

12/9/44

STRICTLY CONFIDENTIAL

R&S 200-127

SIXTH WAR LOAN

Total for drive estimated to reach 19 billion dollars. - Total sales in the Sixth War Loan through December 8 exceeded the 14 billion dollar goal by 500 million dollars. It is estimated that the final total will reach about 19 billion dollars. The total for the fifth drive was 20.6 billion dollars.

Sales outside the drive of about one billion dollars to banks under the time deposit formula and allotments of 800 million dollars to Government agencies and trust funds will bring the total funds raised in the two-month period to about 21 billion dollars.

Sales to individuals smaller than in previous drive. - Sales to individuals amounted to 3 billion dollars through December 7. The final total will probably be close to the 5 billion dollar goal. Series E bond sales are lagging somewhat, amounting to only 1.2 billion dollars. The present daily rate of sales, which are about at their expected peak, will have to be maintained to the end of the month in order to reach the 2.5 billion dollar goal. In the fifth drive the total for individuals was 6.4 billion dollars and the total for E bonds was 3 billion.

Purchases of 2 per cent bonds by individuals have been smaller to date than in the previous drive. It was in 2 per cent bonds that a large part of the speculation was concentrated during the fifth drive.

Free riding reduced. - Free riding, which had been increasing during the successive drives and had reached alarming proportions in several States during the fifth drive, appears to have been reduced in the present drive. From this point to the end of the drive, however, the temptation probably will be strongest, as there will be considerable pressure to reach quotas. It will be in this remaining period that the real test will come.

While the Treasury did not adopt the specific recommendations of the Federal Reserve, the strong position taken by the Federal Reserve against speculation in several memoranda to the Treasury following the last drive, no doubt had some influence. The Treasury appears to have taken a firm stand and made that stand known effectively to the sales organization. The discussions by the Federal Reserve with offending banks have been extremely successful, and the publicity given to stricter policing of subscriptions has borne fruits.

In the eight States where free riding was perhaps largest, the quota for individuals, other than E bonds, was exceeded during the previous drive by from three to four times. On the other hand, sales of E bonds in most of those States were much smaller than the average for the country. During the present drive sales to individuals, other than E bonds, are lower than the average for the country in six of the eight States and sales of E bonds are near the country average, as may be seen by the following table:

(Amounts in millions of dollars)

	Sales to individuals other than E bonds		Sales of E bonds	
	Sales	Per cent of quota	Sales	Per cent of quota
Georgia	14	34	17	49
Alabama	10	35	14	47
Florida	15	37	14	46
Kentucky	20	71	11	42
Maryland	74	114	16	38
Mississippi	11	99	10	56
Oregon	13	48	15	43
Tennessee	19	61	15	49
U. S. Total	1,875	74	1,174	47

Mr. McLarin reports that speculation has been controlled in the Atlanta district this time. Bank loans for purchase of securities have been practically eliminated. In policing subscriptions, which has been rigidly done this time, 46 million dollars of subscriptions have been turned down. The subscriptions rejected included 39 million dollars of subscriptions for 2 per cent bonds. Some of the State organizations have complained that they are not going to be permitted to make their quotas; in one State the organization threatened to resign in a body, but has not done so. Mr. McLarin feels that there will still be a sizable amount of subscriptions by bank directors for resale to their banks.

Mr. Leach reports that by clearing house agreement banks in Baltimore are requiring 10 per cent down payment on subscriptions based on bank loans, instead of 25 per cent as he recommended. Rates on loans have been increased, as for example from 1 per cent to 1 1/2 per cent on 2 per cent bonds.

Word has spread that the Federal is policing subscriptions which no doubt has helped. They are policing every subscription of \$100,000 or over in the district and have turned some down. He feels that the situation is very much improved over the last drive.

Loans on securities and bank purchases of outstanding issues. - The extent of bank loans for purchase of securities or of bank purchases in the market of outstanding issues during the drive cannot be measured adequately until the figures of weekly reporting member banks for December 6 become available on Tuesday afternoon. Figures for New York City show that loans to brokers and dealers for purchasing or carrying Government securities, which reflect their positions, are larger than the peak reached in the fifth drive. Loans to others for purchasing or carrying Governments increased by 348 million dollars in New York City during the week ended December 6 compared with 401 million during the comparable week of June 28 in the previous drive.

Holdings of outstanding issues, other than bills, by banks in New York City increased by 965 million dollars during the week ended December 6 compared with an increase of 569 million in the week ended June 28. The increase in holdings of Chicago banks was also larger last week than in the corresponding week of the previous drive. Weekly reporting member bank figures show that

purchases by banks prior to the opening of this drive were slightly larger than prior to the previous drive.

