ELMER C. HOLE
6704 STEWART AVENUE
CHICAGO

May 18-1943

Marriner S. Eccles.
Chairman Federal Reserve Bank
Washington D.C.

Dear Mr Eccles:-

I note you feel as I do that more Individuals should be buying Bonds.=

I am enclosing a proposal - to sell a New Type of Bond - that I believe will add to our Bond Sales. - and at Less Cost to our Government -

I am a retired (on account of age) Successful Publisher - Had this proposal set up in type - So as to submit to a few friends - It has not been published. Its free. No patent on it - I have no axe to grind - just want to be Helpful -

There are thousands of wives - sweethearts - families - who wa[illegible] a Home - Here is a way that they can have it - and Start a Big Industrial Movement - Soon as the Boys Come Home -

A New Home - for every Soldier - out of money already Saved - a place for that wife + Baby -

Please ask one of your assistants to Read the Proposal + tell you the good qualities about it - I have had many favorable Comments. - May I have the pleasure of hearing [illegible]

Government Home Building Bonds for Patriots

PROPOSAL

Acknowledged Need:

More customers for Government Bonds

To provide funds to bring the war to a successful conclusion quickly,
To take cash out of consumer trade and thus help check inflation.

The Proposal:

That the Congress of the United States authorize a new type of Bond to be called a POST WAR HOME BOND sold in the same denominations as series "E" War Bonds but designed to have special appeal to those who are looking forward to building a new home at war's end or at whatever time Government restrictions on home building and materials are removed. Regular defense stamps will be exchangable for them.

Privileges to Be Enjoyed by WAR HOME BOND Owners

1. They shall receive a slightly higher rate of interest than the regular series "E" War Bonds, but the interest shall be accumulative as it is on "E" Bonds. The Government can well afford to pay a little extra interest on these Bonds because they will not be redeemable or exchangable until such time as building materials are released to the general public for home building. Thus the Government will have no redemption expense for the duration.
2. The owner of the POST WAR HOME BOND will have a priority, or first call on building materials and home furnishings whenever they are released for civilian use. This is important. Because this Bond will be good only in the hands of an individual or family for the building of a single occupied home it assures such private parties of preference over speculators who will want the first building materials available after the war to build speculiative sub-divisions of homes. It will put private building ahead of speculative building. Building materials are not going to come back on the market in great quantities all at once. It will be a steadily increasing flow. The plan gives the small private party—the soldier returning to his bride—the first opportunity to secure supplies as they come on the market. This does not mean that the Bond holder will have to build immediately when building materials become available. He can keep the bond and it will continue to draw interest as long as he wishes—but ultimately it must be used for home building purposes.
3. POST WAR HOME BOND owners would have preference over all other home builders in treatment of their F.H.A. loan applications on their new homes. Naturally these loans would be smaller because the Bond holders, would in effect, have been paying the installments on their new home prior to the time of spending the money, rather than after the structure was built, thus earning interest instead of paying it, and thus having a far larger than usual down payment available when the home building operation actually started.

The POST WAR HOME BOND will have many benefits to the Government, to all branches of the building industry, to the individual purchasers themselves.

The Government is interested in making this a nation of home owners. Home owners are harder-working, more staple citizens. They contribute more to the uplift of individual communities which make up the nation. The Government is interested in selling all the bonds it can right now to garner all the cash it can for war purposes. The Government is anxious to keep all of the money it now borrows until the war is over. The sale of POST WAR HOME BONDS would contribute to all of these causes.

It is obvious that the Bonds will be a boon to the building industry. It will assure them of the fact that all money saved and earmarked for the purpose of building a home at the end of the war will not be diverted to any other purpose, because the bonds will not be redeemable unless the money is spent on the construction or repair or furnishing of a home. Thus the Bond owners will not even be tempted to spend the money on a new car or some other luxury item and let the home building wait.

The individuals themselves will benefit because their equity in their home-to-be is established and safe from any outside forces. They will have been earning money on their home investment instead of paying interest on it. They will have something to show for the high wages and hard labor they have had during the war years. They will have the most tangible thing on earth to show for it—a home of their own.

The time is ripe for just such a movement. As never before people are interested in building a home. "Hotpoint" home appliance division of General Electric which prepared a file in which home planners can keep ideas for their homes of the future report that they are filling 300 orders a day for these home planning files. About 12 percent of these inquiries are coming in "Free" envelopes from servicemen who request that the home planning file be sent to the address of their wives or swethearts. America is truly going to be a nation of home-owners. Let's give that trend a boost by giving America a tangible way to save for that home-to-be.

BE IT ENACTED, by the Congress of the United States

WHEREAS it has been demonstrated that Home Owners are the best citizens, and that the building of private homes should be encouraged, the Congress of the United States of America does authorize and instruct the Secretary of the Treasury of the United States of America to issue a suitable bond incorporating the benefits herewith stated, to be available for sale to those parties who are supporting the Government of the United States of America by purchasing Government securities to further the successful prosecution of the war.
Such bonds shall be designated as "Post War Home Bonds" and shall bear a higher rate of interest than the present series "E" bonds.

PROVISION SHALL ALSO BE MADE that at such time as the Government of the United States deems it expedient to lift wartime restrictions on home building and the sale of building materials "Post War Home Bond" holders shall be granted preference by law on the acquisition of such building material as becomes available for public sale, providing the home to be built therefrom is to be occupied by the bond holder or a member of his immediate family.

May 25, 1943.

Mr. Elmer C. Hole,
6704 Stewart Avenue,
Chicago, Illinois.

Dear Mr. Hole:

This is to acknowledge your letter of May 18 with regard to your proposal for a post-war home bond. The suggestion is one on which the Treasury would have to act since it is their responsibility to determine the kind of securities that are to be issued. However, it seems to me that your proposal is in line with one that has been made by Mr. Rolf Nugent, on which the Treasury has already expressed an adverse opinion.

Sincerely yours,

M. S. Eccles,
Chairman.

ET:b