

BENJAMIN F. HAAS  
175 FIFTH AVENUE  
NEW YORK CITY (10)

May 12, 1943

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

Dear Mr. Eccles:

Wish to thank you for your letter of April 19th in which you enclosed a copy of your radio address.

I read in the Journal of Commerce of Tuesday, May 11th, that you recommended the separation of public and bank borrowings at a House Committee hearing. I very sincerely agree with the position taken by you but I am wondering what consequences you will draw from the result of the subscriptions of the April drive.

The figures which I read in the Journal of Commerce do not differentiate clearly between the short term and the long term financing and I would appreciate it very much if you would send me the details with regard to it.

Am enclosing an article written in the latter part of March entitled, "Can America Conquer Inflation" which may be of interest to you.

Thanking you for courtesies extended and would appreciate your sending the figures at your earliest convenience.

Very truly yours,

*Benj F Haas*

Received in  
Director's Office  
MAY 13 1943  
Federal Reserve Bank of St. Louis

May 18, 1943.

Mr. Benjamin F. Haas,  
175 Fifth Avenue,  
New York City (10).

Dear Mr. Haas:

This is to acknowledge your letter of May 12. In accordance with your request, I am enclosing table showing the final figures for the Second War Loan Drive by categories of issues sold and how they were divided among non-banking sources and commercial banks.

With the first part of the article by Dr. Bernstein, which you enclose, I would be in general agreement, but I think he gets far off the track in arguing for higher interest rates at this time.

Sincerely yours,

M. S. Eccles,  
Chairman.

Enclosure

 ET:b

FINAL RESULTS OF THE SECOND WAR LOAN DRIVE

BY CLASSES OF SECURITIES

(In millions of dollars)

	Total	Nonbanking sources	Commercial banking sources
	<hr/>	<hr/>	<hr/>
Treasury bills	800	--	800 ✓
7/8% certificates	5,244	3,106	2,138 ✓
2% bonds	4,935	2,825	2,110
2 1/2% bonds	3,761	3,761	--
Series E savings bonds	1,473	1,473	--
Series F and G savings bonds	667	667	--
Tax savings notes	1,652	1,652	--
	<hr/>	<hr/>	<hr/>
Total	18,533	13,485	5,048
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Board of Governors

Final results of the Second

David M. Kennedy

War Loan drive

The tables below shows final figures for the drive:

BY CLASSES OF SECURITIES

(In millions of dollars)

	Total	Nonbanking sources	Commercial banking sources
Treasury bills	800	--	800
7/8% certificates	5,214	3,106	2,138
2% bonds	4,935	2,825	2,110
2 1/2% bonds	3,761	3,761	--
Series E savings bonds	1,473	1,473	--
Series F and G savings bonds	667	667	--
Tax savings notes	1,652	1,652	--
Total	18,533	13,485	5,048

BY FEDERAL RESERVE DISTRICTS

(Amounts are in millions of dollars)

	Total, all nonbank investors		Individuals		Corporations	
	Subscrip- tions	Per cent of goal	Subscrip- tions	Per cent of goal	Subscrip- tions	Per cent of goal
Boston	1,099	137%	166	83%	933	156%
New York	4,856	162	737	123	4,119	172
Philadelphia	615	136	202	135	414	137
Cleveland	972	177	304	122	668	223
Richmond	588	168	195	130	393	197
Atlanta	418	179	236	189	211	169
Chicago	1,705	162	495	124	1,210	186
St. Louis	406	162	155	155	251	167
Minneapolis	296	169	126	168	170	170
Kansas City	338	150	163	163	175	140
Dallas	333	167	149	199	183	146
San Francisco	835	124	333	121	502	126
Unallocated	29	--	29	--	--	--
Total	12,550	157	3,290	132	9,259	168
Federal trust funds	391	--	--	--	--	--
Dealers and brokers	514	--	--	--	--	--
Total	13,485	--	--	--	--	--

BENJAMIN F. HAAS  
175 FIFTH AVENUE  
NEW YORK CITY

June 1, 1943

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

Dear Mr. Eccles:-

This will acknowledge receipt of your letter of May 18th for which accept thanks.

Am greatly surprised to find the final figures on the subscriptions of the war bonds differing so considerably from those published in your May Bulletin.

Are there any figures from the weekly payment plan included in these final figures, and in which way were subscriptions differentiated from sales of bonds in the market which are going on all the time?

Thanking you for courtesies extended, and appreciating an early reply.

Very truly yours,

*Benj F Haas*

P.S. I think it would be of great interest for you to meet with Dr. Bernstein who is a professor of higher mathematics and has had great experience with the floatation of bonds and the general situation pertaining to inflation, abroad.

*Mr. Kennedy  
Woud you please take care of this - in Chairman's absence? - in the P.S. Thanks BfH*

*in beved  
with O's  
Office  
JUN 3 1943  
FEDERAL RESERVE BANK  
ST. LOUIS*

June 8, 1943

Mr. Benjamin F. Haas,  
175 Fifth Avenue,  
New York, N. Y.

Dear Mr. Haas:

As Chairman Eccles is temporarily out of the city, I am taking the liberty of responding to your letter of June 1.