It appears, therefore, that a substantial amount of the estimated 19 billion dollars of securities that will be sold in the drive will represent, as in the case of previous drives, shifts of other securities to the banking system. During January and February, which included the fourth drive, the banking system purchased 5 billion dollars of securities; in the fifth drive the banking system purchased 9 billion. While market purchases during the present drive appear to have been larger to date than during the comparable period of the fifth drive, it is too early to determine what will be the total amount. Mr. Tickton of the Treasury feels that the shifts have come earlier in this drive and guesses that bank purchases in connection with this drive will be somewhat less than the 9 billion dollars in the fifth drive.

Attachments. - Tables and charts are attached showing detailed figures by issues, investor classes, and states in comparison with quotas. Charts are also attached showing sales to date compared with an estimate of what the amount should be according to an estimated pattern to reach the quota.

David M. Kennedy

December 9, 1944

Sales in Sixth War Loan
By issues and by classes of investors
(In millions of dollars)

CONFIDENTIAL

Issue	Individuals, partnerships and personal trust accounts	Savings banks	Insurance companies	Dealers and brokers	Federal agencies and federal trust funds	State and local governments	Building & loan and savings & loan associations	Other nonbank investors	Grand total - all investors
-------	---	------------------	------------------------	---------------------------	---	-----------------------------------	---	-------------------------------	-----------------------------------

Sales on December 7, 1944

E bonds.....	78	-	-	-	-	-	-	-	78
F and G bonds.....	-	-	-	-	-	-	-	-	-
Savings notes.....	3	-	-	-	-	28	-	10	40
Certificates.....	14	2	4	2	-	17	1	85	125
1-1/4% notes.....	5	7	1	-	-	1	1	23	38
2% bonds.....	44	54	70	2	-	4	11	-	185
2-1/2% bonds.....	13	1	63	-	-	1	-	-	80
Total.....	157	64	138	5	-	52	13	117	546

Sales cumulative through December 7, 1944

E bonds.....	1,166	-	-	-	-	-	-	-	1,166
F and G bonds.....	239 r	*	3	-	*	6	5	71 r	324 r
Savings notes.....	77	-	*	-	*	38	1	1,422	1,538
Certificates.....	234	34	57	22	9	411	28	2,587	3,383
1-1/4% notes.....	133	86	62	11	1	137	35	682	1,147
2% bonds.....	817	1,142	792	69	3	178	314	1,194 r	4,509
2-1/2% bonds.....	355	87	1,151	4	*	121	41	224 r	1,985
Total.....	3,021	1,349	2,065	107	15	892	424	6,179	14,052

Office of the Secretary of the Treasury, Division of Research and Statistics.

December 8, 1944.

Note: Sales of Savings bonds and Savings notes are cumulative since Nov. 1.
Figures have been rounded and do not necessarily add to totals.

* Less than \$500,000.

r Revised.

Sales of Series E War Savings Bonds in the Sixth War Loan
Compared with Quotas, by States

Cumulative as of Dec. 7, 1944

CONFIDENTIAL

(Dollars are millions)

State	Sales	Quota	Percent achieved to date	State	Sales	Quota	Percent achieved to date
Alabama.....	\$ 14	\$ 30	47 %	New Mexico.....	\$ 4	\$ 5	70 %
Arizona.....	4	8	54	New York.....	122	295	41
Arkansas.....	9	17	51	North Carolina.....	16	34	46
California-North.....	41	102	40	North Dakota.....	9	11	86
-South.....	46	115	40	Ohio.....	72	151	48
Colorado.....	10	19	52	Oklahoma.....	17	29	58
Connecticut.....	22	51	42	Oregon.....	15	34	43
Delaware.....	3	6	45	Pennsylvania.....	88	180	49
District of Columbia..	14	30	48	Rhode Island.....	5	15	36
Florida.....	14	31	46	South Carolina.....	8	16	51
Georgia.....	17	34	49	South Dakota.....	6	11	56
Idaho.....	5	9	51	Tennessee.....	15	30	49
Illinois.....	81	174	47	Texas.....	58	105	55
Indiana.....	35	68	51	Utah.....	6	12	53
Iowa.....	28	53	53	Vermont.....	2	5	32
Kansas.....	20	38	53	Virginia.....	18	38	48
Kentucky.....	11	27	42	Washington.....	28	53	53
Louisiana.....	14	31	44	West Virginia.....	10	21	46
Maine.....	5	12	42	Wisconsin.....	27	55	48
Maryland.....	16	41	38	Wyoming.....	2	3	77
Massachusetts.....	36	87	41	Alaska.....	*	1	80
Michigan.....	59	141	42	Hawaii.....	5	10	52
Minnesota.....	27	55	50	Puerto Rico.....	* 1/	4	4
Mississippi.....	10	18	56	Other possessions.....	1	-	-
Missouri.....	31	63	49	Subtotal.....	\$ 1,174	\$ 2,500	47
Montana.....	10	10	101	Unallocated.....	-8	-	-
Nebraska.....	14	31	45	Grand total.....	\$ 1,166	\$ 2,500	47
Nevada.....	1	3	47				
New Hampshire.....	3	7	39				
New Jersey.....	40	94	42				

Office of the Secretary of the Treasury, Division of Research and Statistics.

