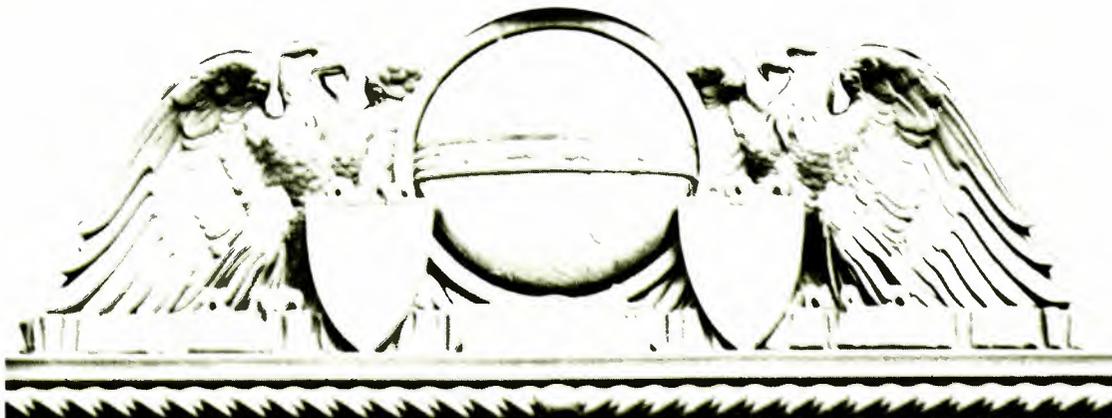




1970
ANNUAL REPORT



To the Banks in the Fourth Federal Reserve District:

We are pleased to present the *Annual Report* of the Federal Reserve Bank of Cleveland for 1970. As you know, the past year at the Bank was saddened by the death of W. Braddock Hickman, president from 1963 to November 28, 1970. His loss has been deeply felt by the Bank and the community.

We wish to acknowledge again the assistance of the leaders from all areas of the Fourth District's economy, men and women who generously helped the Bank in fulfilling its purpose last year. Most importantly, we are grateful to the employees of the Federal Reserve Bank of Cleveland, whose help makes possible the Bank's successful operation. In a sense, this *Annual Report* is dedicated to those employees.

In the following pages, the functions of the Bank are described through both pictures and story. The world of finance has changed markedly in recent years, and the operations of the Federal Reserve Bank of Cleveland have followed suit. Not only has the volume of transactions increased tremendously, but in addition, our responsibilities have become more complex. This has necessitated new equipment, reorganization of some functions and departments, and increased reliance on the staff at the Bank. This *Annual Report* attempts to show the Bank as it enters the decade of the 70's.

Albert G. Clay
CHAIRMAN OF THE BOARD

Walter H. Mac Donald
FIRST VICE PRESIDENT





The Bank in 1970



The Federal Reserve Bank of Cleveland is one of the twelve regional banks that make up the Federal Reserve System. This Bank serves the entire state of Ohio, six counties in West Virginia, 56 counties in eastern Kentucky, and 19 counties in western Pennsylvania. The Bank has branch offices in Pittsburgh and Cincinnati.

The scope of the operations of this Bank ranges from offering services to banks and the public to serving the people within the Bank. Among the services performed by the Bank are collecting and clearing checks, furnishing currency for circulation, and acting as fiscal agent, custodian, and depository for the U. S. Treasury and Government agencies. Through its Bank Relations and Public Information Departments, the Bank fosters communication with commercial banks as well as the general public. The Bank also has a supervisory responsibility over state-member banks. Many internal services, provided by departments such as Accounting, Audit, Legal, Personnel, Protection, Mail, and Data Processing, are designed to give support to the operation of the entire Bank.

In order to perform all these services, the Bank needs a large staff of employees, officers, and directors. Although their training and skills are diverse, each has an important role to play to keep the Bank working in an efficient manner. This Annual Report was written with these people in mind. It attempts to inform you about the Bank's external service functions as well as its internal support operations. It is our hope that this Annual Report will add to an understanding of the purposes and functions of the Federal Reserve Bank of Cleveland.



CHECK COLLECTION DEPARTMENT

As a crucial service to the business and financial community, as well as the general public, the Federal Reserve System provides a nationwide network to clear and collect checks.

Nearly all checks are coded with special symbols printed in magnetic ink that permits the checks to be processed through high-speed electronic sorting machines such as those that are linked with this Bank's computer. In 1970, the Check Collection Departments at the main office and the Pittsburgh and Cincinnati branch offices handled more than 585 million checks.

