

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, April 17, 1951. The Board met in the Board Room at 10:35 a.m.

PRESENT: Mr. Martin, Chairman  
Mr. Eccles  
Mr. Szymczak  
Mr. Evans  
Mr. Vardaman  
Mr. Norton  
Mr. Powell

Mr. Carpenter, Secretary  
Mr. Sherman, Assistant Secretary  
Mr. Murff, Assistant Secretary  
Mr. Kenyon, Assistant Secretary  
Mr. Thurston, Assistant to the Board  
Mr. Thomas, Economic Adviser to the Board  
Mr. Vest, General Counsel  
Mr. Young, Director, Division of Research and Statistics  
Mr. Noyes, Director, Division of Selective Credit Regulation  
Mr. Hilkert, Acting Director, Division of Personnel Administration  
Mr. Chase, Assistant Solicitor  
Mr. Garfield, Adviser on Economic Research, Division of Research and Statistics  
Mr. Boothe, Assistant Director, Division of Selective Credit Regulation  
Mr. Benner, Assistant Director, Division of Selective Credit Regulation  
Mr. Heath, Acting Assistant Director, Division of Selective Credit Regulation  
Mr. Allen, Assistant Director, Division of Personnel Administration  
Mr. Youngdahl, Chief, Government Finance Section, Division of Research and Statistics  
Mr. Leach, Economist, Division of Research and Statistics

Mr. Hodge, General Counsel of the Federal Reserve Bank of Chicago and Technical Adviser to the Hearing Officer in the Clayton Act

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proceeding against Transamerica Corporation, also was present.

Before the meeting there were distributed to the members of the Board copies of a memorandum from the staff appraising the effects of Regulation X, Real Estate Credit, and related Federal Housing Administration and Veterans' Administration regulations, and estimating the rate of housing unit starts in the year 1951. The memorandum, which represented a summary and commentary on an attached memorandum entitled "Interim Report on Prospects for 1951," prepared by the Inter-agency Technical Committee on Real Estate Credit Controls, on which Mr. Garfield was a representative, stated that it was the conclusion of the committee, based on a projection of the number of units started in the first quarter, that if the current regulations remained unchanged the target of 800,000 to 850,000 non-farm housing unit starts for the calendar year 1951, announced when Regulation X was instituted in October 1950, would be exceeded, the estimate of total starts being in the neighborhood of 1 million to 1.2 million units, compared with 1.4 million units started during 1950. The memorandum stated that none of the members of the technical committee expected the total number of starts to be as high in 1951 as in 1950, and that all members of the group felt that credit restrictions and less easy conditions in the money market would become increasingly important in limiting construction; also that, except in the case of Section 608 FHA multi-family projects, the backlog of commitments made before October 12, 1950

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under Government insurance or guarantee programs had been largely used up while information was not available to show the remaining backlog of commitments in the conventional field. Factors cited to explain the current high rate of housing starts, along with the backlog of commitments, were the improved ability of many buyers to meet the new down payment requirements and required monthly payments due to increased incomes, the continued availability of mortgage money at quite low rates, the willingness of some buyers to pay advanced prices for new houses because of a feeling that prices would continue to increase and the quality of construction would be lower, and an increased preference for real estate as an investment. The memorandum indicated that no wide-spread shortages in supplies of materials or labor appeared to have developed but that shortages in some lines might develop as the defense program and industrial production took more materials. The memorandum concluded by stating that the current lull in the business boom, likely to prove temporary if the defense program goes forward as scheduled, offered a good opportunity to establish equitable and effective controls, but on the other hand, was a period when the pressing need for controls was not so clear.

Following comments on the memorandum by Mr. Garfield, there ensued a discussion whether action by the Board and the Housing and Home Finance Administrator to tighten the terms of Regulation X and its counterpart regulations in the Government-aided housing field would

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be justified at this time. During this discussion, the view was expressed that the effects of the present terms could not be determined accurately, partly because of the backlog of pre-regulation commitments still in the picture, but that the prospective upswing in defense orders might create serious shortages of materials and manpower within the next few months and that it might be desirable to anticipate this contingency through the introduction of more restrictive credit terms immediately.

Mr. Norton said that he had an appointment to review the housing situation with Mr. Foley, Administrator of the Housing and Home Finance Administration, this afternoon and that after advising Mr. Foley of the discussion this morning and learning his views he would report back to the Board at the meeting on April 24. In the meantime, he said, the staff would devote further study to the matter with a view to submitting appropriate recommendations concerning the terms of the Regulation.

Chairman Martin withdrew from the meeting during the foregoing discussion and at its conclusion Messrs. Garfield and Benner also withdrew.

There was presented a memorandum dated April 16, 1951, from Mr. Evans to the Secretary of the Board reading as follows:

"Rule VI (a) of the Board's Rules of Procedure provide that 'The trial examiner, within 15 days after the expiration of the time allowed for filing proposed findings and

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"conclusions, or within such different period as the Board may prescribe, shall file with the Secretary of the Board his report containing his recommended decision."

"The prescribed time of 15 days will not allow me sufficient time within which to prepare my report in the Transamerica case and therefore Board action is requested at the meeting tomorrow for an extension of the prescribed time to June 15, 1951. I will endeavor to have my report filed on or before such date to avoid, if possible, asking for a further extension."

In accordance with the request contained in the above memorandum, the following order was approved, Mr. Eccles taking no part in the consideration of this matter:

"UNITED STATES OF AMERICA  
BEFORE THE  
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
IN THE MATTER OF  
TRANSAMERICA CORPORATION  
ORDER EXTENDING TIME FOR FILING OF RECOMMENDED  
DECISION BY HEARING OFFICER

"Additional time having been requested by the Hearing Officer within which to file with the Secretary of the Board his report containing his recommended decision and it appearing to the Board that such request should be granted, it is hereby ORDERED that the time within which the Hearing Officer may file such recommended decision be, and the same hereby is, extended to and including June 15, 1951.

"This 17th day of April, 1951.

"By the Board.

signed (S. R. Carpenter)

S. R. Carpenter,  
Secretary.

"Governor Eccles took no part in the consideration or decision of the request referred to in the foregoing order."

At this point Mr. Hodge withdrew.

