

At a special meeting of the Federal Reserve Board held in the office of the Board on Monday, December 1, 1919, at 11 A.M.,

PRESENT: The Governor
 Mr. Strauss
 Mr. Miller
 Mr. Hamlin
 Mr. Moehlenpah
 Mr. Williams
 Mr. Chapman, Secretary.

Business was presented and disposed of as follows:

Letter dated November 26th from Deputy Governor Talley of the Federal Reserve Bank of Dallas, explaining his action in connection with a controversy between him and Chief Federal Reserve Examiner Will, and apologizing therefor, together with letter from Mr. Will bearing same date, bespeaking lenient action by the Board in the premises.

Voted that the Governor inform Mr. Talley that the Board regards any obstruction to the work of its examining force, or personal controversies with its examiners as highly reprehensible and will not be tolerated in the future, but that in view of the frank statement made by Mr. Talley and his full apology, no further action will be taken by the Board in the present case.

Letters dated November 28th from the Chairman and Secretary of the Federal Reserve Bank of Chicago, in re charge off by that Bank against buildings on real estate recently acquired, which buildings are to be torn down.

In view of a tie vote on the subject, the question was tabled for meeting to be held on Tuesday, December 2d.

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Letter dated November 28th from the Secretary, Federal Reserve Bank of Chicago, advising that the Board of Directors of that Bank had voted to assign certain territory to its Detroit Branch, and outlining collection system to be adopted in connection with such territorial assignment.

Voted that the Board approve amendment to by-laws of the Detroit Branch of the Federal Reserve Bank of Chicago in order to make possible the carrying out of the plan outlined.

Letter dated November 26th from the Chairman, Federal Reserve Bank of St. Louis, making report that there are no member banks in the Eighth Federal Reserve District for which joint directorships have heretofore been authorized under the Clayton Act that may now be regarded as competing institutions.

Letter dated November 29th from Mr. A. F. Lever, Member, Federal Farm Loan Bureau, recommending the granting of a preferential discount rate on paper secured by warehouse receipts meeting certain minimum requirements.

Ordered circulated.

Letter dated November 26th from the Chairman, Federal Reserve Bank of San Francisco, in re status of the Scandinavian-American Bank of Seattle, Washington, a member bank.

Referred to Executive Committee with full power.

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Letter dated November 29th from the Chairman, Federal Reserve Bank of New York, further explaining the recommendation of that Bank that Mr. Francis Oakey be appointed its General Auditor at a salary of \$20,000 per annum.

Mr. Strauss moved that the recommendation be approved, but that if feasible, a change in the proposed title be made so that Mr. Oakey be designated as Consulting Auditor, or otherwise than as recommended, in view of objection raised to the retention of Mr. Oakey's name in a firm of public accountants.

Mr. Williams moved to amend by stipulating that the appointment should be approved only upon the understanding that the title of General Auditor or General Comptroller shall not be conferred upon Mr. Oakey so long as he retains an interest in an outside firm.

Motion to amend carried.

Voted to approve Mr. Strauss' motion as amended by Mr. Williams' motion.

The Governor and Mr. Strauss requested that they be recorded as voting "No", believing that the appointment as recommended by the Federal Reserve Bank of New York was entirely within the bounds of propriety.

Letter dated November 26th from the Cashier, Kelsey State Bank, Kelsey, Iowa, protesting against the Federal Reserve Board's par point campaign.

Referred to the Governor for reply.

Memorandum by Mr. Hamlin dated November 29th, enclosing letter addressed to him under date of November 28th

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by the National Inland Waterways Association, requesting that he accept election as an honorary member thereof.

Tabled for meeting of Board to be held on Wednesday, December 3d.

Memorandum by Mr. Kenzel of the Federal Reserve Bank of New York, recommending approval of the plan submitted by the Asia Banking Corporation and others, looking to the adjustment of exchange rates between the United States and China.

Approved as submitted, subject to approval by the Secretary of the Treasury.

At 1-07 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.