

Federal Reserve Bank of Cleveland

ANNUAL REPORT

'63

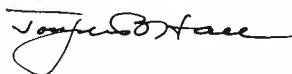
To the Banks in the Fourth Federal Reserve District

We are pleased to present the Annual Report of the Federal Reserve Bank of Cleveland for 1963.

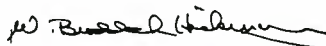
The year just passed was in most respects a highly successful one. The economy continued to expand at a moderate but sustainable pace. Although some individual prices have risen, the major price indexes showed little change. Production activity expanded, with both autos and steel leading the way much of the year. This was particularly significant for the economic life of the Fourth Federal Reserve District. A section of this Report discusses developments in autos and steel in 1963.

Monetary policy in 1963 demonstrated once again its resiliency and adaptability to economic change. The Federal Reserve System continued to provide the financial reserves needed to support growth. At the same time the System was able to take steps to help improve our international balance of payments. An increase in the discount rate at midyear helped bring the level of short-term interest rates in this country into better alignment with rates overseas, thereby discouraging the outflow of short-term funds from the United States.

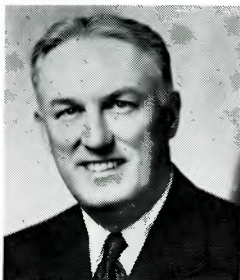
We greatly appreciate the contributions made to our thinking and to our work by the industrial, financial, and agricultural leaders of the District.



Chairman



President



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Steel • Autos and Business in '63

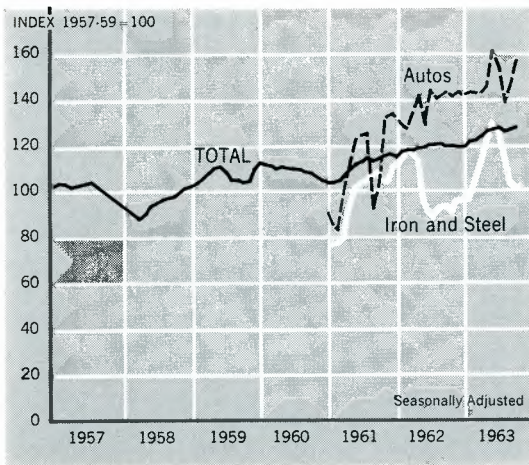
THE YEAR 1963 was a fluctuating and adventuresome one for the steel industry; it was a triumphant year for the auto industry.

Steel. For steel, the overshadowing feature of the year was the inventory buildup and subsequent inventory liquidation associated with the threat of a possible strike in mid-summer. During the early months of the year, the question was how fast and how large the inventory buildup would be. Following the settlement in June, the questions were how sharp and how fast the cuts in steel stocks and in steel output would be, and, more importantly, whether or not the downdrag from steel would seriously affect business activity in general.

There was a "this is where we came in" atmosphere about the entire steel roller coaster. It was, indeed, no new phenomenon; a similar pattern had characterized the industry when contracts ended in 1959 and in 1962. As events turned out, the amplitude of the downswing was, if anything, somewhat less

drastic than had been anticipated. That was so because the decline in steel output was cushioned by an unexpectedly high rate of steel consumption. Partly on that account and partly because of strength elsewhere in the economy, the cutback in steel output in the summer and early fall, although far from negligible, was not severe enough to restrict the pace of general business as measured, for example, by the Index of Industrial Production. (See accompanying chart.)

By late fall, after most of the steel inventory liquidation phase had passed, it became obvious that steel output for the year would amount to something like 109 million ingot tons, which made it the best year for the steel industry since 1957. In fact, from the spring on, as the year progressed, there was a persistent tendency for sights to be raised in the game of forecasting the year's total output. Such a development was in marked contrast with the previous year (1962) when a persistent lowering of sights was the order of the day. (In the auto industry, by contrast, *both* years witnessed progressively rising expectations.)