Noncash. The Bank also processes for collection noncash items that are payable on demand or at some

future date. Normally, payment for these items is not credited to the depositor's account until the Federal Reserve Bank receives the collected funds. These items include matured bonds and coupons, drafts with passbooks, and acceptances, among others.

COMMUNICATIONS DEPARTMENT

Last year billions of dollars were transferred through a new, enlarged communications network operated by the Federal Reserve System. For example, a member bank in the Fourth District may instruct the Bank to transfer a portion of its reserve account to another member bank. If that bank is in another Federal Reserve district, the Federal Reserve Bank of Cleveland uses the System's private wire service to instruct the receiving Federal Reserve office to credit the funds to the receiving member bank's reserve account. These transfers are effected on the same day and are frequently used by member banks with excess reserves they want to loan overnight to other member banks that need to increase their reserve account balances (Federal funds transactions). They are also used to make immediate funds transfers for customers of member banks and to settle large noncash collections.

The three offices of the Federal Reserve Bank of Cleveland processed 532,000 funds transfers for member banks during 1970, amounting to \$750 billion.

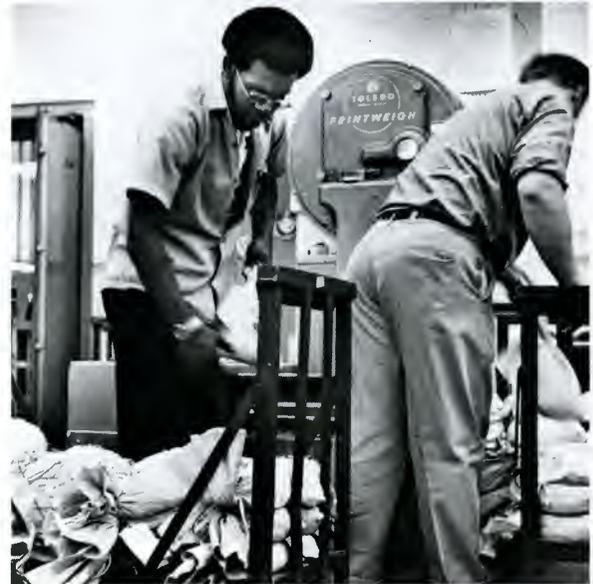




Coin. New coins are received from the United States mints, credited to the Treasurer's account at the Federal Reserve Bank, and then stored until needed by commercial banks. Commercial banks send their surplus coin to the Reserve Bank or branch nearest them by armored truck or registered mail. Employees in the Coin Divisions at the main office and the Pittsburgh and Cincinnati branches of the

CASH DEPARTMENT

The Federal Reserve Banks help keep cash in circulation by supplying coin and currency to banks and by accepting their excess supplies of these items. The Cash Department of this Bank serves more than 2,700 banking offices in the Fourth District. The department also accepts canceled food stamps from District banks.



Cleveland Bank count and verify all incoming coin. Returned coins are counted and sorted to remove worn, foreign, and counterfeit coins. The sorting operation is performed by employees who visually examine the coin as it is fed through an automatic counting machine. All usable coin is then bagged or wrapped and stored until needed. Although most



coins are wrapped, some shipments of loose coins are still made. Loose dimes, quarters, and half dollars are shipped in bags that contain \$1,000 and weigh approximately 50 pounds. During a typical day, this division handles 10 to 15 tons of coin. In 1970, more than 900 million coins were paid into circulation, and 963 million coins were received in deposits.

Currency. The Treasury Department supplies new currency to the Federal Reserve Banks. Federal Reserve Notes, which account for almost all of the currency presently being issued, are printed by the Bureau of Engraving and Printing. The unissued currency is kept in the custody of the Federal Reserve Agent at each Federal Reserve Bank (the Federal Reserve Agent is also Chairman of the Board of Directors). New Federal Reserve Notes are entered on the books of each Reserve Bank when the notes are released from custody and issued. The Bank must pledge collateral to the Treasury that is equal to the face amount of the notes when it applies for an issue of notes.

Before currency is returned to the Reserve Banks, it must be pre-sorted according to the denomination of the note. When currency is returned to the Federal Reserve Bank of Cleveland, highly skilled and trained employees examine the notes to remove damaged, foreign, and counterfeit notes. An experienced sorter can process more than 32,000 bills a day. Incoming bills that are in good condition can sometimes be processed on high-speed equipment that counts bills about three times faster than the regular sorting and counting operation. Usable currency is counted, packaged, and held for future circulation. Unfit currency is canceled in the Cash Department and turned over to the Fiscal Agency Department to be verified and destroyed.

