Minutes for December 9, 1958

To: Members of the Board

From: Office of the Secretary

Attached is a copy of the minutes of the Board of Governors of the Federal Reserve System on the above date.

It is not proposed to include a statement with respect to any of the entries in this set of minutes in the record of policy actions required to be maintained pursuant to section 10 of the Federal Reserve Act.

Should you have any question with regard to the minutes, it will be appreciated if you will advise the Secretary's Office. Otherwise, if you were present at the meeting, please initial in column A below to indicate that you approve the minutes. If you were not present, please initial in column B below to indicate that you have seen the minutes.

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Minutes of the Board of Governors of the Federal Reserve System

on Tuesday, December 9, 1958. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman
Mr. Szymczak
Mr. Mills
Mr. Robertson
Mr. Shepardson

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Young, Director, Division of Research and Statistics
Mr. Johnson, Director, Division of Personnel Administration
Mr. Hackley, General Counsel
Mr. Masters, Director, Division of Examinations
Mr. Shay, Legislative Counsel
Mr. Farrell, Associate Director, Division of Bank Operations
Mr. Noyes, Adviser, Division of Research and Statistics
Mr. Koch, Associate Adviser, Division of Research and Statistics
Mr. Solomon, Assistant General Counsel
Mr. Benner, Assistant Director, Division of Examinations
Mr. Kiley, Chief, Reserve Bank Operations Section, Division of Bank Operations
Mr. Holahan, Supervisory Review Examiner, Division of Examinations

Discount rates. Unanimous approval was given to a telegram to the Federal Reserve Bank of Atlanta approving the establishment without change by that Bank on December 8, 1958, of the rates on discounts and advances in its existing schedule.

Items circulated or distributed to the Board. The following items, which had been circulated or distributed to the members of the Board and copies of which are attached to these minutes under the respective item numbers indicated, were approved unanimously:
Letter to The Farmers and Merchants Bank, Fairborn, Ohio, approving the establishment of a branch at the intersection of Broad and Maple Streets. (For transmittal through the Federal Reserve Bank of Cleveland)

Letter to the Federal Reserve Bank of Kansas City concerning the applicability of the Bank Holding Company Act under circumstances described by Mr. John Lauritzen of Omaha, Nebraska.

Memorandum from Mr. McClintock recommending that no action be taken on a report by the Federal Reserve Bank of Boston concerning the activities of Beacon Finance Company, Boston, Massachusetts.

Memorandum from Mr. Young recommending that the Board provide certain banking data to Professor G. L. Bach of the Carnegie Institute of Technology.

Order granting the request of Northwest Bancorporation for an extension of time within which to file exceptions and brief to the Hearing Examiner's Report and Recommended Decision.

In connection with the foregoing Item No. 4, Mr. Koch stated that, for the purposes of Professor Bach's study, it seemed desirable to go to the Federal Reserve Banks to obtain certain additional information, mainly on the reserve position of banks that participated in the 1955 and 1957 business loan surveys. Two Reserve Banks with whom the matter had been discussed indicated that the data could be readily obtained and that its compilation would involve only a moderate amount of clerical work. After Mr. Koch had responded to a question from Governor Robertson by saying that the use in the study of the data proposed to be obtained would be surrounded by appropriate safeguards against disclosure of the names of individual banks, the Board indicated...
that there would be no objection to requesting the additional information from the Reserve Banks.

Regional structure of the Federal Reserve System. Following a discussion of the need for an objective study of the boundaries of the Federal Reserve districts at the meeting of the Board on September 11, 1958, the Divisions of Bank Operations and Research and Statistics were requested to prepare a memorandum on the nature of the data that would be useful in such a study. There had now been distributed to the Board copies of a memorandum from Messrs. Young and Farrell dated December 4, 1958, indicating the sources of several types of data. The memorandum brought out, among other things, that the weight to be given the various relevant factors would present a difficult problem.

Following comments on the memorandum by Mr. Koch, Governor Robertson asked what further steps might be taken so that, if questions were raised, the answer could be given that the whole matter of district boundaries was under study. He suggested that consideration be given to determining what private organizations might be available to collect data of the kinds referred to in the memorandum.

