

MINUTES OF MEETING
of the
FEDERAL ADVISORY COUNCIL
and the
FEDERAL RESERVE BOARD

November 18, 1918

The regular statutory meeting of the Federal Advisory Council opened by a joint session with the Federal Reserve Board, Monday, November 18, 1918, at eleven o'clock A. M. in the Federal Reserve Board room in the Metropolitan Bank Building, Washington, D. C.

Present: The following members of the Council, Messrs J. B. Forgan, President, L. L. Rue, Vice President, D. C. Wing, J. P. Morgan, W. S. Rowe, J. W. Norwood, C. A. Lysterly, F. C. Watts, J. R. Mitchell, E. P. Wilmot, H. Fleishhacker, and Merritt H. Crim, Secretary; also the following members of the Board - Governor W. P. C. Harding Messrs C. S. Haslin, A. C. Miller, J. S. Williams, Albert Strauss, and F. A. Broderick, Secretary. Messrs. R. Leffingwell, Assistant Secretary of the Treasury, and Benjamin Strong, Jr., Governor of the Federal Reserve Bank of New York were also present by invitation.

Absent: Mr. E. F. Swinney of St. Louis, member of the Federal Advisory Council.

Mr. J. B. Forgan called the meeting to order and asked Governor Harding to address the meeting.

Governor Harding explained that as Secretary of the Treasury McAdoo could not be present at the meeting he had asked Mr. Leffingwell, the Assistant Secretary to attend the joint session owing to the importance of the matters to be discussed, also that Governor Strong happened to be in Washington and he had invited him to be present. The Governor also conveyed an invitation from Secretary McAdoo for the members of the Council to remain over until Wednesday and have lunch and an informal conference with him at one o'clock on that day. Eight members of the Council signified their intention of attending the luncheon.

Governor Harding reviewed some of the important financial conditions that have developed since the Federal Reserve system was inaugurated and more especially those incident to the war which had just closed and he outlined the financial problems confronting the Government during the period of readjustment and reconstruction which the country now faces, laying particular emphasis on the question of note expansion and the gold situation covered in the topics submitted by the Board for the Council's consideration. Governor Harding urged the Council to more freely criticize any decisions or policies of the Board or make any inquiries desired as to the Board's reasons therefor. He said the Board would welcome any inquiries, suggestions or criticisms from the Council.

MINUTES OF MEETING
OF THE
FEDERAL ADVISORY COUNCIL November 18, 1918
F A C Continued

Mr. Leffingwell then brought a greeting from Secretary McAdoo and renewed his invitation to the Council to meet him on Wednesday.

Mr. Ramlin, Chairman of the Capital Issues Committee announced a conference between the members of that committee and a representative bankers from various parts of the country on Tuesday at three o'clock and asked the members of the Council to meet with them at that time. All members present indicated their intention of being present.

Present: The following members of the Council, Messrs.

Mr. Forgan, on behalf of the Council thanked the Governor for his helpful retrospect of financial conditions and suggested that the stenographer prepare copies of his address for the benefit of the Council, which it was agreed would be done.

At Mr. Forgan's suggestion Governor Strong of New York and Mr. Albert Straus, the new member of the Federal Reserve Board, both made interesting addresses on the various financial questions now pending, after which the joint session adjourned.

On motion duly made and carried the minutes of the meetings of the Federal Advisory Council and of its Executive Committee held on September 16 and 17, 1918, copies of which had been sent by the secretary to the members Secretary Council, were approved.

Mr. Forgan asked the Council what action should be taken in regard to the request of the Director of the Federal Reserve Board that the Council should be more free in advising and advising the Board in regard to its dealings and policies. Several suggestions were made, and after some discussion the following resolution was unanimously passed by the Council:

RESOLVED: That the President of the Council be authorized to write the Federal Reserve Agents of the Federal Reserve Banks stating that each of the Federal Reserve Banks invite their members of the Federal Advisory Council to attend their regular meetings at their own expense and suggesting that in order to keep the members of the Council in closest touch with what is going on in the Federal Reserve System they should each be invited to attend the meetings of the Directors of the Banks of their respective districts.

The Council then adjourned until the next meeting.

MINUTES OF MEETING
OF THE
FEDERAL ADVISORY COUNCIL

Later Session
November 18, 1918

The formal meeting of the Federal Advisory Council was called to order by the President, Mr. James B. Forgan, at 12:30 P. M., Monday, November 18, 1918.

