The Chase National Bank

OF THE CITY OF NEW YORK

New York

DEPARTMENT OF
FINANCIAL AND BUSINESS RESEARCH

March 9, 1942.

Mr. Marriner S. Eccles, Chairman,
Board of Governors of the Federal Reserve System,
Washington, D. C.

My dear Mr. Eccles:-

In response to the suggestion that you made at the session Saturday morning for constructive proposals relative to the type of obligations that the United States Government might issue to finance its deficits, I am enclosing a proposal from Mr. Aldrich concerning the issuance of an annuity bond. Such a bond would, I think, appeal to many groups in the community; those whose wages during the war period will likely exceed their post-war incomes and , too, persons in middle age who expect to consume their savings during the remainder of their lives.

Perhaps you have already seen a copy of this proposal; but if you have not, I know Mr. Aldrich would be interested to hear your reaction.

Sincerely yours,

B. H. Beckhart

B. H. Beckhart
Director of Research

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Federal Reserve Bank of St. Louis

March 11, 1942.

Mr. B. H. Beckhart,
Director of Research,
The Chase National Bank,
New York City.

My dear Mr. Beckhart:

Your thoughtfulness in sending me a copy of Mr. Aldrich's proposal for annuity bonds is very much appreciated. I have not had an opportunity as yet to study it thoroughly, but in looking it over I am impressed by the thoroughness with which you have analyzed the suggestion, and I am asking our staff who specialize on Treasury financing to study it so I may discuss it at the first opportunity.

Sincerely yours,

(Signed) M. S. Eccles

M. S. Eccles,
Chairman.

ET:b

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