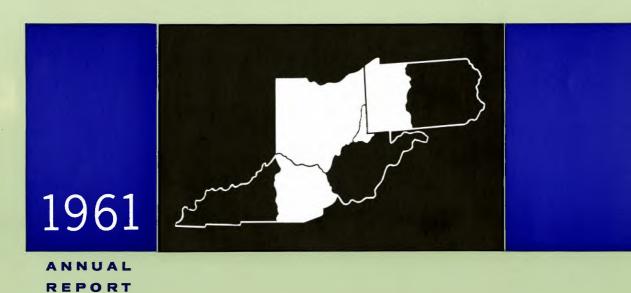
Federal
Reserve
Bank
of
Cleveland



To the Member Banks of the Fourth District:

We are pleased to present this Annual Report for 1961.

The lead article deals with several important features of the current monetary and credit environment, particularly those which may have some implications for public policy during 1962. The focus of the second article is the Fourth District itself and recent economic developments within the area which this bank serves.

The Report also contains the customary financial statements, as well as the current roster of officers and directors. We are saddened that, among changes in personnel, we must include the passing of Mr. John W. Kossin, long-time vice president in charge of our Pittsburgh branch.

On the facing page is our tribute to the man who was chairman of our Board of Directors during the past five years. His creative and constructive leadership will indeed be missed. Mr. Van Buskirk was succeeded on January 1 by Mr. Joseph B. Hall of Cincinnati whose qualifications stem not only from previous experience as a director of this bank but also from his many other attainments in public and private enterprise. It is fortunate that men of this caliber, who have earned their letters, so to speak, in successful leadership of civic as well as business affairs are willing to serve as directors and to render a valuable public service in the realm of central banking.

Finally, on behalf of the staff, I wish to express appreciation for the assistance and cooperation we have received from financial institutions, business firms, and others in carrying out our responsibilities.

President

Withe form





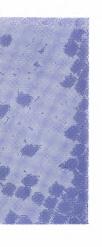


Retirement of Arthur B. Van Buskirk as Chairman of the Board

At the end of the year 1961, Mr. Arthur B. Van Buskirk of Pittsburgh, Pennsylvania, completed six years as a director of the Federal Reserve Bank of Cleveland, serving as deputy chairman of the Board of Directors during his first year and as chairman during the succeeding five years. During the past year Mr. Van Buskirk also served as chairman of the Conference of Chairmen of the twelve Federal Reserve Banks. His role in the Federal Reserve System has been a significant part of his wide and deep contribution to the leadership of public affairs.

Mr. Van Buskirk has been keenly aware of the need for adequately trained personnel to carry out the functions of the System; he gave active support to a policy designed to obtain qualified people for development in the Federal Reserve Bank of Cleveland. He has also been concerned with the inadequacy of public understanding of the responsibilities of the Federal Reserve System. Through the Conference of Chairmen he strove to activate programs of public information on the part of all Federal Reserve banks.

Mr. Van Buskirk's abiding interest in civic affairs will no doubt continue as he serves on numerous foundations and advisory committees of a public nature, and holds membership on boards of directors of important corporations. The vigor and imagination with which our retiring chairman fulfilled his offices has been a source of inspiration to this bank and throughout the System.



PROBLEMS FOR MONETARY POLICY

In contemplating some of the problems for monetary and credit policy which are being carried over into 1962, it seems proper to take one more look at a few of the past year's distinctive features, and the setting in which they occurred.

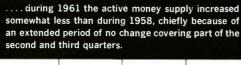
In late February it was announced that the long-standing "bills preferably" policy had been deemphasized by the Federal Open Market Committee. That bit of financial intelligence had to compete, however, with a variety of absorbing news from the international front. "What next in the Congo?" was a far more popular question than "What next in the Government securities market?"

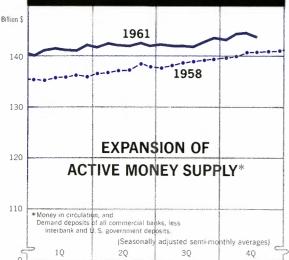
In early March, the upward revaluation of the Deutsche mark opened up all kinds of possibilities and conjectures in the minds of international traders and speculators. Subsequent shifts of hot money created an extraordinary challenge to the major central banks of the West. The American public, too, was agog about foreign possibilities; the college generation (and its parents) was all of a flutter over the pros and cons of the newly-announced Peace Corps.

