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The War Bond Story

Laurence M. Olney



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THE WAR BOND STORY
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No one is better qualified to write a history of the War Bond program than Larry Olney. He was one of a very few career Treasury officials who were brought in on the early planning of the Defense Bond program in 1941. He served as Associate Field Director during the entire war period. From this vantage point, being a party to both planning and execution, he is in an unusual position to document not only what happened, but why.

This work is an important contribution to the history of the financing of the Second World War. The Savings Bonds Division wishes to thank Mr. Olney for making this manuscript available for publication.

Elmer L. Rustad
National Director
U. S. Savings Bonds Division

December 10, 1971

Dedicated to the thousands of volunteers
in the Defense and War Bond program.

1941 - 1945.

PREFACE

This is a story of the War Bond program during the war years of 1941 through 1945. It is a story of four men who planned, organized and operated the most successful promotion, advertising and government financing program this world has ever known -- Secretary of Treasury Henry Morgenthau, Jr., Harold Graves, Assistant to the Secretary, Dr. Peter Odegard, professor at Amherst College and Theodore (Ted) Gamble, businessman, Portland, Oregon. It is also a story of thousands of patriotic American volunteers who made the program succeed. These volunteers did not ask what their government could do for them -- they did what they could for their government.

Never question the fact that when the "chips are down" and this country is in danger, the people of the United States will do their part in any worthwhile government program, if responsible leaders tell them what they want done.

One must understand, in writing the War Bond story, it was impossible for any one person to know about every promotion or activity of the program. It covered too much area. The thousands of volunteers were prominent citizens from banking and finance, industry, labor unions, schools, advertising, minority groups and every phase of American life. After each state was organized they operated in an independent manner. Programs, promotions and materials were presented which they could accept or reject. This was not a military organization and it did not operate as employer and employee.

It was in September 1939 when I first met Harold Graves. I had been working on tax fraud cases in Boston as Special Agent of the Intelligence Unit, Treasury Department. My Chief, Elmer Irey, had phoned me to report to his office in Washington at once. I presumed it was another tax fraud case. It was a surprise when he advised me that Graves wanted to see me at the Treasury. I was not very enthusiastic about such an interview. Graves had an unfavorable reputation among the agents of being tough, unreasonable, and if he thought an agent was inefficient in any way, he would "cut him to pieces."

On entering Graves' outer office I couldn't help overhear Special Agent Barker explain to Graves that he had been away for over three months and he wanted to return home. Graves spoke up sharply, "All right, Barker,

you're excused, but I want you to understand you've missed the boat." On that note I was ready to leave myself.

With some reluctance I entered Graves' private office and was greeted with a "Thank you for coming," and a pleasant smile. Briefly he outlined my new assignment. I was to work with Agent in Charge Cliff Mack on a thorough examination of the Procurement Division of the Treasury. This was a large operation, purchasing most of the supplies and equipment for all government agencies, except war materials for the Armed Services.

At that time it would have been hard for me to believe that for the next five years Graves and I would be working together as very close friends; that he would become my ideal of a top government executive; and we would be a part of a team that would plan, organize and put into operation the War Bond program.

After about a year of hard work, long hours and many interruptions caused by special investigations, Grand Jury cases and conferences, we completed the reorganization of the Procurement Division. If we were going to be drawn into the war in Europe, this division could be enlarged quickly. As we were about ready to make our report, Cliff informed me that Graves had offered him the position of Director of the Procurement Division and he would like me to become Assistant Director. I told him I would be interested if Graves and Irey approved.

A few days later Graves called me to his office, "Listen Larry, I can't take two top men from the Intelligence Unit and put them in one spot. Besides, I have a lot more work ahead for you. As soon as you finish your report you can take a few weeks leave over the holidays and return to your home in California. I'll call you when I'm ready for you."

It was January 2, 1941 when I returned to Washington and reported to Harold Graves. The war had been going badly for England, and France had fallen to the Germans. Graves greeted me warmly and explained there were two divisions he wanted me to examine -- Foreign Funds Control and the Savings Bonds Division. He asked me to start on the Foreign Funds Control first as their cases were bogged down badly and they needed a change in their system of processing them. He wasn't sure whether they were going to enlarge the Savings Bonds Division or start a new division.

A few days' examination of the Foreign Funds Control disclosed it was necessary that I have some help. I asked

Graves for Charlie Adams who had worked with us in the Procurement Division. Charlie had been in the Treasury Accounts section -- young, alert and a good worker. With his assistance we made good progress.

In the early part of February, at a conference with Graves, I met Dr. Peter Odegard. Graves explained that Dr. Odegard had been asked by the Secretary to come to Washington for a conference on a Treasury policy matter. At the conference he asked Odegard to present a statement of objectives for a Defense Bond program. I liked Odegard at once. He was a professorial type, intelligent and cordial.

On February 26, 1941, I had a long conference with Graves. First, we went over the situation at Foreign Funds Control and decided another few days' work and the report could be written. Graves then said, "Larry, you've been doing a lot of reorganization of government departments, now I want you to start a new department which we are going to call the Defense Bond Division. In the meantime I want you to release Adams so he can set up some offices. As soon as you finish your report I want you to come over and get into it."

I asked about the present Savings Bonds Division. He replied, "We are working that out and it looks like we'll probably eliminate that department and tie it into the Defense Bond organization."

Due to another assignment, it was not until April 10 that I could report to the Defense Bonds. However, during this period I had several conferences with Graves at which he kept me informed on the progress, the decisions that had been made and the plans.

My assignment to the Defense Bond program was not a transfer but a special assignment. It was my understanding, and Graves did not indicate otherwise, that after a Washington Staff was established and a field organization functioning, I would return to my Intelligence Unit.

CHAPTER I

THE U. S. SAVINGS BONDS DIVISION

The first "baby bond" officially known as the Series "A" United States Savings Bond, was issued March 1, 1935. Legislation was passed by the House and Senate in January and signed by the President on February 4, 1935.

The program was originated by Secretary of Treasury, Henry Morgenthau, Jr. Previously he had taken a trip abroad to England and France, where he became impressed by the benefits of small denominational government bonds offered to the people at large.

At the time the Savings Bonds were being discussed, the government was about to undertake a number of programs to relieve the unemployment situation throughout the country. An appropriation bill for \$4,800,000,000 was pending -- a huge sum for those days. This required deficit financing. Treasury officials wanted to avoid having the new securities held by a relatively few buyers -- the banks and wealthy individuals. They believed that widespread holding of the national debt was a sound principle of government financing.

The Savings Bond was an instrument of government showing an evidence of debt. It was not a marketable security which fluctuated in price like the old Liberty Bond of World War I. It recorded that John Doe had loaned his government a number of dollars which the Treasury promised to pay back with interest at the end of so many years. If John Doe needed the money in the meantime, he could redeem his bond with interest.

There were three sound objectives of the Savings Bond program:

1. To instill into the minds of the American people the habit of thrift;
2. To educate the people with respect to government securities;
3. To bind the people closer to their government, not only in financial affairs, but for its total well-being -- a Savings Bond was "A Share in America."

The baby bonds were purchased at 75% of their ten-year maturity value -- \$25, \$50, \$100, \$500 and \$1000. They were registered in the owner's name, and if desired, with co-owner, or beneficiary payable on death of owner. They were non-marketable--redeemable at stated cash value. If held to

maturity the baby bond yielded 2.9% interest. From March 1, 1935 to May 1, 1941 there were four series of baby bonds issued -- A, B, C, and D. At the beginning it was the idea to have a letter of the alphabet represent each year. This was soon dropped.

Treasury Department Order No. 13 established the Division of Savings Bonds under the Office of the Fiscal Assistant Secretary with Eugene W. Sloan in charge.

During the six years of operation, the baby bonds brought in almost \$4 billion in cash at purchase prices. This was a very respectable business since there was no field force, no sales agencies except the Post Offices and only about 200 paid employees. The principal method of promotion was an elaborate apparatus of circular lists -- a direct mail operation with folders and pamphlets. They also had a paid advertising campaign in nineteen magazines.

There were two features of the program which did not please Secretary Morgenthau. During the six years there were 17½ million bonds sold, over 57% of which were in denominations of \$100, \$500 and \$1000. The program was not reaching the small investor. In addition, there was the paid advertising which the Congressional Appropriation Committee criticized. In their report the appropriation of the Savings Bonds Division for 1939 was cut \$500,000. In making the reduction, the Committee stated they did not approve of large sums for advertising.

CHAPTER II

PLANNING THE DEFENSE BOND PROGRAM

At the conference in early January 1941, Secretary Morgenthau asked Odegard to present a statement of objectives for a Treasury program relating to defense, using United States Savings Bonds as a vehicle. They discussed the part the federal taxation program would play and what part the bond program should play.

During the next ten days Odegard read the printed history of the Liberty Loan Drives during World War I, written by Labert St. Clair. He also read the reports of the Secretary of Treasury for 1917 to 1920. From these he did not get any particularly useful information. He then read the annual reports of the various Federal Reserve Districts. The details were not adequate and revealed very little as to the actual methods employed, or the items of cost.

As a result of this survey, there was one definite decision made by Odegard -- a Defense Bond similar to the baby bonds should be used. By having a registered and non-transferable bond, they would not be marketable on exchanges as had been the case of the Liberty Bonds. At one time the Liberty Bonds dropped as low as 82 on stock market quotations, while at another time they had gone up as high as 112. This fluctuation took unfair advantage of the small investor. Many lost money by buying Liberty Bonds. Under the registry plan of the baby bonds, one would always get his full investment back.

Through conferences with Under Secretary Bell, and other Treasury officials, there were three Defense Bonds created -- E, F and G. An effort was made to have as great a continuity as possible between the baby bonds and the new Defense Bonds. Therefore, the forms and, so far as possible, the text were preserved. The three bonds were redeemable at stated cash values -- the E bond after two months, the F and G after six months from issue date. Series E and F bonds were accrual bonds. Series G sold at par (face) value. The Series F and G were offered for larger investors. With accrued interest adding to the cash value after one year, and each six months thereafter, the E bond yielded 2.9%, compounded semi-annually if held to maturity -- ten years.

In handling the bonds, Odegard and Graves recommended that the Public Debt section of the Fiscal Service of the Treasury would act as the agent of issue and redemption of the securities.

The promotion and sales of Defense Bonds would be established outside and independent of the Fiscal Service.

The important problem of the Treasury was debt financing, especially in case of war. The public debt was increasing rapidly due to defense spending. Treasury officials studied the problem of diverting excess purchasing power, and how to prevent unnecessary increase in bank deposits. In approving the Defense Bond program they were guided by the basic principle of a wide distribution of the debt:

"To the extent that loans are made out of current income and are widely distributed among the people, the inequities arising from the final distribution of the burden are minimized, and widespread ownership of the national debt becomes a stabilizing factor of great importance."

The memorandum by Odegard to the Secretary, covering the objectives and recommendations of a Defense Bond program was examined by the top officials of the Treasury and approved by the Secretary. Odegard did not believe in paid advertising to sell Defense Bonds. His examination of the Savings Bonds Division indicated that the advertising and circularizing campaigns had sold very few bonds to lower income individuals -- and did not justify the cost. In addition, he believed the program could be operated by a small paid Washington Staff and a field organization composed mostly of volunteers.

