At a meeting of the Federal Reserve Board held in the office of the Board on Thursday, August 28, 1919, at 11 A.M.,

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

The minutes of the meeting of the Board held on August 27th were read, and on motion approved.

Morning business was presented and disposed of as follows:

Letter dated August 27th from Deputy Governor Case, Federal Reserve Bank of New York, advising that it is the intention of that Bank to ship to London as soon as possible German gold now held for it by De Nederlandsche Bank, and if possible, to effect an arrangement with the Bank of England whereby that Bank would deliver in New York gold held by it at Ottawa, in return for gold held by the Bank of England in London for account of the Federal Reserve Bank of New York, both banks thus profiting by the saving in expense.

Noted.

The Governor reported the purchase of special 2% certificates of indebtedness of the United States for deposit with the Comptroller of the Currency as collateral for Federal Reserve bank notes, as follows:

<table>
<thead>
<tr>
<th>For Federal Reserve Bank of:</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philadelphia</td>
<td>August 27th</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Atlanta</td>
<td>&quot;</td>
<td>500,000</td>
</tr>
</tbody>
</table>
Approved.

Report of discount rates at various Federal Reserve banks; no changes recommended.

Noted.

The Governor reported the reserve positions of the several Federal Reserve banks as at close of business August 26th, and the status of rediscounts between Federal Reserve banks as of the same date.

Letter dated August 25th from the Chairman of the Federal Reserve Bank of Chicago, enclosing copy of opinion by Counsel of that Bank to the effect that an Illinois State bank, not a member of the Federal Reserve System and having no authority in law to make acceptances, would acquire such authority through membership in the Federal Reserve System. The Governor submitted for approval draft of letter prepared for his signature by General Counsel under date of August 27th.

Approved.

Letter dated August 26th from Mr. E. R. Kenzel, Manager of Investments, Federal Reserve Bank of New York, giving reasons supporting his suggestion that the Federal Reserve Act be amended so as to permit Federal Reserve banks to make direct loans to non-member banks and individuals on approved collateral.

Ordered circulated.
Memorandum by the Comptroller of the Currency, dated August 25th, recommending approval of the application of the Commercial National Bank of Eufaula, Alabama, for permission to reduce its capital stock from $150,000 to $100,000.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated August 28th, recommending admission of State institutions as set forth in the auxiliary minute book as of this date, subject to the conditions stated in the individual reports attached to each application.

Approved.

Dated August 23d, recommending approval of the appointment of Mr. H. A. Sonne as Examiner of the Federal Reserve Bank of San Francisco at a salary of $2,400 per annum, effective September 1, 1919.

Approved.

At 12:25 P.M., the meeting adjourned.

Approved:

Acting Secretary.

Governor.