

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, December 5, 1951.

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

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on December 4, 1951, were approved unanimously.

Memorandum dated December 3, 1951, from Mr. Leonard, Director, Division of Bank Operations, recommending the appointment of Mrs. Doris L. Stone as a Statistical Clerk in that Division, on a temporary indefinite basis, with basic salary at the rate of \$3,190 per annum, effective as of the date upon which she reports for duty after having passed the usual physical examination and subject to the completion of a satisfactory employment investigation.

Approved unanimously.

Letter to the Honorable Lester C. Hunt, United States Senate, Washington, D. C., reading as follows:

"Reference is made to your letter of November 24, 1951, addressed to former Chairman McCabe regarding the eligibility of the Ideal Tool and Laboratory Company of Cheyenne for V-loan financing of its defense contracts.

"The purpose of the V-loan program is to facilitate and expedite the financing of contractors, subcontractors and other persons having contracts or engaged in operations deemed by the guaranteeing agencies to be necessary.

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"to expedite production and deliveries or services under Government contracts for the procurement of materials or the performance of services for the national defense. No loan is guaranteed unless it is first determined by the proper guaranteeing agency that the contract or operation of the prospective borrower is necessary for the defense effort.

"The application of the American National Bank of Cheyenne for the guarantee of a loan to be made to the Ideal Tool and Laboratory Company has not been received by the Board from the Federal Reserve Bank of Kansas City and therefore we are unable to determine which agency of Government has the preponderant interest of the company's defense work and will be the proper agency to guarantee a loan, so we are unable to advise you whether or not the contracts and sub-contracts held by the Company can be financed by a V-loan. There is no requirement as to the volume of defense work a prospective borrower must have in order to be an eligible borrower. Both prime contracts with the Government or sub-contracts with concerns engaged in the defense effort are eligible for V-loan financing if they are deemed necessary for the national defense by the guaranteeing agency.

"Upon receipt of the application from the Federal Reserve Bank of Kansas City, we will transmit it immediately to the proper Government defense agency with the request that the case be expedited to the greatest extent possible."

Approved unanimously.

Telegram to Mr. Barrett, Assistant Cashier of the Federal Reserve Bank of San Francisco, reading as follows:

"Reurtel November 27 concerning question of Los Angeles Stock Exchange as to length of time it must retain files of requests for extensions of time under section 4 of Regulation T.

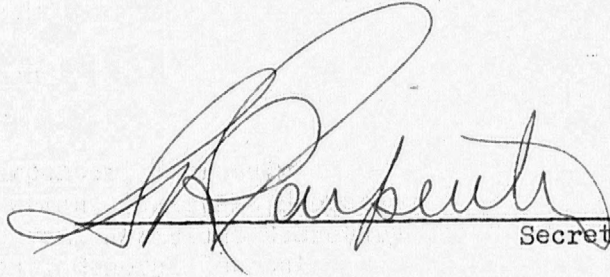
"For our purposes, Exchange need not keep such requests on file for more than two-year period. Such period conforms to unpublished views previously expressed by the Board in answer to similar inquiry raised by another Stock Exchange.

"SEC rules referred to by you relate to records to be preserved by members, dealers and brokers. SEC has indicated

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"informally that they do not regard those rules applicable to preservation of records by exchanges in cases such as that presented."

Approved unanimously.

  
Secretary.