There was another important objective in the minds of Secretary Morgenthau and Odegard. Since the outbreak of the war in Europe in 1939, the American people were badly disunited. The Defense Bond program could provide a channel for united action and participation in national defense -- to eradicate differences of religion, race and class, section or party -- a program in which all could work.

To accomplish this objective it was a must that politics would be outlawed. A lot of credit goes to Secretary Morgenthau for keeping politics out of the program. An understanding was made with congressional leaders regarding this important phase. Throughout the Defense and War Bond program I don't know of a single instance where there was a definite political appointment. Probably there were a few cases but we never knew whether a State Chairman or a State Administrator was a Republican or Democrat -- the subject was taboo.

On January 29, 1941 the Secretary was scheduled to appear before the House Committee on Ways and Means, to request an increase in the legislative limit of the national debt. He wanted to insert as a part of the statement something on the Treasury's proposed future bond program. At the request of the Secretary, Odegard wrote this portion of the statement. Thereupon, the general concept of the program was determined.

From that time on there was a shift of emphasis to the ways and means. The Secretary requested Graves to take over the organization of the Defense Bond program and Odegard to remain in the Treasury to assist Graves.

Again the Division of Savings Bonds came up for discussion. The decisions that were made played an important part in the success of the bond program. The division was to be retained under the direction of the Commissioner of Public Debt of the Treasury. It would maintain all mailing lists, handle the duplicating work, receive and warehouse all materials and supplies, keep the files on bonds issued, bonds and stamps redeemed and ship promotional material to the states.

It was impossible to picture the magnitude of the task that developed from 1941 to 1945 as a result of war conditions and the increased promotion and sale of the war bonds. The space and equipment of the division became inadequate. The Washington postal and shipping facilities were overtaxed, resulting in several days delay before publicity material could be loaded and shipped. The Government Printing Office was not equipped to do four-color printing and was so overloaded with work one-color process was being subcontracted.

Therefore, in 1942 the Division of Savings Bonds was moved to Chicago -- a central shipping point. Many of America's largest printing plants were located in the midwest. The move resulted in increased efficiency and ability to handle an extremely difficult task.

In order to picture the magnitude of the operation by this Division during the War Bond program, by 1945 the division occupied over a million square feet of floor space in three buildings in Chicago -- the Merchandise Mart, the Furniture Mart and the Nash Building. They had the largest card file in existence, consisting of: 10 million stubs of Series A-D bonds, one billion stubs of Series E bonds, three million stubs of Series F bonds and eight million stubs of Series G bonds.

All War Savings Stamps of whatever denomination exchanged for bonds or cash were sent there and cancelled. They averaged about five million every working day. All redeemed, reissued and spoiled bonds were sent to the division. They averaged about eight million each month. About 200 million cancelled bonds were in the vaults. About 7000 cases of lost bonds, stolen or destroyed were being reported monthly. Incoming mail was running about 50,000 letters a month. Approximately 50,000 interest checks were issued monthly on Series G bonds. Nearly all promotional material -- posters, leaflets, booklets, mats and electros -- were received from the printing plants, packaged and mailed. In addition, all processed letters, press and radio

releases were printed and mailed. It was said that the business machine installation handled the largest volume of material anywhere. The operation required an average of 11,000 employees.

It seemed the planning of the Defense Bond program, its objectives, methods of operation and the type of bonds was decided in a rapid and efficient manner. Maybe I didn't know about some of the difficulties. However, there was one item that resulted in taking a lot of time and discussion to secure a decision.

Early in the planning it was agreed to have two methods of installment buying of Defense Bonds -- payroll savings and a stamp to be sold and turned in for a bond. The payroll savings had to have the cooperation and approval of labor and management which was a part of organization and sales promotion. The stamps needed a name and symbol to aid their introduction and acceptance by the people.

If you've ever tried to get several people to agree on a symbol or emblem for a program, you've really had a problem. Each has his own idea and your suggestion doesn't represent his idea at all. Maybe it's because we all have different reactions to subjects and backgrounds.

Odegard consulted with Dr. Harold D. Lasswell, a well known authority on propaganda, public opinion formation and the mobilization of consent. Lasswell was then working part time in Washington for the Rockefeller Foundation, through Archibald Macleish, Library of Congress.

At a luncheon, Odegard explained to Lasswell the purpose for which a name and symbol was needed. President Roosevelt had shortly before made his speech to the people in which he defined the Four Freedoms. It was thought that these could in some way be tied in with the new stamp series. Lasswell said he had to make a trip to New England and in about a week he would bring back a suggestion.

His suggestion was to use the arrow as a symbol for each of the Four Freedoms and to have the stamp with the top line titled, "For Defense." Under it there would be a large figure 4, and to the right of that four arrows. Lasswell's idea was that the arrow is a vigorous, affirmative symbol. It represents attack, action and strength. Three arrows had been the symbol in the old Weimar Republic of the German Social Democrats. He believed the use of a symbol of this sort by America would have revolutionary values to the masses of the German people; that millions of them would identify it with their own lost democracy; and that posters and leaflets dropped over Germany could lead to an uprising in Hitler's Reich. The idea of using the symbol as a propaganda weapon in Germany was certainly not entertained and the entire idea was rejected by Odegard and the Treasury.

Attention was turned to the Four Freedoms and the Bureau of Engraving and Printing was asked to try out a separate stamp on each -- home, a New England cottage; school, a building; religion, a church steeple; and government, the capitol dome. These were shown to the Secretary who remarked, "I think they are terrible."

So the search went on. One evening I was having dinner with Graves and Odegard at the Cosmos Club. The discussion turned to the subject of a symbol. I suggested the idea of using the Statue of Liberty with the American flag in the background. Both Graves and Odegard objected for the reason that the people didn't associate the statue with defense or war. Probably to some she doesn't, but to me she represents much more than liberty and freedom. She has said, "Goodbye, come back soon," to thousands and thousands of American soldiers, and when they return, she has always greeted them with her arms outstretched. You see, I know, for she said it to me as I stood at the rail of the troop ship bound for France in the early part of World War I. Two years later, wounded and just able to hobble on crutches, I met her again as our hospital ship sailed into the harbor.

Odegard then brought up the idea of using Daniel Chester French's famous statue of the Minute Man. He explained that it was definitely American; that its use in school textbooks, the country over, made it familiar to the public; and that it was a civilian and not a military device.

My only question was, would it fit as a symbol if we got into war. Anyway, Graves and the Secretary approved it and for over 30 years it has been the symbol of the Defense, War and Savings Bonds programs.

On April 19, 1941, the 166th anniversary of the Battle of Lexington, the first shipments of Defense Savings Stamps, bearing the slogan, "America on Guard" were shipped to post offices throughout the country, with the stamp albums.

In 1966, to my pleasant surprise, a colorful commemorative postage stamp was issued saluting the 25th anniversary of Savings Bonds and to American servicemen. As it applied to Savings Bonds, the stamp was intended to honor the thousands of volunteers who, throughout the years have made the bond program a success. The stamp showed the Statue of Liberty with the American flag.

CHAPTER III

ORGANIZATION OF THE DEFENSE BOND PROGRAM

At the start of the organization of the Defense Bond program, there were four very important objectives to accomplish -- in addition to the post offices, we had to secure the banks as Issuing Agents; the Washington Staff and field organization had to be recruited; and the promotional material had to be developed.

To a great extent the war situation assisted us. It looked like eventually we would be drawn into the conflict. England was being bombed in a devastating manner. The Nazis had taken over twelve countries in Europe and were moving toward Yugoslavia and Greece. The wolf packs of German submarines were causing a terrific loss to British shipping, which rose to nearly 114,000 tons in March 1941. Japan, in the Far East, was pressing forward toward her goal of the domination of Asia.

Through efforts of Secretary Morgenthau, the Federal Reserve and the approval and cooperation of the American Bankers Association, it was agreed that the banks could become Issuing Agents for the bonds. The Federal Reserve Banks, in each Federal Reserve District, would handle the Defense Bonds and issue them to the banks and post offices. The banks and post offices would in turn issue them to the purchasers. The problem was to sell the individual banks on being Issuing Agents. This meant contributing time, effort and monetary expenditures without reimbursement by the Treasury. For redeeming the bonds, they would receive a nominal fee. Many banks had to pay at least one employee to handle the bonds and records -- the larger banks several employees. Through the influence of the American Bankers Association, it was not very long before nearly every bank in the country adopted the program. The bankers became one of the most important parts, even though it cost them money and the bonds were in competition with savings accounts. They realized:

1. That by active cooperation in the program they would perform a worthwhile service to the government and to their customers, thereby creating goodwill and a better understanding of their role as bankers;

2. That the Defense Bonds were a stabilizing and strengthening factor in the economy of the country and represented reserve purchasing power;
3. That the bonds would contribute importantly to the sound management of the Public Debt and to the strengthening of the national economy. They would be an important tool. They would be an important tool in the fight against inflation;
4. That the program would be a direct method of participating in the creation of the economic climate in which they do business, locally and nationally, and an opportunity to publicly reaffirm their position as patriotic responsible business citizens.

On March 19, 1941, Secretary Morgenthau issued Treasury Department Order No. 39 as follows:

"There is hereby established in the Office of the Secretary a Defense Savings Staff which will have charge of promoting the sale of United States Savings Bonds, and other similar government securities offered to the public.

"The Defense Savings Staff will report to the Secretary through Mr. Harold N. Graves, Assistant to the Secretary.

"Mr. Eugene W. Sloan is designated Executive Director of the Defense Savings Staff, and will be generally responsible for its administration. Mr. Gale F. Johnston is designated Field Director, and Mr. Harford Powell, Information Director."

Eugene Sloan was a graduate of Princeton in 1915 and a Captain in the field Artillery in World War I. He had spent ten years in the shoe manufacturing business and ten years in the investment business. He was Director of the U. S. Savings Bonds Division from 1935 to 1941.

Gale F. Johnston was in the U. S. Naval Aviation, 1918; a member of the Associated Press, 1919; Princeton University, 1924; President and Publisher of the Intelligencer at Mexico, Missouri; and with the Metropolitan Life Insurance Company at St. Louis, Missouri as Sales Supervisor, 1925-28, Divisional Sales Manager, 1928-1938, Regional Manager, 1938-1941.

Harford Powell was a graduate of Harvard; promotion manager of Vogue; editor of Harper's Bazaar, 1917; Captain, Air Service, 1918; editor, Collier's, 1919-1922; the Youth's Companion, 1925-28; general executive, Barton, Durstine and Osborne; Vice President, Kimball, Hubbard & Powell, 1932-1938; executive and Vice President, Institute of Public Relations, 1938-41. He was author of many books and magazine articles.

In addition to these four appointments there was established a section titled, "Motion Pictures and Special Events." Carlton Duffus was appointed Director. He had been a special representative for Metro-Goldwyn-Mayer pictures staging premieres, planning special campaigns, organizing conventions and national tours. He was known as the "Flying Trouble-Shooter of Metro-Goldwyn-Mayer." After Duffus was appointed, Loewe's Inc., Metro-Goldwyn-Mayer Pictures agreed to have their Director of Promotions, Howard Dietz, appointed Special Consultant, without compensation, to assist Duffus.