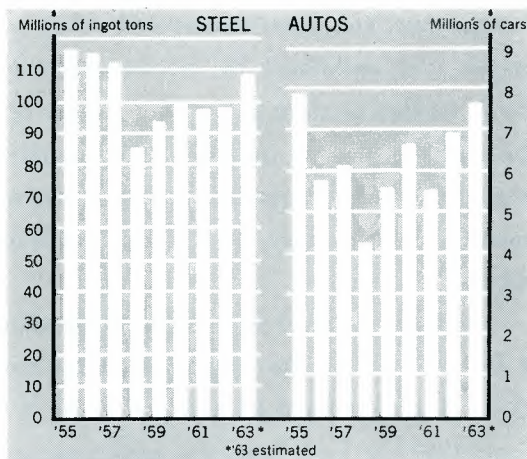


INDUSTRIAL PRODUCTION

It was the auto industry, not the steel industry, which lent support to the index of industrial production in 1963.

STEEL AND AUTO OUTPUT

Steel output was largest of the past 6 years; auto output was largest of the past 8 years.



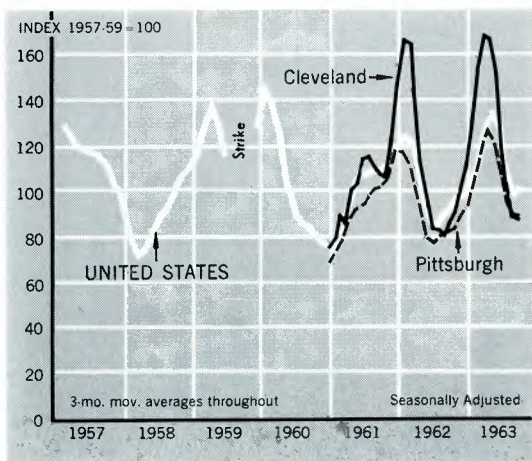
The steel industry's comeback in the autumn months of the year was accompanied by some price adjustment. Starting in a tentative fashion on a few product lines, the price increase by early October had spread to about three-fourths of the total industry coverage and amounted to about 3% of total shipments. The steel industry closed the year on a note of optimism with plans for further modernization of facilities and with the prospect that the labor-contract issue would be at rest throughout 1964.

Autos. For the auto industry, practically all the 1963 surprises were of a pleasant sort. In the early months of the year, the '63 models sold so well that auto output was maintained at a rate between the 7 million and 8 million car mark for month after month. The questions were: Will the good news last? Will the new '64 models be well received? As events unfolded, both of these questions were answered in the affirmative. The final score for the year was sales of about 7.3 million domestically produced cars and total car sales of 7.7 million, including imports. Production, including output for export, amounted

to 7.6 million cars. It was a phenomenal year, indeed. In some measurements it surpassed even the celebrated auto year of 1955.

One of the noteworthy developments during the '63 auto year was the trend of consumer preference toward larger cars, with even more accessories than usual. Production and sales of the smaller domestic cars were less than they might have been as a result of this development. Sales of the smaller, foreign cars, however, enjoyed an increase in their share of the market. Foreign car sales increased from 339,000 in 1962 to an estimated 380,000 in 1963.

The year for autos ended with a question about the 1964 prospect. Considering that both 1962 and 1963 were strong years for autos, could it be reasonably expected that a third 7-million car year would follow? The optimistic temper that prevailed in business forecasting toward the close of '63 influenced opinion in the direction of a favorable view of the prospect for the '64 auto year. Enhanced prospect of a tax cut was no barrier to such a view.



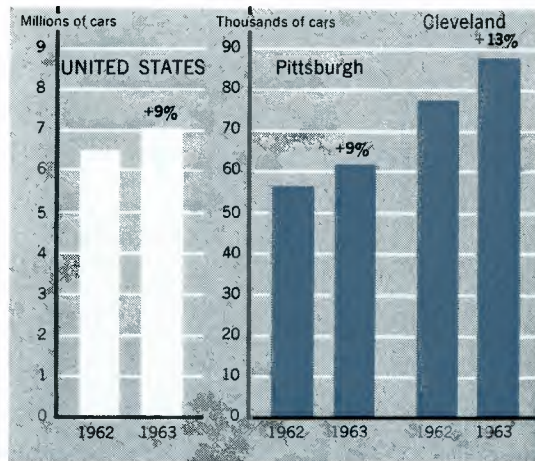
STEEL OUTPUT IN PITTSBURGH AND CLEVELAND

During much of the year, steel output in Cleveland was running ahead of the national rate.