Food Stamps. Under an agreement with the Secretary of Agriculture, the Cash Department receives canceled food stamps. The stamps are verified, member bank accounts are credited with the proceeds, and the account of the Treasurer of the United States is charged. Canceled stamps are then destroyed.



FISCAL AGENCY DEPARTMENT

Another important group of financial services performed by the Bank facilitates transactions between the Federal Government and the public. The Federal Reserve Banks act as banking agents for the Treasury of the United States. The Federal Reserve Banks issue, redeem, and service U. S. Government obligations, such as Savings Bonds (shown here being micro-filmed), maintain the records of Treasury Tax and Loan Accounts, and process deposits of Federal taxes.

The Fiscal Agency Department accepts worn currency from the Cash Department of the Bank, and after the currency is verified according to Treasury Department regulations, the worn currency is burned.

SECURITIES DEPARTMENT

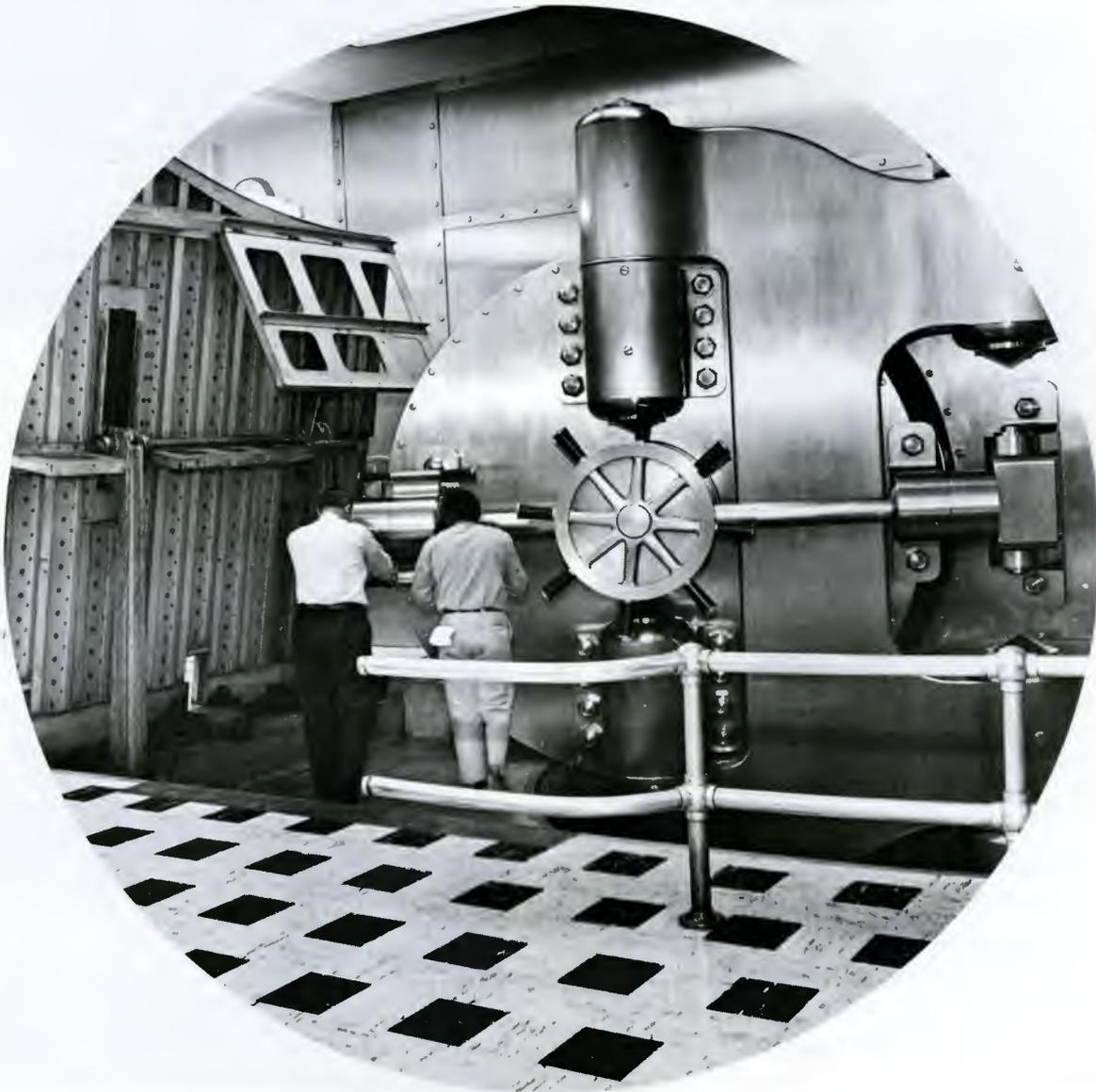
The Securities Department offers a safekeeping service to member banks and, in some instances, other specified depositors. This service is principally used by banks that do not have adequate protection facilities or that have pledged securities for various purposes. Securities that are held for nonmember banks are restricted to those pledged to agencies or officials of the U. S. Government.

