Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, April 6, 1948.

PRESENT: Mr. Eccles, Chairman pro tem.
Mr. Draper
Mr. Evans
Mr. Vardaman
Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Board

Minutes of actions taken by the Board of Governors of the Federal Reserve System on April 5, 1948, were approved unanimously.

Letter to Mr. Earhart, President of the Federal Reserve Bank of San Francisco, reading as follows:

"This refers to your letter of January 20, 1948 and your telegram of March 17, 1948, with respect to the construction of vaults in the proposed buildings at Portland and Seattle and the new vault in the Los Angeles building.

"The Board has considered your recommendation that the walls of such vaults be 36 inches thick. In reviewing the situation at other branches we find that at least eight of them the vault walls are less than 36 inches thick and we are now in receipt of a recommendation for the construction of an additional vault at the Detroit Branch which provides for reinforced concrete walls 30 inches in thickness (their former recommendation was for 48 inch walls).

"In the opinion of the Board the walls of vaults at Federal Reserve branches should be of adequate thickness to provide against all fire hazards and to give reasonable protection against burglary, riot, or civil commotion. The Board believes that 30 inch walls properly reinforced are adequate for this purpose. It is doubtful whether a 36 inch wall would provide materially greater protection against possible catastrophe such as tornado or earthquake. While the Board, therefore, approves of the construction of vaults with 30 inch reinforced concrete walls for your
"branches, it would be very reluctant to approve walls of greater thickness because of the additional cost involved."

Approved unanimously.

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

"Your wire April 2. Board approves the making of a loan on gold of $80,000,000 by your Bank to the United States of Brazil through the Banco do Brasil as fiscal agent, on the terms and conditions specified in your wire as follows:

(A) Such loan to be made up to 98 per cent of the value of gold bars held in your vaults as collateral;
(B) Each such loan or renewal thereof to run for three months, but no loan or renewal thereof to mature later than June 3, 1949;
(C) Each such loan and any renewal thereof to bear interest from the date that such loan is made or renewed until paid at the discount rate of your Bank in effect on the date on which such loan or renewal was made;

provided further that you receive from the Banco do Brasil duly executed loan documents in a form satisfactory to you, and that you arrive at a clear understanding with the Banco do Brasil that at least half of the loan will be repaid in instalments due at the time of the second and third renewals.

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

Approved unanimously.

Approved:

Chairman pro tem.

Assistant Secretary.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis