

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON



S-584

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 12, 1942.

Dear Sir:

As you were advised in the wires from Secretary Morgenthau and from me dated November 11, it is contemplated that the activities of the Victory Fund Committees will be greatly expanded.

In connection with this expanded program I should like to call attention to the meeting held with the Presidents of the Federal Reserve Banks at the Carlton Hotel on September 23 to discuss activities of the Victory Fund Committees. At that meeting I discussed at some length the program of the Committees and expressed the opinion that since the System is vitally interested in the success of the selling program the Federal Reserve Banks would be justified in assuming certain expenses in connection with the program. It is contemplated that expenses of the kind referred to in the letter from Mr. Bell, Under Secretary of the Treasury, dated September 19, 1942, will be reimbursed by the Treasury Department although it now appears that to reimburse the Federal Reserve Banks in full for the expanded activities it will be necessary to obtain a deficiency appropriation. It is understood this will be asked for in due course.

There are, however, certain expenses which do not come within the terms of Mr. Bell's letter. In this connection, I referred, at the meeting at the Carlton Hotel, to the fact that the Federal Reserve Banks had been able to facilitate the work of the Committees by providing luncheons and dinners at meetings and conferences at the Federal Reserve Banks and Branches and at other points throughout their districts. The Board concurs in my statement that the Federal Reserve Banks are justified in assuming the expenses connected with such meetings when in the opinion of the Presidents to do so would help to make the Government's program a success.

It was intended following the meeting at the Carlton Hotel to have a committee review the question of expenses connected with the



Victory Fund program and to make suggestions with respect to expenses that might be absorbed by the Federal Reserve Banks. In view of the urgency of the expanded program, however, and of the difficulty of getting the committee together, it has been thought best to get a letter out to you promptly so that you would be informed of the views of the board at the beginning of the expanded program.

It will be appreciated if you will keep the Board advised currently of important developments in connection with the expanded Victory Fund program.

Very truly yours,

A handwritten signature in cursive script, appearing to read "M. S. Eccles".

M. S. Eccles,
Chairman.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS