

General Committee Formed to Handle Problems of Markets

Eight Bank and Exchange Members May Be Joined by Insurance Man —To Act If War Starts

Formation of a general committee to guide Wall Street through problems that probably would arise should war develop was announced yesterday afternoon by George L. Harrison, president of the Federal Reserve Bank of New York.

At present this committee, which is expected to hold its first meeting soon—maybe today—is composed of eight men, representatives of commercial, investment and savings banks and the Stock Exchange. In addition, another member will be chosen by the insurance companies, making it a nine-man committee. There is a possibility that the group later might be enlarged.

Mr. Harrison, who will not be a member, explained yesterday that such a committee could serve as an orderly way of covering the markets should problems arise. It may be that Washington would have ideas which it would want to get across to the markets and these could be conveyed through this liaison group. On the other hand this committee might develop ways of meeting problems which it would want to present to Washington.

Quick Action If Necessary

The committee, it is felt, provides a means of quick action if necessity for such develops. It is a more orderly method than a hit and miss assembly of leaders in Wall Street after a situation has developed.

Formation of the committee brings to two the number of groups that have been formed on Mr. Harrison's suggestion as a result of the troubled European picture. The other group, gotten together last week, is the foreign exchange committee, also a nine-man group. No other committee is planned.

The general committee, it is understood, will deal with money market problems generally. It might, for instance, if it were deemed necessary or Washington wanted it, take up the British order prohibiting Britons to sell or transfer American and other foreign securities without permission. This order was amended yesterday to allow sales so long as proceeds in the foreign currency were turned over to the Bank of England, the seller being compensated in sterling.

The question of the Government bond market and possible war effects on it would be one for the general committee.

Members of this committee, as well as those of the foreign exchange committee, were selected by the groups which they represent.

Investment Booking Group Meets

Yesterday morning Mr. Harrison met with 28 representatives of the investment banking business. He brought them up to date on what plans he had made in regard to the war threat. With one exception, insurance companies, this completes the Wall Street groups with which

Please turn to page 2, column 2

General Committee

Continued from First Page

Mr. Harrison plans to meet. Some of the insurance people have been out of the city and this meeting has had to be delayed. An insurance representative for the general committee is expected to be named when this group gathers with Mr. Harrison.

Following are the members of the general committee: Representing commercial banks: James H. Perkins, chairman of the National City Bank and president of the New York Clearing House Association; William C. Potter, chairman of the Guaranty Trust Co. and Class A director of the Federal Reserve Bank of New York; Leon Fraser, president of the First National Bank and member of the Federal Advisory Council for the New York District; Winthrop W. Aldrich, chairman of the Chase National Bank, and J. C. Traphagen, president of the Bank of New York. Representing investment bankers: Henry S. Morgan of Morgan Stanley & Co. Representing savings banks: Charles A. Miller, chairman of the Savings Banks Trust Co. Representing the Stock Exchange: William McC. Martin, Jr., president of the Exchange.

TOLEDO—Construction work here showed a 16% gain in July over a year ago.