

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date February 5, 1940To Chairman EcclesSubject: Treasury financingFrom Henry Edmiston

I do not know whether you have already presented your program for Treasury financing this year. It occurs to me that the question of the refunding of the \$1,100,000,000 of notes and bonds due or callable in June should be decided as soon as possible. This is particularly true with regard to the \$350,000,000 of bonds which must be called for redemption not later than next week on February 15. The market, of course, assumes that these securities will be refunded not later than March 15. An increasing number of articles are appearing in the Press regarding the probable character of such financing. This morning, for example, there was an article about it both in The Wall Street Journal and in The New York Herald Tribune.

Although the Secretary has given no intimation of his plans, he might very well discuss with the Press his tentative program when the bonds are called on February 15. From the point of view of getting them redeemed in cash, it would seem essential that the Treasury should not give even a tentative commitment to undertake refunding of these securities.

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