

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, April 26, 1954.

PRESENT: Mr. Szymczak, Acting Chairman
Mr. Evans
Mr. Vardaman
Mr. Mills
Mr. Robertson

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 April 23, 1954, were approved unanimously.

Telegram to Mr. Erickson, President, Federal Reserve Bank of Boston, reading as follows:

Reurtel today. Board approves effective April 27, 1954, rates of 1-1/2 per cent on discounts for and advances to member banks under Sections 13 and 13a and 2 per cent on advances to member banks under Section 10(b). Otherwise Board approves establishment by your Bank, without change, of rates of discount and purchase in Bank's existing schedule, advice of which was contained in your telegram April 26. Board's announcement on change in discount rate is being handed to press this afternoon for immediate release.

Approved unanimously, with the understanding that the Presidents of all Federal Reserve Banks and the Vice Presidents in charge of all Federal Reserve Bank branches would be advised by telegram; that advice would be sent to the Federal Register; and that the press statement would be in a form similar to that previously used in announcing the reduction in the discount rate at other Federal Reserve Banks.

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Telegrams to Mr. Knoke, Vice President, Federal Reserve Bank of New York, reading as follows:

Your wire April 22. Board approves an extension of the arrangement to make loan or loans by your Bank to the Bank for International Settlements not to exceed \$25 million in the aggregate at any one time outstanding on the following terms and conditions:

- A. Each such loan or loans to be made up to 98 per cent of the value of gold bars to be set aside at the time of each drawing under pledge to you.
- B. Each such loan to run for a period of not more than seven days.
- C. Each such loan to bear interest from the date it is made until paid at the discount rate of your Bank in effect on the date such loan is made.
- D. The loan arrangement to expire on July 31, 1954, but to be renewable in your officers' discretion for a further period of three months.

It is understood that the usual participation will be offered to the other Federal Reserve Banks.

Your wire April 23. The Board approves granting of loan or loans by your Bank to Banque Centrale de la Republique de Turquie not to exceed \$15 million in the aggregate at any one time outstanding on the following terms and conditions:

- A. Such loan or loans to be made up to 98 per cent of the value of gold bars set aside in your vaults under pledge to you.
- B. Any such loan to be made not later than July 31, 1954, and to run for three months.
- C. Each such loan to bear interest from the date such loan is made until paid, at the discount rate of your Bank, in effect on the date on which such loan is made.

It is understood that the usual participation will be offered to the other Federal Reserve Banks.

Approved unanimously.

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

Reference is made to your letter of April 20, 1954, relating to the admission to membership of the Metropolitan Bank of Miami, Miami, Florida, and particularly to the disposition of savings and loans shares owned which was requested in the Board's letter of April 7, 1954, addressed to the board of directors of the bank.

You are advised that the Board will regard disposition of the savings and loans shares owned on or about June 30, 1954, as compliance with the request that such shares be disposed of "within a reasonable time". Please advise the bank accordingly.

Approved unanimously.

Letter for the signature of the Chairman to The Honorable George M. Humphrey, Secretary of the Treasury, Washington, D. C., reading as follows:

For some time the Federal Reserve has been developing information on the influence of corporation pension fund investments on the credit market. In this connection, the Federal Reserve research staff has had the benefit of close consultation and cooperation with the people at the Treasury who are working on this question.

It is our understanding that in the Internal Revenue Service certain data are available which if further processed and analyzed could be very helpful to both the Treasury and the Federal Reserve staffs in these studies. Facilities for this processing are now available in the System, with the assistance and cooperation of the Debt Division of the Treasury's Analysis Staff. It has been proposed in discussion with Mr. Dan Throop Smith that the Treasury might loan the materials to the System for this purpose. We understand that the details of a loan of this kind were outlined in correspondence between Mr. Smith and Mr. T. C. Atkeson of the Internal Revenue Service.

We should very much appreciate it if such a loan could be arranged. The data in question are (a) transcript cards giving detailed information regarding pension plans

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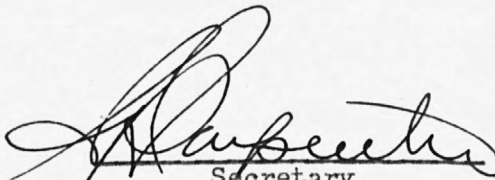
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submitted by over 7,000 corporations with their 1951 income tax returns, and (b) microfilm prints of about 15,600 special transcript cards prepared by the Internal Revenue Service in its 1951 pension plan study.

Inasmuch as these records contain the name and address of the reporting corporations, it is our understanding that an Executive Order pursuant to Section 55 of the Internal Revenue Code is required for releasing these records. It is also understood that the name, address, and information for individual companies should be treated as confidential.

The source material would be in the custody of Mr. Ralph A. Young, Room 3041, Federal Reserve Building. The materials would be used only by members of the Board's staff and the staff of the Federal Reserve Bank of New York.

Approved unanimously.



Secretary