The presentation and payment of matured coupons and securities is a service provided by this Bank. There is no charge for the safekeeping services, except for telephone, telegraph, and shipping charges.

The Securities Department can also place orders to buy or sell certain securities as an agent for member banks.

VAULT CONTROL UNITS

Securities, currency, and coin are stored in the Bank's vaults under dual control by members of the custodies and access units. The door assembly of the main vault at the Federal Reserve Bank of Cleveland is the largest in the world. The vault door weighs 100 tons and hangs from 18 foot hinges that weigh 37 tons. The vault itself is almost a separate building within the Cleveland office.





addition, leading bankers and industrialists are invited to dinner meetings and discussions of the current business outlook in conjunction with two meetings of the Joint Boards of Directors of the main offices and branches.

Public information activities include preparing news releases, conducting bank tours, providing speakers for meetings and radio and television programs, and supplying movies about the Federal Reserve. In 1970, films from the Bank's film library were shown 1,574 times to more than 63,000 people. In addition, nearly 3,000 people, including many students, enjoyed guided tours of the Bank.

The Functional Cost Analysis program provides member banks with a systematic approach to analyzing their own operating costs. In 1970, 83 District banks participated in the program. These banks supply income, expense, and balance sheet information concerning eleven functions of a commercial bank. In return, each participating bank receives an analysis of the cost and profitability of each of its functions and comparative data for banks of similar size and structure. Seminars and workshops are held to explain the program to potential participants and to review the results of the program.

BANK RELATIONS AND PUBLIC INFORMATION

The Bank Relations and Public Information staff works to improve communications between the Federal Reserve Bank of Cleveland and commercial banks as well as the public. This department tries to promote understanding of Federal Reserve purposes, responsibilities, and operations.

Bank relations activities include informal visits at each member and nonmember bank in the District. These informal visits are supplemented by several group meetings, such as the Bankers' Day at the Fed program and the Bank Directors—Industrialists Round Table Meetings. Generally, a senior officer of the Bank arranges and directs these meetings. In





BANK EXAMINATION AND SUPERVISION DEPARTMENT

The Bank Examination and Supervision Department examines the operations of state-chartered member banks in the Fourth District. (The Comptroller of the Currency charters and examines national banks. The state banking authorities have similar responsibilities for state-chartered banks.) This department also supervises banks and others subject to Federal Reserve Regulations.

Bank examiners review the operations of each state-member bank in the Fourth District every year. Depending on the size of the bank, 2 to 28 examiners and assistant examiners arrive at the bank to

determine if its loans are collectible; its investment securities are sound and readily marketable without a loss; its accounting system is accurate and adequate; its capital is adequate and its liquidity assured; and if it is complying with the laws and regulations that apply to the bank. Some staff members in this department also specialize in investigating applications for mergers and holding company formations and acquisitions involving District member banks.

Although the examiners are "on the road" almost all of the time, a regular end-of-year seminar and luncheon in the executive dining room brings them together at the main office.



AUDIT DEPARTMENT

The Bank's internal Audit Department is directly responsible to the Bank's Board of Directors through its Chairman and Audit Review Committee. Audits are made to verify the Bank's assets and liabilities, to insure that proper safeguards are maintained for the care and protection of valuables, and to review and appraise the soundness and adequacy of established procedures and operating controls. Thirty employees and two officers are on the audit staff. Fifteen people are assigned at the main office, seven at Cincinnati, and eight at Pittsburgh.

ACCOUNTING DEPARTMENT

As in any business organization, all transactions of the Bank and its "customers" are recorded in the Accounting Department. Most of this department's activity is related to the financial services of the Bank. The collections, cash, fiscal agency, and securities operations all involve transactions of the Bank with its member banks, other Federal Reserve Banks, and the Treasury. In addition, the department supervises member bank reserve positions. The department also administers departmental budgets and prepares cost accounting information for the Bank.

LEGAL DEPARTMENT

The Legal Department advises the Bank's directors and officers on the legal aspects of the Bank's operations, approves all contracts involving the Bank, and conducts any litigation involving the Bank.