December 8, 1944.

Note: This table includes sales since Nov. 1. Figures are rounded and do not necessarily add to totals. Percentages have been computed on unrounded figures.

* Less than \$500,000. 1/ Incomplete.

Sales in Sixth War Loan Compared with Quotas, by States and by Classes of Investors

Cumulative as of Dec. 7, 1944

(Dollars are millions)

CONFIDENTIAL

State	Individuals, partnerships and personal trust accounts					Corporations, associations and other investors			All investors		
	Sales			Quota	Percent achieved to date	Sales	Quota	Percent achieved to date	Sales	Quota	Percent achieved to date
	Series E	Other securities	Total								
Alabama.....	\$ 14	\$ 10	\$ 24	\$ 59	41 %	\$ 50	\$ 38	131 %	\$ 74	\$ 97	76 %
Arizona.....	4	4	8	15	53	12	10	118	20	25	79
Arkansas.....	9	9	18	28	63	18	16	114	36	44	82
California-North.....	41	36	76	173	44	191	212	90	268	385	70
-South.....	46	60	107	202	53	280	249	113	387	451	86
Colorado.....	10	10	20	37	53	32	37	86	51	74	70
Connecticut.....	22	19	40	91	44	306	284	108	346	375	92
Delaware.....	3	8	11	15	73	16	33	50	27	48	57
District of Columbia.....	14	12	27	46	58	67	48	140	94	94	100
Florida.....	14	15	29	71	41	47	56	84	76	127	60
Georgia.....	17	14	30	74	41	55	56	99	86	130	66
Idaho.....	5	4	9	14	64	9	9	101	18	23	79
Illinois.....	81	112	194	351	55	756	683	111	949	1,034	92
Indiana.....	35	34	68	120	57	171	119	143	238	239	99
Iowa.....	28	45	74	98	75	96	80	121	170	178	96
Kansas.....	20	18	38	63	61	51	35	145	89	98	91
Kentucky.....	11	20	31	55	57	70	49	142	101	104	97
Louisiana.....	14	15	29	56	51	66	54	122	95	110	86
Maine.....	5	7	12	27	43	31	26	118	42	53	80
Maryland.....	16	74	90	106	84	191	104	184	281	210	134
Massachusetts.....	36	51	87	173	50	556	533	104	643	706	91
Michigan.....	59	53	112	228	49	249	244	102	361	472	76
Minnesota.....	27	44	72	103	69	201	112	179	272	215	127
Mississippi.....	10	11	22	30	73	22	17	132	44	47	95
Missouri.....	31	45	76	118	64	214	158	136	290	276	105
Montana.....	10	6	16	17	95	15	15	102	31	32	98
Nebraska.....	14	9	23	52	45	57	42	135	80	94	85
Nevada.....	1	4	5	6	83	3	5	62	8	11	74
New Hampshire.....	3	2	5	12	43	42	21	200	47	33	143
New Jersey.....	40	89	129	181	71	448	386	116	577	567	102

(Continued on following page)

Sales in Sixth War Loan Compared with Quotas, by States and by Classes of Investors (Cont'd)

Cumulative as of Dec. 7, 1944

CONFIDENTIAL

(Dollars are millions)

