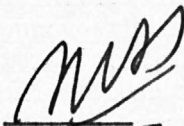


The attached set of minutes of the Board of Governors of the Federal Reserve System on December 11, 1958, has been amended at the request of Governor Robertson to make certain changes on pages 7 and 10.

If you approve these minutes as amended, please initial below.

Governor Szymczak



Governor Mills



Minutes of the Board of Governors of the Federal Reserve System on
Thursday, December 11, 1958. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Hackley, General Counsel
Mr. Masters, Director, Division of Examinations
Mr. Molony, Special Assistant to the Board
Mr. Solomon, Assistant General Counsel
Mr. Hexter, Assistant General Counsel
Mr. Hostrup, Assistant Director, Division of
Examinations
Mr. Nelson, Assistant Director, Division of
Examinations
Mr. Davis, Assistant Counsel

Request of Mrs. Hoffman. Mr. Hackley reported that late yesterday he received a telephone call from Mr. O'Kane, General Counsel for the Federal Reserve Bank of San Francisco, who had discussed with President Mangels the request of Mrs. Claire Giannini Hoffman, referred to at yesterday's meeting of the Board, for an opportunity to appear before the Board in connection with the pending application of Firstamerica Corporation under the Bank Holding Company Act. Mr. O'Kane had not yet gotten in touch with Mrs. Hoffman because he thought it would be highly irregular for her to appear before the Board, even if not in private, unless she first submitted a statement of the reasons for which she wanted to appear. Mr. O'Kane suggested that, having acted as Associate Board Counsel at the hearing on the Firstamerica Corporation matter, he might call upon Mrs. Hoffman and obtain from her a statement for the Board's use. He also stated that President Mangels would call Governor Szymczak on the telephone at 11 a.m. today, EST.

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Mr. Hackley said it appeared that what Mr. O'Kane had suggested would accomplish about the same purpose as the procedure the Board agreed upon yesterday except that Mrs. Hoffman would be asked to include in her request an indication of why she wanted to appear or the substance of what she wanted to say.

Discount rates. Unanimous approval was given to a telegram to the Federal Reserve Bank of San Francisco approving the establishment without change by that Bank on December 10, 1958, of the rates on discounts and advances in its existing schedule.

Application of Union Trust Company of Maryland. The Union Trust Company of Maryland, Baltimore, Maryland, had applied through the Federal Reserve Bank of Richmond for permission to establish a branch at York and Timonium Roads in Baltimore County. In January 1958 the Board had approved a branch for Union Trust Company at a location about two miles north of the site now proposed but the bank had been unable to obtain a zoning regulation which would permit the establishment of the branch. The proposed new site had been protested by The Towson National Bank, principally on the grounds that its existing branch in a nearby location had not yet had time enough to become firmly established and that there was not sufficient banking business in the area for two banking facilities. While the Federal Reserve Bank of Richmond recommended approval of the application of Union Trust Company, a representative of the Office of the Comptroller of the Currency supported the position of The Towson National Bank. The file on the matter had been circulated to the members of the Board.

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Governor Robertson said he saw considerable merit in the view expressed by the Office of the Comptroller of the Currency. He urged careful consideration of the matter and noted the desirability of preserving good interagency relations in the area of problems relating to branch bank applications.

Governor Mills suggested that the case should be decided primarily in the light of the facts of the application, including competitive conditions in the area where the branch was proposed to be established. It was difficult for him to believe that the question of competition between branches of two existing banks was important enough a consideration to deny the application, especially where the application had the approval of the State banking authorities and the favorable recommendation of the Richmond Reserve Bank. Therefore, he would favor approval of the application.

After some further discussion of procedure, Governor Robertson supplemented his earlier comments by saying that he regarded this as a close case, one that it might be well to explore further. He would not want to go against the recommendation of the Reserve Bank and the action of the State authorities if it could be avoided. It might be found that the development of the national bank's branch and the development in size of the community would warrant allowing the competition that would be afforded by the branch of the Union Trust Company, but he would like to have the Federal Reserve Bank explore the case from that point of view.

