

A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, October 5, 1921, at 11:20 a.m.

PRESENT: Governor Harding
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. Mitchell
Mr. Hoxton, Secretary.

Minutes of the meeting of the Board held October 4th were read and on motion approved, as amended.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business October 3d, and the status of rediscounts between the Federal reserve banks as of the same date.

Thereupon there ensued a discussion of the proposal which has been made with reference to changing the present method of publishing the reserve percentages of the Federal reserve banks held against Federal reserve note issues, after setting aside 35% reserve against deposits.

Upon motion, referred to a committee of three to be appointed by the Chair. Governor Harding thereupon appointed Messrs. Platt, Miller and Mitchell.

Draft of letter dated October 5th, prepared for the signature of Governor Harding, addressed to Mr. A. P. Slover, Cashier of the Prague National Bank, Prague, Oklahoma, relative to financing the cotton purchases of the Oklahoma Cotton Growers Association.

Letter approved and ordered transmitted.

Memorandum dated October 4th, from the Assistant Secretary of the Board, submitting a request from the United States Tariff Commission for a copy, gratis, of the Index Digest to the Federal Reserve Bulletin.

Approved.

Draft of letter prepared by General Counsel for the signature of Governor Harding, addressed to Mr. Wade H. Cooper, of Washington, D. C.

Approved, and ordered transmitted. Thereupon, the following resolution was unanimously adopted:

WHEREAS, Section 11 of an Act of Congress approved October 15, 1914, and known as the "Clayton Act", confers upon the Federal Reserve Board authority to enforce compliance with the provisions of Section 8 of said Act, to be exercised as provided in said Section 11 of said Act; and

WHEREAS, the Federal Reserve Board has reason to believe that Wade H. Cooper, a resident of the City of Washington, District of Columbia, and Continental Trust Company and Union Savings Bank, banks, banking associations or trust companies operating under the laws of the United States and having their respective principal places of business in the City of Washington, District of Columbia, have violated and are now violating the provisions of Section 8 of said Clayton Act, in that said Cooper is serving as director and officer of two banks, banking associations or trust companies operating under the laws of the United States and located in the same city of more than 200,000 inhabitants, to wit, Continental Trust Company and the Union Savings Bank, without first having obtained the permission of the Federal Reserve Board to serve, as provided by the Act of Congress approved May 15, 1916, known as the "Kern Amendment", and in that each of the said Continental Trust Company and the Union Savings Bank, which are, as aforesaid, banks, banking associations or trust companies operating under the laws of the United States in a city of more than 200,000 inhabitants, has as a director or officer a director or officer, to wit, the said Cooper, of another bank located in the same place.

NOW, THEREFORE, BE IT RESOLVED, that the Federal Reserve Board proceed to enforce compliance with the provisions of Section 8 of said Clayton Act to the full extent of the authority conferred upon

it by Section 11 of said Act, and that to initiate the proceedings to enforce such compliance the Federal Reserve Board issue and serve upon Wade H. Cooper, Continental Trust Company and the Union Savings Bank, as provided by Section 11 of said Clayton Act, a complaint stating its charges against them and containing a notice of hearing of said charges to be held before the Federal Reserve Board at such time and place as may be lawfully designated in such notice; and

BE IT FURTHER RESOLVED, That the Federal Reserve Board, in pursuance of its said authority, take such further steps and do such other things in the premises as may be necessary and proper to enforce full compliance with Section 8 of said Clayton Act.

Telegram dated October 5th, from the Chairman of the Federal Reserve Bank of Philadelphia, advising that the Board of Directors of that Bank had, subject to the review and determination of the Federal Reserve Board, established a rate of discount of 5% upon all classes of paper of all maturities, effective upon approval by the Federal Reserve Board.

Approved.

Letter dated October 3d, from the Acting Comptroller of the Currency, submitting changes in the National Bank Examining force made during the month of September, 1921.

Noted.

Letter dated September 29th, from the Assistant Federal Reserve Agent at San Francisco, advising that the capital stock of the Federal Reserve Bank of San Francisco held in the name of the Burley State Bank of Burley, Idaho, had been cancelled and the amount involved applied against the indebtedness of the Burley State Bank to the Federal Reserve Bank of San Francisco.

Approved.

Draft of letter dated October 4th, prepared for the signature of the Secretary, approving the application of the First National Bank of St. Louis, Mo. for authority to purchase stock in the International Acceptance Bank, Inc. to the extent of \$1,000, representing 100 special shares at \$10.00 per share, the said authority being, in addition to the authorization previously granted to the applicant, to subscribe to the stock of the International Acceptance Bank, Inc. to the extent of \$150,000, representing 1,000 common shares at \$150.00 per share.

Approved.

Draft of letter dated October 4th, prepared for the signature of the Secretary, granting authority to the Central National Bank Savings and Trust Company, of Cleveland, Ohio, to subscribe for and purchase stock in the International Acceptance Bank, Inc., to the extent of \$75,500, representing 500 shares of common stock at \$150.00 per share and 50 shares of special stock at \$10.00 per share.

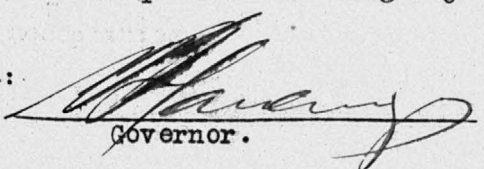
Approved.

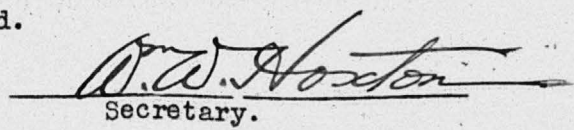
Governor Harding advised the Board that the extra compensation allowed to Mr. Walter L. Eddy, Assistant Secretary of the Board, recorded in the minutes of August 24th, would expire October 1st, and suggested that the extra compensation allowed to Mr. Eddy at the said meeting of August 24th, be continued for such time as he continues to perform the extra duties occasioned by the absence of Mr. Emerson.

Upon motion, it was so ordered.

At 12:45 p.m. the meeting adjourned.

Approved:


Governor.


Secretary.