The Defense Bond Staff in Washington occupied a unique position. Whereas most federal agencies were administrative or regulatory, the Defense Staff had the task of promoting and selling a thrift and investment program to volunteers and leaders in industry, labor, banking, agriculture, education and all groups in our economic and social life.

Due to the necessity of recruiting personnel in sales, advertising, radio and other promotional positions, the Defense Bond Staff secured permission from the Civil Service Commission to recruit our personnel of such positions, and salary, approved by the Commission. No registers were maintained for these positions. Of course the secretarial, stenographic and file positions were filled from the Civil Service registers, or secured by transfers from other government agencies.

The early Defense Bond Staff consisted of about forty sales and promotion employees representing a great variety of talents. Some were college graduates with more than one advanced degree. There were lawyers, doctors, engineers, writers, reformers, advertising executives and newspaper reporters. Some were working for a dollar-a-year and most for salaries far below what they earned, or could earn, in private industry. There were eight employees recruited for the purpose of contacting the field organization in the states, assisting in organizing state committees, and in several instances, to secure a state chairman and administrator. These men were carefully trained under the direction of James Blyth, a former organizer and publicity expert in fund-raising campaigns.

By the middle of April, in addition to the field and administrative divisions, the Washington Staff was beginning to function in the following:

Vincent F. Callahan -- Chief of Radio Section
Carlton Duffus -- Director, Motion Pictures and
Special Events.

Charles Gilchrest -- Assistant Chief of Radio Section.
Milburn McCarty -- Chief of Press Section.

Secretary Morgenthau had set the date of May 1, 1941 for the start of the program. It was a mad scramble to meet that deadline. Every member of the Staff, together with Harold Graves and Dr. Peter Odegard worked long hours -- in many instances as late as 2 A.M. during this period.

At the beginning of the planning, a lot of thought and discussion was given to the formation of a field organization. It was finally agreed to organize the field by states and to have in each state a State Chairman with one or two Vice Chairmen on a volunteer basis. A full-time State Administrator would be appointed on a salary with one or more deputies. The Governors of each state would be asked by the Secretary of Treasury to be Honorary Chairmen. Each state would have at least one stenographer and more in the larger states.

The problem was how to form an efficient field staff, rent offices, hire personnel, handle expenses, all under government regulations, and do it in a few months.

About the time consideration was being given to the formation of the field organization, the Office of Civilian Defense (OCD) approached the Secretary with the suggestion of a tie-in with their state groups to get the bond program started. There were several objections to such an arrangement -- the field personnel would be trying to do two jobs, the OCD personnel were not promotional or financial men, and the bond program would probably lose its identity. Graves and Odegard turned the offer down.

It was finally suggested to use the Collectors of Internal Revenue and Customs as State Administrators in some of the states. The Collectors were part of the Treasury, they knew Treasury regulations and government procedure, they had contact with the financial, labor and industrial leaders and they knew the income and conditions of their state. Although they were not promotion or financial men, they had the contacts to assist them. On the other hand, we could be open to criticism of using politics in the program since the Collectors were political appointees.

The Commissioner of Internal Revenue agreed to cooperate in every way possible and appointed Deputy Commissioner George Schoeneman to work out the details with Harold Graves. The Collectors were under the supervision of Schoeneman, and Graves knew many of them personally. A list of those Collectors who were possibilities was prepared -- those who were not entangled in politics, those who were able to take on additional duties without interfering with their duties as Collectors,

and those who were leaders in their state and would probably like to take part in the bond program.

During April 1941, seven Collectors of Internal Revenue and two Collectors of Customs were called into Washington, briefed on the Defense Bond program and accepted appointment as Administrator of their state:

April 6, 1941	C. H. Robertson	North Carolina
April 14, 1941	Thomas S. Smith	Connecticut
April 14, 1941	Giles Kavanagh	Michigan
April 14, 1941	Dan M. Nee	Missouri
April 14, 1941	W. P. Bowers	South Carolina
April 14, 1941	Frank Scofield	Texas
April 22, 1941	Eugene Fly	Mississippi
April 23, 1941	*William Bartley	Montana
April 23, 1941	*Saul Haas	Washington

*- Collector of Customs.

The Collectors returned to their respective states, secured an outstanding banker or business man for State Chairman, employed a Deputy Administrator and started organizing their state and local committees.

By the middle of April the Defense Bonds, Series E, F, and G, had been printed and shipped to post offices and Federal Reserve Banks. In addition, the Defense Savings stamps in denominations of 10¢, 25¢, 50¢, \$1.00 and \$5.00 had been printed carrying the picture of the Minute Man with the slogan, "America on Guard." The stamps were shipped to all the post offices.

The first Defense Bond poster showed the Minute Man statue at the left and at the top "For Defense." At the right side was "Buy United States Savings Bonds" and at the bottom, "On sale at your Post Office and bank."

CHAPTER IV

THE DEFENSE BOND PROGRAM - 1941

The date was April 30, 1941. The time was 9:20 P.M., EST. The setting was the White House in Washington. At his desk, behind a battery of radio network microphones, sat President Franklin D. Roosevelt. Beside him was the Secretary of Treasury, Henry Morgenthau, Jr. Newsreel cameramen were busily adjusting their lights and lenses and radio technicians bent over their sound equipment and listened intently through their earphones.

Promptly at 9:30 a red light winked on, the cameras started whirring quietly and Secretary Morgenthau spoke:

"Tomorrow morning the government of the United States provides one answer to the question that patriotic Americans have been asking ever since the national defense program was undertaken.

"The question has been: 'What can I do to help?' As the Defense Savings Bonds and Stamps go on sale tomorrow in every state and county, city and town in America, it will be possible for everyone -- literally everyone -- to take part in the National Defense effort"

At the close of his statement Secretary Morgenthau obtained the President's order for a \$500 Series E Defense Bond to be delivered the next morning, May 1st, when the new bonds were officially placed on sale. The networks then switched to Kansas City, where Postmaster General Frank Walker announced the Defense Savings Stamp program and added that he was reserving the first stamp for the President.

Back in Washington, the President spoke briefly but eloquently, urging patriotic citizens to form a "partnership between all of the people and their government -- entered into to safeguard and perpetuate all those precious freedoms which government guarantees by investing their savings in Defense Bonds."

Thus began the Defense Savings Bonds program.

On April 30, 1941 there appeared in the New York Post an article written by Sylvia Porter, one of the leading financial writers in the nation. Her article on the start of the Defense Bond program carried many predictions, which later proved to be true:

"Tonight in Washington, President Roosevelt will buy the first U. S. Defense Bond -- thereby launching the greatest money-raising drive in the history of the nation and perhaps of the world.

"Tomorrow, in 16,000 post offices and thousands of banks and other special agencies, defense securities costing from 10 cents to \$10,000 will go on sale.

"This starts 1941's defense loan campaign.

"Before it is completed -- a year or many years from now -- billions of dollars will have been borrowed by the Treasury from the little people of America.

"Tens of millions will own government bonds for the first time, will have savings plans based on their purchases of securities, will have a direct financial interest in their Treasury.

"It will be the Liberty Loan campaign of World War I days all over again, although there will be one big difference. The high pressure sales methods that characterized 1917's capitalization of patriotism will be avoided.

"But to the nearly 80,000,000 Americans alive today who witnessed the World War loan drive, that distinction will be minor. In general, outlines of the two campaigns are identical.

"No matter what your income or your financial state, there are defense bonds suitable for your purchase.

"Everybody is covered in the three types of bonds being offered by Secretary Morgenthau -- from the school-boy who can afford a 10 cent weekly contribution to the wealthy individual who can pick up \$50,000 of the bonds in one operation.

"The Treasury's staff worked for months to design the securities going on sale tomorrow. This is a drive to loosen the savings of the family with \$1500 to \$3500 yearly income.

"The banks and insurance companies that lent the government \$25,000,000,000 during the '30s aren't in the campaign at all. The wealthy individuals of the nation are of secondary importance. It's the little fellow that counts.

"For \$18.75 you may buy a Series E Defense Savings Bond which at the end of 10 years may be turned in for \$25. This appreciation is equivalent to an annual interest return of 2.9 per cent.

"The Series E bond is almost identical to the baby bonds that the Treasury has been selling since 1935. Today, more than 2,500,000 individuals own \$5,000,000,000

maturity value of these securities.

"For \$74 you may buy a Series F defense bond, which at the end of 12 years may be turned in for \$100. This appreciation is equivalent to an annual interest return of 2.53 per cent.

"For \$100 you may buy a Series G defense bond, which will pay $2\frac{1}{2}$ per cent annual interest over a 12 year period. You will get your interest in semi-annual Treasury checks.

"And for 10 cents to \$5 you may buy Defense Stamps at any Post Office. When you have collected enough stamps, you may turn in your album for an \$18.75, or a \$74, or a \$100 security.

"Wage-earners, housewives and students will buy the stamps and the Series E bonds, experts forecast.

"Wealthy individuals, trust funds and estates will pick up the Series F and G bonds in large quantities.

"There's no guessing at this time how much money the government will be able to raise through this campaign.

"The Treasury hopes to borrow from \$3,000,000,000 to \$4,000,000,000 from individuals over the next year and a half, according to reports.

"The figure seems high to most financial observers, especially since the drive is being started during a period when sharply increased tax levies are being discussed.

"But the Treasury's estimate can be reached and topped within a few months, for in the nation's mutual savings banks alone, there is more than \$10,000,000,000 of savings deposits. Total savings deposits exceed \$25,000,000,000.

"There's enough money in the country to meet all the government's defense needs -- if the public meets the challenge.

"In 1917 Americans responded to an extent beyond all expectations. Within three months after the United States had entered the war, for instance, the Treasury had borrowed more than \$1,000,000,000 from American citizens.

"And both the Treasury and the average American citizen are much more financially sophisticated now than in 1917.

"Just as there's no way of forecasting the total that may be borrowed this time, so there is no way of predicting the number of buyers.

"The figure may be 15,000,000. Or it may be twice that.

"Again, turning back to the World War Drive, the

record is significantly impressive. More than 4,500,000 persons bought the first Liberty Loan; 9,500,000 subscribed to the second; 18,370,000 to the third; 21,000,000 to the fourth.

"At least 30 per cent of the Liberty and Victory loans was subscribed by families with incomes of \$2,000 a year or less.

"If just every American who owns a life insurance policy in the U. S. buys a bond -- a not illogical comparison -- the purchasers of defense bonds will number 64,000,000.

"There is no parallel anywhere in all history for the magnitude of the borrowing drive that starts tomorrow in this nation.

"An army of 500,000 persons will be working on this selling campaign in a few weeks. More than 250,000 sales agencies will be operating before summer."

On May 1, 1941 the people of the United States purchased over 100 million dollars of Defense Bonds. Sales were recorded in the amount of money received at the Treasury -- not by maturity value of the bonds. This was true of all sales statistics in the Treasury bond program.

Although sales of Defense Bonds was an important element in the 1941 program, and was always an indication of the success of the program, most of the effort in 1941 was directed to the organization of the Washington Staff and the state committees.