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Governor Shepardson noted from the file a statement of the Federal Reserve Bank to the effect that there was a growth potential of the area which would seem to warrant another banking facility in the near future. On that basis, he said, he would be willing to act favorably on the application.

However, in view of the desire of Governor Robertson that further information be obtained from the Richmond Reserve Bank, it was agreed to defer action on the application until such information was available.

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 under the respective item numbers indicated, were approved unanimously:

	<u>Item No.</u>
Letter to The Peoples-Liberty Bank and Trust Company, Covington, Kentucky, approving the establishment of a branch at 407 Dixie Highway, Elsmere, Kenton County, Kentucky. (For transmittal through the Federal Reserve Bank of Cleveland)	1
Letter to The First National Bank of Barrington, Barrington, Illinois, approving its application for fiduciary powers. (For transmittal through the Federal Reserve Bank of Chicago)	2
Letter to the First Bank and Trust Company of Utica, Utica, New York, approving the establishment of branches in Rome, Rensselaer, Herkimer, and Middleville, New York, incident to a proposed merger of The Farmers National Bank of Rome and The First National Bank and Trust Company of Herkimer with and into First Bank and Trust Company of Utica under the new title of Marine Midland Trust Company of Mohawk Valley. (For transmittal through the Federal Reserve Bank of New York)	3

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In connection with the foregoing Item No. 3, Governor Robertson said his favorable vote reflected the fact that all of the banks involved were already subsidiary banks of Marine Midland Corporation and that the merger therefore would represent simply a realignment of the holding company's internal organization and structure.

Application of The Northern New York Trust Company. The Northern New York Trust Company, Watertown, New York, had submitted through the Federal Reserve Bank of New York an application for approval of the establishment of a branch in Saranac Lake, New York, incident to a proposed merger with the Adirondack National Bank and Trust Company of Saranac Lake. A memorandum from the Division of Examinations, distributed to the Board under date of November 24, 1958, indicated that both the Division and the New York Reserve Bank recommended favorable action on the branch and that the merger had been approved by the New York State Banking Board.

Mr. Molony reported having received telephone calls within the past few days from Mr. Roger Tubby, the editor of a newspaper in Saranac Lake, who reported that local parties were interested in retaining the bank in Saranac Lake under local control if possible, and inquired whether there would be time for those parties to explore the matter further. On the basis of the comments made by Mr. Tubby, Mr. Molony, who at the time was not familiar with the application of The Northern New York Trust Company, assumed that this might be a matter coming before the Board under the Bank Holding Company Act

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and advised Mr. Tubby of the usual procedures followed in bank holding company cases. Mr. Tubby had indicated that he would forward a letter presenting further information about the situation but no such letter had been received by Mr. Molony up to the time of this meeting. Mr. Molony inquired whether the Board would be willing to defer action on the application until he had had an opportunity to get in touch with Mr. Tubby and advise him correctly concerning the circumstances under which the branch application was being made to the Board.

After Messrs. Masters and Nelson summarized the actions already taken by the parties concerned with respect to the proposed merger, Governor Mills expressed agreement with them that the case should be decided on its merits without delay, although Mr. Molony should of course explain to Mr. Tubby that a branch application incident to a merger was involved rather than an application under the Bank Holding Company Act. Governor Mills pointed out that there had been rumors of the impending transaction for a long time and one might expect that people in the local community would have had ample opportunity to act. He said that it would be his judgment to accept the recommendation of the Division of Examinations and approve the branch application.

Governor Robertson expressed a somewhat different view as to the procedure that should be followed. He said that although nothing might come of the efforts reported by Mr. Tubby, nevertheless Mr.

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Tubby, as a citizen of the community, had attempted to contact the Board about a week ago, had inadvertently been furnished certain misleading information, and appeared to be attempting to get money together with which to maintain an independent bank in the community. After noting that Saranac Lake was a fairly sizable community for a one-bank town, Governor Robertson said that if citizens of the town desired to retain an independent bank, they should have the right to make the effort within a reasonable length of time. In all the circumstances, he would not wish to act today, but rather to hold the matter over until next Monday.