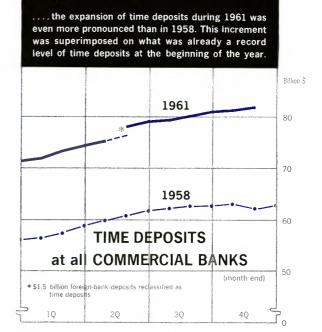
One day, late in July, news flashed from across the water that Great Britain had invoked a policy of severe credit restraint in order to defend sterling. This had real implications for American monetary policy, particularly with reference to interest rates. The general public, however, was more interested in guessing when the next pilot would be forced in midair to change his destination, than in the question of who hijacked the pound—and why? Many people had a greater emotional stake in what could be bought in which store on Sunday than in the weekday discount on forward sterling.

Around mid-August, the nation received statistical verification that all of the ground lost during the preceding recession had been regained — in terms of industrial production. Paradoxically, this good news produced some disconcerting and disheartening echoes especially among those who, regrettably, had not yet been able to find re-employment during the upswing. Public concern over the employment situation had to compete with deep popular interest in the exciting attack on another long-time record — the home-run record.

Late in November, official figures confirmed that this country's gold stock had slipped another notch and was below \$17 billion for the first time in the postwar period. A more romantic subject of conversation, however, was the auction a few







days earlier of a now-famous art treasure for a fabulous sum. It was unusual to find a contemporary Aristotle contemplating the profile of the dollar's future.

Perhaps it is permissible to add to these signal occurrences of 1961 an incident which of itself was quite trivial. On June 1, the last Panama Canal bonds matured. This \$50 million issue had been floated in 1911 and was symbolic of an engineering achievement in a field where a European power had failed. However, there was no ceremony last June; the current preoccupation was the implication of the proposal to spend \$5 billion or more to get an American on the moon — first, if possible.

This series of vignettes may have served to recapture some of the composite flavor of the past year, and to reconstitute the general environment within which monetary policy was being formulated and administered. Federal Reserve policies — together with fiscal policy and public debt management — continued to influence such basic aspects of the economy as the money supply, interest rates, and the

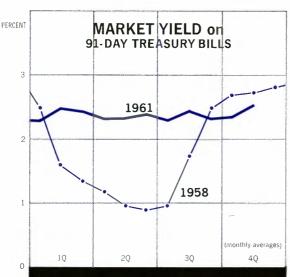
liquidity of the banking system. The past year's developments in each area may have some relevance for 1962.

Money Supply. It is too early to reach a firm conclusion as to the appropriate rate of monetary expansion for 1962. The past year's experience, however, throws some light on the complexity of the problem. During 1961, the active money supply grew by only some 2½-3 percent; see first chart. (In fact, over the five months April through August, while industrial recovery was proceeding apace, there was no net increase at all.) This is a lower rate than that of 1958, for example, during which the active money supply expanded by almost 4 percent. (In the accompanying charts, the year 1958 was chosen as a basis for comparison, partly because that also was a recovery year, and partly because 1958 may stand for an era when monetary policy was not inhibited by balance-of-payments complications.)

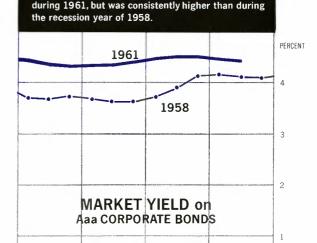
Before one reaches any tentative conclusion as to whether the nation's active medium of exchange should be encouraged to grow more rapidly henceforth, it may be instructive to examine the concurrent behavior of another highly liquid form of purchasing power — the time deposits of commercial banks.

During 1961, time deposits, as shown by a chart on the previous page, expanded on the order of \$11 billion as against a gain of only some \$5 billion in demand deposits. The expansion was more vigorous than in a year like 1958 and it was superimposed upon what was already a record level of such deposits. Part of the latest sequel of expansion is attributable to the higher rate of return offered, as compared with earlier years or with other investments, and part to sheer consumer preferences between spending more or saving more.

Whatever the reason for the surge in time deposits, if the trend continues through 1962, it will constitute a drag on the growth of demand deposits — the active money. Conceivably the trend will be reversed some day. Under certain conditions, holders of time deposits may be inclined to draw down their balances for one purpose or another, or at least to refrain from accumulating such funds as



....the market yield on outstanding 91-day Treasury bills remained unusually stable during 1961, particularly when compared with the fluctuations experienced during 1958.