Present: The following members of the Council, Messrs. J. B. Forgan, President, L. L. Rue, Vice President, D. G. Wing, J. P. Morgan, W. S. Rowe, J. W. Norwood, C. A. Lyerly, F. O. Watts, J. R. Mitchell, E. P. Wilmot, H. Fleishhacker, and Merritt H. Grim, Secretary.

Absent: Mr. E. F. Swinney of St. Louis, member of the Federal Advisory Council. The President stated that he had a letter from Mr. Swinney indicating that other business prevented his attending the meeting.

On motion duly made and carried the minutes of the meetings of the Federal Advisory Council and of its Executive Committee held on September 16 and 17, 1918, copies of which had been sent by the secretary to the members of the Council, were approved.

Mr. Forgan asked the Council what action should be taken in regard to the request of the Governor of the Federal Reserve Board that the Council should be more free in criticizing and advising the Board in regard to its decisions and policies. Several suggestions were made, and after some discussion the following resolution was unanimously passed by the Council:

RESOLVED: That the President of the Council be requested to write the Federal Reserve Agents of the twelve Federal Reserve Banks stating that some of the Federal Reserve Banks invite their members of the Federal Advisory Council to attend their regular meetings of Directors and suggesting that in order to keep the members of the Council in closer touch with what is going on in the Federal Reserve System they should each be invited to attend the meetings of the Directors of the Banks of their respective districts.

The Council then adjourned until two o'clock.

Secretary

Later Session
F A C November 18, 1918

At 2:15 o'clock Monday, November 18, 1918, the Federal Advisory Council resumed its session, all members except Mr. E. F. Swinney being present.

The matter of trying to get individual members of the Federal Advisory Council to make suggestions as to topics to be considered by the Council at its meetings was discussed. Mr. Watts suggested two sets of topics, one set from the Board and another from the Council members, the President being asked to write all members thirty days in advance of the stated meetings for suggested topics, criticisms, et cetera. It was understood without formal action that Mr. Watts' suggestion would be acted upon.

The President then laid before the Council a letter from Dr. A. C. Miller, of the Federal Reserve Board, submitting on behalf of the Board the topics on which the Council's recommendations are desired, as follows:

October 30, 1918.

Dear Mr. Forgan:

In the absence of Governor Harding, there has been referred to me for reply your letter to him of October 25th advising that the next statutory meeting of the Federal Advisory Council will be held in Washington on Monday and Tuesday, November 18th and 19th, and requesting that you be sent a list of topics which the Federal Reserve Board desires to have considered by the Federal Advisory Council at its coming meeting.

At a meeting of the Executive Committee of the Board held this afternoon, the following topics and questions were agreed upon to be submitted to the Council:

I

1. Federal Reserve Notes.

Is it desirable that steps should be taken to check further growth in the volume of Federal Reserve notes issued? If so, what action is recommended?

2. Development of open markets for bankers' acceptances.

What steps can be taken to promote and accelerate the development in each Federal Reserve District of an open market for bankers' acceptances?

3. Drafts drawn for the purpose of furnishing dollar exchange.

The Board has heretofore granted permission to member banks to accept drafts drawn upon them by banks and bankers in Central and South America for the purpose of furnishing dollar exchange.

The opinion of the Council is desired as to whether there are other countries in which the "usages of trade" are such as would warrant

the extension of the Board's policy.

4. Extension of American banking facilities in foreign countries.
 - (A) Are there any special steps which the Council would recommend that the Board should take for the purpose of encouraging the establishment of additional American banking facilities in foreign countries?
 - (B) Should the Board, in the exercise of its powers over foreign branches of national banks and banking corporations engaged in foreign banking, in the stock of which national banks are permitted by the Board to invest, require that reserves of not less than a stated per cent be maintained against demand deposit liabilities of such branches and banks? If so, (a) should requirement be uniform in all countries in which such branches and banks are operated, and (b) of what should the reserve consist, and (c) what reserve percentage is recommended?
 - (c) What limit or restriction should be imposed upon the acceptance power of banks engaged in foreign banking, which are operated under supervision of the Federal Reserve Board?
5. What further services should be rendered by Federal Reserve banks to the public through additional free facilities granted to member banks?

II.

In view of the apparent near conclusion of hostilities, the attention of the Council is invited to the consideration of:

After-war policies, both domestic and foreign, of the Federal Reserve System.

1. With respect to the requirements of the domestic situation, should the policy of the Federal Reserve banks be restrictive or liberal? In other words, should contraction of credit and currency be a controlling consideration in the Board's policies?
2. In connection with the consideration of the changed position of the United States with respect to international finance and banking, what should be the policy of the Federal Reserve System with respect to:

Mr. Forgan - 3.