At the request of the Board, Mr. Farrell then made a statement in which he reviewed the developments leading up to the request for preparation of the memorandum, following which Governor Mills said it would seem reasonable for the Congress or the general public to assume that the Federal Reserve System was continually reviewing its regional structure for the purpose of instituting any changes that would make the
System function more efficiently. Therefore, the fact that no changes had been recommended by the Board might be regarded as good reason to assume that the present boundaries had been found generally satisfactory. From available information, it would appear that on a functional basis there were no very persuasive reasons to alter the boundaries of the Federal Reserve districts, except for possible minor adjustments. From the standpoint of developing an improved reporting service concerning regional economic activities, there might be grounds for changes. However, the question was whether, in order to provide better economic reporting, the Board should recommend changes in district boundaries that were not critically needed from the standpoint of operating efficiency. This question appeared to deserve substantial further discussion before any decisions were reached and might be something that the Congress would wish to consider.

Governor Shepardson referred to the statehood status of Alaska and the possible addition of Hawaii as a State of the Union. He inquired about the effects from an operating standpoint of including Alaska and Hawaii in the existing Twelfth Federal Reserve District.

In response, Mr. Farrell said that from conversations with President Mangels of the Federal Reserve Bank of San Francisco it seemed doubtful whether, from the standpoint of operating services, Alaska could obtain any advantages from the creation of an additional Reserve district with headquarters in Portland or Seattle that it could not obtain through
use of the existing Twelfth District facilities. He assumed that Mr. Mangels might feel about the same way with respect to Hawaii. Mr. Farrell went on to say that one possible advantage he could see in creating another district would be to relieve the management of the San Francisco Reserve Bank from the burden of having to keep in contact with, and report on, a very large geographical area.

Governor Shepardson then stated that the considerable expense attached to operating an additional Federal Reserve Bank would seem to argue against any such decision unless there was a burden of work sufficient to justify the creation of a new district. He went on to say that over the period of approximately 40 years that the Federal Reserve System had been in existence adjustments had been made and relationships established to such a degree as to make it appear doubtful whether there was any real reason for considering the establishment of an additional district or districts, or for considering any major realignment of the existing districts. It might be, of course, that the Congress would insist on certain changes, in which event the Board should be in a position to make recommendations as to what changes would be most desirable.

Governor Robertson expressed doubt whether one could make the statement that the Board had been continually studying the existing district boundaries from the standpoint of operating efficiency. He saw a great deal of merit in what Governor Shepardson had said; in fact, he felt that an argument could be made against the need for as many as
twelve Federal Reserve Banks. However, there had been many changes of importance since the district boundaries were originally established, for example, the westward movement of population, and he felt that the Board should have facts and figures available to substantiate its position, even if it should favor maintenance of the status quo.

During discussion of how a study might best be carried forward, reference was made to the possibility of exploring the facilities of private research organizations and to the possibility that certain data might be available through agencies of the Government.

Mr. Farrell then commented concerning the limited usefulness of quantitative data unless collected and analyzed in the light of value judgments. Mr. Koch concurred, stating that it would be necessary for any outside agency collecting information and making recommendations to determine what weight should be placed upon various types of data.

At this point Chairman Martin expressed concern about making an assignment to an outside organization in an area of value judgments concerning the functions of the Federal Reserve System. He suggested that as a next step there be prepared for the Board an outline of the major value judgments that should be considered. Since it was his opinion that the staff of the Board would be in the best position to prepare such an outline, he proposed that the Divisions of Bank Operations and Research and Statistics be asked to give further thought to the subject in the light of this discussion.
There was unanimous agreement with Chairman Martin's suggestion.

All of the members of the staff except Messrs. Sherman, Kenyon, Hackley, Masters, Benner and Holahan then withdrew from the meeting.

