

At a special meeting of the Federal Reserve Board held in the office of the Board on Monday, May 13, 1918, at 5\*05 P. M.,

PRESENT:

- Mr. Harding, presiding,
- Mr. Warburg,
- Mr. Miller,
- Mr. Willis, Secretary.
- Mr. Hamlin,

Governor Harding reported a message received from Cincinnati re the effect of the "Shafroth bill" (guaranty of deposits) on member (state) banks. It was agreed that Governor Harding reply, saying that the bill in its present form does not relate to such banks.

Governor Harding presented the new rate schedule received from Kansas City and submitted at the morning meeting. The schedule was discussed, with reference to the whole rate situation. It was agreed that Governor Harding reply that the Board had the matter under advisement and would endeavor to settle it on Wednesday of this week, adding, however, that some of the advances suggested seem rather drastic and inquiring whether the bank had considered the effect on other districts and the probable consequences of a gen-

eral advance throughout the country.

Mr. Warburg submitted resolutions regarding the service of the Capital Issues Committee as follows:

WHEREAS, Messrs. Allen B. Forbes, Frederic H. Goff and Henry C. Flower have served as members of the Advisory Committee of the Capital Issues Committee of the Federal Reserve Board, and,

WHEREAS, Mr. Bradley W. Palmer has served as Counsel to said Committee, and

WHEREAS, Mr. Stephen L. Selden has served as Executive Secretary and Mr. James Q. Newton as Assistant Executive Secretary,

WHEREAS, they have all given their services in a voluntary capacity, be it

RESOLVED that the Federal Reserve Board expresses to all of them its sincere gratitude for the excellent services rendered by them. They accepted the difficult task in an unselfish spirit of patriotism, and the singleness of purpose and high efficiency with which they accomplished their work has been a credit to the Board and of genuine benefit to the country.

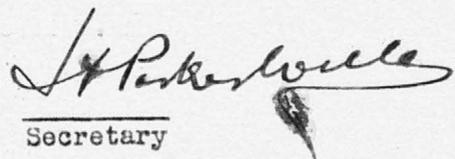
The resolutions were adopted.

Further discussion of the general question of discount rate increases at Federal Reserve banks ensued.

On motion, at 5:30 P. M., the Board adjourned.

APPROVED:

  
Chairman

  
Secretary