Governors Szymczak and Mills expressed concern that information conveyed by Mr. Molony to Mr. Tubby might give the latter the impression that if there was any possibility of attracting capital to retain control of the local bank, the Board would be likely to make its decision accordingly. Governor Mills said that the question whether action on the application was deferred until Monday was inconsequential, but that he would have great doubt about indicating to Mr. Tubby that the Board might be so influenced in its decision by the possibility of maintaining an independent bank as to interfere with developments that had really reached the decisive stage. Governor Shepardson concurred in these views.

Mr. Hexter then suggested that a possible way of handling the matter would be for Mr. Molony to call Mr. Tubby to straighten out a

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misunderstanding, without saying anything about the Board having considered the branch application. Mr. Molony could simply say that from his knowledge of the Board's affairs, the branch application was likely to come before the Board for decision early next week. That would give Mr. Tubby time to do something about the matter if he so desired.

Following further discussion, it was agreed that the matter would be handled on the basis suggested by Mr. Hexter, with the understanding that the branch application would be put on the agenda for the meeting of the Board on Monday, December 15.

Mr. Molony then withdrew from the meeting.

Application of Northwest Bancorporation. Northwest Bancorporation, Minneapolis, Minnesota, had applied pursuant to section 3(a)(2) of the Bank Holding Company Act for the Board's prior approval of the acquisition of 1,085 of the 1,200 outstanding shares of capital stock of The First National Bank at Eveleth, Eveleth, Minnesota. Two memoranda from the Division of Examinations had been distributed to the Board, both under date of December 8, 1958, along with a memorandum from the Legal Division dated December 9, 1958. Like the Federal Reserve Bank of Minneapolis and the Comptroller of the Currency, the Division of Examinations recommended that the application be granted. While the proposed acquisition would give Northwest Bancorporation a large proportion of deposits of individuals,

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partnerships, and corporations in Eveleth and in the cities of Eveleth, Gilbert, and Virginia combined, it was the Division's opinion that consummation of the transaction would not be inconsistent with adequate and sound banking, the public interest, or the preservation of competition. It was the opinion of the Legal Division that, while there appeared to be no compelling reason either for approval or disapproval, approval of the application would be sustained by the courts as a proper exercise of the Board's discretion. At the same time it was regarded as unlikely that disapproval would be considered by the courts as an abuse of the Board's discretion.

Using as a basis the information compiled in the memoranda from the Division of Examinations, Mr. Hostrup commented on the facts of the application, with particular reference to the statutory factors required to be considered pursuant to section 3(c) of the Bank Holding Company Act. Mr. Hackley then reviewed the information and opinions contained in the memorandum from the Legal Division.

Governor Mills stated that he concurred in the recommendation of the Division of Examinations although in his opinion this was one of the closest cases yet to come before the Board under the Bank Holding Company Act. The effect of approval of the application would be to leave competition in the three-city area represented by three groups, including two holding companies. In his view, however, the competitive picture would continue to be such as to justify not objecting to the proposed transaction.

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Governor Mills noted that Northwest Bancorporation proposed to purchase the shares of 25 of the 39 shareholders of the Eveleth bank and inquired as a matter of information whether the remaining shareholders would have an opportunity to dispose of their shares on the same basis.

Comments made in reply by Messrs. Hostrup and Hexter indicated that the offer had been limited to 25 shareholders because certain rulings of the Securities and Exchange Commission under the Securities Act of 1933 prevented making the offer to more than that number of shareholders under the terms of a "private offering." It had been reported by the applicant that at a meeting of the shareholders of the Eveleth bank no objection was interposed by the 14 remaining shareholders. However, it was not known by the Board's staff whether it would be possible for Northwest to pick up the remaining shareholdings at later dates.

Governor Robertson said that he too regarded this as a very close case because of the control already exercised by Northwest Bancorporation in the area concerned and the further control it would obtain by virtue of this transaction. However, on the basis of the facts in the memoranda from the Division of Examinations he did not think there was sufficient basis for the Board to deny the application.

Thereupon, tentative approval of the application was given by unanimous vote, with the understanding that the Legal Division

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would prepare for the Board's consideration as promptly as possible a notice of tentative decision and a tentative statement.