Mr. Thomas presented a report on developments in the Government securities market following which Messrs. Youngdahl and Leach withdrew.

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At Mr. Szymczak's request, Mr. Young presented a report on developments in the stock market and together with Mr. Noyes reviewed developments relating to consumer credit. Mr. Evans suggested and it was agreed that Messrs. Heath and Shay, Assistant Counsel, Legal Division, who visited Canada last week to study consumer credit controls in that country, be requested to report on their observations at the meeting on April 24, and at the request of Mr. Vardaman it was understood that the staff would prepare a report showing consumer credit outstanding during the first quarter of 1951 as compared with the like period in 1950.

Mr. Evans noted an increasing number of enforcement matters under Regulation W, Consumer Credit, saying that Mr. Townsend, Solicitor for the Board, was conferring with officers of several of the Federal Reserve Banks to determine how these cases might be handled most expeditiously.

There was presented a memorandum from Mr. Chase dated April 13, 1951, stating that investigations by the Federal Reserve Bank of San Francisco of four automobile dealers and two finance companies located in and around San Francisco, California indicated that the finance companies were collaborating with the automobile dealers in evading the terms of Regulation W, Consumer Credit, and in concealing the evasions. The memorandum recommended that in accordance with the recommendation of the Reserve Bank, the Board order investigations of the six

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concerns for the purpose of obtaining information upon which to base a decision as to future steps to be taken.

Thereupon, upon motion by  
Mr. Evans, unanimous approval was  
given to the following Orders:

"UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

At a meeting of the Board of Governors of the Federal Reserve System  
held at its offices in the City of Washington, D. C.,  
on the 17th day of April, A. D., 1951.

In the Matter of  
PUBLIC LOAN CORPORATION

ORDER DIRECTING INVESTIGATION  
AND DESIGNATING OFFICERS  
TO TAKE TESTIMONY

I

"Members of the staff of the Federal Reserve Bank of San Francisco have reported information to that Bank, which that Bank has transmitted to the Board, which tends to show that:

"Public Loan Corporation, a corporation organized and existing under the laws of the State of Ohio, located at 625 Market Street, San Francisco, California, has made instalment loans to finance (1) the down payment in connection with the purchase of automobiles, or (2) the entire purchase price of automobiles, or (3) part of the purchase price of automobiles with knowledge that there was or was to be other credit extended in connection with the purchase of such automobiles which would bring the total amount of credit extended in connection with such purchases beyond the amount of instalment credit permitted by Regulation W of the Board of Governors of the Federal Reserve System.

II

"The Board, having considered the aforesaid report by members of the staff of the Federal Reserve Bank of San Francisco, and for the purpose of (1) determining whether Public Loan Corporation has violated the provisions of Regulation W and (2) aiding in the enforcement of said Regulation, deems it necessary and appropriate that an investigation be made to determine whether Public Loan Corporation has engaged in the acts and practices set forth in paragraph I hereof, or any acts and practices of similar purport or object.

III

"IT IS ORDERED, pursuant to Section 604 of the Defense Production Act of 1950 that an investigation be made to determine the matters set forth in paragraph II hereof.

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"IT IS FURTHER ORDERED, pursuant to the provisions of Section 604 of the Defense Production Act of 1950 that for the purpose of such investigation J. Leonard Townsend and John A. O'Kane, and each of them, is hereby designated an officer of the Board and empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith as authorized by law.

"By the Board.

(signed) S. R. Carpenter,  
Secretary."

"UNITED STATES OF AMERICA  
BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
At a meeting of the Board of Governors of the Federal Reserve System  
held at its offices in the City of Washington, D. C.,  
on the 17th day of April, A. D., 1951.

In the Matter of  
FIRESIDE FINANCE COMPANY

ORDER DIRECTING INVESTIGATION  
AND DESIGNATING OFFICERS  
TO TAKE TESTIMONY

## I

"Members of the staff of the Federal Reserve Bank of San Francisco have reported information to that Bank, which that Bank has transmitted to the Board, which tends to show that:

"Fireside Finance Company, a corporation organized and existing under the laws of the State of California, located at 6191 El Camino Real, San Mateo, California, has made instalment loans to finance (1) the down payment in connection with the purchase of automobiles, or (2) the entire purchase price of automobiles, or (3) part of the purchase price of automobiles with knowledge that there was or was to be other credit extended in connection with the purchase of such automobiles which would bring the total amount of credit extended in connection with such purchases beyond the amount of instalment credit permitted by Regulation W of the Board of Governors of the Federal Reserve System.

## II

"The Board, having considered the aforesaid report by members of the staff of the Federal Reserve Bank of San Francisco, and for the purpose of (1) determining whether Fireside Finance Company has violated the provisions of Regulation W and (2) aiding in the enforcement of said Regulation, deems it necessary and appropriate that an investigation be made to determine whether Fireside Finance Company has engaged in the acts and practices set forth in paragraph I hereof, or any acts and practices of similar purport or object.



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## III

"IT IS ORDERED, pursuant to Section 604 of the Defense Production Act of 1950 that an investigation be made to determine the matters set forth in paragraph II hereof.

"IT IS FURTHER ORDERED, pursuant to the provisions of Section 604 of the Defense Production Act of 1950 that for the purpose of such investigation J. Leonard Townsend and John A. O'Kane, and each of them, is hereby designated an officer of the Board and empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith as authorized by law.

"By the Board.

(signed) S. R. Carpenter,  
Secretary."

## "UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

At a meeting of the Board of Governors of the Federal Reserve System  
held at its offices in the City of Washington, D. C.,  
on the 17th day of April, A. D., 1951.

In the Matter of  
P. C. LISLE,  
(d.b.a. Lisle Motor Company)

ORDER DIRECTING INVESTIGATION  
AND DESIGNATING OFFICERS  
TO TAKE TESTIMONY

## I

"Members of the staff of the Federal Reserve Bank of San Francisco have reported information to that Bank, which that Bank has transmitted to the Board, which tends to show that:

P. C. Lisle, doing business as Lisle Motor Company, located at 700 Eddy Street, San Francisco, California, has made instalment sales of automobiles subject to Regulation W:

1. Without obtaining a down payment of not less than one-third of the purchase price of the automobile as required by Regulation W;
2. When he or those acting on his behalf knew or had reason to know that other credit was, or was to be, extended in connection with the purchase of the automobile which would bring the total amount of credit extended in connection with such purchase beyond the amount permitted by Regulation W;
3. Without maintaining and preserving such books of account, records and other papers as are relevant to establishing whether or not credit extended by him is in conformity with the requirements of said Regulation.