General Business. While optimism was the characteristic tone of general business at the end of the year, that was certainly not true of the entire year. In fact, 1963 opened with a “standard forecast” which envisaged the onset of a mild recession some time in the first half of the year. Such a commonly held view turned out to be a false alarm; the flow of business news throughout the first half was all on the side of business expansion. A slight note of hesitation did appear in August and September. In August the Index of Industrial Production dipped one point, due to the combined effect of the steel cutback and the model changeover in the auto industry. Even so, the third quarter average for the production index, for Gross National Product and for most important business series showed appreciable gains over the second-quarter scores. The economy regained some upward momentum in the fall; this time, steel output and auto output were on the plus side.

**AUTO SALES IN PITTSBURGH
AND CLEVELAND**

The gain in Pittsburgh's auto sales for the year matched the national rate. Cleveland's gain exceeded the national rate.



The tragic death of President Kennedy on November 22 constituted an emotional shock of historic significance, but feelings did not spill over into business uncertainty. On the contrary, the lack of unfavorable repercussions on the business and financial fronts was a mark of the stability and strength of the country's basic institutions as well as a tribute to President Johnson's firm handling of the reins in the early days of the transition. And so the year 1963 closed with business expansion in full course and with optimism stemming in part from the prospects of a tax cut, which appeared reasonably imminent.

The economy of the Fourth Federal Reserve District, which encompasses a large share of the steel and auto industries of the nation, participated fully in the events of '63 as identified above. One of the accompanying charts deals with steel output in Pittsburgh and Cleveland against the backdrop of the national total; another chart shows how auto sales in Pittsburgh kept up with the national pace, while auto deliveries in Cleveland bettered the U. S. rate.

Deposit-Type Financial Institutions

Fourth District

TOTAL ASSETS of deposit-type financial institutions in the Fourth Federal Reserve District passed the \$33 billion mark last year, an increase of some \$19 billion from the end of 1947. Thus, over a span of 16 years, deposit-type financial institutions in the District more than doubled their total assets.

Such considerable growth in resources has been accompanied by large-scale expansion in the facilities of District financial institutions. Not only have new organizations been formed and main offices opened, but additional branch offices have been established, with the latter development occurring at an especially rapid pace. A total of 4,741 offices of deposit-type financial institutions was being maintained in 1963 — 72 percent more than 16 years earlier. This growth in facilities has been concentrated in branch offices; branch office facilities in the District have expanded nearly six times, while the number of main offices has increased by only about one-third. (See Table I.) Putting it another way, the marked increase in the number of branch offices represented about

three-fifths of the total increase in the facilities of deposit-type financial institutions in the Fourth District during the 1947-63 period. That development is not really surprising, particularly in light of both population movements and competitive pressures facing financial institutions.

While Fourth District deposit-type financial institutions have grown considerably, patterns of growth have not been uniform for the individual types of institutions or for individual states in the District. Let us take a look at some of these patterns.

Commercial Banks

Total assets of commercial banks in the Fourth District expanded 83 percent, from \$12.1 billion to \$22.2 billion, during 1947-63. The \$10.1-billion increase represented about one-half of the total increase in assets of all deposit-

Table 1 | **ASSETS AND FACILITIES**
Deposit-Type Financial Institutions*
Fourth Federal Reserve District

State or Portion in Fourth District	DECEMBER 31, 1947				JUNE 30, 1963			
	Assets (millions)	FACILITIES			Assets (millions)	FACILITIES		
		Total	Main Offices	Branches		Total	Main Offices	Branches
Ohio	\$ 8,870	1,695	1,494	201	\$21,951	3,179	2,148	1,031
Pennsylvania	4,345	783	731	52	9,454	1,216	813	403
Kentucky	644	238	232	6	1,399	302	249	53
West Virginia	165	34	34	0	323	44	44	0
Total	\$14,024	2,750	2,491	259	\$33,127	4,741	3,254	1,487

* Deposit-type institutions include: Commercial banks, insured savings and loan associations, mutual savings banks, and credit unions.

SOURCES OF DATA: Board of Governors of the Federal Reserve System
 Federal Home Loan Banks of Cincinnati and Pittsburgh
 Credit Union Leagues in Kentucky, Ohio, Pennsylvania and West Virginia

type financial institutions in the District during the 16-year span. At the same time, the number of commercial banking offices expanded by nearly 50 percent with all of the growth taking place in branch offices. The number of main offices actually declined, while branch offices multiplied nearly fivefold. (See Table II.)