PERSONNEL DEPARTMENT

Employees in Personnel spend all of their time caring for people. The department is continually recruiting, interviewing, and hiring people to meet the needs of the Bank. The important duties of the department also include payroll preparation, salary administration, and periodic job evaluation. The department administers the many employee benefit programs that the Bank provides, such as health and life insurance, retirement, social security, unemployment, and workmen's compensation.

MEDICAL DEPARTMENT

The Medical Department is another area of the Bank that concentrates on people. The two nurses and the doctor who staff the Medical Department see an average of 35 people each day. They provide pre-employment physical examinations and annual checkups for all employees as well as general health services, such as flu vaccinations. The branches provide the same general care.

BUILDING DEPARTMENT

There are 56 people in the Building Department at the main office who maintain nearly 500,000 square feet of space. In order to keep the building in good condition, the Bank employs its own housekeepers, mechanics, carpenters, painters, electricians, and engineers. The Bank also has its own laundry to keep employees' uniforms fresh and to supply linen throughout the Bank. The engineers keep the air conditioning, steam, water, and emergency power systems running efficiently. People with similar training and skills are also employed in the branch offices.

MAIL DEPARTMENT

The Mail Department of the Bank, which is a contract station of the U. S. Postal Service, handles all incoming and outgoing registered and ordinary mail. In addition, the department receives and dispatches packages through a number of express companies.

CAFETERIA

The cafeterias at the main office and branches are operated on a leased basis. The cafeterias are the meeting places for lunchtime relaxation for most of the Bank's employees. They provide hot meals and snacks at subsidized prices, using modern, efficient kitchen equipment.

GENERAL SERVICES DEPARTMENT

As the name implies, this department does several jobs, including addressograph, forms design and control, duplicating, and maintaining the stockroom. The Addressograph unit maintains mailing lists for the Bank.

Tons of paper and millions of micro-film records are kept in the Archives of the Bank. Current general correspondence is filed, along with departmental records that go back to the time the Bank was started.

Reporting forms, operating letters, and circulars offering new Treasury issues are only a few of the items that are prepared in the Forms Design and Control unit of the General Services Department. This unit also prepares camera copy for reproduction in the Bank's Duplicating unit. Offset plates are made from the camera copy, and the materials are duplicated on offset presses. The Duplicating unit also uses paper cutting, perforating, folding, and bindery equipment to prepare the printed materials.

The Purchasing unit orders all supplies, equipment, furniture, duplicating supplies, paper, services, and transportation used by the Bank. This unit maintains an inventory for the thousands of items stored in the Stock Room.

The three men in the Mechanical Repair Shop have a full-time job of servicing more than 660 typewriters, calculating machines, and other general office machines in use throughout the Bank.

The switchboard of the Bank is usually being bombarded with calls. At peak hours, the four Bank telephone operators work without a break to handle all outgoing long distance calls and all incoming calls.









PROTECTION

Guards control access to the buildings as well as to certain areas in the buildings where cash and securities are processed and stored. An important part of every guard's job is to greet all visitors to the Bank. The guards' assignments are continuously rotated; therefore, they become well-acquainted with the Bank's staff and buildings. Guards are on duty 24 hours a day, every day of the year.

The guards are also highly trained to meet various emergencies. The target range, with its new automatic target setting equipment, is used regularly to maintain the guards' marksmanship. They are prepared to operate the Bank's emergency radio system and can provide emergency first aid.



DATA PROCESSING AND PLANNING DEPARTMENTS

Data processing describes in broad terms what many Bank employees have done for more than 50 years. However, it would be impossible to process today's routine flow of information by using methods of 20, or even 10, years ago. Therefore, the Bank has installed a high-capacity Burroughs 3500 computer in the Data Processing Department to handle the rapidly growing volume of information faster, cheaper, and more accurately. By using key-driven equipment similar to the typewriter, the department converts data from manual form to machine form and prepares the data for processing on the computer. Almost all departments of the Bank make use of the services of Data Processing.



In general, members of the Planning Department support Data Processing by providing systems design and computer programming help to other departments in the Bank. This department's primary concern is to determine, develop, justify, and install computer processing applications in the Bank's operations and research functions. The Planning Department also advises other departments about potential changes in their non-computer oriented operations.



RESEARCH DEPARTMENT

The research staff of the Bank keeps abreast of developments in regional, national, and international economic activity to assist the president of the Bank in his monetary policymaking role.

As a by-product of the continuing research efforts, the department publishes a monthly *Economic Review* and a weekly *Economic Commentary*, as well as a number of other regular and special studies. Certain members of the research staff devote a large part of their time to the preparation of written opinions on the probable effects of mergers or holding company acquisitions on banking services and competition among Fourth District banks.

