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STATEMENT FOR THE PRESS.

It was learned today that the Capital Issues Committee of the Federal Reserve Board has completed the draft of its general plans of organization.

In Washington, in addition to the three members of the Federal Reserve Board whose names have heretofore been announced, there will be an Advisory Committee, consisting of Mr. Allen B. Forbes, senior partner of the firm of Harris, Forbes & Company, New York City; Mr. F. H. Goff, President of the Cleveland Trust Company, Cleveland, Ohio; and Mr. Henry C. Flower, President of the Fidelity Trust Company, Kansas City, ^{Mo.} Kansas.

Mr. Forbes will act as Chairman of the Advisory Committee. The Counsel of the Committee will be Mr. Bradley W. Palmer, of the firm of Storey, Thorndike, Palmer & Dodge, Boston. Mr. Stephen L. Selden, at present identified with the Aircraft Board, will be the Executive Secretary of the Committee, in which capacity he will be assisted by Mr. James Q. Newton, of Denver, Colorado. All these have offered their services without compensation. The Advisory Committee will have an office with the Federal Reserve Board in the Treasury Building and the staff of the committee will be located in the Metropolitan Bank Building, opposite the Treasury Building.

The Capital Issues Committee will organize at each of the twelve Federal Reserve Banks, local committees for the purpose of furnishing to the Committee such additional information and recommendations as the Board may require in dealing with cases originating in the respective

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districts. These local committees will consist of the Chairman of the Board and the Governor of the respective Federal Reserve Banks and three additional members, particularly equipped by banking or business experience, to serve with these ex-officio officers of the bank; in addition the Board will approve a list of names of experts and prominent citizens in those localities who may be called in as substitutes or additional advisers for such local committees, whenever required.

The Committee does not expect to deal with cases touching railroad financing, but it will give advice with respect to the sale of securities involving municipal, public utility and industrial financing. The Committee will act in a manner similar to that of the Capital Issues Committee in London, which exercises its influence relying upon voluntary cooperation on the part of the banks, bankers, and business men of the country.

For the time being, the Committee does not contemplate passing upon individual issues of securities aggregating less than \$500,000, in the case of industrial and public utility corporations, and \$250,000, in the case of municipalities; nor upon securities having a maturity of less than one year. This does not mean that for smaller amounts the Committee does not desire the cooperation of all concerned. Indeed, it is considered imperative that a policy of avoiding appropriations for unessential expenditures be adopted by all with the most scrupulous care. The Committee hopes, in due course, it will be able to devise ways and means to deal also with transactions of smaller scope.

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It is distinctly understood that the Committee will not pass upon the intrinsic merits of individual cases, but only upon the question of whether or not the objects for which money is to be raised and spent are essential to and compatible with the national welfare at this time.

It is the Committee's desire that applications be addressed to it at Washington. From there, if necessary, they will be transmitted for further local investigation to the respective districts.

There is no doubt that pending a possible action by Congress the Committee can count upon the heartiest cooperation of all concerned. As a matter of fact, it has already received communications from all parts of the country asking for its advice.

1/26/18