Although both the resources and the facilities of commercial banks have increased by larger absolute amounts than those of other deposit-type financial institutions, the rates of increase have lagged. Thus, while commercial banks continue to hold the largest volume of assets and to account for the largest number of offices in the District, their share of both total assets and total facilities has declined. To illustrate, at the end of 1947, commercial banks held 87 percent of the assets and accounted for 51 percent of the offices of all deposit-type financial institutions in the Fourth District; at midyear 1963, the corresponding shares were 67 percent and 43 percent, respectively.

Table II | **ASSETS AND FACILITIES**
Commercial Banks

State or Portion in Fourth District	DECEMBER 31, 1947			JUNE 30, 1963		
	Assets (millions)	FACILITIES		Assets (millions)	FACILITIES	
		Main Offices	Branches		Main Offices	Branches
Ohio	\$ 7,416	668	186	\$14,163	553	792
Pennsylvania	3,977	286	52	6,778	144	353
Kentucky	588	167	6	1,006	150	53
West Virginia	152	26	0	227	24	0
Total	\$12,133	1,147	244	\$22,174	871	1,198

SOURCE OF DATA: Board of Governors of the Federal Reserve System

Savings and Loan Associations and Mutual Savings Banks

Total combined assets of insured savings and loan associations and mutual savings banks in the Fourth District multiplied nearly sixfold in the 1947-63 period.⁽¹⁾ Growth was centered in the savings and loan associations. Total resources of mutual savings banks located in the Fourth District actually declined during the period. (There were only three mutual savings banks in the District as of June 30, 1963, with assets of \$263 million; there had been four in 1947, with assets of \$338 million.) Savings and loan associations contributed 44 percent of the asset growth in the District between 1947 and mid-1963, with assets held at savings and loan associations increasing from \$1.5 billion to \$10.1 billion.

(Continued on Page 14)

(1) Data used here apply only to the savings and loan associations in the Fourth District that are insured by the Federal Savings and Loan Insurance Corporation. Such associations account for over 90 percent of the assets of all savings and loan associations in the District, but a somewhat lesser percentage of total facilities.

Table III | **ASSETS AND FACILITIES**
Insured Savings and Loan Associations
and Mutual Savings Banks

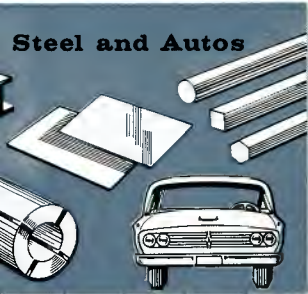
State or Portion in Fourth District	DECEMBER 31, 1947			JUNE 30, 1963		
	Assets (millions)	FACILITIES		Assets (millions)	FACILITIES	
		Main Offices	Branches		Main Offices	Branches
Ohio	\$1,419	255	15	\$ 7,381	362	239
Pennsylvania	356	128	0	2,535	125	50
Kentucky	54	41	0	380	49	0
West Virginia	13	7	0	93	7	0
Total	\$1,842	431	15	\$10,389	543	289

SOURCES OF DATA: Board of Governors of the Federal Reserve System
Federal Home Loan Banks of Cincinnati and Pittsburgh

Log of

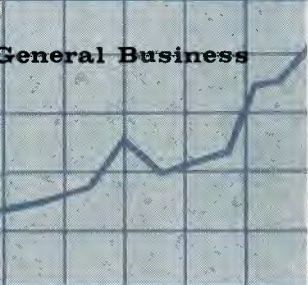
First Quarter

Second Quarter



steel inventory buildup

**APPREHENSIONS
ABOUT STEEL
LABOR CONTRACT**



**ATLANTIC COAST
DOCK STRIKE**

LONG COLD WINTER

End of
N.Y. news
strike

Sugar Prices
Soar

End of Cleveland
news strike

Birmingham
race crisis

**WHEAT FARMERS
REJECT CONTROL**

CORPORATE PROFITS REC...

← unemployment remains a p...