The Statistical section of the Research Department compiles large quantities of data on banking and financial activity in the Fourth District. These data are then sent to Washington for publication in the *Federal Reserve Bulletin*.

Up-to-date information on current developments in economics, finance, and banking are available in the Research Library. The library serves the directors, officers, and employees of the Bank, as well as

bankers, businessmen, and students.

The Graphics section of the department is responsible for visual aids for speeches and board meetings, as well as for the charts that appear in all publications.





CREDITS, LOANS, AND INVESTMENTS DEPARTMENT

This department receives and processes requests for Regulation A loans by member banks. The department also keeps statistics on the current financial condition of member banks and on a number of companies whose paper might be used as collateral for loans. The Bank's investments in U. S. Government securities are purchased through the System Open Market Account (which is administered by the Federal Reserve Bank of New York), but records of all transactions for this Bank are kept in this department. The department also supervises foreign asset controls and the voluntary foreign credit restraint program, and Regulation G (margin requirements for securities credit), Regulation V (defense loan guarantees), and Regulation Z (Truth in Lending).





BOARD OF DIRECTORS

The Boards of Directors of the Federal Reserve Bank of Cleveland at the main office and Cincinnati and Pittsburgh branches are made up of leaders in the fields of banking, industry, finance, agriculture, and education. The nine directors of the Bank are grouped into three classes—A, B, and C—with three members each. Class A directors are chosen by and are representative of the member banks. Class B directors are chosen by the member banks and consist of men who are active in industry, agriculture, or commerce. Class B directors may not be bankers. Class C directors are appointed by the Board of Governors of the Federal Reserve System and also come from fields other than banking. The Chairman of the Board of Directors is designated annually by the Board of Governors from among the Class C directors.

The branches are operated under the supervision of the branch boards of directors. These directors are appointed by the directors of the main office as well as by the Board of Governors.





The directors of the Bank have functions and responsibilities that are similar to those of a director of any business corporation. The directors appoint all officers of the Bank and pass on promotions or changes in official personnel. The directors also approve the Bank's budget and periodically check to see how actual performance compares with the budget estimates. Moreover, the directors maintain and supervise the internal auditing system.

The directors of a Federal Reserve Bank have policymaking functions, however, that are unique to the Federal Reserve System. The Board of Directors of each Reserve Bank establishes the discount rate, which is the rate paid by member banks when they borrow from the Reserve Bank. At each of their meetings, the Board of Directors considers the current report of activity at the Bank's discount window. The directors also assist the president of the Reserve Bank in his policymaking role by keeping him informed of economic developments in their industries.



IN MEMORIAM

W. Braddock Hickman

April 20, 1911—November 28, 1970

W. Braddock Hickman graduated from the University of Richmond in 1933 and earned his Ph.D. in economics from Johns Hopkins University in 1937. He was elected to Phi Beta Kappa, national honorary scholastic society, and became an honorary member of Beta Gamma Sigma, national honorary business fraternity. He was a member of the faculties of Princeton University, Rutgers University, and the Institute for Advanced Study. In 1966, the University of Cincinnati awarded Mr. Hickman the honorary degree of Doctor of Laws, and the University of Richmond made him an honorary Doctor of Commercial Science.

During World War II, he was a lieutenant in the U. S. Naval Reserve, specializing in exterior ballistics, statistics, and computers. After the war, he was a member of the research staff and director of the Corporate Bond Research Project of the National Bureau of Economic Research. His studies resulted in three books, still considered landmarks in the area: *The Volume of Corporate Bond Financing Since 1900*, *Corporate Bond Quality and Investor Experience*, and *Statistical Measures of Corporate Bond Financing*.

Mr. Hickman was supervisor of economic studies at the New York Life Insurance Company from 1953-1956. He joined American Airlines as director of economic research in 1956 and was named assistant vice president the following year. For the next three years, he played a major role in financing the airline's purchase of jet equipment.

In 1960, Mr. Hickman was appointed senior vice president of the Federal Reserve Bank of Cleveland and was named president of the Bank on May 1,

1963. He considered his role as a policymaker to be extremely important and always retained a close interest in economic research, particularly studies of the banking system, financial markets, business cycles, and statistical techniques. In August 1970, President Nixon appointed him to the national Commission on Federal Statistics. He was a member of many professional associations, including the American Economic Association, American Statistical Association, American Finance Association, National Association of Business Economists, Metropolitan Economic Association, and the Business Economists' Council. At the time of his death, he was chairman of the advisory committee to the NBER Study on Interest Rates and served on the Advisory Committee on Research to the Kentucky Bankers Association.