3Q

(monthly averages)

40

....the market yield on high-grade seasoned corporate bonds fluctuated within a relatively narrow range

rapidly as in the past, with an inverse effect on checking account balances. Over this allocation of funds, monetary policy has little direct control. The formulators of policy, however, are under strong compulsion to evaluate the public's inclinations in this respect and to assess as accurately as possible the implications of this mass of passive purchasing power, as well as of other non-money liquid assets extant in the economy.

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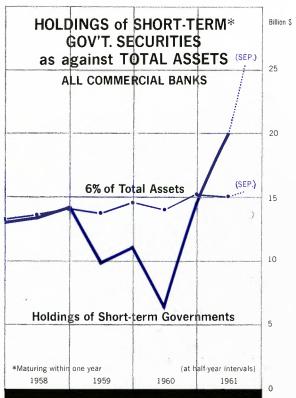
Interest Rates. In fostering an expansion of commercial banks'deposit liabilities during 1961, the Federal Reserve System had to keep a sharp eye on money rates, particularly short-term rates which are most sensitive to yields obtainable abroad. That complication had not yet appeared in 1958. In that recession year, money rates were permitted — or encouraged — to decline to low levels during the period of industrial slackness. In the past year, however, the short-term rate (represented in an accompanying chart by the market rate on 91-day Treasury bills) fluctuated within an exceptionally narrow band.

The maintenance of such a delicate balance would have been much more difficult, if not impossible, if the System had adhered strictly to a policy of purchasing only Treasury bills when member bank reserves needed replenishment. During the year 1961, the System added some \$1.8 billion to its holdings of U.S. Government securities, in the course of providing additional reserves for the member banks. If all those purchases had been concentrated in the short-term bill market, yields on bills might have been driven down to an unsustainable level. With reference to the stability of the bill rate, debt management also played a significant role. The shortfall of Treasury receipts, particularly during the second half of 1961, was financed in large part by the issuance of short-term Treasury obligations. The increasing quantity of such instruments outstanding tended to lend support to the level of yields.

Longer-term rates, too, moved within a relatively narrow range, at a level some distance above the 1958 experience. This was a more-or-less autonomous movement; the extent to which it can be said that market forces were offset depends, for example, upon interpretation of the effect of the purchase of \$100 million-odd long-term Treasury bonds by the Federal Reserve System, stretched over a period of nine months.

Bank Liquidity. A final feature of the past year was the extraordinary increase in holdings of short-term Government securities by the commercial banking system. (See final chart.) This may have special relevance for monetary policy in 1962. As recently as mid-1960, commercial banks' holdings of this liquid type of investment were equal to less than 3 percent of total assets. In the ensuing eighteen months, such holdings were increased to nearly 10 percent of total assets. It is only of secondary importance that this was a par-

tial by-product of the Treasury deficit, the financing of which was commented upon in an earlier paragraph. Subordinate also is the fact that the highly liquid position of the banking system is the result of a slower-than-expected rise in demand for commercial and industrial loans, as well as a determination on the part of the banks to be ready to accommodate such demand when it materializes. The point of main interest to the Federal Reserve System is whether this very liquidity may some day constitute an impediment to the administration of a more restrictive monetary policy. Conceivably, no such contingency will arise in 1962. But central banking must examine its capabilities from time to time in order to ascertain their potential effectiveness.



.... between mid-1960 and late 1961, commercial bank holdings of government securities maturing within one year increased very sharply. In June 1960, such liquid assets represented less than three percent of total assets; by late 1961, they constituted nearly ten percent.



BUSINESS AND FINANCIAL DEVELOPMENTS

Business opened the year 1961 on a note of pessimism. It was widely alleged that the recession was going to be "longer and deeper than anyone thinks". However, a strong force of business recovery cut through the somewhat circular currents of business sentiment and established itself even before winter had fully changed to spring. February turned out to be the month of cyclical trough for most basic business statistics. Broadly, this was true for business of the Fourth Federal Reserve District as elsewhere. With the important exception of a somewhat sluggish performance of retail trade, most of the indicators of business activity — especially those related to industrial production and resumption of inventory building — marched forward for a number of months in record or near-record style.