**PRESIDENT RECOMMENDS
TAX CUT**

**lower
reser...**



*1Q balance deficit at
\$3 billion annual rate*

*2Q bala
\$5 bi...*



Britain membership
in EEC rejected

(Christine Keeler)

Cooper's flight
22 orbits



ter | Third Quarter | Fourth Quarter

STEEL WAGE agreement

AUTO PLANTS DOWN FOR MODEL CHANGE
steel inventory liquidation

near record year for autos apparent

Oxygen furnace building

STEEL PRICE INCREASE

109 million tons steel for yr.

over 7 million cars for yr.

new autos at old prices

CONGRESS AVERTS RAIL STRIKE

40-YEAR HIGH SILVER PRICES

LONG DRY FALL

PRESIDENT ASSASSINATED

Dow-Jones to historic high

industrial production at new record

LBJ TAKES OVER

Assassin murdered

Hurricane Flora

LS
OVER
problem

silver certificates on way out

DISCOUNT RATE UP TO 3½%

FEDERAL RESERVE INCREASES MARGIN REQUIREMENTS

free
ies at banks

\$11 BILLION TAX CUT PASSED BY HOUSE

Economy drive for Fed. Gov't

Pres. requests interest equalization tax

nce deficit at
llion annual rate

3Q balance deficit drops to \$1 billion annual rate

Chicken war

DOUGLAS HOME FOR MACMILLAN

Coup in Viet Nam

TEST BAN TREATY

East buys wheat

Congress Cuts Foreign Aid

Soviet man-woman orbit

ERHARD FOR ADENAUER

U.S.S.R. sells gold

Moscow-Peking Rift

(Continued from Page 11)

Total facilities of insured savings and loan associations expanded by 88 percent in the 1947-63 period, as the number of main offices increased by 26 percent, while the number of branch offices multiplied 19 fold. The sharp upswing in activities of savings and loan associations has resulted in these institutions now accounting for a much larger share of the total assets in the District, nearly one-third at midyear 1963 as compared with about one-tenth in 1947. On the other hand, the share of total facilities accounted for by the savings and loan associations has advanced only moderately.

Table IV | **ASSETS AND FACILITIES**
Credit Unions

State or Portion in Fourth District	DECEMBER 31, 1947		JUNE 30, 1963*	
	Assets (millions of dollars)	FACILITIES Main Offices	Assets (millions of dollars)	FACILITIES Main Offices
Ohio	\$35.0	571	\$407.1	1,233
Pennsylvania	11.5	317	141.1	544
Kentucky	2.0	24	13.0	50
West Virginia	N.A.	1	3.3	13
Total	\$48.5	913	\$564.5	1,840

* Latest available data for credit unions are as of December 31, 1962. Figures for June 30, 1963 are estimated
SOURCES OF DATA: Credit Union Leagues in Kentucky, Ohio, Pennsylvania and West Virginia

Credit Unions

Although the assets of credit unions represent only 2 percent of the total resources of deposit-type financial institutions in the Fourth District, the rate of growth experienced by these institutions in recent years is nothing short of phenomenal. Thus, the \$564 million of total assets held by credit unions at midyear 1963 represented the product of a twelvefold multiplication from 1947 — by far the most rapid rate of expansion for any of the deposit-type

institutions. Even this much of a relative gain, however, was equivalent to only 3 percent of the total resource growth of all deposit-type institutions in the District.

Credit union facilities also have expanded markedly, rising from 913 offices in 1947 to 1,840 in 1963. In line with this growth, credit union offices accounted for 39 percent of total facilities in the District at midyear 1963, in contrast to about one-third 16 years earlier.

Table V | BALANCE SHEET ITEMS
Commercial Banks

	DEC. 31, 1947		JUNE 30, 1963	
	(millions of dollars)	Percent of Total	(millions of dollars)	Percent of Total
Assets				
Loans	\$ 2,887	23.8	\$10,451	47.1
Investments	6,348	52.3	8,261	37.3
Other Assets	2,898	23.9	3,461	15.6
Total	\$12,133	100.0	\$22,173	100.0
Liabilities				
Deposits:				
Demand	\$ 7,401	61.0	\$10,695	48.2
Time	3,765	31.0	9,100	41.1
Other Liabilities and Capital Accounts	967	8.0	2,378	10.7
Total	\$12,133	100.0	\$22,173	100.0

SOURCE OF DATA: Board of Governors of the Federal Reserve System

State Patterns

The growth patterns of the different types of institutions have varied considerably from state to state in the Fourth District. As would be expected, and as can be seen from Tables II-IV, the aggregate statistics for each type of institution are dominated by the figures for Ohio.

