

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, December 13, 1950.

PRESENT: Mr. Szymczak, Chairman pro tem.
Mr. Vardaman

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary

Memorandum dated December 11, 1950, from Mr. Bethea, Director of the Division of Administrative Services, recommending increases in the basic annual salaries of the following employees in that Division, effective December 24, 1950:

<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Alice K. Watt	Assistant Supervisor, Stenographic Section	\$2,875	\$3,100
Jean Startup	Stenographer	2,650	2,875
J. J. Yilek	Clerk	2,930	3,050

Approved unanimously.

Telegram to Mr. Davis, President of the Federal Reserve Bank of St. Louis, reading as follows:

"Reurtel December 11 advising that your Bank's Executive Committee has granted Vice President William H. Stead three months' leave with pay in order that he may act as Chief Economic Adviser to Secretary of Interior for defense programs administered by the Secretary. Matter has been brought to attention of the Board and noted without objection."

Approved unanimously.

Letter to Mr. Leedy, President of the Federal Reserve Bank of Kansas City, reading as follows:

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"In accordance with the request contained in your letter of December 7, 1950, the Board of Governors approves the employment of Mr. Vincent J. O'Flaherty, President of the O'Flaherty-Norman Real Estate Company of Kansas City, Missouri, as a part-time consultant for the Federal Reserve Bank of Kansas City in connection with the administration of Regulation X and the payment of a fee to him while serving in this capacity at the rate of \$50 per day, plus actual transportation expenses and per diem in lieu of subsistence not to exceed \$15."

Approved unanimously.

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

"With respect to the use of V-loan guarantees for the purpose of financing facilities and plant expansion, we have been advised that the following may be regarded as a statement of the policy of the Departments of the Army, Navy and Air Force.

"The Military Departments will limit V-loans primarily to working capital purposes, as was done during World War II. They will not guarantee facilities loans as such, but facilities expansion, as an incident of V-loans in individual cases, will be permitted where the borrower's working capital is such that capital expansion would not delay or impair repayment of the V-loan. They are agreed, however, that there is no objection to the non-military guaranteeing agencies undertaking to utilize V-loans for financing plant expansion to the extent found feasible and deemed appropriate by those other guaranteeing agencies."

Approved unanimously.


Secretary.