Mr. Hickman's interest in higher education also continued after he joined the Federal Reserve Bank. In 1970, Mr. Hickman was named president of the Cleveland Commission on Higher Education after serving that group for several years. He was a member of the Board of Trustees of Case Western Reserve University, where he served as vice chairman of the Investment Committee and as a member of the Budget Committee. He was also a member of the Visiting Committee for the School of Management of CWRU and was active in aiding the merger of Case Institute of Technology and Western Reserve University.

He also willingly gave his time to civic affairs in Cleveland. At his death, he was president and a trustee of the United Appeal of Greater Cleveland. In addition, he was a trustee of the Welfare Federation of Cleveland, a member of the board of directors of the Greater Cleveland Growth Association, an honorary trustee of The Cleveland Community Fund, and a member of the Businessmen's Interracial Committee on Community Affairs, the Citizens for Justice, and the Cleveland Commission on Health and Social Services. As a collector of outstanding antique furniture and porcelain, Mr. Hickman found time to serve on the board of the Society of Collectors, Inc., which operates Dunham Tavern Museum in Cleveland.



W. BRADDOCK HICKMAN

COMPARATIVE STATEMENT OF CONDITION

ASSETS	<u>Dec. 31, 1970</u>	<u>Dec. 31, 1969</u>
Gold Certificate Reserves	\$1,095,005,800	\$ 862,419,422
Federal Reserve Notes of Other Banks	67,230,331	67,959,120
Other Cash	24,815,354	10,155,756
Discounts and Advances	-0-	4,300,000
U. S. Government Securities:		
Bills	2,025,545,000	1,726,079,000
Notes	2,592,801,000	2,433,591,000
Bonds	<u>229,377,000</u>	<u>271,052,000</u>
Total U. S. Government Securities	4,847,723,000	4,430,722,000
Total Loans and Securities	4,847,723,000	4,435,022,000
Cash Items in Process of Collection	911,819,249	870,360,729
Bank Premises	12,233,351	6,459,804
Other Assets	<u>99,077,937</u>	<u>208,440,448</u>
Total Assets	<u>\$7,057,905,022</u>	<u>\$6,460,817,279</u>
LIABILITIES		
Federal Reserve Notes	\$4,198,315,903	\$3,952,758,371
Deposits:		
Member Bank-Reserve Accounts	1,813,296,320	1,551,356,278
U. S. Treasurer-General Accounts	76,407,271	93,748,489
Foreign	11,125,000	11,570,000
Other Deposits	<u>23,383,994</u>	<u>24,423,951</u>
Total Deposits	1,924,212,585	1,681,098,718
Deferred Availability Cash Items	763,832,390	662,792,878
Other Liabilities	<u>45,324,844</u>	<u>44,383,712</u>
Total Liabilities	\$6,931,685,722	\$6,341,033,679
CAPITAL ACCOUNTS		
Capital Paid In	63,109,650	59,891,800
Surplus	<u>63,109,650</u>	<u>59,891,800</u>
Total Liabilities and Capital Accounts	<u>\$7,057,905,022</u>	<u>\$6,460,817,279</u>
Contingent Liability on Acceptances		
Purchases for Foreign Correspondents	\$ 22,258,900	\$ 12,985,100



COMPARISON OF EARNINGS AND EXPENSES

	<u>1970</u>	<u>1969</u>
Total Current Earnings	\$300,486,897	\$260,819,520
Net Expenses	<u>21,231,405</u>	<u>19,410,681</u>
Current Net Earnings	279,255,492	241,408,839
Additions to Current Net Earnings:		
Profit on Sales of U. S. Government Securities (Net) .	649,168	—0—
Profit on Foreign Exchange Transactions (Net)	309,258	521,047
All Other	<u>18,920</u>	<u>338,504</u>
Total Additions	977,346	859,551
Deductions from Current Net Earnings:		
Loss on Sales of U. S. Government Securities (Net) . .	—0—	471,314
All Other	<u>121,108</u>	<u>560,092</u>
Total Deductions	<u>121,108</u>	<u>1,031,406</u>
NET DEDUCTIONS	—0—	171,855
NET ADDITIONS	856,238	—0—
Net Earnings before Payments to U. S. Treasury	<u>\$280,111,730</u>	<u>\$241,236,984</u>
Dividends Paid	\$ 3,666,823	\$ 3,544,719
Payments to U. S. Treasury (interest on F. R. Notes)	273,227,057	233,808,165
Transferred to Surplus	<u>3,217,850</u>	<u>3,884,100</u>
Total	<u>\$280,111,730</u>	<u>\$241,236,984</u>

