

December 27, 1946.

Mr. Edward F. Bartelt,
Fiscal Assistant Secretary,
Treasury Department,
Washington 25, D. C.

Dear Mr. Bartelt:

I understood from your telephone conversation with Mr. Musgrave that you are prepared to recommend that holders of Series C savings bonds be permitted to reinvest the proceeds of their maturing bonds in Series E savings bonds, without counting such purchases against the \$3.750 purchase limit now applicable to investment in Series E bonds. This is in line with the Executive Committee's thinking on this matter, especially with respect to future maturities of Series E bonds.

Sincerely yours,

Secretary,
Federal Open Market Committee.

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The foregoing letter was prepared after telephone conversations between Mr. Musgrave and Mr. Rouse and between myself and Mr. Leach of Richmond, in addition to which I brought the matter to the attention of Messrs. Ransom and Evans, who were the only Board Members available. Mr. Rouse informed Mr. Musgrave that Mr. Sproul was in favor of the proposed action, and Messrs. Leach, Ransom and Evans concurred.

Cmw

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date January 3, 1947

To Chairman Eccles

Subject: Series C Savings Bonds

From Richard A. Musgrave RRM

Mr. Bartelt just informed me of Secretary Snyder's decision that Series C Savings Bonds maturing in 1947 will be paid in cash without any privilege of reinvestment in E Bonds outside the regular purchase limit. The intention is not to make a press statement of special announcement on the matter.

BOARD OF GOVERNORS
OF THE
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Office Correspondence

Date January 3, 1947

To Chairman Eccles

Subject: _____

From Richard A. Musgrave *RAM*

I am attaching for your attention a copy of (1) letter to Mr. Bartelt supporting recommendation to permit refunding of maturing C Bond issues outside the purchase limit on E Bonds; (2) letter received from Mr. Bartelt regarding treatment of gold held in Stabilization Fund when payment is made to International Monetary Fund. A memorandum on this matter is in preparation.

Attachments