Attention was first directed to the payroll savings program -- the organization of this section, and the preparation of the necessary promotional materials. It was realized that payroll savings was going to be an important part of the Defense Bond program. It was not a new idea, such plans had been used in business and industry for many years to enable employees to buy company stock. Later it was used to pay industrial insurance premiums automatically for the worker's convenience.

One of the first payroll savings plans for purchase of government savings bonds was about 1936 when Gene Sloan assisted in the installation of the plan for baby bonds in the American Telephone and Telegraph Company at New York City. In a short time they had about 30,000 employees signed up. Each month they sent a single check and a list of desired registrations to the Federal Reserve Bank in New York where the bonds were inscribed and mailed direct to the purchasers.

Through the assistance of several experts on railroad

allotments and insurance executives experienced on payroll deductions, instructions and promotional materials were prepared, such as, payroll savings authorization cards and pamphlets titled: "How to install and successfully operate a payroll Defense Savings Plan for the regular purchase of U. S. Defense Savings Bonds."

The instructions covered these principal points:

- 1- The cooperation of management and labor.
- 2- How to fill out the Payroll Savings Authorization card of the employee.
- 3- The opening of a separate bank account in which all monies accumulated to the credit of employees would be held in trust.
- 4- The registration of the bonds in one of three forms.
- 5- The purchase and delivery of the bonds.
- 6- An announcement letter to employees by the President of the company.
- 7- The organization of committees with responsibility for success lodged with one individual.
- 8- Use of publicity material.
- 9- Group meetings of employees addressed by heads of the company.
- 10- Payroll Savings for Defense Bonds should be voluntary.

The program and material were submitted to Secretary Morgenthau for approval. He held up his decision for several days. He wanted to be assured the plan would be voluntary and no undue pressure would be used on employees -- no slacker lists. The Secretary finally gave his approval after the endorsement of the plan by the American Federation of Labor, the Congress of Industrial Organizations, the Railroad Brotherhoods and many of the leaders of industry.

By the end of May, Riggs National Bank, Metropolitan Life Insurance Company, New York Life Insurance Company, Standard Oil of New Jersey, U. S. Rubber, Lever Brothers, American Telephone and Telegraph, International Harvester, Kraft Cheese and Armour and Company had adopted the plan. The payroll savings program was quickly adopted by other large companies, including all government departments and the armed services.

A labor union section was quickly formed in the Washington Staff consisting of representatives from the various unions. These men were of great assistance in the installation of payroll savings, especially in the large industrial plants. In addition, they assisted in the ironing-out problems of the plan between labor and industry.

During 1941 the volunteer services of insurance underwriters were used to enlist firms in the payroll savings program.

At the time of Pearl Harbor some 700,000 wage and salary earners were on the payroll savings plan.

During World War I savings stamps were issued to supplement the Liberty Loan issue of bonds. At the beginning of the Defense Bond program the savings stamps were revived in a different form and offered in denominations of 10¢ to \$5. They bore no interest but were exchangeable in units of \$18.75 for Series E bonds. The stamps were sold in post offices and in the nation's schools. Stamp albums were distributed through post offices and schools so that it was possible for children to save a dime at a time, usually on weekly stamp days at school.

The purpose of the School Savings Stamp program, which later was called "School-At-War" program, was to enlist the schools, administrators, teachers and pupils, and through the latter to their parents and the community, in the bond program. The school program was primarily educational -- preservation of democracy, good citizenship and financial support of their government. The Treasury offered the schools materials on war aims, thrift and conservation, and a practical plan for practicing thrift through the regular purchase, by students in classrooms, of Defense Bonds and Stamps.

The Savings Bonds Division, later known as the Distribution Center, handled the distribution of the initial order of 30 million stamp albums. In addition, a four colored bulletin was mailed to all schools in the nation titled, "Our America." Later in 1941 an additional 20 million albums were sent to Post Offices throughout the nation.

The School Savings program, prepared in consultation with the U. S. Office of Education, was educationally sound and was one which professional educators appreciated and could use in their own work.

A corollary of the school savings effort was the newspaper carrier boys' savings stamp program promotion. The ground work was laid in the Fall of 1941, and was initiated outside of the Treasury by the Philadelphia Evening Bulletin. This promotion quickly gained headway and a few months later there were over 900 newspapers cooperating in the program with more than 150,000 carrier boys actively selling savings stamps.

Dr. Homer W. Anderson, Superintendent of the Board of

Education, St. Louis, Missouri was placed in charge of the School Savings program and the Newspaper Carrier's program was placed under Sydney Mahan, Director of the Retail Stores program.

It was realized early in the program that the farm market would be important and one we must reach successfully. Farmers could not be sold bonds automatically through payroll savings. Those farmers with regular monies from dairying could be reached monthly through their bank. However, the farmer who received his crop money once or twice a year had to be reached through his banker, by special mailings of promotional literature and through farm organizations.

With the assistance of the U. S. Department of Agriculture the services of Lloyd Partain was obtained. He was an outstanding instructor technician and information specialist in agriculture. As a result the Defense Bond promotion to farmers got an excellent start. Partain secured assistance from state and county organizations of the Department of Agriculture, the Farm Bureau Federation, the Farmers Union and the National Grange. In addition, contacts were made with editors of the rural weekly press, farm magazines, farm radio program directors and the rural banking wing of the American Bankers Association.

Besides the regular promotional reasons for buying Defense Bonds, two additional aims were directed to the farmers:

- 1- To build up financial reserves against loss of income due to drought, flood, insect pests, livestock disease epidemics, and other factors beyond the farmer's control, as well as falling prices;
- 2- To build up reserves in E bonds for the replacement of tractors and other machinery in this period of necessary mechanization of agriculture.

A test program for retail stores was begun in Michigan. The experiment proved so successful, especially in setting a patriotic example for retailers to help meet the country's defense needs that a Retail Section was organized in the Washington Staff. Sydney Mahan of the Westinghouse Electric Manufacturing Company and F. E. Pulte, Jr. of the National Retail Committee were employed to promote the program.

Within a short time retailers all over the nation were writing in for ideas and direction. Representatives of leading retail trade associations met in Washington and formed a Retail Advisory Committee. The first major activity was "Retailers for Defense Week," September 15-20, 1941.

The week was launched with a meeting of some 500 retailers

at which promotional plans were shaped for a long-range program. The cooperation of retail establishments was principally in the area of publicity. Retailers featured bonds in their newspaper advertising and through window displays. Many retail stores assumed a quota of a certain per cent of bond and stamp sales in relation to their total trade volume, using as a slogan, "Take part of your change in Defense Stamps."

The retail stores program offered the Treasury three advantages:

- 1- Purchase of bonds and stamps by retail personnel themselves. Many retailers made the Payroll Savings Plan available to their employees.
- 2- Promotion of the sale of bonds in their establishments. Many retail stores became official Issuing Agents for Series E bonds.
- 3- Advertising of Defense and War Bonds. Since retailers are the country's greatest advertisers, this was an important contribution.

Another section was organized at the beginning of the program that would handle contacts with fraternal and civic organizations, trade and business associations and foreign-origin and negro groups.

We were very fortunate in securing the services of James L. Houghteling, formerly Vice President of the Chicago Daily News and for three years U. S. Commissioner of Immigration.

Under the direction of Larry Houghteling this section became a great asset to the Washington Staff. The Labor Union Section with its top labor men was placed under Houghteling's direction. He secured the services of Dr. William Pickens as head of the Negro Section. Dr. Pickens was one of the top educated negroes in the country, one of the leaders of the National Association for the Advancement of Colored People, and connected with many of the negro associations.

In May 1941 a national women's section was added to the Washington Staff and played an important role in the Defense and War Bond program. It was established to recruit women volunteers in a Defense Bond pledge campaign, to contact women's publications for advertising and publicity articles on bonds, to contact women's national organizations and to establish local, county and state women's committees.

Later in the program they did house-to-house canvassing to sell bonds and stamps, served as speakers, manned bond booths, made stamp corsages and helped in the school.

It was in April 1941 when I first learned about Vincent Callahan. I was having a conference with Graves in his office when his phone rang and from the conversation Graves had asked some prominent advertising man in New York City to recommend a top radio and advertising man. Graves final remark over the phone was, "I can handle him." He turned and explained that a fellow by the name of Vincent Callahan was highly recommended; that he was one of the top radio advertising men in the country; but that he was a very difficult man to handle. A short time later he joined the Washington Staff and became Director of Radio, Press and Advertising.

The Defense and War Bond advertising centered around the Advertising Council, formed by the advertising industry to aid and foster important national projects. The Council directed and coordinated the allotment of advertising space and air time for public service causes, among which the bond program, its original account, was of prime importance.

Preparation of the advertisements, based on themes approved by the Treasury, was a donated service. The Advertising Council, through the cooperation of the American Association of Advertising Agencies, appointed leading advertising agencies of the nation to serve as a task force for the bond program. They divided the assignments, one taking general newspaper and general magazine advertising, another industrial magazines, another farm publications, and so on. This also applied to radio, outdoor and transit advertising. The agencies donated their time and talents of a group of creative people to the bond job, just as they handled a commercial account.

The only expense to the Treasury for the millions of dollars in bond advertising during the Defense and War Bond programs was the cost of supplying advertising mats, electros and proofs to the printed media, transcriptions and filmed announcements to the broadcast media, and posters to outdoor and transit media.

It was not easy going for this section of the Washington Staff in 1941 but they made good advancement, especially in radio advertising. After Pearl Harbor, self interest was linked with the patriotic appeal to help win the war. Advertising then developed to top performance.

In the summer of 1941 the Washington Staff had grown to over 250 employees and we were cramped in our small quarters in the Washington Building. This had been an ideal location, across the street from the Treasury, but if

we were to function efficiently we had to have more space. Arrangements were finally made to move to the Sloane Building, 709 - 12th Street N.W. (No relation to Gene Sloan). The building was completely remodeled for our occupancy.

During the period from May 1, 1941 to Pearl Harbor all states, including the District of Columbia, Hawaii and Alaska, were officially organized, except two states -- Kentucky and Delaware. These two were organized rapidly after Pearl Harbor. California was organized with two offices -- one at Los Angeles and one at San Francisco. This made a total of 52 offices which were started with 29 Collectors as Administrators and 23 with bankers or a prominent leader of the state as Chairman or Administrator. In the 29 states organized with Collectors, a banker was secured as Chairman in ten of the states. The other 23 states and territories were organized by field representatives of the Washington Staff or by Harold Graves. Earl Ross, field representative, made excellent recommendations through the middle West and mountain states. Many of his appointments remained with the program during the entire war period and years later.

In 1943, during the reorganization, Kentucky was divided into two offices -- one at Louisville and the other at Ashland. This made a total of 53 War Bond offices.

The dates of the original appointments in each state did not reflect the interest, or the lack of interest, in the Defense Bond program. Post Offices and banks were selling bonds and stamps in every state during this period and promotional material was being distributed. We could not start the organization in every state at the same time. The starting dates of each state and territory, shown in Schedule "C" of the appendix, only show our progress.

