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In looking back through the records one is impressed by the fact that a large part of the present war financing program was initiated by the Federal Reserve System. Equally impressive is the record of hesitation and delay, many times extending over a period of months, in the Secretary's acceptance of Federal Reserve proposals. The record shows patient cooperation by the Federal Reserve with the Treasury. The following is not a complete list, but I thought it might be pertinent to current discussions.

1. The System has assured and reassured the Treasury that it will provide banks with sufficient reserves to take care of bank purchases of Government securities. Experience has proved the wisdom of the Federal Reserve position that large amounts of excess reserves are not only unnecessary but are detrimental to the program.
2. Series C tax savings notes are the result of Federal Reserve initiation and patient negotiation.
3. The restricted 2 1/2 per cent bonds were proposed by the Federal Reserve as a compromise on a System proposal for a long nonnegotiable security.
4. The bill and certificate programs are largely the result of Federal Reserve efforts.
5. Full allotments on subscriptions of Treasury bills up to \$100,000 at a fixed price of 99.905 was a recommendation of the Federal Reserve. The Treasury for some time contended that they had no legal authority to issue Treasury bills at a fixed price although the Board's lawyers took a different position.
6. The System established the buying rate on Treasury bills with repurchase option in support of the financing program.
7. The System recommended various open-market issues at financing operations, which were justified by results, and gave the Treasury assurances that the System would underwrite the success of the issues.
8. The System offered its services to the Treasury to assist in selling securities and have long advocated a single sales organization to handle sales of all Government securities. Combination of the Victory Fund Committees and of the War Savings Staff under the Presidents of the Federal Reserve Banks in the April drive came about as a result of Federal Reserve leadership in this matter.

