, *Assistant Counsel*  
RICHARD J. GELSON, *Manager, Statistics Department*  
GERALD HAYDEN, *Manager, Security and Control Staff*  
OLEG HOFFMAN, *Manager, Computer Operations Department*  
LEON R. HOLMES, *Manager, Government Bond and Safekeeping Department*  
JOHN C. HOULOULIS, *Operations Analysis Officer*  
EVERETT H. JOHNSON, *Manager, Telecommunications Department*  
ANGUS J. KENNEDY, *Manager, Security Custody Department*  
EDWARD F. KIPFSTUHL, *Manager, Consumer Affairs and Bank Regulations Department*  
PATRICIA H. KUWAYAMA, *Research Officer and Senior Economist*  
MICHAEL J. LANGTON, *Manager, Personnel Department*  
FRED J. LEVIN, *Manager, Securities Department*  
MARVIN D. LINDER, *Assistant Counsel*  
CLIFFORD N. LIPSCOMB, *Assistant Counsel*  
RONALD E. LONG, *Manager, Service Department*  
FRANKLIN T. LOVE, *Bank Relations Officer*  
JOAN E. LOVETT, *Securities Trading Officer*  
CHARLES M. LUCAS, *Manager, Statistics Department\**

\* On leave of absence.

† Retires March 1, 1979.



GEORGE LUKOWICZ, *Operations Analysis Officer*  
FRANK W. LUNDBLAD, JR., *Manager, Protection Department*  
A. JOHN MAHER, *Assistant Chief Examiner*  
THOMAS P. MCQUEENEY, *Assistant Chief Examiner*  
CATHY E. MINEHAN, *Manager, Management Information Department*  
ROBERT J. MISCHLER, *Manager, Resource Planning Staff Department*  
RICHARD W. NELSON, *Manager, Banking Studies Department*  
THEODORE N. OPPENHEIMER, *Assistant Secretary*  
EDWARD J. OZOG, *Manager, Securities Department*  
RICHARD P. PASSADIN, *Manager, User Operations Department*  
JEROME P. PERLONGO, *Manager, Check Adjustment and Return Items Department*  
FRANCIS J. REISCHACH, *Manager, Foreign Department*  
FRANCIS H. ROHRBACH, *Manager, Savings Bond Department*

WILLIAM L. RUTLEDGE, *Manager, Domestic Banking Applications Department*  
ANTHONY N. SAGLIANO, *Manager, Records Management and Emergency Planning Department*  
RALPH C. SCHINDLER, *Data Processing Officer*  
DONALD E. SCHMID, *Manager, Bank Analysis Department*  
ROBERT D. SLEEPER, *Manager, Foreign Department*  
JOHN F. SOBALA, *Operations Analysis Officer*  
JOHN H. SPITZER, *Acting Manager, Credit and Discount Department ‡*  
JOHN J. STRICK, *Manager, Accounting Department*  
CARL W. TURNIPSEED, *Manager, Check Processing Department*  
RUTH ANN TYLER, *Equal Opportunity Officer*  
BARBARA L. WALTER, *Manager, Foreign Banking Applications Department*  
HENRY F. WIENER, *Manager, Funds Transfer Department*  
SUSAN C. YOUNG, *Operations Analysis Officer*

JOHN E. FLANAGAN, *General Auditor*  
FRANK C. EISEMAN, *Assistant General Auditor*  
WILLIAM M. SCHULTZ, *Assistant General Auditor*

DONALD R. ANDERSON, *Manager, Auditing Department*

GERALD I. ISAACSON, *Manager Audit Analysis Department*

‡ On temporary assignment from the Board of Governors of the Federal Reserve System.

---

## Buffalo Branch of Federal Reserve Bank of New York

### DIRECTORS

FREDERICK D. BERKELEY, *Chairman*  
Chairman of the Board and President,  
Graham Manufacturing Co., Inc.,  
Batavia, N. Y.

JOHN ROLLINS BURWELL

President,  
Rollins Container Corp.,  
Rochester, N. Y.

WILLIAM S. GAVITT,

President, The Lyons National Bank,  
Lyons, N. Y.

M. JANE DICKMAN,

Partner, Touche Ross & Co.,  
Buffalo, N. Y.

WILLIAM B. WEBBER,

Chairman of the Board,  
Lincoln First Bank of Rochester,  
Rochester, N. Y.

ROBERT J. DONOUGH

President,  
Liberty National Bank and Trust Company,  
Buffalo, N. Y.

GEORGE L. WESSEL

President,  
Buffalo AFL-CIO Council,  
Buffalo, N. Y.

---

### OFFICERS

JOHN T. KEANE, *Vice President and Branch Manager*

PETER D. LUCE, *Assistant Vice President and Cashier*

HARRY A. CURTH, JR., *Operations Officer*

ROBERT J. McDONNELL, *Operations Officer*

GARY S. WEINTRAUB, *Operations Officer*