During August, September and early October, however, a pause or even a slight reversal interrupted the forward movement. The belief that this was only a temporary phenomenon was based largely on the general strength of the underlying forces affecting business, as measured against the rather special factors which were featuring the lull; such special angles included the impact of strike shutdowns, affecting in turn the two largest auto

makers, and (to a less extent) some weather factors, including hurricane effects. Some of the interrupting elements bore with accentuated severity upon the leading types of manufacturing enterprises in the Fourth District, as will be explained in more detail below.

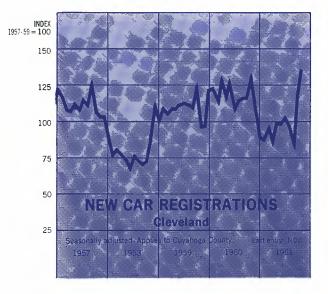
It was mid-November before impressive evidence became available to support the hope and belief that the setback was indeed only a "pause" in a forward movement. Such evidence of renewed expansion accumulated in the final month of the year, making possible a spate of year-end forecasts of a rather glowing 1962. Such, in very brief outline, was the pattern of business change during the year just past. The most brilliant and daring of business forecasters could hardly have foreseen that particular pattern with any degree of accuracy.

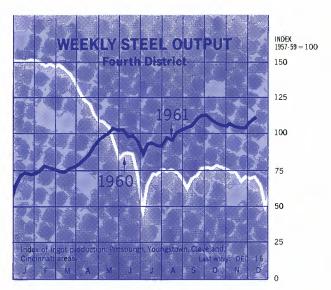
Since the fluctuations in industrial activity during the year were especially marked in the durable-goods lines (as is so often the case) the heavy-industry complex of Ohio and western Pennsylvania was substantially affected. Steel, autos and auto parts were in the very center of the year's industrial oscillations, both in the cyclical upturn itself and in the minor variations previously mentioned. The

rubber industry, centered at Akron, is in large measure auto-oriented; machinery and other metal-fabricating industries, which have especially heavy representation in the Fourth District, are all part of the steel-and-heavy-industry complex, and in varying degrees they participated in the swings of business activity in 1961. Steel and autos may now be examined in somewhat more detail.

steel. Although steel output totaled about the same in 1961 as it had in the previous year (slightly less than 100 million ingot tons in the nation in both cases) the path of change during the year was, with some exceptions, upward from a relatively low starting position; during 1960 the course had been generally downward from a high position. A diagram of the two years plotted upon the same scale of months shows an effect remarkably like the letter "X", as pictured by an accompanying chart.

The spurt in new car registrations in Cleveland during the late months of the year reflected retail trends generally and climaxed a rather patchy year for autos.





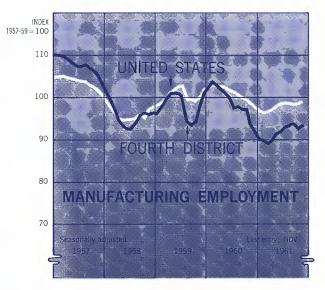
Steel mills in the Fourth District (Pittsburgh, Youngstown, Cleveland, etc.) shared in the rising trend of output during most of 1961, as contrasted with the previous year's downtrend.

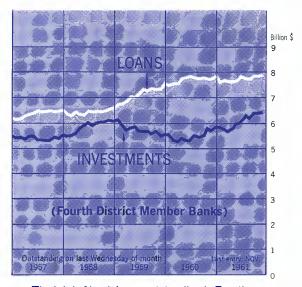
Marked interruptions in the upward movement of steel output during 1961 occurred, first in late spring and summer (with declines which were more than seasonal) and again in October and early November: in both cases a delay in orders from the auto industry was the principal factor. Especially in the second episode, the inventory of semi-finished steel held by the mills, themselves, had been allowed to grow to more than customary levels in an effort to be ready for quick deliveries of steel when auto orders were unleashed: delays in the auto orders resulted in temporary slowing in ingot output to restore the mill positions to a balance. Steel mills located in the Fourth District were affected by the October-November cutbacks somewhat more than mills located elsewhere in the nation.

A continuation of notable achievement in the improvement of steel-making techniques was observable during the year. The industry is acutely aware of the competition being offered by substitute industrial materials of domestic manufacture as well as competition from foreign-made steel. Such factors, along with the haunting pressures of rising wage rates, have provided powerful inducements to the development of cost-cutting measures.