Bank of Belmont Shore. Pursuant to the understanding at yesterday's meeting of the Board, Mr. Masters reviewed developments with respect to the Bank of Belmont Shore, Long Beach, California, including the problems revealed by an examination of the bank by the State banking authorities as of December 1957; the confirmation of those problems through an examination made by the Federal Reserve Bank of San Francisco as of July 14, 1958; subsequent discussion participated in by representatives of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the State banking authorities; the proposal to institute a proceeding under section 8(a) of the Federal Deposit Insurance Act; the later decision of the Corporation not to go forward without making an examination of its own; the results of the examination made by the Corporation as of October 8, 1958; and the decision of the Board of Directors of the Corporation on December 4, 1958, to proceed on the basis of a corrective program instead of a section 8(a) proceeding. After describing the major points in the corrective program, Mr. Masters noted that the subject bank was being called upon to indicate acceptance of it not later than December 20, 1958. He reported that the State Bank Commissioner and the Federal Reserve Bank of San Francisco had been made aware of the provisions of the corrective program, adding that there was a united approach to the problem by all of the interested supervisory agencies.
Pan American Bank of Miami. On the basis of preliminary information developed from an examination of the Pan American Bank of Miami, Miami, Florida, begun on November 3, 1958, the Division of Examinations had distributed to the Board under date of December 4, 1958, a problem bank memorandum which indicated further deterioration in the condition of the bank's loan account and inability to effect augmentation of its capital structure from retained earnings, apparently due to reduced operating earnings and heavy losses on loans and securities. The memorandum noted that the bank had received authorization from the Connecticut Mutual Insurance Company to vote the stock hypothecated with that company in favor of a sale of $1 million of capital notes or debentures and that on December 1, 1958, the bank's stockholders voted to issue debentures in that amount. It was understood that the bank had in mind selling the debentures to a second insurance company. Aside from the fact that the debentures would not constitute satisfactory capital funds for the member bank, serious doubt was expressed whether the limited voting permit granted by the Board on November 6, 1958, to South Dade Farms, Inc., authorized the holding company to vote its shares of the bank in favor of such a proposal.

At this meeting Mr. Masters amplified the information contained in the problem bank memorandum on the basis of the latest information available from the Federal Reserve Bank of Atlanta. Summarizing, he said that the need was for better management -- more informed and
conservative management -- and much more capital. With respect to the latter problem, he reported that the insurance company to which the bank hoped to sell its debentures did not seem to have made as yet any investigation of the Pan American Bank or to have made any commitment concerning the debentures. In this connection, he observed that in the voluminous correspondence between the Federal Reserve Bank and the member bank regarding the bank's need for capital, there had never been any reference except to common capital. Also, at the meeting of the bank's representatives with members of the Board of Governors on October 28, there were several references to capital but none to capital debentures. However, the record now indicated that as early as November 6, 1958, the bank had explored with the State Banking Commissioner the possible issuance of debentures. Additionally, it had now developed that under the laws of the State of Florida there appeared to be a serious question whether the bank could legally issue such securities. The Atlanta Reserve Bank had been asked to write to the Pan American Bank indicating that the action taken at the stockholders' meeting was contrary to Federal Reserve expectations and expressing doubt whether the limited voting permit issued to South Dade Farms, Inc., authorized the voting of its shares of the bank in favor of the sale of debentures. The Reserve Bank's letter would also inquire about the legality of the issuance of debentures under Florida statutes and request the views of counsel for the member bank on that point.

Mr. Masters reported plans of the Atlanta Reserve Bank to meet with representatives of the Federal Deposit Insurance Corporation and
the Florida State Banking Department for discussion of the Pan American Bank's situation as soon as the results of the examination now in progress were available. He went on to say that when the report of examination was completed, the Board probably would receive a recommendation from the Reserve Bank and its staff that action be taken under section 9 of the Federal Reserve Act in the form of a demand for additional capital in adequate amount, and to be supplied within a reasonable time, under penalty of forfeiture of membership.

There followed further discussion of the Pan American Bank's situation, various aspects of the problem of capital inadequacy and the proposed sale of debentures, and the relative merits of section 9 and section 30 proceedings if the results of the current examination seemed to require action under one of those sections. The Board was advised that the Federal Reserve Bank of Atlanta was making every effort to complete the examination and have the report of examination available as soon as possible, and that in the meantime the Reserve Bank was keeping the Division of Examinations informed of developments on a current basis.

All of the members of the staff except Mr. Sherman then withdrew from the meeting and Mr. Fauver, Assistant Secretary, entered the room.