Applications of The Michigan Bank (Item No. 4). On December 8, 1958, the Board decided to reaffirm its decision of August 20, 1958, approving the establishment of two branches applied for by The Michigan Bank, Detroit, Michigan, on condition that prior to establishment of the branches the capital structure of the bank would be increased by not less than \$1 million through the sale of additional common stock. A letter to The Michigan Bank had been drafted for the purpose of carrying out the Board's action of December 8, and copies thereof were distributed prior to this meeting.

In response to questions raised by members of the Board, Mr. Solomon said that the staff had two thoughts in mind in preparing the letter. First, it had in mind that inasmuch as the matter had been reconsidered twice by the Board, it seemed desirable to go into some detail in order to indicate the thoroughness of the Board's consideration. The staff also had in mind that the Board's decision probably would result in litigation. While it appeared unlikely that the matter could be terminated without litigation, one possibility would be to impress upon The Michigan Bank that the Board was going to stand by its position and that it would insist on having brought into the record in any litigation the reasons why the bank's stockholders were averse to the issuance of additional common stock.

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Governor Robertson then suggested certain changes in the language of one of the paragraphs of the draft and it was agreed that those changes would be incorporated in the letter in its final form.

Governor Robertson also suggested that the staff consider whether it would be feasible to include in the letter some reference to the fact that the subject bank had continued to experience growth of its deposits since the date the branch applications were first considered and that even the proposed amount of additional capital might be insufficient to capitalize the bank adequately at the present time. Secretary's Note: After careful consideration of this suggestion, the staff concluded against the advisability of including statements to such effect in the letter.

A copy of the letter sent to The Michigan Bank is attached as Item No. 4.

Major medical insurance contract. Governor Shepardson stated that agreement had now been reached on the detailed provisions of the Board's contract with Prudential Insurance Company of America for nonoccupational employee and dependents major medical expense insurance, which became effective November 17, 1957, that both the Legal Division and the Personnel Division were satisfied with the wording of certain endorsements that had been attached to the policy relating to premiums, exceptions, and limited coverage for certain retired employees and qualified dependents, and that the insurer had asked that the Board

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formally indicate its acceptance of the contract and the said endorsements. Governor Shepardson went on to say that he had reviewed the contract and the endorsements, and unless there was objection on the part of the Board he would send a letter to Prudential stating that the Board had authorized the Secretary to execute the contract on behalf of the Board.

No question being raised, it was understood that Governor Shepardson would send the proposed letter.

Stock market credit. It was noted that in accordance with the understanding at the meeting on November 20, 1958, further study of the operating difficulties that might be encountered through stricter withdrawal and substitution rules under the Board's margin regulations was being held in abeyance pending completion of arrangements for the study pursuant to discussion of the subject by Chairman Martin with the President of the New York Stock Exchange. The suggestion was made that it would be helpful to the Board if members of its staff would review, in the light of recent developments in the market, the latest information concerning trends in the use of stock market credit. This suggestion contemplated such a report by the staff at a meeting of the Board next week.

The meeting then adjourned.

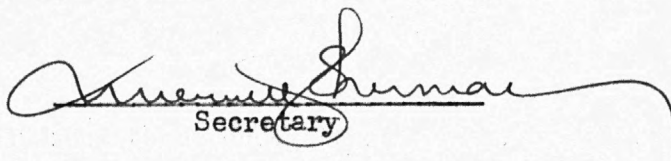
Secretary's Note: Governor Shepardson today
approved on behalf of the Board the following
items:

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Memorandum dated December 9, 1958, from Mr. Young, Director, Division of Research and Statistics, recommending an increase in the basic annual salary of Carolyn Beck, Editorial Clerk in that Division, from \$4,135 to \$4,340, effective December 14, 1958.

Letters to the Federal Reserve Bank of Chicago (attached Items 5 and 6) approving the appointment of Robert C. Burton, William Seitz, Jr., and Gordon L. Wold as examiners and the appointment of Thomas C. Crays, Richard G. Johnson, Mendal C. Mearkle, and David F. Popp as assistant examiners.


Secretary

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON 25, D. C.