At midyear 1963, Ohio's share of both total assets and total facilities in the District was roughly two-thirds, a slight increase over 1947. Since the end of 1947, Ohio's share of both total assets and total facilities of commercial banks in the District has increased. Ohio's share of the combined assets of the savings and loan associations and mutual savings banks has declined, but its share of their facilities has increased. Ohio's share of total assets of credit unions has been maintained while its share of credit union facilities through the District has increased.

Deposit-type financial institutions located in western Pennsylvania account for most of the remaining assets and facilities in the District. That area's share of both total assets and total facilities has declined somewhat; but at midyear 1963 the institutions in western Pennsylvania still held 28 percent of the assets and accounted for 26 percent of the facilities of the District.

Table VI

BALANCE SHEET ITEMS

Insured Savings and Loan Associations and Mutual Savings Banks

	DEC. 31, 1947		JUNE 30, 1963	
	(millions of dollars)	Percent of Total	(millions of dollars)	Percent of Total
Assets				
Loans	\$1,186	64.4	\$ 8,558	82.4
Investments	513	27.8	865	8.3
Other Assets	143	7.8	966	9.3
Total	\$1,842	100.0	\$10,389	100.0
Liabilities				
Savings Accounts	\$1,605	87.1	\$ 9,101	87.6
Other Liabilities	237	12.9	1,288	12.4
Total	\$1,842	100.0	\$10,389	100.0

SOURCES OF DATA: Board of Governors of the Federal Reserve System
Federal Home Loan Banks of Cincinnati and Pittsburgh

Despite Ohio's and Pennsylvania's domination of the figures, deposit-type financial institutions located in the Fourth District portions of Kentucky and West Virginia have also experienced substantial growth. In fact, in terms of growth rates, the figures for both of these areas compare favorably with the larger states. (See Table I.)

Asset Patterns

The asset structures of the various deposit-type financial institutions in the Fourth District have undergone marked changes. The nature of these changes is summarized in Tables V-VII, which present comparative balance sheets for each type of institution as of yearend 1947 and as of June 30, 1963.

Typical of experience elsewhere in the nation, the composition of earning assets of Fourth District commercial banks has been considerably altered. Re-

Table VII | BALANCE SHEET ITEMS
Credit Unions

	DEC. 31, 1947		JUNE 30, 1963*	
	(millions of dollars)	Percent of Total	(millions of dollars)	Percent of Total
Assets				
Loans	\$22.6	46.6	\$402.5	71.3
Other Assets	25.9	53.4	162.0	28.7
Total	\$48.5	100.0	\$564.5	100.0
Liabilities				
Shares	\$44.9	92.6	\$493.9	87.5
Other Liabilities	3.6	7.4	70.6	12.5
Total	\$48.5	100.0	\$564.5	100.0

* Latest available data for credit unions are as of December 31, 1962. Figures for June 30, 1963 are estimated

SOURCES OF DATA: Credit Union Leagues in Kentucky, Ohio, Pennsylvania and West Virginia

flecting commercial banks' participation in helping to finance World War II, investments (primarily U.S. Government securities) constituted more than one-half of total assets at yearend 1947. In response to rising loan demand, banks reduced investment holdings to about one-third of total assets by mid-1963. Conversely, loan volume of commercial banks, which had amounted to about one-fourth of total assets in 1947, accounted for nearly one-half of total assets in 1963. In addition, other assets (including cash items) declined from nearly one-fourth of total assets in 1947 to about one-sixth at midyear 1963. Despite a substantial accumulation of loans, commercial banks held the lowest proportion of loans to total assets of any of the District's deposit-type institutions at midyear 1963.

While deposits provided about nine-tenths of the funds available to commercial banks in both 1947 and 1963, a substantial change occurred in the deposit mix. (See Table V.) At yearend 1947, demand deposits represented two-thirds of total deposits; at midyear 1963, demand deposits represented only 54 percent of total deposits. The rise in time deposits is the result of many factors, principally the higher rates of interest paid by many banks on such deposits.

Savings and loan associations and mutual savings banks also altered the composition of their asset portfolios. At midyear 1963, loan volume (principally real estate loans) represented more than four-fifths of total assets compared with slightly less than two-thirds at the end of 1947.

Comparative data for credit unions indicate that a similar degree of asset reallocation has taken place over the past 16 years. Asset composition has been heavily oriented toward loans (primarily personal instalment loans to members). (See Table VII.)



