Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, April 14, 1952.

PRESENT: Mr. Martin, Chairman
Mr. Szymczak
Mr. Evans
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 11, 1952, were approved unanimously.

Letter to Mr. Clarke, Secretary, Federal Reserve Bank of New York, reading as follows:

"Thank you for your letter of April 2, 1952, advising that in accordance with the arrangements as indicated in the Board's letter of December 26, 1951, and Mr. Sproul's letter of January 18, 1952, Mr. John F. Pierce, Examiner, Examining Division, Bank Examinations Department, has been granted leave of absence without pay for a period of approximately one year plus travel time for the purpose of advising the Central Bank of Ceylon on problems of commercial bank examination and supervision."

Approved unanimously.

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

"Reference is made to your letter of March 26, 1952, in which you advised that it appears expenses for your head office and the Buffalo Branch will exceed the 1952 budget estimates in the amounts indicated.

"The Board accepts the revised figures as submitted and appropriate notations are being made in the Board's records."

Approved unanimously.
Letter to The National City Bank of New York, New York, New York, reading as follows:

"The Board of Governors of the Federal Reserve System authorizes The National City Bank of New York, New York, New York pursuant to the provisions of Section 25 of the Federal Reserve Act, to establish a branch in Paris, France, and to operate and maintain such branch subject to the provisions of such section; upon condition that unless the branch is actually established and opened for business on or before May 1, 1953, all rights granted hereby shall be deemed to have been abandoned and the authority hereby granted shall automatically terminate on such date.

"It is understood that it is the intention of International Banking Corporation, a subsidiary of The National City Bank of New York, to close its Paris Branch as soon as it conveniently can be done after the transfer of its business to the proposed Paris Branch of The National City Bank of New York. Accordingly, the Board's approval of the application of The National City Bank of New York for permission to establish a branch in Paris, France, is given with the understanding that the branch of International Banking Corporation will be liquidated and closed within a reasonable time."

Approved unanimously, together with the following letter to Mr. Wiltse, Vice President, Federal Reserve Bank of New York:

"Enclosed is a letter of the Board of Governors authorizing The National City Bank of New York, New York, New York, to establish a branch in Paris, France, which you will please deliver to the Bank. A copy of the letter is enclosed for your files.

"Please ask The National City Bank of New York to note that the authority to establish the branch will automatically terminate on May 1, 1953, if the branch is not actually established and opened for business on or before that date, and request the Bank to advise the Board in writing through
"the Federal Reserve Bank of New York when the branch is so established and opened for business."

"Also enclosed is a letter from the Board of Governors to International Banking Corporation, New York, New York, which you will please deliver to the Corporation. A copy of the letter is enclosed for your files. Please ask International Banking Corporation to advise the Board in writing through the Federal Reserve Bank of New York when the Paris Branch of International Banking Corporation is closed."

Letter for the signature of the Chairman to the Honorable Wright Petman, Chairman, Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report, United States Capitol, Washington, D. C., reading as follows:

"I have your letter of April 2, 1952, referring to the testimony on Wednesday, March 19, before your Subcommittee, at page 981 of the Record, with regard to the status of the Federal Reserve System. In accordance with your request, I am pleased to enclose herewith a memorandum prepared by our Counsel as to the legal status of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks."

Approved unanimously.

[Signature]

Secretary.