

Open mail

C O P Y

TELEGRAM

November 17, 1942

Paddock - Boston
Sproul - New York
Williams - Philadelphia
Fleming - Cleveland
Leach - Richmond
McLarin - Atlanta

Young - Chicago
Davis - St. Louis
Peyton - Minneapolis
Leedy - Kansas City
Gilbert - Dallas
Day - San Francisco

In view of the increasing amount of war financing and the consequent large temporary shifts in reserves accompanying each financing operation, banks should be encouraged to make greater use of war loan deposit accounts. The next financing operation will be substantially larger than usual making it highly important that war loan deposit accounts be used to the fullest possible extent. Accordingly, it is suggested that you get in touch with member and nonmember banks in your district that do not now have such accounts and explain to them the importance and mechanics of the accounts in the present situation and encourage them to open accounts.

It is important that this be done promptly in order that the necessary action may be taken by applying banks in time to be prepared for the forthcoming Treasury financing. As you know, the limitations on the size of such accounts have been removed by the Treasury subject to the recommendations of the Federal Reserve Banks.

Eccles