WILBUR D. FULTON

**President, Federal Reserve Bank of Cleveland
May 15, 1953 to April 30, 1963**

Prior to his ten years as president, Mr. Fulton's career in banking had included 20 years of service with this bank. Subsequent to his retirement from the bank on April 30, 1963, Mr. Fulton has been active in a wide range of financial, civic and governmental affairs.

Comparative Statement of Condition

ASSETS	Dec. 31, 1963	Dec. 31, 1962
Gold Certificate Account	\$1,072,428,053	\$1,254,874,381
Redemption Fund for Federal Reserve Notes	120,891,715	112,001,545
TOTAL GOLD CERTIFICATE RESERVES	1,193,319,768	1,366,875,926
Federal Reserve Notes of Other Banks	31,391,715	27,690,620
Other Cash	10,938,681	20,241,475
TOTAL CASH	1,235,650,164	1,414,808,021
Discounts and Advances	8,701,000	249,000
U.S. Government Securities:		
Bills	343,270,000	196,364,000
Certificates	585,699,000	1,059,973,000
Notes	1,469,507,000	861,788,000
Bonds	385,044,000	332,641,000
TOTAL U.S. GOVERNMENT SECURITIES	2,783,520,000	2,450,766,000
TOTAL LOANS AND SECURITIES	2,792,221,000	2,451,015,000
Cash Items in Process of Collection	509,071,091	721,013,659
Bank Premises	6,427,573	7,275,098
Other Assets	34,414,996	29,726,416
TOTAL ASSETS	\$4,577,784,824	\$4,623,838,194
LIABILITIES		
Federal Reserve Notes	\$2,811,931,560	\$2,679,742,230
Deposits:		
Member Bank – Reserve Accounts	1,158,351,902	1,201,043,442
U.S. Treasurer – General Account	43,915,293	38,220,731
Foreign	14,880,000	24,440,000
Other Deposits	7,910,939	13,848,557
TOTAL DEPOSITS	1,225,058,134	1,277,552,730
Deferred Availability Cash Items	399,373,828	530,832,841
Other Liabilities	6,738,252	5,257,793
TOTAL LIABILITIES	4,443,101,774	4,493,385,594
CAPITAL ACCOUNTS		
Capital Paid In	44,894,350	43,484,200
Surplus	89,788,700	86,968,400
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	4,577,784,824	\$4,623,838,194
Contingent Liability on Acceptances Purchased for Foreign Correspondents	\$ 8,546,700	\$ 7,905,400

Comparison of Earnings and Expenses

	1963	1962
Total Current Earnings	\$94,972,347	\$88,180,787
Net Expenses	15,652,180	15,143,856
Current Net Earnings	79,320,167	73,036,931
Additions to Current Net Earnings:		
Profit on Sales of U.S. Government Securities (Net)	26,166	167,498
Profit on Foreign Exchange Transactions (Net)	27,303	27,030
All Other	18,646	23,005
TOTAL ADDITIONS	72,115	217,533
Deductions from Current Net Earnings:		
Proportionate Share of Losses Under Federal Reserve System Loss Sharing Agreement (Net)	-0-	177,558
All Other	1,415	418
TOTAL DEDUCTIONS	1,415	177,976
Net Additions	70,700	39,557
Net Earnings Before Payments to U.S. Treasury ..	79,390,867	73,076,488
Dividends	2,653,643	2,547,615
Paid U.S. Treasury (Interest on F.R. Notes)	73,916,924	66,832,373
Transferred to Surplus	\$ 2,820,300	\$ 3,696,500

Directors for 1964

(AS OF JAN. 1)

<i>Chairman</i> JOSEPH B. HALL <i>Chairman of the Board</i> The Kroger Co., Cincinnati, Ohio	RICHARD R. HOLLINGTON <i>President</i> The Ohio Bank and Savings Company Findlay, Ohio
<i>Deputy Chairman</i> LOGAN T. JOHNSTON <i>President</i> Armco Steel Corporation Middletown, Ohio	DAVID A. MEEKER <i>Chairman of the Board and</i> <i>Chief Executive Officer</i> The Hobart Manufacturing Company Troy, Ohio
FRANK E. AGNEW, JR. <i>Chairman of the Board and</i> <i>Chief Executive Officer</i> Pittsburgh National Bank Pittsburgh, Pennsylvania	C. N. SUTTON <i>President</i> The Richland Trust Company Mansfield, Ohio
WALTER K. BAILEY <i>Chairman of the Board</i> The Warner & Swasey Company Cleveland, Ohio	EDWIN J. THOMAS <i>Chairman of the Board and</i> <i>Chief Executive Officer</i> The Goodyear Tire & Rubber Company Akron, Ohio
ALBERT G. CLAY <i>President</i> Clay Tobacco Company Mt. Sterling, Kentucky	<i>Member, Federal Advisory Council</i> LELAND A. STONER <i>President</i> The Ohio National Bank of Columbus Columbus, Ohio

