

C O P Y

August 1, 1945.

Flanders - Boston  
Sproul - New York  
Williams - Philadelphia  
Gidney - Cleveland  
Leach - Richmond  
McLarin - Atlanta

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

This wire being sent to Presidents of all Federal Reserve Banks. At Mr. Ransom's request there is quoted below for your information text of letter received from Secretary Vinson under date July 27 in response to (1) Chairman Eccles' letter of July 9 relating to preferential discount rate and (2) memorandum of executive committee of Federal Open Market Committee on future Treasury financing policy, both of which were wired to you:

(Here quote "A" attached)

After informal discussion by members of Board who were here and by telephone with Chairman Eccles, as well as with Mr. Sproul who happened to be in Washington, it was consensus to put the replies to Mr. Vinson's letter, which are quoted below, on an informal basis since they were not the result of formal action. Inasmuch as the Secretary's letter was addressed to Mr. Ransom in the absence of Chairman Eccles, Mr. Ransom acknowledged it as Vice Chairman of the Board and Mr. Sproul made a separate acknowledgment in his capacity as Vice Chairman of Federal Open Market Committee. Mr. Ransom and Mr. Sproul were in agreement as to contents of both replies. They did not want under the circumstances to

attempt to commit any of the other members of the Board or Federal Open Market Committee but merely to hold matter open for fuller discussion at first available time.

The two replies to Mr. Vinson's letter follow:

(Here quote "B" and "C" attached)

Carpenter