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## II

"The Board, having considered the aforesaid report by members of the staff of the Federal Reserve Bank of San Francisco, and for the purpose of (1) determining whether P. C. Lisle has violated the provisions of Regulation W and (2) aiding in the enforcement of said Regulation, deems it necessary and appropriate that an investigation be made to determine whether P. C. Lisle has engaged in the acts and practices set forth in paragraph I hereof, or any acts and practices of similar purport or object.

## III

"IT IS ORDERED, pursuant to Section 604 of the Defense Production Act of 1950 that an investigation be made to determine the matters set forth in paragraph II hereof.

"IT IS FURTHER ORDERED, pursuant to the provisions of Section 604 of the Defense Production Act of 1950 that for the purpose of such investigation J. Leonard Townsend and John A. O'Kane, and each of them, is hereby designated an officer of the Board and empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith as authorized by law.

"By the Board.

(signed) S. R. Carpenter,  
Secretary."

## "UNITED STATES OF AMERICA

## BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

At a meeting of the Board of Governors of the Federal Reserve System held at its offices in the City of Washington, D. C., on the 17th day of April, A. D., 1951.

In the Matter of  
HERMAN BRYAN HAMRIC  
(d.b.a., Hamric Motor Sales)

ORDER DIRECTING INVESTIGATION  
AND DESIGNATING OFFICERS  
TO TAKE TESTIMONY

## I

"Members of the staff of the Federal Reserve Bank of San Francisco have reported information to that Bank, which that Bank has transmitted to the Board, which tends to show that:

"Herman Bryan Hamric, doing business as Hamric Motor Sales, located at 555 Van Ness Avenue, San Francisco, California, has made instalment sales of automobiles subject to Regulation W:

1. Without filing a registration statement as required by Regulation W;

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- "2. Without obtaining a down payment of not less than one-third of the purchase price of the automobile as required by Regulation W;
3. When he or those acting on his behalf knew or had reason to know that other credit was, or was to be, extended in connection with the purchase of the automobile which would bring the total amount of credit extended in connection with such purchase beyond the amount permitted by Regulation W;
4. Without maintaining and preserving such books of account, records and other papers as are relevant to establishing whether or not credit extended by him is in conformity with the requirements of said Regulation.

## II

"The Board, having considered the aforesaid report by members of the staff of the Federal Reserve Bank of San Francisco, and for the purpose of (1) determining whether Herman Bryan Hamric has violated the provisions of Regulation W and (2) aiding in the enforcement of said Regulation, deems it necessary and appropriate that an investigation be made to determine whether Herman Bryan Hamric has engaged in the acts and practices set forth in paragraph I hereof, or any acts and practices of similar purport or object.

## III

"IT IS ORDERED, pursuant to Section 604 of the Defense Production Act of 1950 that an investigation be made to determine the matters set forth in paragraph II hereof.

"IT IS FURTHER ORDERED, pursuant to the provisions of Section 604 of the Defense Production Act of 1950 that for the purpose of such investigation J. Leonard Townsend and John A. O'Kane, and each of them, is hereby designated an officer of the Board and empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith as authorized by law.

"By the Board.

(signed) S. R. Carpenter,  
Secretary."

## "UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

At a meeting of the Board of Governors of the Federal Reserve System  
held at its offices in the City of Washington, D. C.,  
on the 17th day of April, A. D., 1951.

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"In the Matter of McCamey and Guy Motor Sales ORDER DIRECTING INVESTIGATION  
AND DESIGNATING OFFICERS  
TO TAKE TESTIMONY

## I

"Members of the staff of the Federal Reserve Bank of San Francisco have reported information to that Bank, which that Bank has transmitted to the Board, which tends to show that:

"McCamey and Guy Motor Sales, a partnership, located at 431 El Camino Real, San Bruno, California, have made instalment sales of automobiles subject to Regulation W:

1. Without filing a registration statement as required by Regulation W;
2. Without obtaining a down payment of not less than one-third of the purchase price of the automobile as required by Regulation W;
3. When they or those acting on their behalf knew or had reason to know that other credit was, or was to be, extended in connection with the purchase of the automobile which would bring the total amount of credit extended in connection with such purchase beyond the amount permitted by Regulation W;
4. Without maintaining and preserving such books of account, records and other papers as are relevant to establishing whether or not credit extended by them is in conformity with the requirements of said Regulation.

## II

"The Board, having considered the aforesaid report by members of the staff of the Federal Reserve Bank of San Francisco, and for the purpose of (1) determining whether McCamey and Guy Motor Sales have violated the provisions of Regulation W and (2) aiding in the enforcement of said Regulation, deems it necessary and appropriate that an investigation be made to determine whether McCamey and Guy Motor Sales have engaged in the acts and practices set forth in paragraph I hereof, or any acts and practices of similar purport or object.

## III

"IT IS ORDERED, pursuant to Section 604 of the Defense Production Act of 1950 that an investigation be made to determine the matters set forth in paragraph II hereof.

"IT IS FURTHER ORDERED, pursuant to the provisions of Section 604 of the Defense Production Act of 1950 that for the purpose of such investigation J. Leonard Townsend and John A. O'Kane, and each

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"of them, is hereby designated an officer of the Board and empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith as authorized by law.

"By the Board.

(signed) S. R. Carpenter,  
Secretary."

"UNITED STATES OF AMERICA  
BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
At a meeting of the Board of Governors of the Federal Reserve System  
held at its offices in the City of Washington, D. C.,  
on the 17th day of April, A. D., 1951.