Autos. The year for the auto industry was also replete with adventures and misadventures. (That industry has become of increasing importance to the Fourth District in recent years, insofar as certain full-scale assembly plants have been added to the manufacturing of many varieties of auto parts which has long characterized the District.) During the first quarter of the year, auto manufacturers were intent upon reducing dealer stocks; in the second quarter, a considerable resumption of output occurred in response to better car sales. During the summer, an early model change-over was complicated by the prob-

Downs and ups in manufacturing employment were especially marked in the Fourth District during the recession-recovery cycle of '60-'61.





The total of bank loans outstanding in Fourth District banks showed little net change during 1961, while investment holdings increased substantially.

lems surrounding the expiration of labor contracts in the industry.

Hopes for a good reception of the new models were just beginning to materialize in the early fall, when strike delays took their toll of auto output, as previously mentioned. Once over this hurdle, however, the industry reached a new clearing. By late October and November, sales of autos were in a surge; output rates were raised sharply to meet the immediate demand as well as to rebuild inventories in a new auto cycle. By the end of the year, the auto industry was playing a leading role in sparking the general economy; the outlook for a big auto year in 1962 was a matter of widespread comment.

The revival of auto buying was a principal factor, although not the only one, in the general forward push of retail sales which became apparent in late fall—somewhat belatedly according to many views, although precedents had not been lacking for a delay in consumer response to a

general recovery of the economy. A chart on page 7 shows the spurt in auto sales which occurred in the metropolitan area of Cleveland during October and November. That spurt was fairly typical of nation-wide experience.

Banking. Associated with the industrial developments mentioned above, as well as with other factors of a more financial cast, commercial banks of the Fourth District experienced a 1961 pattern which included some elements of sluggishness and others of vigor. Both in this District and on a nationwide scale, the demand for bank loans lacked exuberance during most of the year, although a pickup occurred in the fourth quarter. As an accompanying chart shows, the level of total loans outstanding showed little net change during the year. Business loans were quite sluggish during considerable parts of the year, while real estate loans and consumer loans outstanding edged up slightly. Bank resources veered toward investment channels, as shown by the second line on the chart. Holdings of short-term investments rose markedly in the early fall as mentioned in another part of this Report. Banks in the aggregate were in a relatively easy reserve position, as made possible by Federal Reserve policy. Most limitations were on the demand side.

Some Problems. Even in this very brief review, it is appropriate to mention a broad set of problems which affect business and industry in the Fourth District and which go somewhat deeper than mere matters of the speed of business recovery.

Questions which are receiving increasing

attention revolve about the social and economic effects of structural changes in industry, with "automation" serving as a catch phrase to identify some of the more dramatic, but nonetheless real, facets of the changes involved. An example may be seen in the accompanying chart which compares the changes in manufacturing employment in the Fourth District with corresponding changes nationally. In the short-run aspect of the most recent business cycle, this chart depicts quite clearly the accentuated swing, both on the downward and upward sides, which characterized manufacturing employment in this District during the 1960-61 changes. But that is not all. A comparison of the position of the two lines at the beginning and end of the time span shown on the chart indicates that manufacturing employment in the District lost ground, over the five-year interval, relative to the nation-wide trend. In fact, although it is not shown on the chart, manufacturing employment has declined more in this District than in the nation since 1953, which was the peak year for such employment both here and nationally.

Thus, this District shares heavily in a problem which is found in many industrialized parts of the country, i.e., the problem of employment opportunities for those workers who are passed by as a result of technical or structural changes in industry. To some extent, both here and elsewhere, the growth of new product opportunities and new service occupations provides a natural market-place answer; but the adjustments are far from prompt or complete.