The figures on the Second War Loan drive published in the May issue of the Federal Reserve Bulletin were based on preliminary reports from the twelve Federal Reserve Districts. Final figures were somewhat larger than the preliminary reports indicated because of delays in collecting and tabulating figures. In addition, the final figures included savings bonds processed by the Federal Reserve Banks through May 8. This was done in order to give credit for all savings bonds sold during the drive even though there was a lag of time in processing and issuing such a large number of bonds.

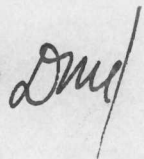
Subscriptions under the payroll savings plan were included in figures for the drive. Such sales now amount to about 400 million dollars a month. Approximately 26 million persons are participating in payroll savings plans throughout the country.

The 18.5 billion dollars represents the total amount of new securities issued by the Treasury during the drive and is reflected by an increase in the public debt. Sales in the market by holders of outstanding issues of Government securities, of course, have no effect on the public debt and are, therefore, not included in figures for the drive.

Sincerely yours,

Elliott Thurston,  
Special Assistant  
to the Chairman.

DMK:lel



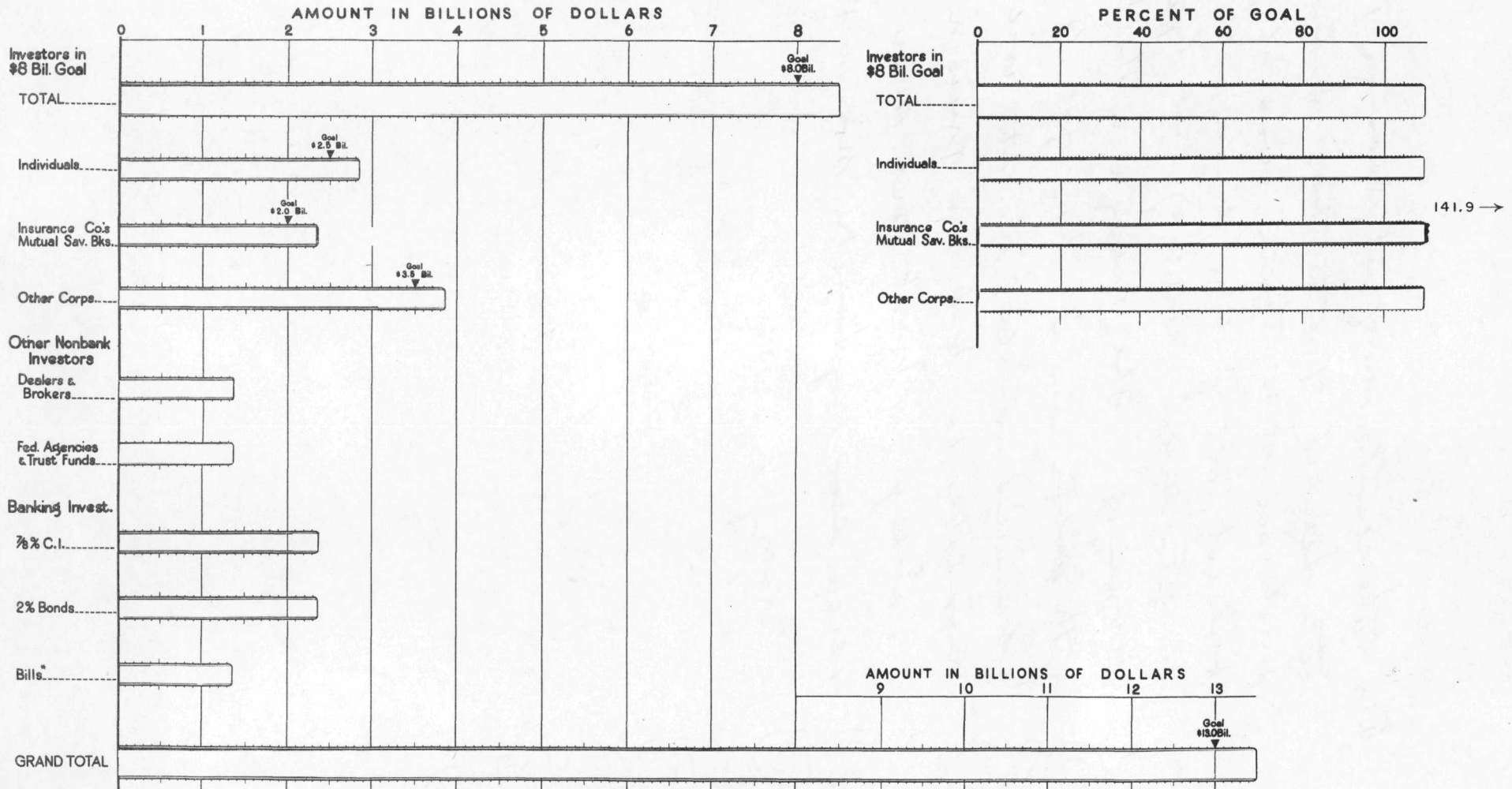
①. The results were general pleasing. The total exceeded expectations. Individual purchases more than was at first forecast, but future drives will have to get even more of that type of money. The money is in the hands of the public -- it has got to be channeled into G.S. or it will be available to bid up prices in consumer goods. Must put more and more ~~and~~ emphasis on non-inflationary money.

# TOTAL SUBSCRIPTIONS TO DATE IN APRIL DRIVE

April 20

Marketable Issues, Savings Bonds and Tax Notes

BY TYPE OF INVESTOR



\*Net Increase Only