State	Individuals, partnerships and personal trust accounts					Corporations, associations and other investors			All investors		
	Sales			Quota	Percent achieved to date	Sales	Quota	Percent achieved to date	Sales	Quota	Percent achieved to date
	Series E	Other securities	Total								
New Mexico.....	\$ 4	\$ 2	\$ 5	\$ 9	58 %	\$ 5	\$ 6	87 %	\$ 10	\$ 15	69 %
New York.....	122	479	601	800	75	3,560	3,426	104	4,161	4,226	98
North Carolina.....	16	35	50	61	82	119	60	199	170	121	140
North Dakota.....	9	5	14	18	78	15	11	140	29	29	101
Ohio.....	72	87	159	288	55	496	425	117	655	713	92
Oklahoma.....	17	20	37	49	76	40	41	99	78	90	87
Oregon.....	15	13	28	62	45	64	45	143	93	107	86
Pennsylvania.....	88	147	234	370	63	600	568	106	834	938	89
Rhode Island.....	5	8	14	36	38	58	43	136	72	79	91
South Carolina.....	8	8	17	25	68	28	24	118	45	49	92
South Dakota.....	6	5	11	19	57	20	10	196	30	29	105
Tennessee.....	15	19	34	61	55	85	56	152	119	117	101
Texas.....	58	83	141	225	63	194	189	103	335	414	81
Utah.....	6	4	10	18	57	25	16	158	36	34	104
Vermont.....	2	2	3	9	38	17	15	111	20	24	84
Virginia.....	18	29	47	69	69	117	67	175	164	136	121
Washington.....	28	24	52	88	59	108	89	121	160	177	90
West Virginia.....	10	25	35	39	89	49	30	164	84	69	122
Wisconsin.....	27	39	65	107	61	198	146	136	264	253	104
Wyoming.....	2	1	3	6	52	6	5	110	9	11	78
Alaska.....	*	*	1	2	73	*	1	70	2	3	72
Hawaii.....	5	*	6	11	51	21	9	229	26	20	131
Puerto Rico.....	*	*	1	6	9	1	1	110	2 ^{1/}	7	24
Other possessions.....	1	*	1	-	-	-	-	-	1	-	-
Subtotal.....	\$ 1,174	\$ 1,575	\$ 3,049	\$ 5,000	61	\$ 10,153	\$ 9,000	113	\$ 13,202	\$ 14,000	94
Unallocated.....	-8	-20	-28	-	-	878	-	-	850	-	-
Grand total.....	\$ 1,166	\$ 1,555	\$ 3,021	\$ 5,000	60	\$ 11,031	\$ 9,000	123	\$ 14,052	\$ 14,000	100

Office of the Secretary of the Treasury, Division of Research and Statistics.

December 8, 1944.

Note: Sales of Savings bonds and Savings notes are cumulative since Nov. 1. Figures are rounded and do not necessarily add to totals. Percentages have been computed on unrounded figures.

* Less than \$500,000.

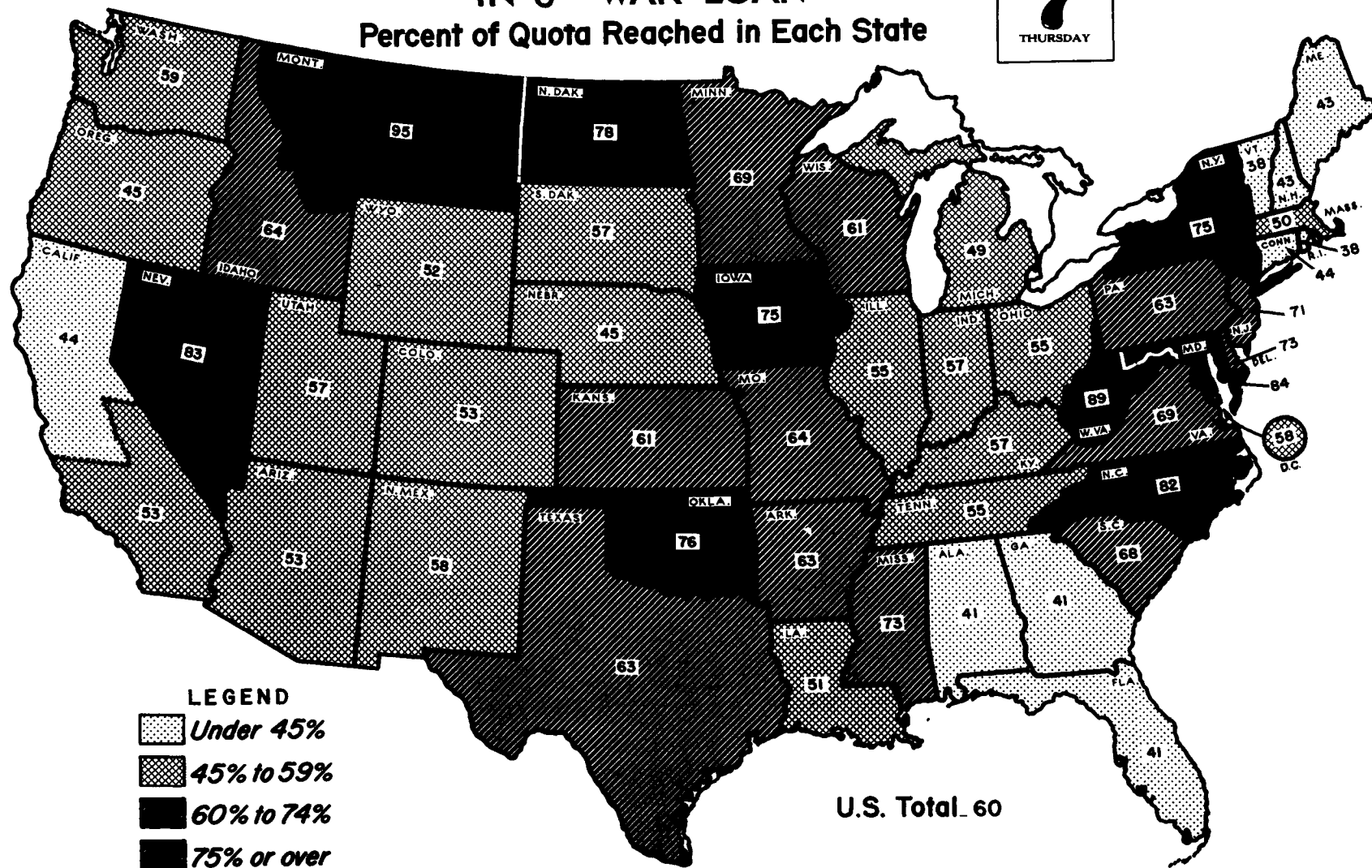
^{1/} Incomplete.