- (A) the management of its gold reserve;
- (B) operations in the purchase and sale of foreign bills?

In connection with the discussion of (A), consideration of the following further questions is asked:

- (a) Is it desirable that the gold embargo should be continued on shipments of gold to any country or group of countries after the termination of the war? If so, on what principle?
- (b) Should the gold embargo be lifted on behalf of any country or group of countries before the termination of the war?
- (c) Is it desirable that the Federal Reserve System should undertake, by informal conferences with other central banking systems, to formulate policies or promote arrangements to regulate the international distribution and flow of gold in an orderly manner, at the end of the war?
- (d) Is it desirable that provision should be made in the treaty stipulations following the conclusion of war for the establishment, under suitable safe-guards and international guarantees, of international trust funds of gold so as to minimize the hazards and costs of gold shipments?

In connection with the discussion of (B), consideration of the following further questions is asked:

- (a) Should it be the policy of the United States to establish and maintain a free gold market?
- (b) If such a policy is adopted, should the main reliance of the Reserve System be the adoption of the English practice of regulating the flow of gold by a variable discount rate?

Doubtless other topics will suggest themselves to the Council, either before or after it convenes at the conference, and the Board may have a few additional suggestions to offer. The foregoing, however, embraces a considerable list of topics, many of which will demand careful and extended study.

Believe me,

Very truly yours,

A. C. Miller.

Mr. James B. Forgan, Pres.,
Federal Advisory Council,
Chicago, Illinois.

It was decided that the Council members should discuss all the topics and leave it to the Executive Committee to formulate tentative recommendations on them embodying the consensus of the views expressed and report to a subsequent meeting. The topics were then taken up seriatim, the members freely expressing their opinions on them.

Mr. J. P. Morgan suggested the Council should recommend to the Federal Reserve Board an amendment to the Federal Reserve Act to provide that the surpluses of the Federal Reserve Banks should be increased out of earnings to 100% of their capitals, instead of 40%, after which all excess earnings to be turned over to the Government. This suggestion also was referred to the Executive Committee to report a recommendation thereon.

At 4:45 P. M. the Council adjourned until ten o'clock November 19.

Present: The following members of the Council
 Messrs. J. B. Morgan, President, L. L. Rus,
 Vice President, D. C. Wing, J. P. Morgan,
 W. S. Rowe, J. P. Morgan, Secretary
 J. C. Little, J. B. Morgan, Secretary
 H. Fleischhacker, and Messrs. J. B. Morgan, Secretary

MINUTES OF EXECUTIVE COMMITTEE
 of the
 FEDERAL ADVISORY COUNCIL

November 18, 1918

After the Council meeting a meeting of the Executive Committee was held.

Present: Messrs. J. B. Morgan, L. L. Rus, D. C. Wing,
 J. P. Morgan, W. S. Rowe, and Merritt H. Grim,
 Secretary.

Tentative recommendations and answers were prepared on the topics referred to the Committee by the Council and the chairman was requested to present the report at the meeting of the Council in the morning.

Mr. Wing suggested that a recommendation should be made by the Council to increase the acceptance power of member banks for foreign acceptances, and he was requested to prepare a tentative recommendation covering it and present it at the meeting of the Council in the morning.

Secretary

RECOMMENDATIONS
BY
THE FEDERAL ADVISORY COUNCIL
TO
THE FEDERAL RESERVE BOARD
MINUTES OF MEETING
of the
FEDERAL ADVISORY COUNCIL

November 19, 1918

The Federal Advisory Council met in the Federal

Reserve Board room as arranged on Tuesday, November 19,

1918, at ten (10) A. M.

Present: The following members of the Council
Messrs. J. B. Forgan, President, L. L. Rue,
Vice President, D. G. Wing, J. P. Morgan,
W. S. Rowe, J. W. Norwood, C. A. Lyerly,
F. O. Watts, J. R. Mitchell, E. P. Wilnot,
K. Fleishhacker, and Merritt H. Grim, Secretary.

Absent: Mr. E. F. Swinney of St. Louis, member of
the Federal Advisory Council.

Mr. Forgan called the meeting to order and announced
that the members of the Federal Reserve Board would be
present at 11:30 to receive the Council's recommendations.

The report of the Executive Committee was then taken
up and after further discussion the following were adopted
as the recommendations of the Council.

