

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 3829]  
March 7, 1952]

**REGULATION V**

---

**LOAN GUARANTEES FOR DEFENSE PRODUCTION**

*To All Banks, Other Financing Institutions, and  
Others Concerned, in the Second Federal Reserve District:*

We quote below from a letter to the Board of Governors of the Federal Reserve System from Mr. JESS LARSON, Administrator, Defense Materials Procurement Agency, Washington, D. C., dated February 28, 1952:

The Defense Materials Procurement Agency is prepared to lend all possible financial assistance in the form of V Loan guarantees to those producers participating in the DMPA program for expansion of productive capacity and supply of strategic minerals and metals. The attached list, while not all inclusive, is generally illustrative of these expansion programs.

It is apparent that Government guarantee of private loans can materially assist in the financing of expanded production in these fields, while lessening both the need and the pressure for direct Government financing.

Certain producers are offered contracts providing for the purchase of production, and often other forms of Government aid are available in order to encourage development and mining. The contracts and related incentives should facilitate private financing. The Agency is prepared to consider applications which cover working capital needs as well as facilities expansion in order to expedite production essential to the national defense.

The producers applying to the Defense Materials Procurement Agency for Government assistance are advised of the V Loan Program and encouraged to privately finance their operations through such medium.

The list of strategic and critical metals and minerals referred to in the letter is reprinted on the reverse of this circular.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,  
*President.*

(OVER)

ILLUSTRATIVE LIST OF  
STRATEGIC AND CRITICAL METALS AND MINERALS

- |                  |                     |
|------------------|---------------------|
| 1. Antimony      | 23. Lead            |
| 2. Asbestos      | 24. Magnesium       |
| 3. Barium        | 25. Manganese       |
| 4. Beryllium     | 26. Mercury         |
| 5. Cadmium       | 27. Mica            |
| 6. Chromite      | 28. Molybdenum      |
| 7. Cobalt        | 29. Monazite        |
| 8. Columbium     | 30. Nickel          |
| 9. Cryolite      | 31. Platinum        |
| 10. Copper       | 32. Potash          |
| 11. Diamond      | 33. Quartz Crystals |
| 12. Dolomite     | 34. Radium          |
| 13. Ferro Alloys | 35. Rutile          |
| 14. Feldspar     | 36. Scheelite       |
| 15. Fluorspar    | 37. Thorium         |
| 16. Garnet       | 38. Tin             |
| 17. Gem Stones   | 39. Titanium        |
| 18. Germanium    | 40. Tungsten        |
| 19. Graphite     | 41. Uranium         |
| 20. Ilmenite     | 42. Vanadium        |
| 21. Iron Ore     | 43. Zinc            |
| 22. Kyanite      | 44. Zirconium       |

NOTE: Generally, "production" includes the mining, concentrating and smelting up to the first point of use by manufacturing industries.