In the Matter of  
GEORGE M. PLICHCIH,  
(d.b.a. Reliable Used  
Car Company)

ORDER DIRECTING INVESTIGATION  
AND DESIGNATING OFFICERS  
TO TAKE TESTIMONY

I

"Members of the staff of the Federal Reserve Bank of San Francisco have reported information to that Bank, which that Bank has transmitted to the Board, which tends to show that:

"George M. Plichcih, doing business as Reliable Used Car Company, located at 1870 Mission Street, San Francisco, California, has made instalment sales of automobiles subject to Regulation W:

1. Without obtaining a down payment of not less than one-third of the purchase price of the automobile as required by Regulation W;
2. When he or those acting on his behalf knew or had reason to know that other credit was, or was to be, extended in connection with the purchase of the automobile which would bring the total amount of credit extended in connection with such purchase beyond the amount permitted by Regulation W;
3. Without maintaining and preserving such books of account, records and other papers as are relevant to establishing whether or not credit extended by him is in conformity with the requirements of said Regulation.

II

"The Board, having considered the aforesaid report by members of the staff of the Federal Reserve Bank of San Francisco, and for the purpose of (1) determining whether George M. Plichcih has violated the provisions of Regulation W and (2) aiding in the enforcement

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"of said Regulation, deems it necessary and appropriate that an investigation be made to determine whether George M. Plichcih has engaged in the acts and practices set forth in paragraph I hereof, or any acts and practices of similar purport or object.

## III

"IT IS ORDERED, pursuant to Section 604 of the Defense Production Act of 1950 that an investigation be made to determine the matters set forth in paragraph II hereof.

"IT IS FURTHER ORDERED, pursuant to the provisions of Section 604 of the Defense Production Act of 1950 that for the purpose of such investigation J. Leonard Townsend and John A. O'Kane, and each of them, is hereby designated an officer of the Board and empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith as authorized by law.

"By the Board.

(signed) S. R. Carpenter,  
Secretary."

Messrs. Noyes and Boothe presented a report on the status of the V-loan program which was followed by a general discussion.

At the suggestion of Mr. Vardaman it was agreed that hereafter in the absence of unusual developments relating to any of the regulations or programs, reports on margin requirements, consumer credit, real estate credit, the guaranteed loan program, and the voluntary credit restraint program would be presented at meetings of the Board bi-weekly rather than weekly as had been agreed at the meeting of April 10, 1951.

Mr. Vardaman stated that it was necessary for him to withdraw from the meeting to keep another appointment but that he had reviewed the memorandum from the Division of Personnel Administration with

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respect to officers' salaries at the Federal Reserve Banks of Philadelphia, Cleveland, and San Francisco for the year beginning May 1, 1951 and wished to be recorded as voting to approve the recommendation of the Personnel Committee with respect thereto. He also stated that he had discussed with members of the Personnel Committee the matter which the Committee wished to submit for consideration in executive session later during this meeting, and that he wished to be recorded as voting to approve the recommendation to be made by the Committee. Mr. Vardaman also stated that he wished to be recorded as voting to approve a memorandum from Mr. Nelson dated April 4, 1951 with respect to a plan for relocation of operations in an emergency, and a recommendation by Mr. Hilkert that the Director of the Division of Personnel Administration be authorized to excuse members of the staff under certain conditions, both of which he understood would be presented later during the meeting.

Messrs. Vardaman and Heath then withdrew.

Mr. Powell reported on developments in connection with the program for voluntary credit restraint and at the conclusion of his remarks recommended that a telegram be sent to the Presidents of all Federal Reserve Banks in the following form:

"In response to requests for information from several of the Federal Reserve Banks, Board has no objection to Banks absorbing incidental items of expense in connection with Voluntary Credit Restraint Program such as postage, printing

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"of circulars and forms, clerical expense of keeping minutes, luncheons, etc. Major items should be referred to the Board of Governors for prior approval. Travel expenses of national or regional committee members should not be paid by the Reserve Banks except in case of Federal Reserve Bank personnel."

Approved unanimously.

At this point, Messrs. Young, Noyes, and Chase withdrew.

Before the meeting there were distributed to the members of the Board copies of a memorandum dated April 16, 1951 from the Personnel Committee stating that officers' salaries at the Federal Reserve Banks of Philadelphia, Cleveland, and San Francisco for the year beginning May 1, 1951 were considered at a meeting of the Personnel Committee on April 16 and that it was the recommendation of the Committee that such salaries be approved as submitted by the Reserve Banks except for the salary of \$18,000 per annum proposed by the directors of the San Francisco Bank for Mr. Volberg, Vice President and Manager of the Los Angeles Branch. For reasons set forth in a memorandum dated April 13, 1951 from the Division of Personnel Administration and the additional reason that the proposed salary would be out of line with salaries paid at comparable branches of other Federal Reserve Banks, it was the recommendation of the Personnel Committee that this salary be fixed at \$16,000 per annum.

Upon motion by Mr. Norton, the recommendations were approved unanimously and the Secretary of the Board was authorized to transmit the following letters to the respective Federal Reserve Banks:



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Letter to Mr. Williams, President, Federal Reserve Bank of Philadelphia:

"The Board approves the payment of salary to you as President of the Federal Reserve Bank of Philadelphia at the rate of \$25,000 per annum and to Mr. W. J. Davis as First Vice President of the Federal Reserve Bank of Philadelphia at the rate of \$18,000 per annum for the period May 1, 1951, through April 30, 1952, provided these rates are fixed by the Board of Directors.

"The Board of Governors also approves the payment of salary to the following officers at the rates indicated for the period May 1, 1951, through April 30, 1952. According to your letter of January 25, 1951, as amended by subsequent telephone conversations, these are the rates which were fixed by the Executive Committee of the Board of Directors.

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Philip M. Poorman	Vice President & Cashier	\$17,000
Ernest C. Hill	Vice President	16,000
William G. McCreedy	Vice President & Secretary	15,000
Karl R. Bopp	Vice President	16,000
Robert N. Hilkert	Vice President	15,000
James V. Vergari	Counsel & Assistant Secretary	14,000
Wallace M. Catanach	Assistant Vice President	10,500
Richard G. Wilgus	Assistant Vice President & Assistant Secretary	11,000
Norman G. Dash	General Auditor	10,000
Roy Hetherington	Assistant Cashier	8,000
George J. Lavin	Assistant Cashier	8,000
Henry J. Nelson	Assistant Cashier	7,500
Edward A. Aff	Assistant Cashier	7,000
Ralph E. Haas	Assistant Cashier	7,000"

Letter to Mr. Gidney, President, Federal Reserve Bank of Cleveland:

"The Board of Governors approves the payment of salary to the officers named below at the rates indicated for the period May 1, 1951, through April 30, 1952, provided these rates are fixed by your board of directors.

