

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, November 10, 1942, at 11:00 a.m.

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

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 hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on November 9, 1942, were approved unanimously.

Memorandum dated November 6, 1942, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Miss Mary Louise Papp be appointed as a clerk in that Division, 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.

Memorandum dated November 7, 1942, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Mrs. Doris P. Warner be appointed as an economic assistant in that Division, with salary at the rate of \$2,200 per annum, effective as of the date

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upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination.

Approved unanimously.

Letter to the Presidents of all the Federal Reserve Banks, reading as follows:

"Several questions have been raised by Federal Reserve Banks regarding the extension to employees entering various services or activities of the benefits under the program for uniform treatment of employees of the Federal Reserve Banks who are called into military service. The Board's views with regard to the various questions are summarized as follows:

1. Members of the WAVES and WAACS are considered as being on active military service. Women who leave the employment of a Reserve Bank or the Board to join the WAVES or the WAACS are entitled to the same benefits under the uniform program as are extended to male employees entering active military service.

While the WAACS are not at this time authorized to purchase National Service Life Insurance, the Reserve Banks and the Board should stand ready to reimburse them to the extent provided in the uniform program if the WAACS should be authorized to purchase such insurance.

2.a. Employees of the Reserve Banks and the Board leaving to enlist in Class V-1 of the United States Naval Reserve or in the Army Enlisted Reserve Corps to pursue a college education at their own expense while on an inactive military status in Classes V-1, V-5, or V-7 of the Naval Reserve or in the Army Enlisted Reserve, are not entitled to any of the benefits extended under the uniform program to employees leaving to enter upon active military duty.

b. Employees who, while in an inactive military status in Classes V-1, V-5, or V-7 of the United States Naval Reserve or in the Army Enlisted Reserve, continue in the employment of a Reserve Bank or the Board until called into active military service are, of course, entitled, when called into active military service, to the usual benefits extended under the program to employees leaving to enter upon active military duty.

3. Because of the hazards of the Merchant Marine and its contribution to the war effort, the Reserve Banks are authorized to extend to an employee entering the United States Maritime Service of the War Shipping Administration or the United

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"States Merchant Marine, such of the benefits under the program as the Reserve Bank feels justified in the circumstances. (One employee of the Board was recently enrolled in the United States Maritime Service of the War Shipping Administration. In that case, the Board extended to him all of the benefits under the uniform program except reimbursement for premiums on National Service Life Insurance. Members of the United States Maritime Service or the Merchant Marine are not authorized to purchase National Service Life Insurance, but the operators of the ships take out War Risk Insurance on the lives of the crew at no cost to the employees.)

4. Benefits under the program do not extend to employees leaving to serve with the Red Cross or comparable agencies.

"It is hoped that the above interpretations and authorizations cover the situation. If they do not, however, the Board will be glad to have your views."

Approved unanimously, together with
the following letter to Mr. Hitt, First
Vice President of the Federal Reserve Bank
of St. Louis:

"The Board's letter of November 10, 1942, (S-582), covers the question raised in your letter of October 12 as to whether employees joining the Merchant Marine are entitled to benefits accorded to employees entering active military or naval service.

"It is felt, however, that an answer to your question with respect to the proposed labor draft can not be made until the facts with respect to any such draft are known and the regulations promulgated."

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

"Reference is made to your letter of October 31, 1942, concerning the proposed 'takeover' by 'The Union Trust Company of Pittsburgh', Pittsburgh, Pennsylvania, of its affiliated 'The Union Savings Bank of Pittsburgh', Pittsburgh, Pennsylvania.

"From the information submitted it does not appear that the proposed transaction will result in a change in the general character of the assets of The Union Trust Company of Pittsburgh or a broadening in the functions exercised by it within the meaning of its condition of membership numbered 2 and the Board will interpose no objection to the transaction

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"provided that it receives the prior approval of the State authorities and your counsel is satisfied as to the legal aspects of the transaction.

"It should be mentioned that we have not been definitely advised as to the legal nature of the transaction, i.e., whether it is to be a merger, consolidation, or purchase of assets and assumption of liabilities accompanied by liquidation of The Union Savings Bank of Pittsburgh. We assume, however, that you have consulted with your counsel during your consideration of the matter and that they are satisfied that the transaction will not affect the corporate existence of The Union Trust Company of Pittsburgh or its status as a member bank and can be legally effected under the applicable State and Federal law."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. S. ...
Chairman.