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June 21, 1949.

Dear Mr. Talle:

I am enclosing herewith a memorandum covering the information you requested the end of last week. I hope it will give you the figures you had in mind.

I am very happy to comply with your request, and I hope if I can be of service to you at any time in the future you will not hesitate to call upon me.

With kindest regards,

Sincerely yours,

M. S. Eccles.

Hon. Henry O. Talle,
House of Representatives,
New House Office Building - Room 1727,
Washington, D. C.

DISTRIBUTION OF OWNERSHIP OF FEDERAL SECURITIES.May 31, 1949.

About five-eighths of the 252 billion dollars total debt of the United States Government outstanding on May 31, 1949, consisted of marketable securities and the other three-eighths consisted of non-marketable securities (primarily savings bonds and savings notes in the hands of individuals and corporations and special issues to Government trust funds). Because of net redemptions of marketable securities and net Treasury sales of nonmarketable securities to nonbank investors, the nonmarketable portion of the debt and the portion of the debt held outside the banking system has steadily risen.

Bank ownership is concentrated in marketable issues whereas practically all of the nonmarketable issues are held outside the banking system. Thus, commercial banks and Federal Reserve Banks together own well over half of the 155 1/2 billion dollars of marketable debt, about 2 billion dollars of the 96 1/2 billion nonmarketable debt, and about one-third of the 252 billion total debt. And commercial banks hold about two-thirds of the 62 billion dollars of bank eligible bonds outstanding.

Restricted bonds, which comprise most of the long-term debt, are still held by private nonbank investors. The Federal Reserve and Treasury agencies hold about 10 billion dollars, or about one-fifth of restricted bonds outstanding. Mutual savings banks and insurance companies hold about 24 billion dollars and other nonbank investors hold almost 15 billion of restricted bonds.

Federal Reserve Bank holdings of U. S. Government securities totaled 20 billion dollars. Of this total almost 11 1/2 billion consisted of short-term types of securities (Treasury bills, certificates and notes). Commercial banks held about 15 1/2 billion of these securities, which were outstanding in the amount of almost 44 billion dollars.

*Covered
6/2/49*

ESTIMATED OWNERSHIP OF FEDERAL SECURITIES ^{1/}
 May 31, 1949 p
 (Par values - in billions of dollars)

Type of security	Total all investors	Investor classes					
		Federal agencies & trust funds	Federal Reserve Banks	Com'l banks	Mutual savings banks	Insurance companies	All other investors
Marketable securities:							
Treasury bills	11.5	.2	4.2	3.2	*	.1	3.9
Certificates of indebtedness and Treasury notes	32.3	.1	7.1	12.4	.3	.8	11.5
Bonds:							
Bank-eligible:							
Total ^{2/}	62.0	.8	3.1	44.6	2.1	3.7	7.7
Bank-restricted	49.6	4.5	5.3	1.0	8.6	15.3	14.8
Total marketable securities	155.5	5.6	19.7	61.2	11.0	19.9	38.0
Nonmarketable securities:							
Savings bonds	56.1	*	--	1.5	.5	.7	53.4
Savings notes	4.7	*	--	*	*	*	4.6
Special issues to government agencies and trust funds	31.9	31.9	--	--	--	--	--
Other, including non-interest-bearing securities	3.7	.1	--	.6	.1	.3	2.5
Total nonmarketable securities	96.4	32.0	--	2.1	.6	1.1	60.6
Total, all securities	251.9	37.6	19.7	63.3	11.6	21.0	3/98.7

* Less than 50 million dollars. p Preliminary
^{1/} Total gross public debt and guaranteed securities.
^{2/} Includes Treasury bonds and minor amounts of other bonds.
^{3/} Consists of 68.5 billion dollars held by individuals, 8.1 billion held by State and local governments, and 22.1 billion held by 'other corporations and associations.'