FEDERAL RESERVE BANK OF CLEVELAND

DIRECTORS

Chairman

ALBERT G. CLAY, *President*
Clay Tobacco Company, Mt. Sterling, Kentucky

Deputy Chairman

J. WARD KEENER, *Chairman of the Board and Chief Executive Officer*
The B. F. Goodrich Company, Akron, Ohio

EDWARD W. BARKER
President
First National Bank of Middletown
Middletown, Ohio

DAVID L. BRUMBACK, JR.
President
Van Wert National Bank
Van Wert, Ohio

JOHN L. GUSHMAN
President and Chief Executive Officer
Anchor Hocking Corporation
Lancaster, Ohio

J. WILLIAM HENDERSON, JR.
Henderson & Associates
Columbus, Ohio

GEORGE F. KARCH
Chairman of the Board
and Chief Executive Officer
The Cleveland Trust Company
Cleveland, Ohio

R. STANLEY LAING
President
The National Cash Register Company
Dayton, Ohio

HORACE A. SHEPARD
Chairman of the Board and Chief Executive Officer
TRW Inc.
Cleveland, Ohio

MEMBER, FEDERAL ADVISORY COUNCIL

JOHN S. FANGBONER
Chairman of the Board and Chief Executive Officer
The National City Bank of Cleveland
Cleveland, Ohio

OFFICERS

First Vice President

WALTER H. MacDONALD

ROGER R. CLOUSE
Senior Vice President and Secretary

CLYDE HARRELL
Senior Vice President

JOHN J. HOY
Senior Vice President

FRED O. KIEL
Senior Vice President

CLIFFORD G. MILLER
Senior Vice President

GEORGE E. BOOTH, JR.
Vice President and Cashier

PAUL BREIDENBACH
Vice President and General Counsel

ELMER F. FRICEK
Vice President

R. JOSEPH GINNANE
Vice President

WILLIAM H. HENDRICKS
Vice President

WILLIAM J. HOCTER
Vice President and Economist

HARRY W. HUNING
Vice President

FRED S. KELLY
Vice President

ELFER B. MILLER
General Auditor

OSCAR H. BEACH, JR.
Assistant Vice President

MARGRET A. BEEKEL
Assistant Vice President and Economist

ANNE J. ERSTE
Assistant Vice President

THOMAS E. ORMISTON, JR.
Assistant Vice President

LESTER M. SELBY
Assistant Vice President and Assistant Secretary

ROBERT E. SHOWALTER
Assistant Vice President

HAROLD J. SWART
Assistant Vice President

H. MILTON PUGH
Chief Examiner

MYRON R. MANN
Assistant Cashier

DAVID A. TRUBICA
Assistant Cashier

DONALD G. VINCEL
Assistant Cashier

DAVID J. WEITZEL
Assistant General Auditor

CINCINNATI BRANCH

DIRECTORS

Chairman

GRAHAM E. MARX, *President and General Manager*
The G. A. Gray Company, Cincinnati, Ohio

PAUL W. CHRISTENSEN, JR.
President
The Cincinnati Gear Company
Cincinnati, Ohio

WILLIAM S. ROWE
President
The Fifth Third Bank
Cincinnati, Ohio

ROBERT E. HALL
President
The First National Bank
and Trust Company
Troy, Ohio

PHILLIP R. SHRIVER
President
Miami University
Oxford, Ohio

ROBERT B. JOHNSON
President
Pikeville National Bank
& Trust Company
Pikeville, Kentucky

CLAIR F. VOUGH
Vice President
Office Products Division
IBM Corp.
Lexington, Kentucky

OFFICERS

FRED O. KIEL
Senior Vice President
ROBERT D. DUGGAN
Vice President and Cashier

DONALD G. BENJAMIN
Assistant Vice President
CHARLES A. CERINO
Assistant Cashier

JERRY S. WILSON
Assistant Cashier

PITTSBURGH BRANCH

DIRECTORS

Chairman

LAWRENCE E. WALKLEY, *President and Chief Executive Officer*
Westinghouse Air Brake Company, Pittsburgh, Pennsylvania

ROBINSON F. BARKER
Chairman of the Board
and Chief Executive Officer
PPG Industries, Inc.
Pittsburgh, Pennsylvania

RICHARD M. CYERT
Dean
Graduate School of
Industrial Administration
Carnegie-Mellon University
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