(See printed pages following)

RECOMMENDATIONS
BY
THE FEDERAL ADVISORY COUNCIL
TO
THE FEDERAL RESERVE BOARD
November 19, 1918

I

TOPIC NO. 1.—Federal Reserve notes.

Question: Is it desirable that steps should be taken to check further growth in the volume of Federal Reserve notes? If so, what action is recommended?

Answer:

During the period of readjustment and reconstruction on which we are now entering sudden changes in financial conditions are likely to arise which will have to be met with practical banking judgment. It would seem to be undesirable to take any steps to check further growth in the volume of Federal Reserve notes issued. The expansion which has taken place recently incident to war financing, and which will continue undoubtedly under additional government financing and probably through the reconstruction period, is made possible chiefly through the issue of Federal Reserve notes. Their issue and redemption respond to the requirements of trade. Natural and not artificial methods should control the situation.



TOPIC NO. 2.—Development of open markets for bankers' acceptances.

Question: What steps can be taken to promote and accelerate the development in each Federal Reserve district of an open market for bankers' acceptances?

Answer:

No steps should be taken by the Federal Reserve Board as yet. Banking habits must be given time to develop and should not be rushed. The open market for bankers' acceptances is developing and must grow by use.



TOPIC NO. 3.—Drafts drawn for the purpose of furnishing Dollar exchange.

The Board has heretofore granted permission to member banks to accept drafts drawn upon them by banks and bankers in Central and South America for the purpose of furnishing dollar exchange. The opinion of the Council is desired as to whether there are other countries in which the "usages of trade" are such as would warrant the extension of the Board's policy.

Recommendation:

This question does not seem to require immediate attention. Under the development of peace conditions undoubtedly the drawing of drafts to create dollar exchange from countries other than those prescribed may become necessary, but the matter can be considered more intelligently later as conditions develop.



TOPIC NO. 4.—Extension of American banking facilities in foreign countries.

(A) Question: Are there any special steps which the Council would recommend that the Board should take for the purpose of encouraging the establishment of additional American banking facilities in foreign countries?

Answer:

The purpose of establishing American banking facilities in foreign countries is of course to encourage and enlarge American trade. The two go together. Branch banking in foreign countries may be considered as having developed most satisfactorily under the trying conditions which have prevailed since the Federal Reserve Act, which first authorized this method of banking, was enacted. Under peace conditions doubtless there will be further development and there would seem to be no steps necessary at this time to further encourage the business.

(B) Question: Should the Board, in the exercise of its powers over foreign branches of national banks and banking corporations engaged in foreign banking in the stock of which national banks are permitted by the Board to invest, require that reserves of not less than a stated per cent be maintained against demand deposit liabilities of such branches and banks? If so, (a) should requirement be uniform in all countries in which such branches and banks are operated, and (b) of what should the reserve consist, and (c) what reserve percentage is recommended?

Answer:

We are advised that the Federal Reserve Board has already definitely decided this question on the lines that such banks will not be required to keep a fixed ratio of reserve and that foreign branches of national banks will not be required to keep any portion of their reserve in Federal Reserve banks against deposits received in foreign countries, the whole matter of reserves of their foreign branches being left to the discretion of the parent institution. This Council concurs in the action of the Federal Reserve Board in this matter.

(C) Question: What limit or restriction should be imposed upon the acceptance power of banks engaged in foreign banking, which are operated under supervision of the Federal Reserve Board?

Answer:

At present the ratio of six to one between acceptances and capital and surplus would seem sufficient to meet the requirements, but as the business of the branches of American banks grows, there is reason to believe that it may be necessary later to increase the ratio, which, under proper control, can be done conservatively. When American banks begin to approach their present limit of six to one, and make application for permission to increase the ratio, would seem time enough to consider such extension. Branches of foreign banks are operated ordinarily without limits.



TOPIC NO. 5.

Question: What further services should be rendered by Federal reserve banks to the public through additional free facilities granted to member banks?

Answer:

During the past year the Federal Reserve banks have added considerably to the free facilities afforded to the public through member banks. The Council has at this time no suggestion to make in regard to an extension of these free services. It would not seem desirable to add materially to the burdens assumed by the Federal Reserve banks until the relations of the Federal Reserve banks and their member banks are established upon a peace basis.



II

In view of the apparent near conclusion of hostilities, the attention of the Council is invited to the consideration of

After-war policies, both domestic and foreign, of
the Federal reserve system.

TOPIC NO. 6.

