

July 22, 1943

Chairman Eccles

L. M. Piser

There is no evidence that reporting member banks made loans to any great extent for the purpose of purchasing the new 1 1/2 per cent notes. In the week that subscriptions were taken loans to others than brokers and dealers for purchasing and carrying securities declined by 8 million dollars, and in the two succeeding weeks there were declines of 4 and 15 million dollars, respectively. In New York City loans for the purpose of purchasing or carrying Government obligations increased by 59 million dollars in the week that subscriptions were taken, by 90 million in the following week, and declined by 1 million in the latest week.