

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, October 13, 1942, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
Mr. Draper

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman

The action stated with respect to each of the matters herein-after referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on October 12, 1942, were approved unanimously.

Memorandum dated October 10, 1942, from Mr. Morrill, recommending that Miss Adela Bocuilis be appointed as a stenographer in the Secretary's Office, with salary at the rate of \$1,620 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination.

Approved unanimously.

Telegram to Mr. Mercer, Vice President of the Federal Reserve Bank of Richmond, referring to the application of the "Citizens Bank", Marshall, North Carolina, for permission to withdraw immediately from

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membership in the Federal Reserve System, and stating that the Board waives the usual requirement of six months' notice of intention to withdraw, and that, accordingly, upon surrender of the Federal Reserve Bank stock issued to the "Citizens Bank", the Federal Reserve Bank of Richmond is authorized to cancel such stock and make appropriate refund thereon.

Approved unanimously.

Letter to Mr. Fletcher, Vice President of the Federal Reserve Bank of Cleveland, reading as follows:

"In accordance with the recommendation contained in your letter of October 2, 1942, the Board approves the establishment and operation by the Peoples-Pittsburgh Trust Company, Pittsburgh, Pennsylvania, of a branch at Etna, Pennsylvania, upon consummation of the proposed plan under which the trust company will purchase certain of the assets and assume the deposit liabilities of The First National Bank of Etna. Such approval is on condition that (1) your counsel is of the opinion that the branch may be legally established and is satisfied as to the other legal aspects involved, and (2) prior approval of the appropriate State authorities is obtained."

Approved unanimously.

Letter to Mr. Clark, Vice President of the Federal Reserve Bank of Atlanta, reading as follows:

"Reference is made to your letter of September 14 inquiring whether deposits by post exchanges at army posts and deposits of company, battery, and similar funds should be reported as public funds in reports of condition.

"Section 10 of the Act of June 11, 1942 (Public No. 603), authorizes the Secretary of the Treasury to deposit public money of the United States, including any funds the deposit of which is subject to the control of officers, agents or employees of the United States, in any insured bank designated as a depository of public money; and the

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"Act provides that the Secretary shall require satisfactory security for deposits of such funds. It is understood that, in view of this provision of law, the Treasury will from time to time designate banks to act as depositories for the receipt of specified post exchange funds. These designations will be made pursuant to requests by the War Department. When the Treasury designates a given bank as a depository for such funds, it will advise the bank concerned to that effect and will request it to pledge appropriate security for the funds. The funds will be subject to the control of officers, employees or agents designated by the War Department. It is understood also that the Treasury will regard post exchange funds deposited under these conditions, as well as deposits of company and similar funds made under the same conditions, as being public money.

"In the above circumstances, if deposits of post exchanges and of company and similar funds are made under the above conditions in depositories designated for the purpose by the Secretary of the Treasury, such deposits should be shown in reports of condition as deposits of the United States Government; otherwise, deposits of such funds should, as heretofore, be reported as deposits of individuals, partnerships, and corporations."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morie
Secretary.

Approved:

W. L. Lewis
Chairman.