SALES TO INDIVIDUALS IN 6TH WAR LOAN

Percent of Quota Reached in Each State

DECEMBER
7
THURSDAY

CONFIDENTIAL

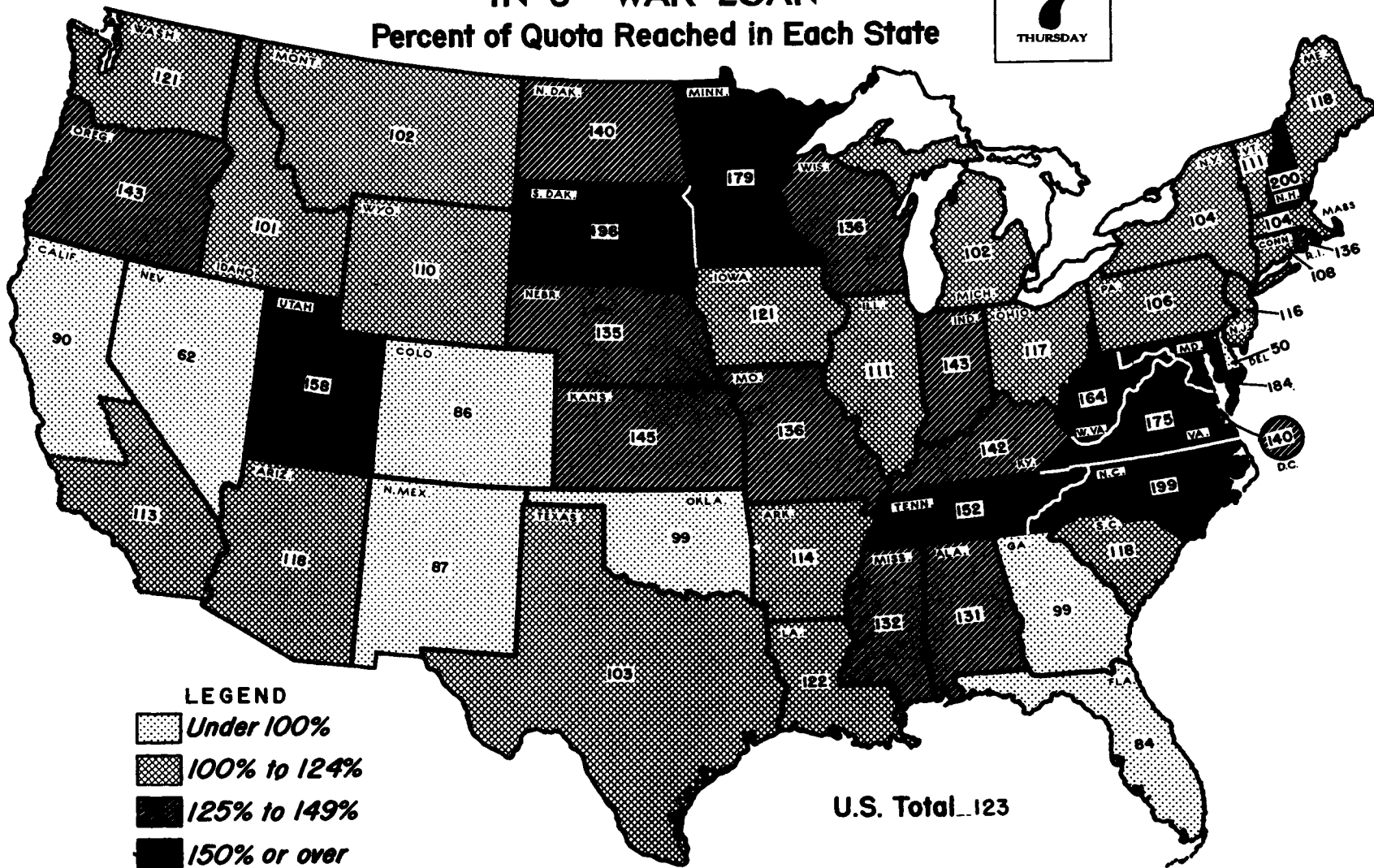


SALES TO CORPORATIONS IN 6TH WAR LOAN

Percent of Quota Reached in Each State

DECEMBER
7
THURSDAY