STATEMENT OF CONDITION

		Dec. 31, 1961	Dec. 31, 1960
	Gold Certificate Account	\$1,305,989,568	\$1,357,217,756
	Redemption Fund for Federal Reserve Notes	105,023,275	92,223,845
	TOTAL GOLD CERTIFICATE RESERVES	1,411,012,843	1,449,441,601
是 在 在图形表示。	Federal Reserve Notes of Other Banks	35,451,160	31,021,730
	Other Cash	25,741,473	33,051,387
	TOTAL CASH	1,472,205,476	1,513,514,718
	Discounts and Advances	1,695,000	752,000
	Bills	270,758,000	249,174,000
ASSETS	Certificates	144,109,000	778,386,000
7,552.15	Notes	1,694,530,000	1,072,356,000
	Bonds	326,098,000	218,493,000
	TOTAL U.S. GOVERNMENT SECURITIES	2,435,495,000	2,318,409,000
	TOTAL LOANS AND SECURITIES	2,437,190,000	2,319,161,000
	Cash Items in Process of Collection	581,471,894	555,899,237
	Bank Premises	8,014,335	8,617,022
	Other Assets	20,259,984	17,767,789
	TOTAL ASSETS	\$4,519,141,689	\$4,414,959,766
	Federal Reserve Notes	\$2,624,593,460	\$2,574,550,235
	Member Bank — Reserve Accounts	1,301,181,974	1,253,849,313
	U.S. Treasurer — General Account	36,664,583	37,749,426
LIABILITIES	Foreign	24,645,000	20,116,000
11/2/11/11/	Other Deposits	4,025,385	6,600,563
	TOTAL DEPOSITS	1,366,516,942	1,318,315,302
	Deferred Availability Cash Items	398,044,162	406,097,241
	Other Liabilities	5,079,275	2,596,988
	TOTAL LIABILITIES	4,394,233,839	4,301,559,766
	Capital Paid In	41,635,950	37,800,000
CAPITAL ACCOUNTS	Surplus	83,271,900	75,600,000
JAN IN ACCOUNTS		00,211,000	10,000,000
	TOTAL LIABILITIES AND CAPITAL ACCOUNTS	\$4,519,141,689	\$4,414,959,766
	Contingent Liability on Acceptances Purchased for Foreign Correspondents	\$ 11,625,000	\$ 21,826,800

+ Comparison

Comparison OF EARNINGS AND EXPENSES

	1961	1960
Total Current Earnings	\$79,846,773	\$93,899,647
Net Expenses	13,832,717	13,378,348
CURRENT NET EARNINGS	66,014,056	80,521,299
Additions to Current Net Earnings:		
Profit on Sales of U.S. Government Securities (Net)	294,917	209,320
Transferred from Reserves for Contingencies (Net)	_0_	840,170
All Other	1,157	817
TOTAL ADDITIONS	296,074	1,050,307
Deductions from Current Net Earnings	4,854	569
Net Additions	291,720	1,049,738
Net Earnings Before Payments to U.S. Treasury .	66,805,776	81,571,037
Dividends	2,360,707	2,219,154
Paid U.S. Treasury (Interest on F.R. Notes)	56,278,169	76,281,883
Transferred to Surplus	. \$ 7,671,900	\$ 3,070,000



(as of January 1)

DIRECTORS

Chairman

JOSEPH B. HALL
President
The Kroger Co.
Cincinnati, Ohio

Deputy Chairman

JOSEPH H. THOMPSON

Chairman of the Board
The Hanna Mining Company
Cleveland, Ohio

FRANCIS H. BEAM
Chairman of the Board
The National City Bank of Cleveland
Cleveland, Ohio

AUBREY J. BROWN

Professor of Agricultural Marketing and Head of Department of Agricultural Economics University of Kentucky Lexington, Kentucky

> DAVID A. MEEKER President

The Hobart Manufacturing Company Troy, Ohio

W. CORDES SNYDER, JR. Chairman of the Board and President Blaw-Knox Company Pittsburgh, Pennsylvania

C. N. SUTTON
President
The Richland Trust Company
Mansfield, Ohio

EDWIN J. THOMAS

Chairman of the Board and Chief Executive Officer The Goodyear Tire & Rubber Company Akron, Ohio

PAUL A. WARNER

President The Oberlin Savings Bank Company Oberlin, Ohio

Member, Federal Advisory Council

REUBEN B. HAYS

Chairman of the Board The First National Bank of Cincinnati Cincinnati, Ohio

OFFICERS

TV TO TO TO
WILBUR D. FULTON
DONALD S. THOMPSONFirst Vice President
W. Braddock HickmanSenior Vice President
ROGER R. CLOUSE Vice President and Secretary
GEORGE H. EMDE
EDWARD A. FINK
CLYDE HARRELL
L. MERLE HOSTETLERVice President
RICHARD G. JOHNSON
FRED O. KIEL
MARTIN MORRISON
JOHN E. ORIN
PAUL C. STETZELBERGERVice President
Elfer B. MillerGeneral Auditor
PHILLIP B. DIDHAM Assistant Vice President
ELMER F. FRICEK Assistant Vice President
HARRY W. HUNING Assistant Vice President
JOSEPH M. MILLER Assistant Vice President
PAUL BREIDENBACH
Addison T. CutlerSpecial Economist
GEORGE T. QUAST
CHARLES E. CRAWFORD
Anne J. Erste
R. Joseph Ginnane
ROBERT G. HOOVER
JOHN J. HOY
HARMEN B. FLINKERSAssistant Secretary
ALVAH R. MILLS Assistant General Auditor

