

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date November 16, 1942

To Chairman Eccles

Subject:

From Vice Chairman Ransom

I thought you would be interested in the following extract from Wilcox' "Washington Banktrends" of November 16, 1942:

"U.S. AND BRITAIN COMPARED: Thus far, the war effort here has been largely paid for through commercial bank borrowings—an inflationary threat. In Britain, this is not the case. Note the difference:

	<u>United States</u>	<u>Great Britain</u>	
By taxation	25%	.50%)
By borrowing	75%	.50%) From
Borrowing from the banks	50%	.16-2/3%) official
Borrowing from the public	25%	.33-1/3%) sources
National income spent in taxes.	25.9%	.40%)"