CONFIDENTIAL



LEGEND

- Under 100%
- 100% to 124%
- 125% to 149%
- 150% or over

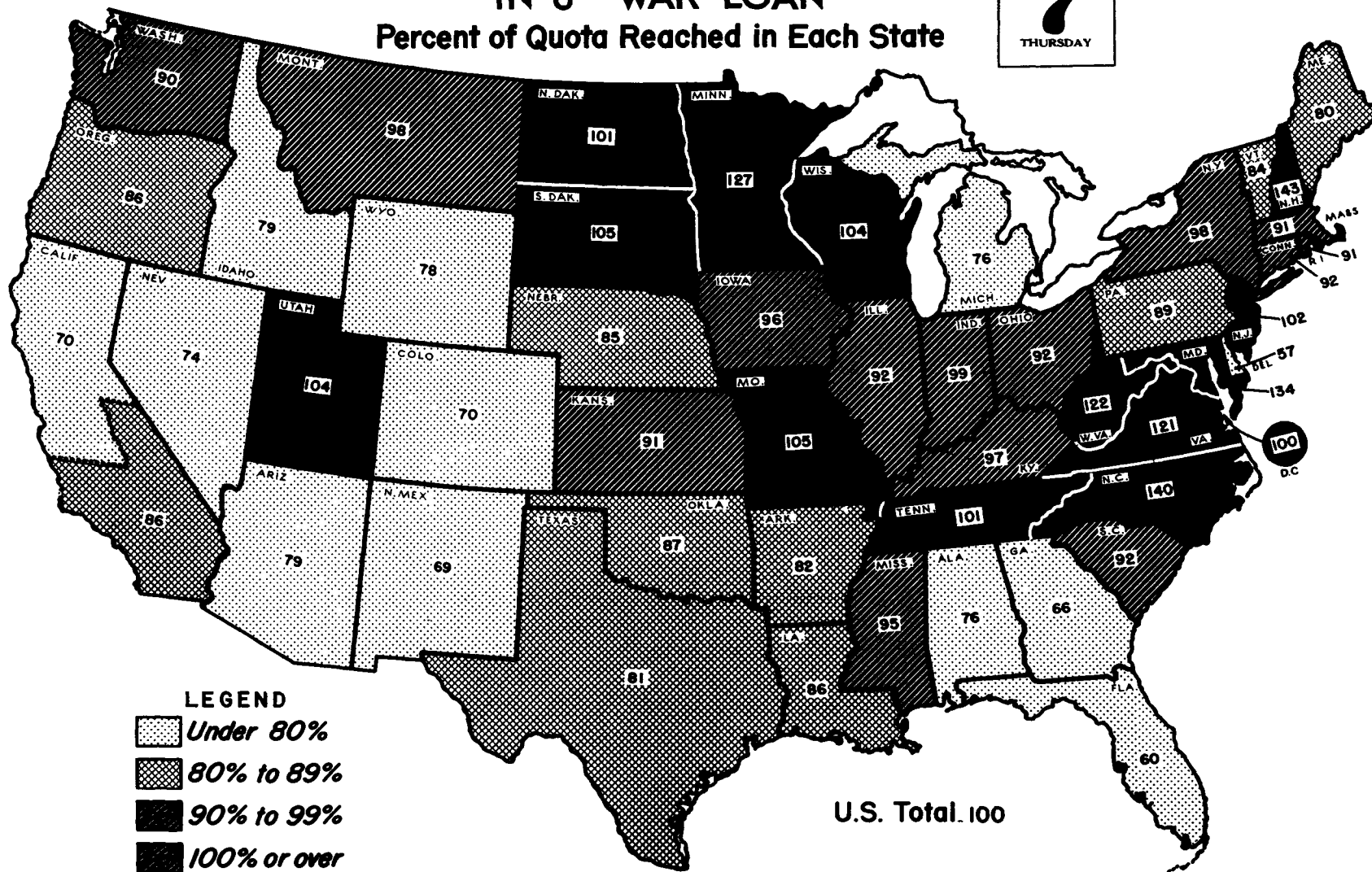
U.S. Total 123

TOTAL SALES IN 6TH WAR LOAN

Percent of Quota Reached in Each State

DECEMBER
7
THURSDAY

CONFIDENTIAL

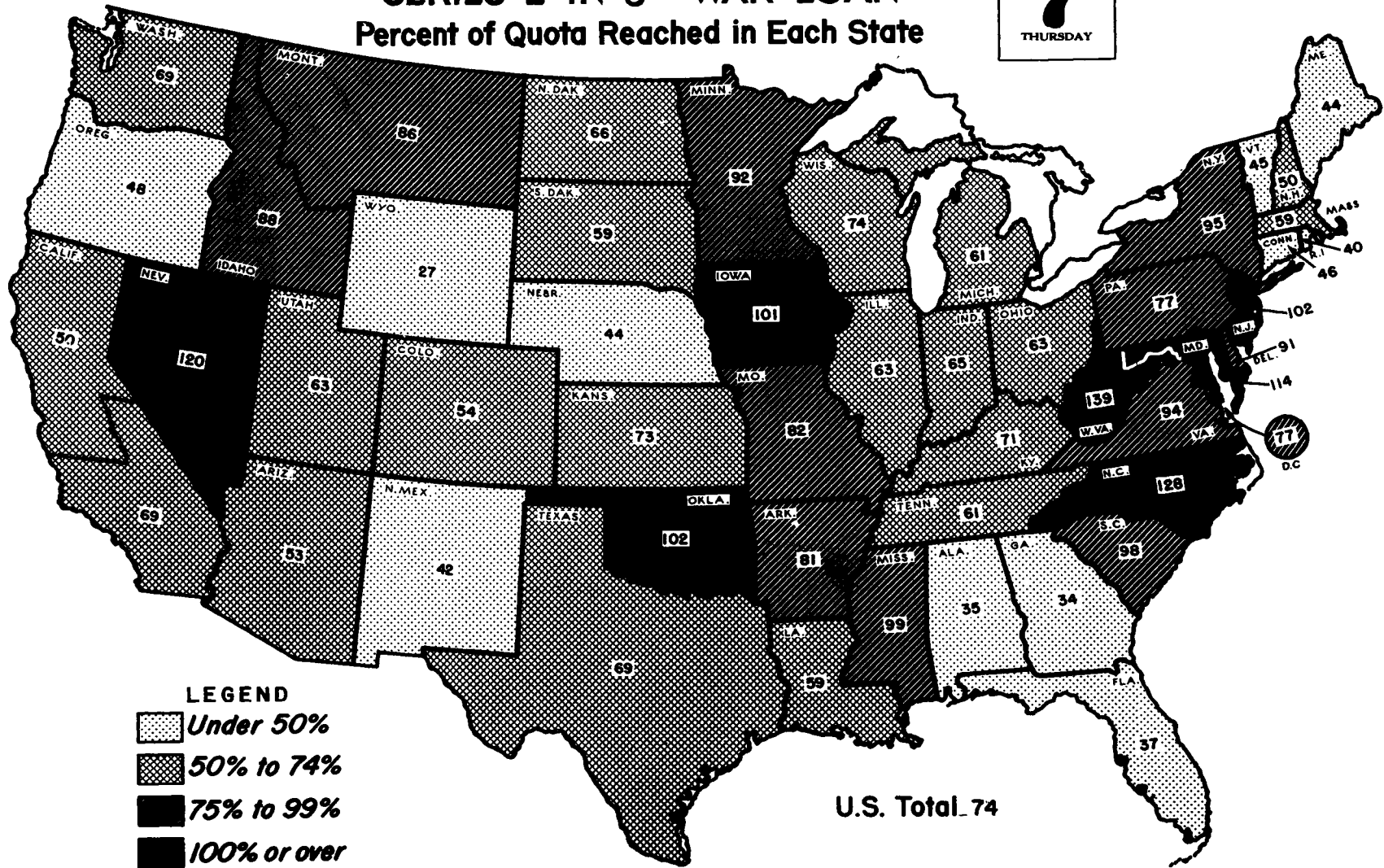


