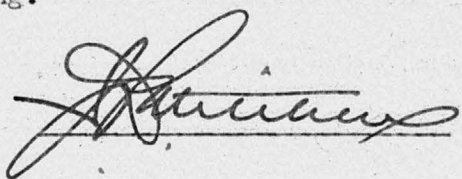


FEDERAL RESERVE BOARD
WASHINGTON

October 21, 1921.

MEMORANDUM FOR GOVERNOR HARDING:

Please call a meeting of the Board
for 10:30 this morning.



C. C. Miller

A. C. Miller

A special meeting of the Federal Reserve Board was held in the office of the Board on Friday, October 21, 1921, at 10:30 a.m.

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

Minutes of the meeting of the Board held October 20th were read and on motion approved.

The Governor reported the reserve positions of the several Federal reserve banks as at close of business October 19th, and the status of rediscounts between the Federal reserve banks as of the same date.

The Governor reported rediscount transactions, member bank promissory notes secured by Government obligations, rate 6%, as follows:

<u>Date</u>	<u>Bank redis- counting</u>	<u>With</u>	<u>Amount</u>	<u>Maturities</u>
Oct. 19	Richmond	New York	\$10,000,000	11-15 days
Oct. 19	Minneapolis	New York	2,000,000	1-15 "
Oct. 19	Dallas	Boston	500,000	11-15 "
Oct. 19	Minneapolis	New York	1,000,000	1-90 (com'l)
Oct. 20	Atlanta	Boston	1,000,000	1-90 (com'l)

Draft of letter dated October 21st, prepared for the signature of Governor Harding, and addressed to Mr. Sherril Smith, Vice President of the Chase National Bank of New York City, advising that if a National Bank in good faith charges off, as worthless, stock which it holds in a foreign banking corporation, under the terms of Section 25 of the Federal Reserve Act, that the stock so charged off shall not be counted when considering the limitation required by the Act of an aggregate of 10%

of the paid in capital and surplus of the stockholding National Bank.

Approved.

Governor Harding submitted to the Board correspondence had with the Federal Reserve Bank of Kansas City, with reference to the continuous failure of the First State Bank of North Bend, Neb. to comply with the conditions imposed upon it at the time of its admission to membership in the Federal Reserve System. Thereupon the Board conducted a hearing in the case of the First State Bank of North Bend, Neb., and upon motion, duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, it appears to the Federal Reserve Board from a consideration of the evidence and information received by it, that the First State Bank, North Bend, Nebraska, has failed to comply with the provisions of Section 9 of the Federal Reserve Act and that said bank has failed to comply with the regulations of the Federal Reserve Board made pursuant to the provisions of that section,

NOW, THEREFORE, BE IT RESOLVED, that the Federal Reserve Board require and direct the First State Bank, North Bend, Nebraska, under the terms of Section 9 of the Federal Reserve Act as amended by the Act of June 21, 1917, to surrender its stock in the Federal Reserve Bank of Kansas City and to forfeit all rights and privileges of membership as of the date on which notice of this action on the part of the Federal Reserve Board is received by said bank.

Draft of letter dated October 20th, prepared for the signature of Governor Harding, and addressed to the Federal Reserve Agent at San Francisco, requiring that he change his practice with reference to the custody of collateral pledged to secure Federal Reserve notes, and directing that he arrange to retain the custody of such paper, either personally or through a representative, until such time as it shall be reasonably necessary to deliver it to the Federal Reserve Bank for collection.

Approved.

REPORTS OF COMMITTEE NO. 1:

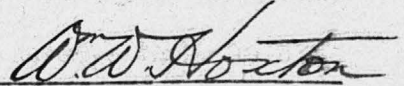
Dated October 20th, Recommending changes in stock at Federal Reserve Banks, as set forth in the auxiliary minute book as of this date.

Approved.

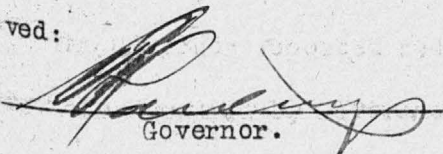
Dated October 20th, Recommending refusal of the application of Mr. Roland R. Marchant to serve at the same time as director of the National Bank of Baltimore, and as director of the Baltimore Commercial Bank, both of Baltimore, Md.

Approved.

At twelve o'clock noon the meeting adjourned.


Secretary.

Approved:


Governor.