"The rates which the Board approves are those which were proposed in your letter of January 25, 1951, and those

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"which were previously approved through April 30, 1951, for certain junior officers in accordance with Mr. Brainard's letter of January 11, 1951.

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
R. R. Clouse	Vice President	\$11,500
A. H. Laning	Vice President & Cashier	13,000
Martin Morrison	Vice President	12,500
P. C. Stetzelberger	Vice President	11,500
D. S. Thompson	Vice President	14,500
W. T. Blair	Vice President, Counsel, and Secretary	11,000
H. E. J. Smith	Assistant Vice President	10,000
C. J. Bolthouse	Assistant Cashier	8,700
P. B. Didham	Assistant Cashier	8,000
G. H. Emde	Assistant Cashier	9,000
J. R. Lowe	Assistant Cashier	8,500
J. M. Miller	Assistant Cashier	8,500
G. R. Ross	Assistant Cashier	7,800
E. V. Denton	Assistant Cashier	6,500
H. M. Boyd	Chief Examiner	9,000
L. M. Hostetler	Manager, Research Department	9,500
H. B. Flinkers	Assistant Secretary	6,800
C. F. Ehninger	Auditor	11,000
<u>Cincinnati Branch</u>		
W. D. Fulton	Vice President	15,000
H. N. Ott	Cashier	11,000
P. J. Geers	Assistant Cashier	9,000
Clyde Harrell	Assistant Cashier	9,000
R. G. Johnson	Assistant Cashier	9,000
<u>Pittsburgh Branch</u>		
J. W. Kossin	Vice President	16,000
A. G. Foster	Cashier	12,000
W. H. Nolte	Assistant Cashier	8,000
J. R. Price	Assistant Cashier	7,400
J. A. Schmidt	Assistant Cashier	9,000
R. J. Steinbrink	Assistant Cashier	8,500"

Letter to Mr. Wilbur, Chairman, Federal Reserve Bank of San

Francisco:

"The Board of Governors approves the payment of salary to the following officers at the rates indicated for the period May 1, 1951, through April 30, 1952. According to your letter of January 23, 1951, these are the rates which have been approved by the board of directors.

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<u>"Name</u>	<u>Title</u>	<u>Annual Salary</u>
E. R. Millard	Vice President	\$15,000
H. F. Slade	Vice President	15,000
R. T. Symms	Vice President & Cashier	11,000
O. P. Wheeler	Vice President	13,000
H. Armstrong	General Auditor	9,000
J. A. O'Kane	General Counsel	11,000
	<u>Los Angeles Branch</u>	
F. C. Bold	Assistant Manager	13,000
L. C. Meyer	Assistant Manager	8,000
W. J. Thomas	Assistant Manager	6,300
	<u>Portland Branch</u>	
S. A. MacEachron	Vice President & Manager	13,000
D. E. Bent	Assistant Manager	7,500
	<u>Salt Lake City Branch</u>	
W. L. Partner	Vice President and Manager	13,000
	<u>Seattle Branch</u>	
J. M. Leisner	Vice President and Manager	14,000

"The Board of Governors recognizes the splendid performance of Mr. Volberg since he assumed the position of Vice President and Manager of the Los Angeles Branch, but it believes that the proposed salary of \$18,000 would destroy certain salary relationships which should be maintained. The Board does approve, however, the payment of salary to Mr. W. F. Volberg at the rate of \$16,000 per annum for the period May 1, 1951, through April 30, 1952, provided this rate is approved by the board of directors."

At this point Mr. Allen withdrew.

Before the meeting there were distributed to the members of the Board copies of a memorandum dated April 4, 1951 from Mr. Nelson, Assistant Director, Division of Examinations, reading as follows:

"After consulting with representatives of the National Security Resources Board, Budget Bureau, General Services Administration, Treasury Department, and Federal Civil Defense Administration regarding plans for continuity of operations of Government establishments in the event of enemy action or imminent threat thereof, it is apparent that the planning of the various agencies is based on the following assumptions:

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- "1. That Washington will not be evacuated;
2. That the emergency relocation plans of the departments will not be effectuated unless required by enemy action or imminent threat of such action;
3. That each agency make arrangements whereby essential activities can be carried on temporarily under emergency conditions at another location;
4. That use of existing field establishments as an alternate location for operations in an emergency be given consideration; and
5. That plans be made for physical protection of personnel, essential records, and special equipment.

"It was the consensus that we should make our own arrangements for relocation of essential operations in an emergency and, therefore, the following proposal is submitted to the Board for consideration.

"The Federal Reserve Bank of Richmond, which is located 110 miles from Washington, is not considered to be in a prime target area. We have been assured by a representative of the National Security Resources Board that Richmond is not a prime target area and that it would be suitable as an emergency relocation point. Upon completion of the addition to the Bank's building about the middle of next year, there will be approximately 19,000 square feet of office space in the present annex which the Bank will not need for its operations, and arrangements can be made to reserve this space for use of the Board in an emergency. It is believed that the Board, with a skeleton staff, could operate from that point for a temporary period, and since the Bank's staff could furnish a number of services to the Board, the use of these facilities would obviate the transfer of some of our personnel and minimize the housing problems. During the period between now and the time of completion of the new addition, it might be difficult for the Bank to accommodate the Board and a skeleton staff in their present quarters as they are somewhat crowded, but we are informed that they would be agreeable to obtaining some outside space which could be made use of and be available for some of the Bank's functions during this interim period if the Board feels it advisable.

