

THE UNDER SECRETARY OF THE TREASURY  
WASHINGTON

March 27, 1944.

Dear Marriner:

In connection with the conference between the Secretary and the Executive Committee to be held at eleven o'clock Wednesday, I thought you might like to have the following points on which we want your advice and recommendations:

1. The goal for the Fifth War Loan is to be \$16 billion. You probably noticed this in the paper and no doubt Ronald has given you the reasons why the Secretary felt he had to announce it.
2. Should we increase the Certificate offering on May first by, say, \$2 billion in connection with the refunding of the maturing Certificate amounting to \$1,600 million, and also increase the Certificate offering on August first by, say, \$1 billion in connection with the refunding of the maturing Certificate of \$2,500 million?
3. The Treasury bill program. The memorandum which we have presented to your technical staff recommends a bill program of \$100 million additional each week beginning April sixth, increasing from time to time so as to raise \$7 billion of new funds by the end of the year.
4. Basket of securities. What securities should be in the basket for the Fifth War Loan? It has been suggested by the other groups consulted that there should be no material change in the basket of securities except that a 2% bond be substituted for the 2-1/4%. It has been suggested that there might be some restrictions put on the eligibility of the 2% bond for banks, say for six months or one year.
5. What date should the Drive begin? Suggestions have been made for June 7th or 14th to July 5th or 8th; also May 23rd to June 14th, allowing in either case two full calendar months for accounting period.
6. Should we permit insurance companies, savings banks, pension funds, etc., to purchase these securities on a deferred payment plan?

7. Should we continue plan adopted in Fourth War Loan Drive of permitting commercial banks to subscribe for their savings accounts, and if so, should it be extended to all time deposits and should limit of \$200,000 be increased?

There is attached hereto a statement showing our estimated balances to December 31, 1944, assuming that the suggested Certificate and bill programs are carried through and we get approximately the amounts indicated in the Fifth and Sixth Drives.

Very truly yours,

(Signed) Dan

Honorable Marriner Eccles  
Board of Governors of the  
Federal Reserve System  
Washington, D. C.

ESTIMATED CASH POSITION AND SUGGESTED FINANCING PROGRAM

(In millions of dollars)

Month	New Financing				Total new financing	Balance at end of month
	Drive sales <sup>1/</sup>	Savings bonds and notes	Bill program	Certificates of Indebtedness		
<u>1944</u>						
Jan.-Feb. ...	\$17,350	-	-	-	\$17,350	\$17,300
March .....	-	\$ 950	-	-	950	14,400
April .....	-	1,200	\$ 400	-	1,600	10,400
May .....	-	1,200	400	\$ 2,000	3,600	7,900
June-July ...	18,000	-	1,800	-	19,800	16,000
August .....	-	1,200	1,000	1,000	3,200	13,700
September ...	-	1,200	800	-	2,000	11,100
October .....	-	1,200	800	-	2,000	6,500
Nov.-Dec. ...	17,000	-	1,800	-	18,800	16,000
	\$52,350	\$6,950	\$7,000	\$3,000	\$69,300	\$16,000

<sup>1/</sup> Includes sales to banks for account of time deposits.

Note: 1. If deferred payments are permitted for three months following each of the Fifth and Sixth Drives, then the amounts shown to be raised in each of such Drives would be reduced and the reduction spread over subsequent months and balances adjusted accordingly. 2. Sales of Savings Bonds and Notes during months of Drives are included in Drive totals.

March 25, 1944.