Question: With respect to the requirements of the domestic situation, should the policy of the Federal Reserve banks be restrictive or liberal? In other words, should contraction of credit and currency be a controlling consideration in the Board's policies?

Answer:

The policy of the Federal Reserve banks should be as liberal as is consistent with safety. Any attempt at enforced contraction of credit on their part would be injurious to the business interests of the country.



TOPIC NO. 7.

Question: In connection with the consideration of the changed position of the United States with respect to international finance and banking, what should be the policy of the Federal Reserve system with respect to

A The management of its gold reserve:

B Operations in the purchase and sale of foreign bills.

Answer:

A.—Acting in conjunction with Great Britain the United States should get back to a free gold market as soon as feasible.

B.—The purchase and sale of foreign bills should be engaged in by the Federal Reserve banks only as a means to regulate the exchange market and to control gold.



TOPIC NO. 8.

In connection with the discussion of A (Topic No. 7) consideration of the following further questions is asked:

Question: (a) Is it desirable that the gold embargo should be continued on shipments of gold to any country or group of countries after the termination of the war? If so, on what principle?

Question: (b) Should the gold embargo be lifted on behalf of any country or group of countries before the termination of the war?

Answer (a and b):

It would seem desirable that the question of the gold embargo be left to the Gold Committee, to be handled with such elasticity as developing conditions make advisable. If the Gold Committee of the Federal Reserve Board is free to pass on all applications for gold for shipment with entire freedom, the merits of each individual case in connection with the whole situation can decide its action. We would recommend that the necessary legislation be obtained as soon as possible continuing the powers of this Committee for a period of six months beyond the declaration of peace.

Question: (c) Is it desirable that the Federal reserve system should undertake, by informal conferences with other central banking systems, to formulate policies or promote arrangements to regulate the international distribution and flow of gold in an orderly manner, at the end of the war?

Question (d) Is it desirable that provision should be made in the treaty stipulations following the conclusion of war for the establishment, under suitable safe-guards and international guarantees, of international trust funds of gold so as to minimize the hazards and costs of gold shipments?

Answer (c and d):

It would not seem desirable at this time to encourage any informal conference with other central banking systems for the purpose stated. During the war we have had a close working arrangement with Great Britain. Such a working arrangement if continued would probably meet the situation. No treaty stipulations in connection with international trust funds of gold would seem to us to be desirable.

TOPIC NO. 9. In connection with the discussion of B (Topic No. 7) consideration of the following further questions is asked:

Question (a): Should it be the policy of the United States to establish and maintain a free gold market?

Answer:

The United States should as soon as possible reestablish and maintain a free gold market if it is to remain a world banker and hold the place it has secured during the past four years. Particularly will this be necessary if Great Britain carries out its intention of reestablishing its free gold market.

Question (b): If such a policy is adopted, should the main reliance of the reserve system be the adoption of the English practice of regulating the flow of gold by a variable discount rate?

Answer:

The main reliance of the Federal Reserve system should be the adoption of the English practice of regulating the flow of gold by establishing a variable discount rate.



ADDITIONAL RECOMMENDATIONS

NO. 1.

Amend the Federal Reserve Act to allow surpluses of Federal Reserve banks to accumulate until they are 100% of their paid-in capitals.

The Federal Advisory Council recommends that the First paragraph of Section 7 of the Federal Reserve Act be amended to read as follows:

"Section 7. After all necessary expenses of a Federal Reserve bank have been paid or provided for, the stockholders shall be entitled to receive an annual dividend of six per centum on the paid-in capital stock, which dividend shall be cumulative. After the aforesaid dividend claims have been fully met, all the net earnings shall be paid into a surplus fund until it shall amount to *one hundred* per centum of the paid-in capital stock of such bank, after which all the net earnings in excess of aforesaid dividend shall be paid to the United States as a franchise tax."



NO. 2.

Amend Federal Reserve Act to allow member banks to accept foreign bills up to 200% of their capital and surplus.

It is generally conceded that following the declaration of peace, this country will have an opportunity to develop its foreign trade to an extent impossible before the war. If we are to develop and maintain our export and import trade it should be financed by American banks and bankers and it is therefore essential that the member banks be granted additional acceptance powers to properly take care of the increasing volume of dollar exchange and credits.

We recommend that the Federal Reserve Act be amended as soon as possible so as to allow member banks to accept on purely foreign transactions

up to 200% of their capital and surplus. This limit to include acceptances of foreign banks or bankers for the account and under the guaranty of the member banks. This acceptance power to be in addition to that now provided by the Act for domestic acceptances.