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"In general, the steps to be taken to effectuate this plan are:

1. Arrange for uninterrupted functioning of the Inter-district Settlement Fund and currency operations. The officers of the Richmond Bank are agreeable to this and members of the Bank's staff are now being trained to handle these operations. Preliminary discussions have been held with the telephone and telegraph companies regarding standby equipment for communications in the event of need and it is expected that we will be able to arrange for wire service from Richmond to the other Reserve Banks.
2. Selection of key personnel who would be expected to report, in accordance with previously received instructions, directly to Richmond and delegation of authority and succession of command to carry on administrative functions.
3. Safeguard and disperse vital records. Steps have been taken to disperse copies of the Board's Minutes and additional steps will be taken to safeguard personnel and accounting records. Available information indicates that the files in our basement may be relatively safe.
4. Physical protection of personnel. Dr. Bowman of the Atomic Energy Commission has informed us that our facilities for protection of personnel during working hours are the best he has seen. It is proposed to select shelter areas on the basis of our discussion with him and to train and instruct our personnel in protective measures.
5. Notify all Reserve Banks and Treasury Department of proposed relocation center and issue instructions as to procedure to be followed in an emergency."

Upon motion by Mr. Norton, the staff was authorized by unanimous vote to proceed with actions to implement the arrangements outlined in the memorandum with the understanding that any costs proposed to be incurred with respect to the rental of space for alternate facilities would be submitted to the Board for approval.

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Mr. Hilkert recommended that the Director of the Division of Personnel Administration be authorized to excuse members of the staff to attend parades, to go home because of bad weather, and on other occasions of this kind when such action would be in conformity with similar action being taken in Government offices generally.

This recommendation was approved unanimously.

At this point Mr. Szymczak and all of the members of the staff with the exception of Messrs. Carpenter, Murff, and Hilkert withdrew, Mr. Szymczak stating that he was familiar with the matter to be taken up in executive session and wished to be recorded as approving the recommendation of the Personnel Committee.

Mr. Norton stated that the Personnel Committee had considered a suggestion by Mr. Hilkert that Mr. Allen, presently Assistant Director of the Division of Personnel Administration, be appointed Director of the Division on a nonpermanent basis in accordance with the procedure adopted by the Board on December 29, 1950, upon the former's return to duty with the Federal Reserve Bank of Philadelphia, and that the Committee would recommend that Mr. Allen be so appointed and that his compensation be fixed at the rate of \$10,000 per annum effective as of the date upon which he assumes his duties as Director of the Division.

Upon motion by Mr. Norton, this recommendation was approved unanimously.

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Mr. Norton explained that Mr. Allen's promotion and other changes in the Division of Personnel Administration would create two major vacancies in the Division and it should be understood that it would be necessary to fill them as soon as competent replacements could be found. The members of the Board present were in agreement that the two positions should be filled.

At this point Mr. Hilkert withdrew, and the action stated with respect to each of the matters hereinafter referred to was taken by the Board:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on April 16, 1951, were approved unanimously.

Memorandum dated April 16, 1951, from Mr. Sloan, Assistant Director of the Division of Examinations, recommending an increase in the basic salary of James V. Fisler, an Assistant Federal Reserve Examiner in that Division, from \$4,200 to \$4,325 per annum, effective April 29, 1951.

Approved unanimously.

Memorandum dated April 13, 1951, from Mr. Bethea, Director of the Division of Administrative Services, recommending the appointment of Ernest A. McKinney as a clerk in that Division, on a temporary indefinite basis, with basic salary at the rate of \$2,650 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed the usual physical examination and subject to the completion of a satisfactory employment investigation.

Approved unanimously.

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Letter to Mr. David L. Grove, Board of Governors of the Federal Reserve System, Washington, D. C., reading as follows:

"The Board of Governors hereby authorizes you, in your capacity as Chief of the Latin American Section, Division of International Finance, to proceed to Asuncion, Paraguay, for a period not to exceed three weeks, plus travel time, beginning on or about April 18, 1951, to participate in a study of the central banking structure of Paraguay, as requested by the Minister of Finance of that country. Upon completion of this assignment, unless otherwise directed, you are to return to Washington, D. C.

"You will remain on the pay roll of the Board of Governors during the time you are engaged on this assignment. Your travel expenses from Washington, D. C., to Asuncion, Paraguay, and return, including per diem in lieu of subsistence, will be paid from funds under control of the Board in accordance with the Board's travel regulations, and in addition you will be allowed flight insurance in a reasonable amount. These travel expenses will be reimbursable from the Government of Paraguay or the Bank of Paraguay upon submission of a voucher by the Board.

"Expenses incurred by you incident to this assignment while you are in Paraguay will be reimbursed to you direct by the Government of Paraguay or the Bank of Paraguay.

"It is requested that you retain the original of this letter and that the file copy, after being initialed by you, be returned to the Board's files."

Approved unanimously.

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

"This refers to your letter of April 4, 1951 to Mr. Wayne concerning the proposed service of Mr. Harold C. Martens with A. M. Kidder & Company while at the same time serving as a director of the First National Bank of Clearwater, Clearwater, Florida. You inquired whether the Board has heretofore had occasion to rule on the question whether A. M. Kidder & Company is primarily engaged in the types of business described in section 32 of the Banking Act of 1933.



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"The Federal Reserve Bank of New York has reviewed from time to time the activities of A. M. Kidder & Company in connection with interlocking relationships in the New York District. For your information there is enclosed a copy of a letter dated January 9, 1951 which Mr. Osterhus, Manager of the Bank Examinations Department, addressed to Mr. Lewis A. Shea, President of the First National Bank and Trust Company of Bridgeport, Connecticut. We see no objection to your bank giving similar advice to the First National Bank of Clearwater in connection with the proposed service of Mr. Martens."

Approved unanimously.

Letter to the Board of Directors of the Lane County Bank, Florence, Oregon, Florence, Oregon, stating that, subject to conditions of membership numbered 1 and 2 contained in the Board's Regulation H, the Board approves the Bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of San Francisco.

Approved unanimously for  
transmittal through the Federal  
Reserve Bank of San Francisco.

Letter to Mr. J. Russell Cades, Smith, Wild, Beebe & Cades, Attorneys at Law, Honolulu, T. H., reading as follows:

"This is in further reference to your letter of February 21, 1951, in which you requested the Board to advise you whether, under the provisions of 7(a) of Regulation T, the Bishop Trust Company is precluded from arranging for loans for its customers for the purposes referred to in Regulation T except in accordance with the limitations set forth in the Supplement to that regulation.