OFFICERS

JOHN A. SCHMIDT	. Cashier
PAUL H. DORN	Cashier
CHARLES E. HOUPTAssistant	Cashier
FRED S. KELLY	Cashier
ROY J. STEINBRINK Assistant	Cashier

Pittsburgh



DIRECTORS and OFFICERS

Cincinnati

OFFICERS

RICHARD G. JOHNSON Vice President
FRED O. KIEL
PHIL J. GEERS
JOHN BIERMANN, JR Assistant Cashier
GEORGE W. HURST Assistant Cashier
WALTER H. MACDONALD Assistant Cashier

DIRECTORS

Chairman

WILLIAM A. STEELE Chairman of the Board and President Wheeling Steel Corporation Wheeling, West Virginia

G. L. BACH
Dean, Graduate School of Industrial
Administration
Carnegie Institute of Technology
Pittsburgh, Pennsylvania

F. L. BYROM
President
Koppers Company, Inc.
Pittsburgh, Pennsylvania

S. L. DRUMM President West Penn Power Company Greensburg, Pennsylvania

SAMUEL R. EVANS President and Trust Officer Windber Trust Company Windber, Pennsylvania

JAMES B. GRIEVES
President
Commonwealth Bank and
Trust Company
Pittsburgh, Pennsylvania

CHAS. J. HEIMBERGER
President
The First National Bank of Erie
Erie, Pennsylvania

Chairman

HOWARD E. WHITAKER
Chairman of the Board
The Mead Corporation
Dayton, Ohio

H. W. GILLAUGH
President
The Third National Bank and Trust
Company of Dayton, Ohio
Dayton, Ohio

G. CARLTON HILL
President
The Fifth Third Union Trust Company
Cincinnati, Ohio

LOGAN T. JOHNSTON
President
Armco Steel Corporation
Middletown, Ohio

WALTER C. LANGSAM
President
University of Cincinnati
Cincinnati, Ohio

LEROY M. MILES
President
First Security National Bank and
Trust Company of Lexington
Lexington, Kentucky

BARNEY A. TUCKER
Manager
American Agricultural Chemical Co.
London, Kentucky



JOHN W. KOSSIN, vice president of the Federal Reserve Bank of Cleveland in charge of its Pittsburgh Branch, died on September 6, 1961.

Mr. Kossin assumed the top managerial post of the Pittsburgh Branch in January 1943. During the ensuing period of nearly two decades he brought an ususual set of talents to the performance of his executive tasks. The reach of John Kossin's personal acquaintanceship with bankers and businessmen of western Pennsylvania and neighboring parts of West Virginia gave a personalized note to his fulfillment of the rather rigorous requirements of a central banking career. His combination of vigor, initiative and friendliness served as qualities which complemented an unyielding integrity at the center of his character.

Mr. Kossin was, indeed, a career man in the System. He joined the Federal Reserve Bank of Cleveland at the head office as a clerk in its check collection department in November, 1918. He then progressed steadily to assistant manager of check collection, manager of personnel, and assistant cashier. In 1942 he was made cashier of the Pittsburgh Branch and one year later became the executive head of the Branch, which by that time had become one of the largest branches in the System.

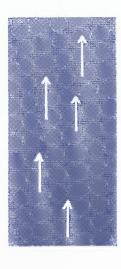
ELMER F. FRICEK, Assistant Vice President January 1, 1961

FRED O. KIEL, Vice President
March 1, 1961

JOHN E. ORIN, Vice President July 1, 1961

R. Joseph Ginnane, Assistant Cashier January 1, 1962





Retirement

CHARLES J. BOLTHOUSE, Assistant Cashier
December 1, 1961

THE FOURTH
FEDERAL
RESERVE DISTRICT