On July 1, 1941 there was opened, after a dedicatory program, a one-story, glass-block house at 14th Street and Pennsylvania Avenue, on park property owned by the Federal Government. The building was erected by the Standard Oil Company of New Jersey - Esso Marketers, and turned over to the Treasury Department as an Information Center for dissemination of information and sale of United States Defense Bonds and Stamps. The house was surrounded by displays of Army, Navy and Marine Corps equipment. Inside the house was a glass enclosed radio booth from which hourly news broadcasts were scheduled. Each day there were programs including band concerts, speakers and appearances of movie stars. The Treasury House was staffed by attractive hostesses in light blue uniforms with matching overseas-type caps.

Following the Washington Treasury House, one was erected in Rockefeller Center, New York City on September 3, 1941, and one on Boston Common in Boston on September 4, 1941. Wendell Wilkie made the opening address in New York and Mayor Tobin in Boston.

During 1941 the Newsreel Division of the War Activities Committee of the Motion Picture Industry released many special clips in connection with the Defense Bond program. These clips, carried by the five newsreel distributors, included President Roosevelt buying the first bond from Secretary Morgenthau, Bing Crosby's four small sons buying bonds, Carol Lombard selling bonds in Indianapolis, A.F.L. members pledging to buy a billion dollars worth of bonds and stamps, a group of Congressmen joining the Payroll Savings plan, and Kay Kayser on his "bond wagon" in Chicago.

Many special releases were arranged featuring well known personalities such as Dorothy Lamour, John Payne, Nelson Eddy, James Cagney and Tyrone Power. The Hollywood Division of the War Activities Committee made a four minute short, "America Preferred," using a private in the Army Air Corps as spokesman. One thousand prints of this short was booked into 10,047 theatres, and later, six hundred 16 MM prints were exhibited at schools and industrial plants.

A major contribution of the Motion Picture Industry was launched in November 1941 with the "Minute Man For Victory" series. Three newsreel crews, covering various sections of the country, made 870 Minute Man subjects. They sought out interesting Americans in offices, factories, homes, laboratories and farms, and filmed the appeals of these men and women in support of the Defense Bond program.

It would be impossible to list all the special events that occurred from May 1, 1941 to the end of the year. A chronological list of selected events is submitted.

May 1 - A broadcast of a special program was conducted over NBC comprising a round table discussion of Defense Savings Bonds and Stamps by leading news commentators of the country -- from New York City; George Hicks, Lowell Thomas, John Vandercook and Don Goddard -- from Washington, D.C.; H. V. Kaltenborn, Earl Godwin and H. K. Baukhage.

Secretary of Agriculture Wickard made a broadcast to farmers over the National Farm and Home hour.

The 3900 member institutions of the Federal Home Loan Bank system volunteered to serve as agents for the sale of Defense Bonds.

May 2 -- Labor pledged support to the bond program --

A.F.L., C.I.O and Railway Labor Executives Association
The Boy Scouts of America agreed to distribute one million posters.

May 8 - A recording was made of the "Quiz Kids" for use in high schools throughout the country -- potential listening audience of three million. Services of "Quiz Kids" donated by Alka Seltzer.

May 9 - The American Legion adopted a resolution calling for all-out support of the bond program.

May 16 - Ignace Jan Paderewski broadcast a talk on Defense Bonds over NBC.

May 22 - Irving Berlin delivered his song, "Any Bonds Today?" to the Secretary.

Final arrangements were made for the Defense Bond Staff to use the full hour sponsored by the Texas Company over CBS for thirteen weeks during July, August and September on a coast-to-coast network using top entertainment as guest stars.

May 27 - Henrik Willem Van Loon volunteered as a special worker. Others now cooperating were Eve Curie and Luis Adamic.

Two million Minute Man stickers were ordered for use by printing and allied industries, trade associations and retailers.

June 12 - Association of General Contractors of America adopted a resolution supporting the bond program.

June 21 - Barry Wood appeared as soloist in the radio premier of Irving Berlin's song, "Any Bonds Today?" on the Hit Parade over CBS.

July 2 - First broadcast of the Treasury Hour -- Millions for Defense series -- over the Columbia network.

July 22 - First broadcast of "For America We Sing," featuring operatic and concert singers, every Tuesday for a year over the Blue network of NBC.

Round table discussion of leaders of labor and industry with the Secretary in his office, broadcast over CBS -- subject, "The Real Meaning of America's Defense Savings Program."

July 31 - Cash deposits at the Treasury from the sale of Defense Savings Bonds passed the billion dollar mark.

August 7 - The District of Columbia was the first in which all national and state banks had qualified as issuing agents for Series E Bonds. These bonds are the first government securities which banks have ever been authorized to issue and deliver over-the-counter instead of acting as purchasers for their customers.

Amalgamated Clothing Workers of America informed the Treasury their members had purchased \$110,000 worth of bonds. Their shop chairman collected the money weekly from members to buy stamps -- later turned in for bonds.

August 9 - Florida State Theatres, Inc. developed a special children's matinee plan with the purchase of Defense Savings Stamp for admission.

August 12 - Secretary Morgenthau announced the extension of Defense Savings Stamp sales to retail outlets in more than a million stores.

August 28 - Baseball Defense Bond Day.

September 3 - In New York the "Treasury House" at Rockefeller Plaza opened. The speakers were Wendell Wilkie, Acting Mayor Newbold Morris, and Mrs. Lytle Hull. Attendance was 45,000.

September 4 - The Boston "Treasury House" opened in Boston Common preceded by a large parade. The crowd was estimated in excess of 20,000. The principal speaker was Mayor Tobin.

September 9 - The Secretary addressed the Advertising Club of Boston at the Statler Hotel in Boston -- broadcast coast-to-coast by Mutual Broadcasting System. The Secretary stated that America faced inflation and that taxes and Defense Bonds were the correctives.

September 15 - Mrs. Eleanor Roosevelt bought a Defense Savings Stamp from Donald M. Nelson, to mark the inauguration of Retailers-for-Defense week which began in 500,000 stores by Presidential proclamation.

October 4 - A nation-wide campaign was started by the Automatic Phonograph Manufacturers Association and representatives of all major recording companies. Objective was to place "Any Bonds Today?" and other national defense records as they become available, in the No. 1 slot on the nation's 300,000 automatic phonographs.

October 15 - In cooperation with the American Hotel Association a distribution of three million posters and folders were made to 6000 hotels.

L. W. Treaster, Assistant to the President of the General Outdoor Advertising Company, Inc., and on the Defense Bond Staff, announced 24 sheet posters were available for distribution.

November 4 - The Army, Navy, Marine Corps and Coast Guard collaborated with the Washington Staff in a Toledo, Ohio Defense Bond demonstration. More than 400 men marched in the parade with equipment, and 30 Powers models were flown from New York. A Goodyear blimp carried a Defense

Bond sign over the city all day.

November 10 - The National Defense Committee of the Associated Business Papers, representing 132 publications, passed a resolution in New York stating: "It is the patriotic duty of every business paper to extend enthusiastically the fullest cooperation to the Treasury Department to aid in the sale of Defense Bonds and Stamps." Services of Schuyler Hopper, promotional expert of the Associated Business Papers, were loaned to the Treasury to prepare a series of advertisements on Bonds and Stamps to be distributed to business publications.

November 14 - A print of "America Preferred" was shown, along with other films by the traveling display unit of the Anheuser-Busch Company of St. Louis. These showings were set up at various Fairs and expositions.

November 18 - During September a campaign by newspaper carrier boys of the Philadelphia Evening Bulletin was conducted to sell Defense Savings Stamps to subscribers on their routes. On November 4 pictures and story of John Cotney, the newspaper carrier boy who sold the millionth Defense Savings Stamp were released to picture syndicates simultaneously with the release of the Philadelphia Bulletin extension plan story nationally. On November 18 a meeting was held at the Treasury of newspaper circulation managers to set in motion plans whereby 500,000 newspaper carrier boys became agents of the government in the sale of stamps direct to the American home.

November 21 - Leaflets recommending Defense Bonds as Christmas gifts were prepared by the American Bankers Association for banks to include in their monthly statements.

November 24 - Buffalo Stamp Campaign from November 24 to December 5 -- Buffalo merchants raised \$4,000 for this promotion and set \$175,000 as the stamp sales goal with which to purchase two fighter planes. They sold \$249,000 worth of stamps. Pennsylvania Central Airlines flew \$250,000 worth of stamps from Washington to Buffalo on Saturday, November 22. Throughout Buffalo 25,000 posters were distributed. Bond sales totalled \$807,000. This was the first weapons campaign promotion.

November 28 - 556 daily newspapers had adopted the plan to have carrier boys sell Defense Savings Stamps. A full page ad appeared in the New York Times with the headline: "They're Making Liberty Bells Out of Doorbells."

American Institute of Banking (Educational Section of the American Bankers Association) announced a nationwide

mobilization of more than 250,000 bank employees to aid Treasury in the sale of Defense Bonds and Stamps.

The Finance Department of the War Department set up machinery for a payroll savings plan to sell Defense Bonds to 1,500,000 military and about 400,000 civilian personnel.

December 6 - First of a series of radio concerts was conducted by Arturo Toscanini, NBC Symphony Orchestra over coast-to-coast Blue Network.

December 10 - Advertising material was distributed to 1500 house organs.

December 11 - Officials of Boy Scouts of American offered the services of the nation's 1,500,000 Scouts in every city, town and hamlet as Defense Bond and Stamp salesmen. They took orders for bonds and stamps by house-to-house canvas.

December 14 - The largest mural in the world urging people to purchase bonds and stamps was placed on display in Grand Central Station in New York City. The size was approximately 75 by 120 feet. The text was: "That the Government of the people -- Shall not perish from the Earth."

December 15 - An emergency meeting was held at the Federal Reserve Bank in Chicago of all State Chairmen and Administrators. The conference was to place the Defense Savings program on an intensified wartime basis. It marked the change in Defense Savings from an educational to an all-out major selling program.

December 17 - The Authors League of America formed an Advisory Committee to cooperate with the Defense Savings program.

December 19 - Joe Williams, noted sports writer, was named Chairman of a Committee to promote bond and stamp sales through sports activities.

December 26 - Bowling tournaments with Defense Savings Bonds as prizes were conducted by newspapers in 17 cities. Arrangements were made for 18 similar tournaments in other communities.

December 27 - Voluntary payroll savings for purchases of bonds and stamps by workers on federally financed projects was authorized by the Department of Labor.

December 30 - A bulletin titled, "Sharing America," prepared in consultation with the U. S. Office of Education was distributed to all educational institutions. It was an inauguration of the program to enlist 25 million school children in the Defense Savings program.

1941 Sales Results

The total cash receipts from sale of Defense Bonds E, F and G to individuals, from May 1 to December 31, 1941, amounted to \$2,537,210,000. This was a good sales record for eight months when the program was being organized and many of the states just getting started. Also, a good portion of the sales between December 7 and December 31 were not included in the totals. Further, there were no bond drives during the 1941 period -- only a steady promotional and advertising campaign. In addition to the bond sales there were over 6 million dollars of Defense Savings stamps sold.