"As you stated in your letter, the Honolulu Stock Exchange, of which the Bishop Trust Company is a member, has been exempted from registration as a national securities

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"exchange effective December 1, 1935, by an order entered by the Securities and Exchange Commission on November 5, 1935, condition (2) of that order providing, however, that the provision of section 7 of the Securities Exchange Act of 1934 and the rules and regulations of this Board thereunder shall be complied with by the Exchange and its members.

"It is clear the Bishop Trust Company, as a member of the Honolulu Stock Exchange, is a 'creditor' that must comply with the provisions of Regulation T whenever it transacts a business in securities. Ordinarily a creditor may arrange for any third party to extend or maintain credit for his customer only on the same terms and conditions as those upon which the creditor himself could grant such credit in compliance with the limitations imposed by Regulation T. Because of the similar and closely related objectives of Regulation T and Regulation U, the Board has provided an exception to this general rule. As you mentioned, section 7(a) of Regulation T provides that the limitations imposed by Regulation T do not apply with respect to the arranging by a creditor for a bank subject to Regulation U to extend or maintain credit on registered securities or exempted securities.

"After carefully reviewing the provisions of the above-mentioned exception, including its purposes and context, the Board is of the opinion that a Hawaiian Bank is not 'a bank subject to Regulation U' within the meaning of section 7(a) of Regulation T. Section 7(a) was intended to permit a creditor subject to Regulation T to arrange for a bank to make loans on registered securities only where the bank was subject to the limitations set forth in the Supplement to Regulation U. In this situation a contrary interpretation would have the effect of permitting members of the Honolulu Stock Exchange to arrange for loans without limitation if such loans were to be made by Hawaiian banks. To hold that, under section 7(a) of Regulation T, members of the Honolulu Stock Exchange may make arrangements for Hawaiian banks to extend credit when the loans made by such banks are exempt from the limitations imposed by Regulation U would conflict with the substance of section 7(a) of Regulation T and with the Securities and Exchange Commission Order of November 5, 1935.

"Therefore, the Board is of the opinion that the Bishop Trust Company can not arrange for loans for its customers by banks in Hawaii except in accordance with the requirements set forth in the current supplement to Regulation T."

Approved unanimously.

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

"Reference is made to our letter of November 17, 1950, S-1204 (X-18), presenting the Board's views on the administration and enforcement of Regulation X, and informing the Federal Reserve Banks of the program initiated for the correlation of the enforcement program with other supervisory agencies.

"In conformity with that letter, there is enclosed a proposed draft of the Regulation X enforcement report to be utilized by the Reserve Banks in furnishing the Board with monthly information covering various enforcement activities. As you will note, the Regulation X report form closely approximates the Regulation W enforcement report. It will be appreciated if you will study the tentative draft and give the Board any suggestions you may have relative to the proposed report form.

"In presenting this form, we recognize that until there has been a formal registration the number of registrants in the various categories enumerated probably cannot be provided, nor will information under Item 5 of 'Additional Information' be available. It is intended that information to be provided for the first two classes, 'A' and 'B', shown on the enforcement report will generally be 'by-products' of Regulation W investigations. Class E, designated 'Other Agents', should include real estate brokers, lawyers, trust companies acting as agents, and any other agents known to you. The class of registrant designated 'H', schools, universities, etc., should include, in general, any other non-profit organization not shown on the form. An explanation of report headings, classes of registrants, and other information will be found on the reverse side of the enclosed form.

"As soon as opinions regarding the proposed report form have been received from the Federal Reserve Banks, a final form will be prepared and an adequate supply mailed for each of the Reserve Banks and their branches."

Approved unanimously.

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

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"For some time the Board's staff has been studying various leasing arrangements which may be included in the definition of 'credit' in the Defense Production Act of 1950. As you know, the definition is very broad in applying to leases, particularly when consideration is given to the clause 'transactions having a similar purpose or effect'. It is our tentative thought that it would be desirable to amend the regulation so as to exclude from its coverage the usual and ordinary types of leases, and there is submitted herein for your consideration the text of a proposed amendment to Regulation X which was prepared with that objective in mind. Will appreciate having your comments and suggestions regarding this proposed amendment with respect to both matters of substance and language. If you think it desirable, you may discuss the substance of the amendment on a confidential basis with persons outside the Federal Reserve Bank. Please arrange to submit your comments and suggestions to reach us not later than Monday, April 23, 1951. ...."

Approved unanimously.

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

"Question has been raised by some banks as to the interpretation of the standard amendment to the standard form of V-loan guarantee agreement of September 27, 1950, set forth in the Board's letter of December 4, 1950 (V-8) to the Presidents of all Federal Reserve Banks, now incorporated in section 2(E) of the reprinted form. It has been asked whether, under that amendment, if several defense production contracts are assigned as security for a V-loan, and later there is a recovery from the assignee because of assigned payments received by it, such recovery would be 'loss on the loan', up to the maximum amount of the credit, only if and to the extent that payments under the particular contract or contracts on which the recovery was founded had been applied upon the loan.

"Specifically, in its extreme form, the question may be stated as follows: If two or more defense production contracts are assigned, and it happens that all payments under contract 'A' are released to the borrower, payments on the loan being made from proceeds of contracts other than 'A', and if recoveries from the assignee are based only on contract 'A', are

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"such recoveries (up to the maximum amount of the credit) a 'loss on the loan'? Similarly, if some payments from contract 'A' are applied on the loan, but in an amount less than the recovery under contract 'A', is the 'loss on the loan' (up to the maximum amount of the credit) measured by the amount recovered rather than by the lesser amount that had been applied in reduction of the loan?

"It is believed that even without the amendment transmitted with the Board's letter of December 4, 1950, such recoveries would constitute losses on the loan. The amendment was intended for clarification, to make it more plain that such recoveries are losses on a loan; it was not intended in any way to reduce the protection afforded by the standard form of guarantee agreement. In the amendment, the words 'any amounts which may have been received by the Financing Institution and applied by it to reduction of the loan but which are subsequently recovered', were not intended to require tracing of 'amounts' applied on the loan from proceeds of particular assigned defense production contracts into 'amounts' recovered under particular assigned defense production contracts. It was intended that if payments under any defense production contracts assigned to secure the loan are applied in reduction of the loan, and later recoveries are obtained from the assignee because of its receipt of payments under any of such contracts assigned to secure the loan, then, without regard to any amounts applied under particular assigned defense production contracts, in relation to such assigned contracts which were the basis of recovery, such recoveries would be a 'loss on the loan'.