Item No. 1
12/11/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1958

Board of Directors,
The Peoples-Liberty Bank and Trust Company,
Covington, Kentucky.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Cleveland, the Board of Governors of the Federal Reserve System approves the establishment by The Peoples-Liberty Bank and Trust Company of a branch at 407 Dixie Highway, Elsmere, Kenton County, Kentucky, provided the branch is established within six months 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) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON 25, D. C.

Item No. 2
12/11/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1958

Board of Directors,
The First National Bank of Barrington,
Barrington, Illinois.

Gentlemen:

The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State of Illinois, the exercise of all such rights to be subject to the provisions of Section 11(k) of the Federal Reserve Act and Regulation F of the Board of Governors of the Federal Reserve System.

A formal certificate indicating the fiduciary powers which The First National Bank of Barrington is now authorized to exercise will be forwarded to you in due course.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON 25, D. C.

Item No. 3
12/11/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1958



Board of Directors,
First Bank and Trust Company of Utica,
Utica, New York.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of New York, the Board of Governors of the Federal Reserve System approves the establishment by First Bank and Trust Company of Utica, Utica, New York, of branches at the following locations:

133 West Dominick Street, Rome, New York,
853 Black River Boulevard, Rome, New York,
Main Street, Remsen, New York,
160 North Main Street, Herkimer, New York, and
Southeast corner Little Falls and Fairfield Streets,
Middleville, New York.

This consent is given provided:

- (1) The proposed merger of The Farmers National Bank of Rome, Rome, New York, and The First National Bank and Trust Company of Herkimer, Herkimer, New York, with and into First Bank and Trust Company of Utica, Utica, New York, under the charter of the latter and new title of Marine Midland Trust Company of the Mohawk Valley, Utica, New York, is effected substantially in accordance with the Plan submitted to the Federal Reserve Bank;
- (2) Shares of stock acquired from dissenting shareholders are disposed of within six months from date of acquisition;
- (3) The branches are established within six months of the date of this letter; and
- (4) Formal approval of the State authorities is obtained.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON 25, D. C.

Item No. 4
12/11/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



AIR MAIL

December 11, 1958

Mr. John C. Hay, President,
The Michigan Bank,
Detroit, Michigan.

Dear Mr. Hay:

This is with further reference to the application of The Michigan Bank for approval of the establishment of a branch at or near the southwest intersection of Eight Mile Road, East, and Kelly Road, and a branch at the southwest corner of Murray Hill Road and Eight Mile Road in Detroit, Michigan. This application was the subject of the Board's letters of August 20, October 20, and November 4, 1958, as well as of meetings on September 5 and November 24, 1958 between representatives of the Bank and the Board of Governors.

The Board's letter of August 20, 1958 granted approval for the establishment of the proposed branches, subject to three conditions. One of these conditions was that "prior to the establishment of the branches the capital structure of The Michigan Bank is increased by not less than \$1,000,000 by the sale of additional common stock."

At the meeting on September 5, 1958 representatives of your Bank urged that this condition be changed so that it would provide for the sale of \$1 million of additional preferred stock. Upon reconsideration in the light of all relevant circumstances, the Board by its letter of October 20, 1958 advised your Bank that the Board had again reached the conclusion that approval of the branches would not be warranted without the sale of at least \$1 million of common stock.

By further correspondence, and at the meeting on November 24, 1958, your Bank urged a second reconsideration of the condition. Pursuant to that request, the Board has again carefully weighed all the relevant aspects of this matter. It has considered, among other things, the further information, proposals and arguments presented in your letters and at the meeting on November 24, including your contention that the

Mr. John C. Hay

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Federal Reserve Act and Regulation H require the Board, in passing upon applications for branches, to limit its consideration to the amount of the applying bank's capital and to disregard the nature of that capital.

In that connection your counsel referred to the fourth paragraph of section 9 of the Federal Reserve Act, 12 U.S.C. 322, which comes immediately after the paragraph regarding approval of branches, and which states that:

"In acting upon such applications the Board of Governors of the Federal Reserve System shall consider the financial condition of the applying bank, the general character of its management, and whether or not the corporate powers exercised are consistent with the purposes of this Act."

