

PERSONAL AND CONFIDENTIAL

CONFIRMATION OF TELEGRAM

SECRETARY MORGENTHAU, TREASURY.

February 26, 1943.

As you requested, I have tried below to rephrase the telegram you sent the Presidents of the Federal Reserve Banks on February 23, 1943. My approach has been to put into words the meaning you wish to convey; not to try to use words as a cloak for further jockeying for position as between the War Savings Staff and the Victory Fund Committee, of which there has been too much already. The suggested announcement follows:

"The second big drive of the Treasury's war financing campaign will take place in April and will seek to exceed the December drive both in total amount of securities sold and in amount of sales to non-bank investors. It is essential to the success of the drive that the Treasury use the combined services of the War Savings Staff and the Victory Fund Committees in the sale of all government securities offered.

"To promote the integrated efforts of the two organizations during the drive, I am appointing a United States Treasury War Finance Committee which will be the general headquarters staff at Washington. I am also requesting that all national publicity, including press stories, radio announcements, newspaper, periodical, outdoor and motion-picture advertising be enlisted in support of this joint endeavor. This will include, wherever possible, the continuous promotion programs of the War Savings Staff.

"For the direction of the United campaign in the twelve Federal Reserve Districts, I am requesting the Presidents of the Federal Reserve Banks, fiscal agents of the Government, to represent me with full authority and responsibility in their respective districts. They will serve as Chairmen of United States Treasury War Finance Committees for their districts. The committees will consist of representatives of the War Savings Staff and the Victory Fund organization, to be appointed by the Chairmen. The combined forces of the two organizations -- business, finance, labor, agriculture and women's groups -- will be integrated in every productive way in preparation for and during the April drive. The payroll allotment plan and the sale of War Savings Stamps, of course, will be carried on as in the past by the War Savings Staff.

"Will you please see to it that all workers in your organization are welded into this combined effort for the April drive under the direction of the Presidents of the Federal Reserve Banks."

I must make it clear, of course, that I cannot speak for the other Federal Reserve Bank Presidents who are meeting in Washington Monday and hope to be able to express their views to you. This proposed announcement is, therefore, a personal suggestion for your consideration in case you finally determine that there must be Treasury War Finance Committees at the district level for the April drive.

ALLAN SPROUL