Appointment of directors. After discussion of information contained in a memorandum from Mr. Fauver dated December 8, 1958, the Board agreed (1) to request the Chairman of the Federal Reserve Bank
of Richmond to ascertain and advise whether Mr. John T. Menzies, Jr., President of The Crosse and Blackwell Company, Baltimore, Maryland, would accept appointment, if tendered, as a director of the Baltimore Branch for the three-year term beginning January 1, 1959, (2) to request the Chairman of the Richmond Bank to ascertain and advise whether Mr. John C. Erwin, President of Allison-Erwin Company, Inc., Charlotte, North Carolina, would accept appointment, if tendered, as a director of the Charlotte Branch for the three-year term beginning January 1, 1959, and (3) to request the Chairman of the Federal Reserve Bank of San Francisco to ascertain and advise whether Mr. Charles B. Thornton, Chairman of the Board of Litton Industries, Beverly Hills, California, would accept appointment, if tendered, as a director of the Los Angeles Branch for the two-year term beginning January 1, 1959, with the understanding in each case that if the individual concerned would accept, the appointment would be made. It was also agreed that if Mr. Erwin should be unavailable for the Charlotte Branch appointment, the Chairman of the Richmond Bank would be asked to ascertain and advise whether Mr. Clarence Parke Street, Secretary and General Manager, McDevitt & Street Company, Charlotte, North Carolina, would accept the appointment if tendered, with the understanding that if Mr. Street would accept, the appointment would be made.

The meeting then adjourned.
Secretary’s Note: Governor Shepardson today approved on behalf of the Board the following items:

Memoranda from appropriate individuals concerned recommending increases in the basic annual salaries of the following persons on the Board’s staff, effective December 14, 1958:

Reba C. Driver, Statistical Clerk, Division of Research and Statistics, from $4,640 to $4,790.

Richard C. Pickering, Economist, Division of Research and Statistics, from $7,510 to $7,750.

Mary Malinchock, Statistical Clerk, Division of Bank Operations, from $4,190 to $4,340.

Att W. Hammons, Jr., Assistant Federal Reserve Examiner, Division of Examinations, from $6,285 to $6,435.

Memorandum dated December 9, 1958, from Mr. Hackley, General Counsel, recommending that permission be granted to Margaret A. Smith, Stenographer in the Legal Division, to accept a job in Jelleff's Department Store on Monday, Thursday, and Friday evenings, and all day Saturday, from December 8 through December 24, 1958.

Memorandum dated December 8, 1958, from the Division of Personnel Administration recommending that Board employees, except those required to be present by the nature of their duties, be excused from duty for the entire day on Friday, December 26, 1958, and that such day be considered a holiday for purposes of compensation and leave. This action was recommended in view of Executive Order 10792, dated November 26, 1958, excusing Federal employees from duty on December 26.

Letter to the Federal Reserve Bank of Boston (attached Item No. 6) approving the appointment of Anthony F. DeCesare as assistant examiner.
Board of Directors,
The Farmers and Merchants Bank,
Fairborn, Ohio.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Cleveland, the Board of Governors approves the establishment of a branch by The Farmers and Merchants Bank at the intersection of Broad and Maple Streets in Fairborn, Ohio, provided the branch is established within one year from the date of this letter and approval of the State authorities is effective as of the date the branch is established.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.
AIR MAIL

Mr. D. W. Woolley, Vice President,
Federal Reserve Bank of Kansas City,
Kansas City 6, Missouri.

Dear Mr. Woolley:

This will acknowledge your letter of November 26, 1958, addressed to Mr. Hesters, in which you enclosed a copy of a letter dated November 25, 1958 from Mr. John Lauritzen of Omaha, Nebraska, presenting the question of the applicability of the Bank Holding Company Act of 1956 to certain facts as stated below.

It is understood that Mr. Lauritzen presently is the president and controlling stockholder of four banks in the Omaha area; that for family reasons, he proposes to transfer approximately 12 per cent of the common stock of each of those four banks to an insurance corporation of which he is president and the sole stockholder; that Mr. Lauritzen intends to incorporate three additional insurance agencies to which he proposes to transfer approximately 12 per cent of the stock of each of the four banks that he presently controls; that he will retain 100 per cent ownership of the stock of the four insurance corporations.