It will be seen that this states that the Board "shall" consider these factors. It is also to be noted that one of the purposes of the Federal Reserve Act, as set forth in the Act's preamble, is: "... to establish a more effective supervision of banking in the United States...."

These provisions, particularly the reference to "the financial condition of the applying bank", require the Board to give consideration to the capital structure of the applying bank. Such consideration, to be realistic, necessarily must include analysis of both the amount and the nature of the applying bank's capital in relation to the other relevant circumstances of the particular case. The provisions of Regulation H, in conformity with the law, are consistent with this requirement.

As the Board stated in its letter of October 20, 1958 to your Bank with respect to preferred stock your Bank proposes to issue:

"... it is true that preferred stock issued by a bank is part of the bank's capital structure, but it is also recognized that preferred stock is substantially different in nature from common stock. The differences include the claim, in fact if not legally, of preferred stock on bank earnings, problems connected with undue separation of control from investment in the institution, and problems preferred stock may create later in connection with necessary flotation of additional stock...."

The question of whether approval should be granted for a particular State member bank to establish particular branches can be decided only upon consideration of all aspects which the Federal Reserve Act requires the Board to consider, including the probable consequences of any preferred stock in the bank's capital structure and the adequacy of that structure in relation to surrounding circumstances. Accordingly, careful consideration has been given not only to the legal arguments which you have presented, but also to all the relevant circumstances of your particular Bank and application.

The pertinent facts show that your Bank's business has been expanding rapidly, as partly reflected in the \$108 million your Bank owed depositors on June 30, 1958, and that its capital structure has failed to keep pace with that expansion. Your Bank proposes to sell \$1 million of preferred stock, which it is understood would be of the same type as that your Bank already has outstanding, and it argues that such sale would warrant approval of the establishment of the branches. After that sale of preferred stock and the issuance of a \$1 million stock dividend in common stock, your Bank would have \$2 million of common stock and \$2 million of preferred stock, besides surplus, undivided profits and certain reserves.

The representatives of your Bank have indicated that they would not anticipate a large increase in deposits in the near future from the proposed branches. However, they have also indicated that the growth of the Bank to the present time has greatly exceeded expectations. They have indicated further that the stockholders who control the Bank are unwilling to purchase additional common stock of the Bank and are also unwilling to have their control diminished through sale by the Bank of common stock to others. The Board is of the opinion, however, that this unwillingness does not justify approval of the establishment of the requested branches on the basis you propose.

The Board, having carefully reconsidered this matter in the light of all relevant circumstances, has again reached the conclusion that the expansion of your Bank branchwise would not be warranted on the basis of your Bank's proposal to sell \$1 million of preferred stock. Accordingly, the Board reaffirms the conditions upon which it approved your application to establish the branches.

Very truly yours,
(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON 25, D. C.

Item No. 5
12/11/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1958

Mr. W. R. Diercks, Vice President,
Federal Reserve Bank of Chicago,
Chicago 90, Illinois.

Dear Mr. Diercks:

In accordance with the request contained in your letters of December 8, 1958, the Board approves the appointment of Robert C. Burton, William Seitz, Jr., and Gordon L. Wold as examiners for the Federal Reserve Bank of Chicago. Please advise as to the dates upon which the appointments are made effective.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON 25, D. C.

Item No. 6
12/11/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1958

CONFIDENTIAL (FR)

Mr. W. R. Diercks, Vice President,
Federal Reserve Bank of Chicago,
Chicago 90, Illinois.

Dear Mr. Diercks:

In accordance with the request contained in your letters of December 2, 1958, the Board approves the appointment of Thomas C. Crays, Richard G. Johnson, Mendal C. Mearkle, and David F. Popp as assistant examiners for the Federal Reserve Bank of Chicago. Please advise as to the dates upon which the appointments are made effective.

It is noted that Mr. Crays is the son of the president and director of The First National Bank of Rossville, Rossville, Illinois. Accordingly, the Board's approval is given with the understanding that he will not participate in any examination of The First National Bank of Rossville as long as his father is an officer or director of that bank.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

