TO THE LIBERTY LOAN AND WAR SAVINGS COUNTY CHAIRMEN
IN THE SEVENTH FEDERAL RESERVE DISTRICT:

We quote below for your information a statement issued by the Honorable Carter Glass, Secretary of the Treasury:

"In assuming the office of Secretary of the Treasury, I desire to say a few words to the American people, and particularly to the splendid organizations of men and women whose unselfish labors under the leadership of my great predecessor have made the story of our war finance one of the most glorious chapters in the history of America’s part in the war.

"Millions of Americans have contributed in the most vital, tangible and necessary way to the winning of the war. They have loaned their dollars to their country with no small sacrifice of personal comfort and enjoyment, and have given largely of personal effort and service. For all time we have disproved the slander that Americans are a money loving people, incapable of rising above materialistic things.

"In the eighteen short months of the war, American people subscribed for $18,000,000,000 of Liberty bonds and War Savings certificates. The banking institutions and the people of the country financed the requirements of the war in anticipation of the Liberty Loans and of the taxes for the fiscal year ended June 30, 1918, by the purchase of a total of $12,500,000,000 of Treasury Certificates of Indebtedness, all of which had been retired or provided for out of taxes or bond issues at the time the armistice was signed.

"Expenditures of the Government, excluding transactions in the principal of the public debt during the fiscal year, beginning July 1, 1918 to and including December 16, 1918, exceeded $9,600,000,000. Expenditures in the month of November nearly equaled $2,000,000,000, and in the current month of December, to and including December 16, exceeded $1,000,000,000.

"The proceeds of the Fourth Liberty Loan so far received have all been spent and the remaining installments payable on subscriptions to that loan will be needed to meet maturing Treasury Certificates of Indebtedness issued in anticipation of that loan, as
yet unpaid. Since the armistice was signed Secretary McAdoo has estimated that the cash outgo from the Treasury, during the current fiscal year ending June 30, 1919, will amount to $18,000,000,000 and much more than half of that amount has already been expended in the five and one-half months which have elapsed. The treaty of peace has not yet been signed, nor any important part of our army demobilized. Production of war materials and supplies had reached the peak at the time the armistice was signed; and the bills incurred during that period of maximum production must be paid.

"The Treasury must issue another large loan before the end of the fiscal year, and I am entirely in accord with the policy already outlined, that this loan should take the form of short maturity.

"It is vitally important that the Treasury should continue in a most energetic way the sale of War Savings stamps and certificates. Among the valuable and much needed lessons we have partly learned from the war is that of thrift and intelligent expenditure. Thrift helped to win the war and will help us to take full advantage of a victorious peace. It is therefore imperative that we do not relax into old habits of wasteful expenditure, and imperative that the habits of reasonable living, on the part of those of both large and small means, so easily acquired during the war period, be continued.

"Millions of our people have become holders of bonds of their government, but some of them seem to feel that they are under no further obligation to retain these bonds, and they are selling them and using the money for unnecessary purposes or exchanging them for other securities of very doubtful value. So long as the United States needs to sell bonds, those who hold the present issue should not dispose of them except under the spur of urgent necessity. They have invested in the best security in the world, and it is both to their own interest and to that of their Government that these securities be retained.

"Organizations of patriotic men and woman numbering well over two million have been created and have given their time and services to the sale of Liberty bonds and War Savings certificates. These great bodies of earnest and patriotic people called together almost at the outset of the war and augmented continually by new recruits, have accomplished a task which seems almost superhuman. My admiration is great not only for the work accomplished, but for the spirit in which it was accomplished. It is my earnest wish to retain and continue these great organizations until the work has been completed.
"We face this work at a time when we are handicapped in many ways. There is no doubt that there is throughout the country a feeling of relaxation, a feeling of self-satisfaction that the work is already performed, and a strong and not unreasonable call to take up once more individual and business interests and activity. The organizations were prepared for the task which would have confronted them if the war had continued throughout the year 1919, or longer, and I am confident that despite these handicaps, they will not now relax their efforts and leave the task unfinished. Victory has come to us earlier than we might reasonably have expected, but victory will not cause us to neglect the completion of that work which made victory possible.

"Our men on the other side still have their work before them and so have we. They will not leave until the task is fully accomplished, nor shall we. I am sure then that the Treasury Department can, with confidence, offer another Liberty Loan and continue the sale of War Savings certificates, knowing that the organizations will respond once more to the call for service and will at once prepare the ground and sow the seed so that the harvest may be abundantly fruitful."

Very truly yours,

J. B. McDougAL

Governor.