FEDERAL RESERVE BANK OF ST. LOUIS
ST. LOUIS 2, MO.

June 27, 1952

To All Banks in the
Eighth Federal Reserve District:

Most bankers will agree that in face of the current Federal Government deficit it makes sense to increase the flow of individual, institutional and business savings into Government securities. The alternative, financing through the banking system, would generate inflationary pressure at a time such as this when we have virtually full employment of our resources. To maintain the stability of prices and economic activity that has generally characterized the past year-and-a-quarter, it is necessary to intensify our efforts toward increasing non-bank ownership of Government securities.

The Treasury's revised savings bond program is a step in the right direction and provides those in key positions with better ammunition to effect more sales. You have recently received the joint statement by the Federal and State supervisory authorities and the President of the American Bankers Association endorsing the Treasury's new program. We want to add our own endorsement. We urge each banker in this district to support the Treasury's program and, in particular, to bring to the attention of his customers the more attractive terms of the new savings bond issues.

If the Federal Reserve Bank of St. Louis can be of service to your institution in connection with the promotion of the Treasury's savings bond program, please do not hesitate to call on us.

DELOS C. JOHNS
President