On the basis of the information presented, the Board is of the opinion that none of the proposed insurance corporations would be a bank holding company. Section 2(a) of the Act specifically provides that a bank holding company for purposes of the Act is a company which owns 25 per centum or more of the voting shares of two or more banks. Since each of the four proposed insurance corporations will own less than 25 per centum of the stock of each of four banks, none of these corporations would fall within the Act. Further, the fact that Mr. Lauritzen would own all of the stock of the four insurance corporations is without significance since an individual is not within the definition of the word "company" under section 2(b) of the Act.
It will be appreciated if you will transmit the substance of this letter to Mr. Lauritzen.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.
In June 1955, the Board's attention was directed to an advertisement of the Beacon Finance Company in the Wall Street Journal offering to make stock market loans on a ten per cent margin. At that time, the maximum loan value of any stock under the provisions of Regulation U was 30 per cent of its current market value. The advertisement suggested several questions concerning the Board's Regulations T and U and a letter was forwarded to the Federal Reserve Bank of Boston requesting details concerning the financing advertised by the Beacon Finance Company. After investigation of the facts, it was determined that the operations of this finance company were not subject to the provision of Regulation U. The Board considered at that time the possibilities of extending the regulation to anyone making loans in the ordinary course of business who were exempted from Regulations T and U, and requested the views of the Reserve Banks. The Board's inquiries at that time and a subsequent similar study in 1956 revealed that none of the Reserve Banks favored a broadening of Regulation U, since to their knowledge, collateral loans by exempted lenders were not of significant volume to warrant an amendment to the regulation. The Board did not pursue the matter further.

In May 1957, the Board received an inquiry from the Federal Reserve Bank of Chicago regarding transactions involving the Beacon Finance Company which suggested that there may have been an expansion of the activities of the finance company. The Federal Reserve Bank of Boston was again requested to supply the Board with any available information in this regard. The Reserve Bank's reply indicated that there had been considerable expansion of the company's collateral loan business and that a portion of the funds used for this purpose was supplied through bank loans. In addition, the company had offered to handle and finance short-sales of securities for its borrowers, but after an investigation by the Securities and Exchange Commission, the company ceased to solicit any short-sale business. The Board took no action regarding the second report from the Federal Reserve Bank of Boston.

CURRENT INVESTIGATION OF BEACON FINANCE COMPANY:

The Board's letter (5-7574) to the Reserve Banks dated August 26, 1955, regarding the possibility of extending the provisions of Regulation U requested the Reserve Banks to give continuing attention to the matter and to keep the Board advised of relevant developments in this field that may take place from time to time. In accordance with that request, and because of the Board's previous interest in the Beacon Finance Company, the Federal Reserve Bank of Boston, by letter dated November 7, 1958, transmitted to the
Board the results of an investigation of the Beacon Finance Company of Boston, conducted by an examiner of the Reserve Bank on November 4, 1958. Financial statements and the comments of the examiner are attached.

The Beacon Finance Company is a wholly-owned subsidiary corporation of the partnership firm of L.M. and S. Gordon known also as Beacon Finance Company. Both companies are engaged in the same type of business, viz., financing of automobiles on the installment basis and the granting of collateral loans supported by listed stock with the companies advancing 80 per cent of the market price. The report indicates that such stock collateral loans of both companies aggregate approximately $960,000 as compared to $275,000 and $800,000 in the 1955 and 1957 reports, respectively, and a portion of these funds continues to be obtained through bank loans. However, the principals of the two companies stated that in recent years they have not borrowed at any bank against an assignment of customers' collateral notes and the underlying securities. Both companies are reported to have unsecured lines at 13 various banks in the Boston area aggregating approximately $1,000,000, of which a minimum of $300,000 (notes payable less automobile loans receivable) is presumed to have been advanced by the two companies for the purposes of purchasing or carrying stocks.

It is again noted in the current report that the principals stated that they have discontinued attempts to finance short-sales operations, presumably as a result of pressure of the Securities and Exchange Commission. In this connection, the examiner contacted the local office of the Commission and was informed that no recent complaints had been received regarding the activities of the two companies.

