

MINUTES OF MEETING  
of the  
FEDERAL ADVISORY COUNCIL  
November 16-17, 1931

# MINUTES OF MEETING OF FEDERAL ADVISORY COUNCIL

November 16, 1931.

The fourth statutory and final meeting for 1931 of the Federal Advisory Council was convened in Room 736 of the Mayflower Hotel, Washington, D. C., on Monday, November 16, 1931, at 10:15 A. M., the Vice-President, Mr. Smith, in the Chair.

## Present:

Mr. Walter S. Bucklin (Alternate for Mr. H. K. Hallett)	District No. 1
Mr. Robert H. Treman	District No. 2
Mr. Howard A. Loeb	District No. 3
Mr. J. A. House	District No. 4
Mr. John Poole	District No. 5
Mr. Melvin A. Traylor	District No. 7
Mr. Walter W. Smith	District No. 8
Mr. George H. Prince	District No. 9
Mr. Walter S. McClucas	District No. 10
Mr. J. H. Frost	District No. 11
Mr. H. M. Robinson	District No. 12
Mr. Walter Lichtenstein	Secretary

## Absent:

Mr. John K. Ottley	District No. 6
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The Secretary informed the Council that Mr. J. H. Frost had been appointed by the Federal Reserve Bank of Dallas to serve in place of Mr. McKinney for the balance of the year 1931.

The Secretary read a letter from Governor B. A. McKinney expressing his regret that owing to his new office, he had been compelled to sever his connection with the Federal Advisory Council. It was voted that the Secretary be instructed to make an appropriate reply to Mr. McKinney's letter.

On motion, duly made and seconded, it was voted to elect Mr. George H. Prince Chairman pro tem.

Mr. Prince called for nominations for the office of President of the Council, owing to the vacancy created by the resignation of Mr. McKinney. Mr. Walter W. Smith was nominated. On motion, duly made and seconded, the nominations were closed and the Secretary was instructed to cast a ballot for Mr. Smith, who was thereupon declared elected President of the Council for the balance of the year 1931.

Mr. Smith took the Chair and called for nominations for Vice-President. Mr. Melvin A. Traylor was nominated. On motion, duly made and seconded, the nominations were closed, and the Secretary was instructed to cast a ballot for Mr. Traylor, who was thereupon declared elected Vice-President of the Council for the balance of the year 1931.

On motion, duly made and seconded, it was voted to approve the minutes of the meeting of the Council of September 14-15, copies of which had been previously sent to members of the Council.

A discussion took place regarding conditions prevailing throughout the country.

It was voted that the Council present to the Federal Reserve Board the following resolution, which, however, is not to be considered a recommendation and, therefore, is to be regarded merely as an informal expression of opinion:

“At its last meeting the Council recommended to the Board to consider the advisability in times of pressure of accepting securities not now eligible as collateral for bills payable. The Council would now suggest to the Federal Reserve Board that if it deems it wise to act on the former recommendation that it might be well before taking other steps to consider the possibility of recommending to Congress that debentures issued by intermediate credit banks having a maturity not exceeding nine months be made eligible as security for promissory notes discounted by member banks with Federal Reserve banks.”

At 12:15 P. M., Mr. Melvin A. Traylor left the meeting to keep an important appointment.

Governor Meyer joined the members of the Council at luncheon and discussed with them the situation, especially in view of developments in Great Britain.

After lunch Dr. Goldenweiser presented to the members of the Council an interesting view of the situation.

The meeting adjourned at 3:00 P. M.

WALTER LICHTENSTEIN,

Secretary.

MINUTES OF THE MEETING OF THE FEDERAL ADVISORY COUNCIL

November 17, 1931.

At 9:30 A. M. the Federal Advisory Council reconvened in the Federal Reserve Board Room, Treasury Building, Washington, D. C., the President, Mr. Smith, in the Chair.

Present: Mr. W. W. Smith, President; Mr. M. A. Traylor, Vice-President; Messrs. W. S. Bucklin, R. H. Treman, H. A. Loeb, J. A. House, John Poole, G. H. Prince, W. S. McLucas, J. H. Frost, and Walter Lichtenstein, Secretary.

The resolution to be presented to the Federal Reserve Board, adopted at the informal meeting of yesterday, was formally voted upon and adopted.

The meeting adjourned at 9:55 A. M.

WALTER LICHTENSTEIN,

Secretary.

MINUTES OF JOINT CONFERENCE OF THE FEDERAL ADVISORY COUNCIL  
AND THE FEDERAL RESERVE BOARD

November 17, 1931.

At 10:00 A. M. a joint conference of the Federal Advisory Council and the Federal Reserve Board was held in the Federal Reserve Board Room, Treasury Building, Washington, D. C.

Present: Members of the Federal Reserve Board:

Governor Eugene Meyer; Mr. John W. Pole, Comptroller of the Currency; Messrs. C. S. Hamlin, A. C. Miller, G. R. James, and W. W. Magee; also Messrs. Chester Morrill, Secretary of the Board, Floyd R. Harrison, Assistant to the Governor, E. M. McClelland, Assistant Secretary of the Board; Walter Wyatt, General Counsel of the Federal Reserve Board; E. A. Goldenweiser, Director, Division of Research and Statistics, Federal Reserve Board, and E. L. Smead, Chief of Division of Bank Operations.

Present: Members of the Federal Advisory Council:

Mr. W. W. Smith, President; Mr. M. A. Traylor, Vice-President; Messrs. W. S. Bucklin, R. H. Treman, H. A. Loeb, J. A. House, John Poole, G. H. Prince, W. S. McLucas, J. H. Frost, H. M. Robinson, and Walter Lichtenstein, Secretary.

The Secretary of the Federal Advisory Council read the resolution adopted by the Council regarding the possibility of including debentures issued by intermediate credit banks as eligible security for promissory notes, which, however, as stated, was not a recommendation.

A discussion took place regarding silver and failed banks.

The meeting adjourned at 11:30 A. M.

WALTER LICHTENSTEIN,  
Secretary.