

## RECOMMENDATIONS

1. That there be no change in the pattern of rates ranging from  $3/8\%$  to  $2-1/2\%$ .
2. That we continue the present basis of market bidding for bills with the expectation that cooperation from the market will provide bids at  $3/8\%$  or better in ample volume.
3. That we continue to expect the Federal Reserve System to provide sufficient reserves to meet the needs of the market and to maintain a good tone in the Government Securities market at the established pattern of rates.
4. That the over-all national goal for the Fourth War Loan be fixed at — \$14 billion, of which \$6 billion should be set as the individual goal — — (\$3-1/2 billion of this latter amount should be raised through the — — sale of Series E Savings Bonds); and that \$8 billion should be set as — — the goal for other non-bank investors. Sales to dealers and brokers are — — included in this last figure with the understanding that their subscriptions — — will be policed.
5. That the date for the start of the drive be Tuesday, <sup>Jaw</sup> January 18, 1944.
6. That the timing of the drive be arranged as follows: <sup>Jaw</sup> <sup>Jaw</sup> <sup>18, 1944</sup>
  - (a) Emphasis in the period from January 18 to February 1 be placed on the individual quota of \$6 billion.
  - (b) Drive to continue until February 15, taking in other non-bank investor subscriptions beginning February 1st.
  - (c) All subscriptions from individuals received at the Federal Reserve Banks or at the Treasury of the United States up to February 29, 1944, will be credited to the drive; and that corporations will be permitted

to subscribe during the entire period of the drive but no public announcement of such subscriptions will be made by the Treasury until after February 1st.

7. That the basket should consist of the following securities:

(a) Individuals:

E - F - G Savings Bonds

Treasury Savings Notes

2-1/4% Treasury bond (Call and maturity date to be decided just before announcement)

2-1/2% Treasury bond (Call and maturity date to be decided just before announcement)

(b) Other Non-bank investors:

F & G Savings Bonds

Treasury Savings Notes

7/8% Certificate of Indebtedness (Will be available for subscription by individuals but decision with respect to credit against individual quota will be made later.

- 2-1/4% Treasury bond (Same as above) -

- 2-1/2% Treasury bond (Same as above) -

8. That the date of the marketable securities be February 1, 1944.

9. That the 2-1/2% long bond be reopened at least once between the Fourth and Fifth War Loan Drives.

10. That any decisions with respect to the drive be announced on November 24th.

11. That the Secretary of the Treasury send a letter to all banking institutions of the country pointing out the Treasury's objective to borrow as much of our required funds as possible from non-bank sources,

and ask them for their cooperation in eliminating speculative subscriptions and free-riding. Advise them that there is no objection to loans by banking institutions to facilitate permanent investment in Government securities if such loans are paid off within the period specified by bank examination authorities (6 months).

12. That Certificate of Indebtedness maturing December 1, 1943, in amount of \$3,800,000,000 be refunded and Treasury note maturing December 15, 1943 in amount of \$421,000,000 be paid off in cash.