During the first week of the war the sale of bonds sky-rocketed to an all-time high reflecting the public's reaction to the attack on Pearl Harbor and Germany's declaration of war against the United States on December 11.

On December 10 a message from Hawaii read, "Our banks completely sold out of bonds. Rush us more bonds." No mention was made of the Pearl Harbor catastrophe.

The Federal Reserve Bank of New York reported, "Demands for Defense Bonds have increased at least 800%." The Federal Reserve Bank at Chicago reported, "The increase in larger banks range from 70% to 500%. Many Chinese are purchasing bonds today. We have been swamped with requisitions of Issuing Agents from all sections of the district, many telephoning for us to rush shipments." Of the 120 cities reporting, the highest gain was in the Los Angeles district -- 1400%.

On December 19 the Federal Home Loan Bank Board reported a 276% increase in bond sales for the week December 8-13.

An interesting side-light to the sales picture was the cost of the promotion and sale of Defense Savings Bonds and Stamps. Many public officials, financial leaders and writers thought we were spending the government's money like a bunch of "drunken sailors." Due to the amount of promotion, advertising, radio, motion pictures and materials issued, they probably were justified in thinking so, but they did not realize that nearly all of it was donated.

On November 27, at the request of John Fisher of the Chicago Tribune, the total costs of the Defense Savings Staff was furnished as follows: "Total expenditures and obligations in connection with the promotion and sale of Defense Savings Bonds and Stamps from May 1 through October 31, 1941 was \$1,626,564. Total sales were

\$1,775,124,000. The percentage of expense to the total sales were approximately 9/100th of 1 per cent."

Personnel - 1941

During 1941 there were only a few personnel changes in the Washington Staff. Gale Johnston, Field Director returned to his former insurance company as Vice President and Bob Sparks of the Bowery Savings Bank took his position. Harford Powell, Information Director, left because he could not get along with Morgenthau. There were a few changes in minor personnel who either did not fit into the organization or who could not follow government regulations.

As a whole the Washington Staff in 1941 was a closely knit organization. Enthusiasm for the job to be done offset the occasional internal frictions which were bound to occur in a small group of high-tension promoters. There were no clock-watchers or time-savers in the pre-war skeleton crew. As one member wrote of the organization: "This was a satisfying place to work. There was so much to be done in every field that almost anything was worth at least one try. The Defense Savings workers, paid and volunteer, were so enthusiastic about their work that they talked of little else to each other and to anyone else who would listen."

One of the outstanding jobs done in the program in 1941 was the Administration Section under the direction of Charlie Adams and his assistant Juanita Jones. The problems of this section were difficult -- classification of positions and personnel, the budget, the handling of expenditures. They were only some of the difficult tasks.

Early in the program it was evident we needed two top men -- a good inspiring speaker and a volunteer National Director with experience in promotion and advertising. In September, during a meeting with Graves, he asked me if I knew Robert Coyne in Boston. I told him that I did, had worked with him and liked him. Bob was head of the Alcohol Tax Unit in the New England states.

Graves explained, "I think I can get Coyne transferred to the bond program. As you probably know, he is an attorney and a very good speaker." Graves, Sloan and myself were not speakers. Odegard was a good speaker but his talks were more educational. Later Coyne joined the Washington Staff and became our outstanding inspirational speaker.

The Oregon Kid

The securing of a top promotion and advertising man as a National Director on a volunteer basis was a difficult problem. During the summer of 1941 the search was done very quietly. Gene Sloan was a good Executive Director but he was a government employee with little promotion and advertising experience. To my knowledge the qualifications for the position were never written down but in conferences with Graves and Odegard it was clear the type of man we needed. If the qualifications had been written and presented to someone, the person would probably have said that it was impossible to secure such a man.

One of the most difficult requirements was that he be in a financial position to volunteer his services. The entire program was based on volunteer service. It would not have been consistent for a highly paid National Director to go into the field and ask men and women to volunteer their services and money. On the other hand, if he could say, "I'm contributing my services for our country and I expect you to do your part," then they would listen.

He had to be a leader with a good personality. In addition to the volunteers at state and local level, he had to secure the cooperation of labor unions, bankers, leaders of industry and heads of all types of organizations.

The appointment had to be non-political. We were asking all the people to cooperate and assist in the program. Thousands of volunteers would operate the program regardless of their political affiliations.

The man should be about 40 years of age who was completely sold on the program and had plenty of energy and enthusiasm. He had to have experience in promotion and advertising, and be able to stand a lot of pressure.

It was in the latter part of October 1941 when Graves and Odegard learned about a young man who was State Administrator of Oregon. He had organized one of the finest community organizations in the country.

If he had lived 100 years ago he would have been leading a regiment into battle; or a builder of railroads; or the head of a wagon train and known as the Oregon Kid.

But even in 1941 he was a recognized doer, an achiever. When he set out to do something he succeeded in doing it. His name was Theodore Roosevelt Gamble and he was from Portland, Oregon. At times he was referred to as the Oregon Kid but to his face you called him Ted. He looked younger than his 35 years and he was sensitive about it.

Ted was happily married with three children. At the age of sixteen he was assistant manager of the Pantages Theatre in Seattle; later, manager of the Bruen Circuit Theatres; and then buyer, film broker, director and general manager of the Universal Chain Theatres, a subsidiary of the N.W. Theatrical Enterprises. At the age of twenty five he was division manager of the Fox West Coast Theatres. In 1939 he had been selected as the First Citizen of Portland. In 1940 Ted formed his own company of Gamble Enterprises operating theatres in Portland.

Ted was a Republican, Methodist, Mason and member of several civic and welfare organizations of which he had been chairman of most of them.

In November 1941, after checking with several prominent citizens in Portland, and learning most of the above facts, Graves flew out to Portland and offered Ted the position of National Director. Ted turned down the offer and explained that he had recently started his own business and had to see that it was operated properly. He further explained he was not a wealthy man and had all his money tied up in his business.

A few weeks later when Pearl Harbor was attacked, Secretary Morgenthau asked Ted to come to Washington for a conference. As a result of the war Ted agreed to accept the position. He returned to Oregon and reported back to Washington on January 4, 1942 as Consultant to the Secretary and National Director of the Bond program at a \$1.00 a year.

He took over as National Director under several handicaps. The Defense Bond Staff had been working together very closely under a lot of pressure and a new boss was not looked upon with much favor. In addition, Ted was younger than most of us and ten to twenty years younger than most of the Treasury executives. Further, he had no experience in government procedure. However, Ted's ability to take things in his stride, his successful handling of the program and his consideration of the members of the staff soon resulted in his acceptance by everyone.

With Ted and the war situation, the War Bond program went into high-gear. He was always out in front with plenty of energy, and inspired everyone he contacted. He knew promotion and advertising from every angle and had an unusual sense of what was good and appealing to the public.

For four years, 1942 - 1945, Ted directed the War Bond program. During that period it became the greatest sales and promotion program this world has ever known.

Secretary of Treasury, Henry Morgenthau, Jr.

To understand Secretary Morgenthau's participation in the Defense and War Bond program, it is necessary to know the relationship and the friendship between Morgenthau and President Roosevelt. Also, the personal characteristics and short-comings of the Secretary enter into the picture.

In the three volumes of John Morton Blum, based on the Morgenthau diaries, this relationship is aptly described:

"Morgenthau's own first joy in life was to serve Roosevelt, whom he loved, trusted and admired. Through that service, the Secretary believed he served his country and his generation. Through his intimate friendship with the President, even more than through his official office, Morgenthau could help to execute the programs Roosevelt chose not to trust to others, and he could help too, to define the programs the President might embrace as his own.

"No one man at any time had Franklin Roosevelt's exclusive ear. But among those in the Cabinet, no one was closer to the President, no one was more loyal, no one more willing to subordinate his personal interests to the interests of his chief. Roosevelt understood his friend and valued his qualities, confided in him, used him, and returned the affection he received.

"Morgenthau's diffidence with strangers, his seeming suspiciousness and brusqueness shielded the warmth and generosity that Roosevelt's ways brought out. These qualities Roosevelt had to have in a man who took him for himself, not for what was his to dispense. Franklin Roosevelt revealed to most men very little of himself. But he could and did trust Morgenthau with personal matters of which few others were aware. Morgenthau was never a rival or a sycophant or a scold. He had a quick sympathy for Roosevelt's moods. His understanding and his dedication helped Roosevelt in those private hours when he did not want to laugh, helped him to bear the lonely responsibilities of high office."

My personal reactions and comments regarding Secretary Morgenthau probably should be omitted for I had few personal contacts with him -- my contacts were with Harold Graves, Peter Odegard and Ted Gamble. I did attend a few executive meetings in Morgenthau's office. He was very interested in the bond program and wanted to know all the details. He knew very little about promotion and advertising, and less about public relations. As a result, the meetings did more harm to the staff than they did good.

Morgenthau would sit behind his executive desk with a steno-typist at his side taking down every word. The members of the staff would sit in hard back chairs in a semi-circle. He would stare at them in a cold, austere manner, then pointing his finger at the first man on his right, say, "What have you got to report?" I doubt if he knew the names of any of us. None of the meetings were friendly and I never heard him say a complimentary word. None of the staff left with any enthusiasm -- most dreaded the session. I could understand why oftentimes he was referred to as, "Hank, the Morgue."

At one of the meetings Morgenthau turned to Harford Powell, Information Director. Harford showed him a glass bank about 12 inches long, 8 inches wide and 4 inches thick. He explained they would be sponsored by the banks and retail stores to be used by persons to save their small change to buy a bond. At the top of the bank was an opening slot where the money could be dropped in and from the slot around the bank was a glass seam.

Morgenthau was interested and asked, "How do you get the money out of there?"

Harford explained, "All you have to do is take a silver dollar, or some similar piece, put it in the slot and give it a tap. The bank splits in two parts and you have two nice glass ash trays."

Morgenthau's reply was, "Let's see you do it."

When a silver dollar was finally located, Harford placed the bank on the Secretary's desk, placed the dollar in the slot and gave it a good tap. There was a crash and the bank busted into thousands of pieces all over the desk. For several seconds there was not a sound and then Morgenthau burst into laughter -- it was the only time I ever saw him laugh, or even smile. Poor Harford was embarrassed beyond words.

Morgenthau dreaded making speeches to a large crowd or over the radio. As a result he was a poor speaker but realized it was necessary for the interest and welfare of the bond program.

CHAPTER V

THE WAR BOND PROGRAM - 1942

On January 1, 1942 I was transferred from the Intelligence Unit of the Treasury to the Defense Bond program as Associate Field Director. It was a difficult decision to make. The duties in the Intelligence Unit were interesting and challenging, and investigative accounting was my line of work. The position of Special Agent carried a great deal of authority and prestige. My Chief, Elmer Irey, was a wonderful man to work under. The Defense Savings Bond program was well started and organized. Cliff Mack had approached me twice to return to the Procurement Division as Assistant Director. My decision to accept the appointment in the bond program was principally based on my loyalty to Harold Graves and his statement that he needed me; also I knew that the bond program would be an important part of the war effort; and in addition the position carried a substantial increase in salary.