"This matter has been discussed with the guaranteeing agencies, all of which are in agreement that the amendment was intended to have the effect set forth above and hence that the questions stated in the second paragraph of this letter so far as their policy is concerned, are to be answered in the affirmative."

Approved unanimously.

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

"During the current V-loan program, certain questions of policy have arisen which are similar to questions which arose during the previous program of World War II but with

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"respect to which no formal position has heretofore been indicated by all of the present guaranteeing agencies. Some of these questions were discussed at a meeting on April 4, 1951, between representatives of the guaranteeing agencies, the Defense Production Administration, and the Board of Governors. In the interest of clarification and uniformity, there are set forth below statements of policy regarding certain of these questions as to which all of the guaranteeing agencies have expressed their concurrence.

"100 per cent guarantees. - It is the policy of the guaranteeing agencies that 100 per cent guarantees and guarantees with foreseeable losses shall be limited to the greatest extent compatible with the requirements of the national defense. Applications for 100 per cent guarantees will be approved only in cases in which the guaranteeing agency determines that the circumstances are exceptional, that the operations of the borrower are vital to the national defense, and that no other suitable means of financing are available.

"Preponderance of interest. - Where a prospective borrower under a V-loan has defense contracts or subcontracts in which more than one of the guaranteeing agencies are interested, the guaranteeing agency in such case will in general be that agency which, as of the time of the application for the guarantee, has the preponderance of interest in such contracts and subcontracts on the basis of the dollar amount of the prospective borrower's unfilled and unpaid balances of such contracts and subcontracts and estimated claims under terminated contracts (exclusive of contracts with advance payments, if such advance payments are not to be liquidated by the proposed guaranteed loan). If the application is approved and a guarantee agreement is executed on behalf of such agency having the preponderance of interest, that agency will bear all losses and expenses and receive all revenues under such guarantee without allocation to other agencies of the Government.

"Asset formula. - It is the policy of the guaranteeing agencies that borrowings under guaranteed loans made primarily for working capital purposes should be limited, in accordance with an asset formula, to amounts which do not exceed specified percentages (90 per cent or less) of the borrower's investments in defense production contracts. The formula would include all items for which the borrower would be entitled to payment on performance or termination of defense contracts, but would not include any amounts (for which no work has been done nor

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"expenditures made by the borrower) to become due as the result of later performance under the borrower's contracts. However, any such asset formula would be subject to relaxation in appropriate cases to the extent and for the time actually necessary for contract performance where the contractor's working capital and credit are inadequate.

"Release of funds before perfection of assignments. - All of the guaranteeing agencies are in agreement that, where loans guaranteed under Regulation V are to be secured by assignments of contracts, the funds may be released by the financing institution to the borrower immediately upon execution of the assignment by the contractor even though that assignment is not perfected by proper filing until later. As you will recall, an identical policy with respect to this question was adopted by the guaranteeing agencies during the V-loan program of World War II.

"Information as to V-loan activities. - Since the Federal Reserve Banks act only as fiscal agents of the guaranteeing agencies, statistical information with respect to operations under the V-loan program should not be given out to the public by the Reserve Banks without the consent of the guaranteeing agencies and the Board. However, there is no objection to supplying statistics on an over-all basis, as published in the Federal Reserve Bulletin without break-down by guaranteeing agencies or Federal Reserve Districts. In no case, of course, should information be given out with respect to individual borrowers under guaranteed loans."

Approved unanimously.

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

"As you know, the Departments of the Army, Navy and Air Force charge a rate of two and one-half per cent interest on advance payments made to defense production contractors which rate has been in effect since 1942.

"In a memorandum dated October 14, 1950 signed by Robert C. Lovett, Deputy Secretary of Defense, a copy of which was forwarded to you with the Board's letter of November 15, 1950, (S-1200), setting forth basic contract financing policies for the Department of Defense, the statement is made that, in determining what form of

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"financing should be recommended or made available to contractors, V-loans are to be preferred to advance payments.

"In order to implement the Department of Defense's stated policy, on April 6, 1951, the Deputy Secretary of Defense issued a memorandum concerning advance payments which provides the following as to interest:

"Interest will be charged on all advance payments hereafter authorized, usually at the rate of 4 percent per annum on the unliquidated balance; provided, however, advance payments may be approved without interest when in connection with contracts which provide for performance at cost (without profit or fee to the contractor), or when specifically authorized by the Assistant Secretary responsible for the comptroller function."

Approved unanimously.

Letter to the Honorable Burnet R. Maybank, Chairman, Joint Committee on Defense Production, United States Senate, Washington, D. C., reading as follows:

"Certain additional material in connection with the Board's consultations with the National Automobile Dealers Association and the National Used Car Dealers Association earlier this year has now become available and is enclosed for your information.

"In our letter of February 9, 1951, which transmitted some of the material from these consultations, we referred to the fact that the National Used Car Dealers Association had been granted an additional period in which to supplement material presented in its consultation. Copies of that association's original and supplementary briefs together with a transcript of the original consultation and the Board's staff comments are enclosed herewith.

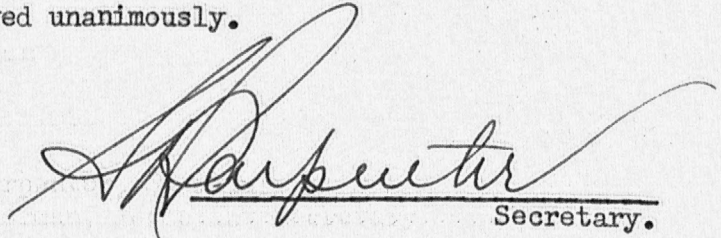
"At the request of the National Automobile Dealers Association, the Board on February 9, 1951, consulted with representatives of the association and associated West Coast dealers in connection with the particular problems of those dealers. Two copies of the statement presented on



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"behalf of the West Coast dealers are enclosed together with two copies of a memorandum prepared by the Board's staff commenting on the claims made at that meeting."

Approved unanimously.

  
Secretary.