Officers for 1964

(AS OF JAN. 1)

W. BRADDOCK HICKMAN	<i>President</i>	PHILLIP B. DIDHAM	<i>Assistant Vice President</i>
DONALD S. THOMPSON	<i>First Vice President</i>	ROBERT G. HOOVER	<i>Assistant Vice President</i>
ROGER R. CLOUSE	<i>Vice President and Secretary</i>	JOHN J. HOY	<i>Assistant Vice President</i>
EDWARD A. FINK	<i>Vice President</i>	HARRY W. HUNING	<i>Assistant Vice President</i>
ELMER F. FRICEK	<i>Vice President</i>	GEORGE E. BOOTH, JR.	<i>Assistant Counsel</i>
CLYDE HARRELL	<i>Vice President</i>	ADDISON T. CUTLER	<i>Special Economist</i>
FRED S. KELLY	<i>Vice President and Cashier</i>	GEORGE T. QUAST	<i>Chief Examiner</i>
FRED O. KIEL	<i>Vice President</i>	DONALD G. BENJAMIN	<i>Assistant Cashier</i>
MAURICE MANN	<i>Vice President</i>	ANNE J. ERSTE	<i>Assistant Cashier</i>
CLIFFORD G. MILLER	<i>Vice President</i>	R. JOSEPH GINNANE	<i>Assistant Cashier</i>
MARTIN MORRISON	<i>Vice President</i>	WILLIAM H. HENDRICKS	<i>Assistant Cashier</i>
PAUL C. STETZELBERGER	<i>Vice President</i>	THOMAS E. ORMISTON, JR.	<i>Assistant Cashier</i>
ELFER B. MILLER	<i>General Auditor</i>	JAMES H. CAMPBELL ..	<i>Assistant General Auditor</i>
PAUL BREIDENBACH	<i>Counsel</i>	LESTER M. SELBY	<i>Assistant Secretary</i>

Branch Directors and

CINCINNATI

DIRECTORS

Chairman

HOWARD E. WHITAKER

Chairman of the Board, The Mead Corporation, Dayton, Ohio

G. CARLTON HILL

Chairman of the Board

The Fifth Third Union Trust Company
Cincinnati, Ohio

JOHN W. HUMPHREY

President

The Philip Carey Manufacturing
Company
Cincinnati, Ohio

WALTER C. LANGSAM

President

University of Cincinnati
Cincinnati, Ohio

JAMES B. PUGH

President

The Security Central National Bank
of Portsmouth
Portsmouth, Ohio

BARNEY A. TUCKER

President

Burley-Belt Fertilizer Company
Lexington, Kentucky

JOHN W. WOODS, JR.

President

The Third National Bank of Ashland
Ashland, Kentucky

OFFICERS

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PHIL J. GEERS, *Cashier*

JOHN BIERMANN, JR., *Assistant Cashier*

GEORGE W. HURST, *Assistant Cashier*

WALTER H. MacDONALD, *Assistant Cashier*

Officers for 1964 (AS OF JAN. 1)

PITTSBURGH

DIRECTORS

Chairman

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

J. S. ARMSTRONG
President and Trust Officer
The Grove City National Bank
Grove City, Pennsylvania

G. L. BACH, *Maurice Falk Professor*
of Economics and Social Science
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

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

ALFRED H. OWENS
President
The Citizens National Bank of
New Castle
New Castle, Pennsylvania

OFFICERS

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JOHN A. SCHMIDT, *Cashier*
J. ROBERT AUFDERHEIDE
Assistant Cashier

PAUL H. DORN, *Assistant Cashier*
CHARLES E. HOUP, *Assistant Cashier*
ROY J. STEINBRINK
Assistant Cashier

The Fourth Federal Reserve District