NO. 3.

To make bank acceptances available as reserve to the owning bank on the day of maturity.

The Council suggests the institution by the Federal Reserve Board of a uniform plan by which bank acceptances may be available as reserve to the owning bank on the day of maturity and payment. It would seem a simple process to accomplish this end by wire through the Gold Fund and the service would broaden the market for such acceptances.

NO. 4.



Federal Reserve banks should not afford non-member banks clearing privileges unless they belong to the Clearing House if any exists in the city in which they are located.

The Council recommends that the Federal Reserve banks should adopt the policy of not permitting non-member banks to avail themselves of the privilege of clearing their items through them unless the non-member banks are members or affiliated members of the clearing house association if any exists in the city in which said non-member banks are located and subject to clearing house rules and regulations.



The following members of the Federal Advisory Council were present at this meeting: President, James B. Forgan, in the chair; Vice-President, L. L. Rue; D. G. Wing, J. P. Morgan, W. S. Rowe, J. W. Norwood, C. A. Lyerly, F. O. Watts, J. R. Mitchell, E. P. Wilmot, Herbert Fleishacker, and Merritt H. Grim, Secretary.



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Mr. Watts read the following telegram to the Council from Mr. Breckenridge Jones the Chairman Committee of Management, of the St. Louis Clearing House Association:

"Mr. F. O. Watts,
New Willard Hotel,
Washington, D. C.

Referring to my telegram of last Saturday to you matter was discussed fully Committee of Management today resulting in authorizing me to wire you on behalf of committee urging you to discuss matter freely there. Same problems will soon present themselves to every Clearing House in country.

Breckenridge Jones, Chairman
Committee of Management,
St. Louis Clearing House Association."

After discussion Mr. Watts presented the following, which was unanimously adopted:

"The Council recommends that the Federal Reserve banks should adopt the policy of not permitting non-member banks to avail themselves of the privilege of clearing their items through them unless the non-member banks are members or affiliated members of the Clearing House Association if any exists in the city in which said non-member banks are located and subject to Clearing House rules and regulations."

At Mr. Wilmot's suggestion the Council also adopted the following recommendation:

"The Council suggests the institution by the Federal Reserve Board of a uniform plan by which bank acceptances may be available as reserve to the owning bank on the day of maturity and payment. It would seem a simple process to accomplish this end by wire through the Gold Fund and the service would broaden the market for such acceptances."

Mr. Wing presented the following suggested recommendation, as requested by the Executive Committee, which was unanimously approved.

"It is generally conceded that following the declaration of peace, this country will have an opportunity to develop its foreign trade to an extent impossible before the war. If we are to develop and maintain our export and import trade it should be financed by American banks and bankers and it is therefore essential that the member banks be granted additional acceptance powers to properly take care of the increasing volume of dollar exchange and credits. We recommend that the Federal Reserve Act be amended as soon as possible so as to allow member banks to accept on purely foreign transactions up to 200% of their capital and surplus."

F A C Continued
November 19, 1918

- - - This limit to include acceptances of foreign banks or bankers for the account and under the guaranty of the member banks. This acceptance power to be in addition to that now provided by the Act for domestic acceptances."

The President was requested to present the recommendations of the Council to the Federal Reserve Board at the joint session arranged for.

On motion the Council then adjourned.

Secretary

JOINT MINUTES OF MEETING
of the
FEDERAL RESERVE BOARD
and the
FEDERAL ADVISORY COUNCIL

November 19, 1918

As arranged at 11:30 A. M. November 19, 1918, a joint meeting of the Federal Reserve Board and the Federal Advisory Council was held in the Board room.

Present: The following members of the Board, Governor W. P. G. Harding, Messrs. J.S. Williams, Albert Straus, C. S. Hamlin, A. C. Miller, and F. A. Broderick, Secretary, and the following members of the Council, Messrs. James E. Forgan, President, L. L. Rue, Vice President, D. G. Wing, J. P. Morgan, W. S. Rowe, J. W. Norwood, C. A. Lyerly, F. O. Watts, J. R. Mitchell, E. P. Wilmot, H. Fleishhacker, and Merritt H. Grim, Secretary.

Governor Harding called the meeting to order and asked Mr. Forgan to read the Council's report, which he did.

Members of both Boards then informally discussed the topics and the Council's recommendations thereon.

At the request of Governor Harding the members of the Council reviewed commercial and financial conditions in their respective districts.

At 1:30 P. M. the joint session adjourned.

Secretary