When Japan attacked Pearl Harbor on December 7, 1941, the United States was about one-third mobilized for war. True, the fighting spirit of the people surged up overnight. Differences of opinion were swept away in a wave of patriotism. The whole nation burned with an eagerness to strike back. The battlefield moves with incredible speed. Its action is swift, bold and dramatic and this was the temper of the American people.

But behind all this stretches the supply line of men and materials -- thousands of miles away in distance and months away in time. It includes the manufacture of planes, guns, tanks and ships, and behind that again, the construction of ammunition plants and shipyards, and the building of the machines that make the implements of war. It includes the training of millions of soldiers in the skilled tactics of modern fighting. It includes the reorganization of industry, transportation, and the whole of civilian life. It was in these things that the United States was only one-third ready.

The war appropriations of the United States rose from 64 billion dollars at the time of Pearl Harbor to 154 billion at the end of April 1942 with more to come. "This," said President Roosevelt, "is more money than has ever been spent by any nation at any time, in the history of the world." The actual

spending for war purposes had risen to 100 million dollars a day in April and would reach 200 million a day by the end of 1942.

The billions for war must be paid by the American people in one way or another. They were prepared to pay a considerable part of it on a cash basis. The national income -- that is, the total received by the people in wages, rents, profits and other receipts -- had risen from about 77 billion dollars in 1940 to an estimated 115 billion in 1942. From this income the people could make cash available for war expenses in two principal ways. They could pay it out in taxes or they could lend it to the government by purchasing bonds.

To pay so far as possible in taxes was desirable from the standpoint both of the present and the future. But how much taxation could the people bear? Many members of Congress believed that income taxes could not be made very much larger without injuring morale. The net tax receipts of the Federal government in the fiscal year 1941 (ending June 30) were about $7\frac{1}{2}$ billion dollars. Higher tax rates raised them to about 12 billion in 1942. Because of the rise in national income, the same tax rates would bring in about $16\frac{1}{2}$ billion dollars for the year ending in June 1943.

But this was less than a quarter of what would be spent for war in that period. The President's budget message in January 1942 had estimated total government expenditures at nearly 59 billions, of which nearly 53 billions were for defense. Later estimates raised this to a total of 73 billions which more than 67 billions were for war purposes. Unless the tax rates were raised, more than 56 billions would have to be borrowed and added to the national debt. The President proposed to increase federal taxes from the estimated $16\frac{1}{2}$ billion dollars to 23 or 25 billions, leaving about 48 billions to be borrowed.

Of the 48 billions to be borrowed, the greater part would have to come from the sale of government marketable securities to banks, insurance companies, and other large investors. Secretary Morgenthau was determined that the great mass of the American people should participate on as large a scale as possible in the responsibility of financing the war and in the security to be gained by investing their increased earnings in the future of their country. The Treasury felt sure that through the payroll savings plan and the sale of War Bonds to individuals would bring in a billion dollars a month to help pay for the war.

The only alternative proposed by many members of Congress, and several financial leaders was to have an "enforced savings plan" under which people would be compelled to invest a

certain percentage of their income in bonds, redeemable at the end of the war. Some wanted to impose a general sales tax.

The importance of the saving of war earnings for the future would have two other results, besides helping to finance the war. First, it would help to absorb, during the course of the war, the excess purchasing power of the nation which was a constant pressure toward inflation. Second, it would provide a great cushion for the future -- for the days after the war when employment would decline and people would need large savings to see them through the period of readjustment.

The greatest single contribution the nation could make toward paying for the war was to avoid inflation. It was estimated that inflation had made the first World War cost 50% more than it should have cost, without adding a single thing of value. President Roosevelt, in April 1942, put before Congress the government's measures to check inflation: heavier taxes to keep profits at a low reasonable rate, ceilings on prices and rents, stabilized wages, stabilized farm prices, more billions into war bonds, rationing of all essential commodities which are scarce, and reducing debts and mortgages and discouraging consumer credit. These measures, if successfully applied, might well prove to be worth as much as 50 billion dollars a year to the American people.

On January 2nd Graves called me to his office. His question was a tough one -- whether we should replace the Collectors who were State Administrators. There was no question they had done an excellent job in starting the program in their respective states and most of them had formed a good state organization of volunteers. The Internal Revenue Service was not pressuring for their return, even though many of them were spending more time in the program than on their duties as Collectors. It was evident they would object strenuously to being removed, especially since the war had started. They had done the bond job well but they were not experienced promotion men or finance experts. It was my judgment to keep them in their positions for the present.

On Ted Gamble's arrival from Oregon there were several conferences with Graves, Odegard and the section heads. Ted became rapidly acquainted with the operation of the Washington Staff. With his leadership we plunged into the preparation of plans and materials for a national pledge campaign to be held in March and April. Ted thoroughly believed that you must ask people to participate in the bond program -- at home

and on the job. We must use the volunteers to sell the importance of buying bonds by everyone.

On January 16, a tragic event occurred which shocked the entire nation. During 1941 leading celebrities in the entertainment field rallied to the bond program. After the United States entered the war, the entertainment world went all out for bond promotion. Through the motion picture industry we secured top stars, featured players and starlets at bond rallies.

One of the leading, and one of the most beautiful stars was Carole Lombard. She was in great demand. At the request of the Washington Staff she volunteered to attend the War Bond Rally at Indianapolis, Indiana on January 15. She made a radio address and gave press interviews in the interest of the bond program enroute from Hollywood. The bond rally was a huge success, attended by 20,000 persons, and she sold a total of \$2,000,000 worth of bonds during the course of the evening.

After the bond rally Carole took a plane home to Hollywood. Thirty miles south of Las Vegas, Nevada the plane struck a mountain and all passengers were killed.

On January 21, an unusual drawing in color, paying tribute to Carole Lombard's service to the nation as a bond salesman appeared on the front page of the Chicago Tribune.

Pledge Campaign

As of December 31, 1941 there had been sold over two and a half billion dollars of Series E, F and G bonds. An analysis of these sales showed there was not a large enough percentage of the total in funds of less than \$500 denomination. It was evident that a concentrated effort should be made to reach the great mass of the people -- the small investor. The first big move in this direction was in March and April when a nation-wide pledge campaign, and a stepping-up of payroll savings was promoted.

The slogan was, "Let's Make Every Pay Day Bond Day."

Under date of March 2, 1942, Sylvia Porter wrote in her column:

"You've undoubtedly been reading a great deal about Defense Bonds recently and have heard much about how essential it is for you to buy them -- but judging from 'insider' reports today, you haven't seen anything yet.

"The Treasury's selling drive -- begun 10 months ago when America was at peace, speeded up by internal momentum

when America went to war -- only now is getting into full gear. The official campaign actually is just about to start.

"And here are some of the developments you'll see in the next few months:

"(1) A house-to-house canvas by volunteer workers, guided by local selling committees, to check up on how many bonds you have bought, if any, and to discover how you're managing your savings plans in general:

"(2) The creation of committees for states, counties, municipalities and districts to direct the adoption of payroll allotment plans by all corporations and business firms, no matter how big or small;

"(3) A promotion campaign of unprecedented proportions carried on through newspapers, magazines and over the radio;

"(4) An educational drive, through all mediums of public expression to teach the importance of saving, whether through Defense Bonds or any other means -- just so long as it's saving.

"The volunteers who will be going around from house to house will try to teach the millions who today are spending to the limit of their earnings, the evils of their actions. They'll attempt to sell bonds 'on the spot'.

"Watch this drive. Within six months it will parallel and even may surpass the efforts of those who sold Liberty Bonds during the first World War. Defense Bond sales of \$1,000,000,000 a month may have seemed big before December 7, but that total is insufficient today.

"This week, when the bankers convene at Chicago for a special meeting they'll formulate a broad program for selling the bonds. On this campaign Wall Street and Washington are working hand in hand."

The pledge campaign was supported by posters, newspaper ads, radio and other media. The volunteers carried with them pledge cards to be signed pledging to purchase Defense Bonds or Stamps each pay day. They also had folders explaining the bonds and the reason people should purchase them. The first state to complete its pledge campaign was Oregon. It took Oregon's Minute Men only 72 hours to contact 85% of the state's 297,000 income receivers. The house-to-house canvas method was used. The early accomplishment of Oregon was not surprising due to the excellent community organization Ted had organized.

Several states utilized specialized methods and others conducted the campaign along occupational lines. For example,

North Carolina organized along lines of their annual Community Chest drive. Georgia and Washington set up campaigns as military organizations. Maryland and Michigan sugar-rationing program was used as a means to contact citizens for pledges.

In Indiana, April 12 was known as "Bond Sunday." All 3,910 polling places in the state were open from 12 noon to 10 P.M. and the pledge campaign was conducted on an election basis. Approximately 85,000 volunteer workers made a determined effort "to get out the vote" for the pledge campaign. All telephone users on "Bond Sunday" and the day before, through the cooperation of the Telephone Company were reminded of their patriotic duty to visit their election precincts and make their pledges. Transportation to the polls was arranged.

As a result of the pledge campaign and the advertising with it, there were few Americans who did not know about War Bonds.

During the pledge campaign, on April 15, 1942, Secretary Morgenthau issued Treasury Department Order No. 45 as follows:

"The name of the Defense Savings Staff, established by Treasury Department Order No. 39, dated March 19, 1941, is hereby changed to War Savings Staff, effective immediately."

There followed on June 1, 1942 the change of Series E, F and G bonds to War Savings Bonds. The change was in name only. The terms of the securities remained the same.

The War Bond Quota Campaign

The first War Bond quotas given to states and counties were during May, June and July, 1942. Many states had asked for a goal. They had said, "What do you expect from us in the way of bond sales? Are we doing a good job? Give us a figure and we will try to attain it."

Secretary Morgenthau and Ted Gamble were enthusiastic about giving quotas. Most business concerns operated on some kind of a goal. Most salesmen were given a quota. Graves and Odegard were not so sure about a quota system. Of course the Treasury could base a national goal on what was needed from individuals. The difficulty was taking into consideration all the elements of a state in order to give a fair quota. If you gave a state a quota that was impossible to reach, it would be discouraging and you could antagonize the entire state volunteer organization. The elements to be considered were different in each state -- population, income,

total savings deposits, farm income, retail sales and various others. There were companies with branches in other states where the payroll was made up at the head office. Where the bonds were issued would receive credit for the bond sales. There were many companies located on the borderline of a state where most of the employees lived in the adjoining state. Then there were disasters that had to be considered -- floods, cyclones, tornadoes and poor farm crops.

Even with all the statistics and information that could be secured from the Internal Revenue, Department of Commerce, Department of Agriculture and from the states, it was a problem to give a fair quota to each state. The figures were gathered together by the Research and Statistics Division of the Treasury and the quotas of each state listed. Graves, Odegard and Gamble would go over them. Before the state quotas were issued prior to a War Bond Drive, there was always a few state Chairmen who would insist that their quota in the previous drive was too high and unattainable, and ask the quota be lowered. In most cases Ted could sell them on their quota but in those cases when he could not he would lower their quota slightly and add it to some other state, or divide it among several states.