SALES TO INDIVIDUALS EXCLUDING SERIES E IN 6TH WAR LOAN

Percent of Quota Reached in Each State

DECEMBER
7
THURSDAY

CONFIDENTIAL



LEGEND

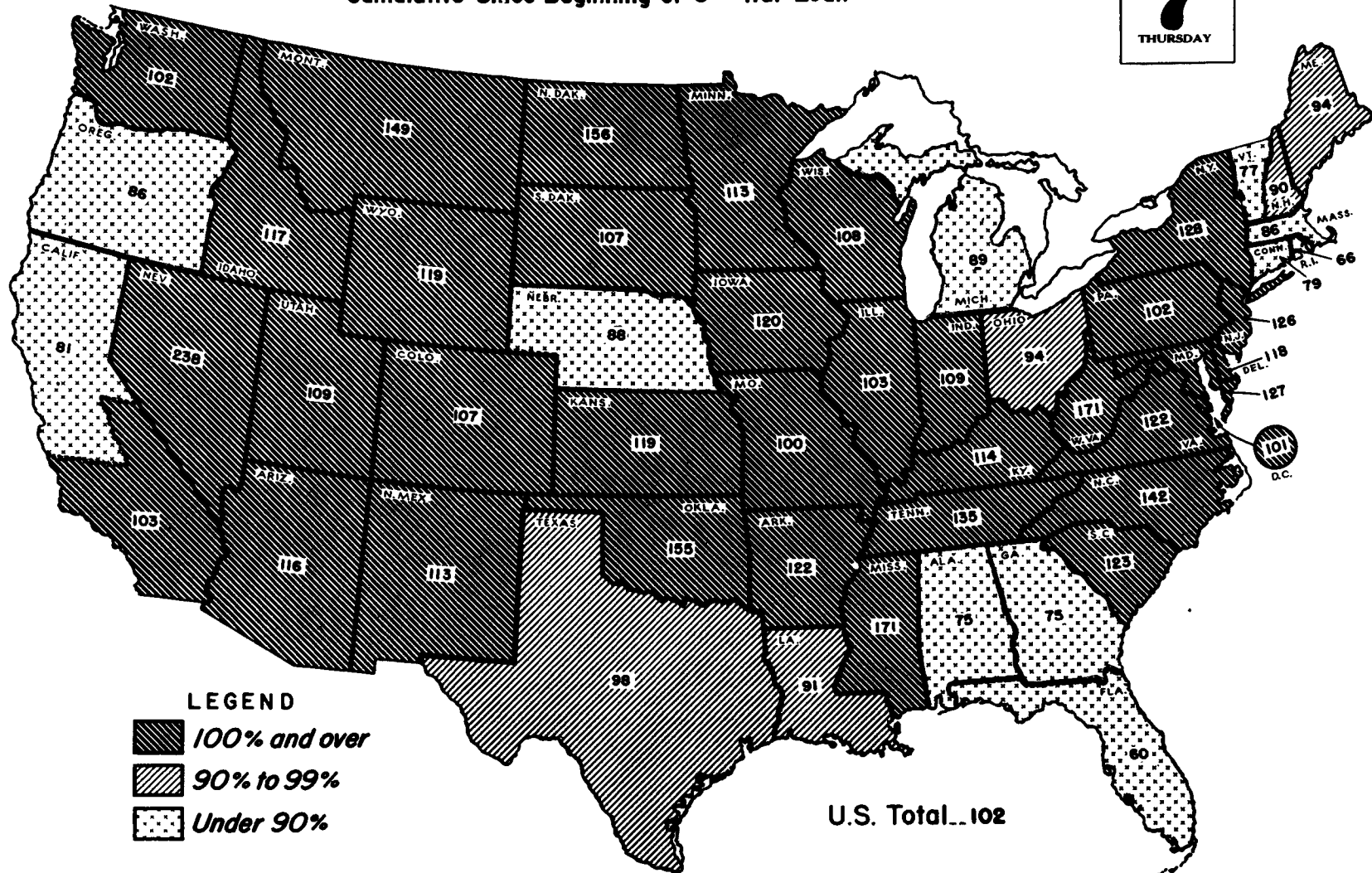
- Under 50%
- 50% to 74%
- 75% to 99%
- 100% or over

CONFIDENTIAL

SALES TO INDIVIDUALS AS A PERCENT OF PATTERN

Cumulative Since Beginning of 6TH War Loan

DECEMBER
7
THURSDAY



SALES OF OTHER SECURITIES TO INDIVIDUALS AS A PERCENT OF PATTERN

Cumulative Since Beginning of 6TH War Loan

CONFIDENTIAL

DECEMBER
7
THURSDAY