Like the earlier reports, the present one indicates, according to the company officials, that further expansion in the collateral loan field is not anticipated. The companies have ceased advertising because of the newspapers' refusal to accept their advertisements.

Conclusions:

In view of the fairly recent study of the possibility of broadening Regulation U, by the Board and the Federal Reserve Banks, and since it does not appear that other situations of this kind have been reported by any Reserve Bank, it does not appear that the activities of the Beacon Finance Company would justify reopening the matter at this time. Unless the Board should be of a different view, it would not appear that the report from the Boston Reserve Bank would require any action.

Respectfully submitted,

[Signature]

John T. LeClintock, Examiner.

Attachments
Professor G. L. Bach, a former member of the Board’s research staff, and currently Dean of the Graduate School of Industrial Administration of the Carnegie Institute of Technology, has asked us to cooperate in furnishing him with certain banking data in connection with a study he is proposing to make on the differential impact of a restrictive general monetary policy. He has grants of funds from the Ford Foundation and the CED’s Monetary Commission for this study.

Character of the study

Basically, he proposes to analyze the lending behavior of the banks included in our recent business loan surveys which were most restrained by restrictive monetary policy in contrast to the behavior of those banks that were least affected. This analysis should throw increased light on the specific impact of restrictive monetary policy on different types of business borrowers and on different sizes of business. The study would further examine the differential behavior of banks of different sizes and the extent to which interest rates and the availability of credit seem to have been affected by varying degrees of monetary restraint.

Data needed

Professor Bach proposes to base his study on the data collected in the 1955 and 1957 business loan surveys together with data collected in the regular call reports of October 1955 and October 1957. Prior to Professor Bach’s request, we had made plans to transfer the business loan survey data to magnetic tapes for use on the new IBM computer. These tapes would include most of the information needed by Professor Bach. Duplicate tapes could readily be made on blanks furnished by Professor Bach and therefore at no out-of-pocket cost to the Board.

The only additional work required by the Board's staff to accommodate Professor Bach's request would be the transfer of selected data from the October 1955 and October 1957 call reports including the loan schedule to punch cards or tapes for the approximately 1,400 national banks included in the business loan surveys. This would only involve about two man-weeks of card punching time in the machine room and could be sandwiched in with our regular work. If overtime
To: Board of Governors

were required, Professor Bach would be prepared to pay for it. Authorization for the use of these reports would have to be obtained from the Office of the Comptroller of the Currency.

Although individual bank data would be provided to Professor Bach, the banks would be identified only by code number. Any published results of the study would be so designed as to preclude any conceivable identification of individual bank data. Such results would be cleared with us to assure compliance with this understanding. Moreover, Professor Bach would work closely with our economists interested in this problem in planning and carrying out his study. His results, of course, would be his own and we would have no responsibility for them.

Recommendation

In view of Professor Bach's recognized competence in the monetary field and our great interest in the subject that he is preparing to study, I recommend that we cooperate with Professor Bach to the fullest and provide him with the data he seeks.
UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D. C.

In the Matter of the Applications of

NORTHWEST BANCORPORATION

for determinations pursuant to section 4(c)(6) of the Bank Holding Company Act of 1956

DOCKET NOS.
BHC-42, 43
and 44

ORDER EXTENDING TIME FOR FILING EXCEPTIONS AND BRIEF TO THE HEARING EXAMINER'S REPORT AND RECOMMENDED DECISION BY NORTHWEST BANCORPORATION

Additional time having been requested by Northwest Bancorporation within which to file with the Secretary of the Board its exceptions and brief to the Hearing Examiner's Report and Recommended Decision and it appearing to the Board that such request should be granted, it is hereby ORDERED that the time within which Northwest Bancorporation may file such exceptions and brief be, and the same hereby is, extended to and including January 15, 1959.

This 9th day of December, 1958.

By order of the Board of Governors.

(signed) Merritt Sherman

Merritt Sherman, Secretary.
December 9, 1958

Mr. B. F. Groot, Vice President,
Federal Reserve Bank of Boston,
Boston 6, Massachusetts.

Dear Mr. Groot:

In accordance with the request contained in your letter of December 2, 1958, the Board approves the appointment of Anthony F. DeCesare as an assistant examiner for the Federal Reserve Bank of Boston.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.