In some instances a Congressman got into the quota discussion. Naturally he was proud of his state and when his state failed to make its quota, there was something wrong with the Treasury's computation. Why we did not make some serious enemies and cause some serious resignations, I don't know, except that Ted with his personality and salesmanship could sell the idea we were doing our best. The Division of Research and Statistics did a good job in a difficult task. Anyway, the quotas during the war period were a headache.

On April 23, Secretary Morgenthau, Secretary Wickard and leaders of business and labor broadcast over the Blue Network a discussion of the War Bond Quota Campaign and the 10 per cent Payroll Savings Plan. It was the Treasury's objective to obtain 10 per cent of the national pay check in bonds with a country-wide quota of 600 million dollars in May, 800 million in June and hitting the billion dollar figure in July. The principal method of achieving these goals was through the 10 per cent payroll savings plan.

Milton Murray, president of the American Newspaper Guild, CIO, was appointed as consultant to the War Bond Staff to assist the Press Section in developing publicity plans for the campaign.

On April 25, the war bond quotas for each of the 3,070 counties in the United States were released. Announcement of the quotas was front page news in virtually all newspapers. In addition to carrying straight news stories, editorials and editorial cartoons, hundreds of papers carried the maps of their states with the figures for each county written in.

Leaders of Catholic, Jewish and Protestant faiths were heard in a nationwide radio broadcast in the quota campaign -- the theme was "The National Tithe."

On May 21 Mrs. Henry Morgenthau, wife of the Secretary, conducted a round-table discussion on "Women's part in the War Bond Quota Campaign," in a radio broadcast from Washington.

The "Bull's Eye" symbol was used in the campaign and the theme was, "Everybody, Every Pay Day Ten Percent."

Indian River County, Florida was the first county in the United States to over-subscribe its May War Bond quota in cash sales. Three states claimed the number one slot topping quota -- Oregon, Indiana and Connecticut.

The results of the three month quota campaign in sales of Series E, F and G War Bonds were:

<u>Month</u>	<u>Quota</u>	<u>Total Sales</u>
May	\$ 600,000,000	\$ 634,357,000
June	\$ 800,000,000	\$ 633,945,000
July	\$ 1,000,000,000	\$ 900,861,000

It was apparent from these figures and from information we gathered that a three month campaign or drive was too long to sustain the concentrated publicity and promotion.

"Stars Over America" Campaign

Beginning with January 1942, personal appearances of celebrities promoting and selling bonds and stamps became more frequent. The following tabulation, month by month to September 1942, shows the rapid increase in this type of promotion:

<u>Month</u>	<u>Cities</u>	<u>Stars</u>
January	10	25
February	28	37
March	23	61
April	21	36
May	65	81
June	66	79
July	86	78
August	49	20

Celebrity appearances were financed in three ways: by local committees when they requested a star, by commercial concerns, or by the film industry through its War Activities Committee. The great number of star appearances were made possible through organized tours projected and paid for by individual motion picture concerns, or combined companies.

On August 31, a rally on the Treasury steps launched the great "Stars Over America" War Bond tours. The motion picture industry, through its War Activities Committee, united with the War Bond Staff and arranged seven tours throughout the United States. The various stars were divided into seven groups and assigned to the tours which visited 353 cities and towns during the month of September. Appearances were not at theatres but at public mass meetings, bond luncheons, dinners and factories.

The rally at the Treasury was a great success. More than 35,000 persons witnessed the two hour program and thousands stood in long lines to buy bonds. Radio broadcasts and news-reel shots publicized the tours. The stars assigned to each group were:

<u>Group #1</u>	<u>Group #2</u>	<u>Group #3</u>	<u>Group #4</u>
Joan Leslie	Ronald Colman	Edward Arnold	James Cagney
Walter Pidgeon	Lynn Bari	Frances Dee	Fred Astaire
Adolph Menjou	Bette Davis	Gene Tierney	Hugh Herbert
Ralph Bellamy	Janet Gaynor	Chester Morris	Illona Massey
Richard Arlen	Basil Rathbone	Lorraine Day	Dorothy Lamour
Jean Parker	Nigel Bruce	Andy Devine	
Walter Abel	Ginger Rogers	Vera Zorina	
The Ritz Brothers			
<u>Group #5</u>	<u>Group #6</u>	<u>Group #7</u>	
Greer Garson	Walter Abel	Ann Rutherford	
John Payne	William Gargan	Charles Laughton	
Jane Wyman	Hedy Lamarr	Virginia Gilmore	
Veronica Lake	Irene Dunne	Connie Bennett	
	James Cagney		
	Lynn Overman		
	Paulette Goddard		

At Huntington, West Virginia, the War Bond rally with Greer Garson, the attendance was 12,000; at New York City in Wall Street Charles Laughton read the Bill of Rights and more than \$500,000 worth of bonds were subscribed; at San Francisco for two days in the Bay area, Joan Leslie, Adolph Menjou and

Walter Pidgeon covered civic luncheons, downtown rallies and shipyards; and Philadelphians responded to the salesmanship of Hedy Lamarr.

War Bond sales reported in connection with the star's visits totaled in the hundreds of millions of dollars. The grand climax of the "Stars Over America" tours and of the entire September drive of the motion picture industry came on September 30, 1942, when in New York City's Madison Square Garden, stars from all of the tours gathered together to stage what was one of the largest and most spectacular bond rally and patriotic event of its kind ever held. The program was broadcast over nation-wide radio networks to an audience of many millions.

Minute Women at War Week

At a conference in Washington, D. C. on September 2 - 4, plans for "Women At War Week" were presented to State Women's Chairmen and other War Bond leaders.

Miss Harriet Elliott, Associate Field Director, in charge of the Women's Section, War Bond Staff, presented the plans to use thousands of women volunteers, and women sales specialists recruited from women's organizations. They would steadily bombard every hamlet, village and city in America with appeals to swell the sale of bonds and stamps. A large easel, with a series of large charts, was used to illustrate each phase or point in the program. Forty thousand copies of these charts and an explanatory text was distributed during September to local women's groups.

One of the highlights of the three day conference was a White House luncheon at which Mrs. Eleanor Roosevelt addressed the women on their role in the war effort.

During the conference talks were given by Mrs. Henry Morgenthau, Dr. Mabelle Blake, the six women regional advisors and several other members of the War Bond Staff, covering the different phases of the campaign and the bond program.

Many excellent promotional materials were issued in preparation for this campaign -- a 52 page guide book for women volunteers; a suggested plan for retailers; arm bands with the slogan "Save 3 - Get 4"; an attractive poster captioned "She's Ready Too"; a 3-way panel, 60 by 39 inches in size, easily portable and practical as a background for temporary bond booths.

These materials together with the work done by the volunteers in the campaign stimulated the sale of War Bonds and

Stamps and especially assisted in the payroll savings drive.

First War Bond Drive

The period of the first war bond drive was from November 30 to December 23, 1942.

The slogan: "Keep 'Em Flying."

The goal: 9 billion dollars.

The drive was conducted by two organizations operating separately: the War Bond organization and the Victory Fund Committee. The latter organization consisted of twelve committees, one for each Federal Reserve District, and were composed of volunteers from every type of financial institution -- men experienced in the security business. Each Federal Reserve District Committee was headed by the President of that Federal Reserve Bank as Chairman of the Committee.

The Victory Fund Committees were to promote the sale of the following securities:

- 1- Series F and G bonds.
- 2- Victory Bonds - $2\frac{1}{2}$'s - 26 years due December 15, 1968 - callable December 15, 1963 - commercial banks not permitted to hold until 10 years after the date of issue.
- 3- $1\frac{3}{4}$ % bonds due June 15, 1948 - available to banks and others.
- 4- $7/8$ % Certificates of Indebtedness due one year after issuance.
- 5- Tax Savings Notes "A" and "C" and treasury bills.

The War Bond organization was to promote the sale of E bonds and conduct an intensified drive to increase Payroll Savings. The plans for the campaign were presented by the War Bond Staff at a second national conference held in Kansas City, Missouri from October 26 to 28.

On November 16, with the slogan "Top That 10 Percent by New Years" as the rallying cry a tremendous nation-wide drive was launched to complete the payroll savings job. A terrific barrage of press, radio, outdoor, movies and other types of advertising was used.

The specific objective was to increase the number of persons enrolled in payroll savings plans and to increase average payroll savings from 8 per cent to at least 10 per cent of earnings. It was estimated on November 15 there were 22 million persons enrolled and the goal was 30 million.

Achievement of this objective would increase payroll savings from approximately 300 million dollars to 500 million a month.

Under date of December 1, 1942, a pamphlet was issued with the front page a duplicate of the Secretary of Treasury letterhead addressed "A Message to American Employers and Workers" and signed by Secretary Morgenthau. The pamphlet was an excellent promotional piece on payroll savings, setting forth the goal, the importance of the job, the pattern and rules to top the 10%, the captains job and advertising materials to be used. It contained a message from President Roosevelt stating, "The time is Now. Every dime and dollar not vitally needed for absolute necessities should go into War Bonds -- to add to the striking power of our armed forces."

The goal of 9 billion dollars was exceeded:

Total Sales -----\$12,947,000,000.

Sales to Commercial Banks-----\$ 5,087,000,000.

Sales to Non-Banking Investors-----\$ 7,860,000,000.

To many the result was not very satisfactory:

Series E bonds-----\$ 726,000,000

All types of Securities to individuals--\$1,593,000,000.

In analyzing the results, there should be taken into consideration that the marketable securities were available for only the period of the drive and the E, F and G bonds were on sale continuously; that the drive was for only 24 days; and that the War Bond organization objective was to secure 30 million payroll savings workers. This was achieved in December.

Special Events

During the year 1942 there was a continuous promotional campaign by the War Bond organization. Besides the "Pledge Campaign", the "War Bond Quota Campaign," the "Stars Over America," the "Minute Women at War Week" and the "First War Bond Drive," there were thousands of promotional and advertising events by the Washington Staff and the state organizations. It would take pages to list and explain all of them. Therefore, in order to show some of the coverage, there are a few herewith listed:

January 2 -- David Sarnoff, RCA president and chairman of the NBC Board, will serve as head of the National Defense Bond Minute Men. The appointment of 29 other Minute Men were announced.

January 10 -- The Treasury Hour radio program was named by "Variety" trade paper of radio, stage and screen, as one of the best programs of 1941.

January 11 -- The first Negro radio program, regularly scheduled for the Defense Bond program, was heard over CBS, titled, "Wings Over Jordan."

January 16 -- Special foreign language groups -- Germans, Italians, Croats, Japanese, Ukrainians, Syrians, Roumanians and Serbians -- are investing their savings in bonds or helping raise funds to purchase bonds.

Crockett Johnston, representing a group of magazine cartoonists came to Washington to inform the Treasury that the nation's magazine would provide the Defense Bond program with cartoons for Trade publications and house magazines.

January 21 -- Stamps will be placed on sale in 5000 Western Union Telegraph offices during the week.

January 23 -- There are 1,015 radio Minute Men now broadcasting bond announcements daily in English and eleven foreign languages.

January 26 -- Sabu, the "Elephant Boy" of the Alexander Korda films, began his nationwide tour of Newspaper Carrier Boy meetings.

January 30 -- Miss Dagmar Norgord, representing the publishers of All-American Comics, Inc. met with the Washington Staff to present a plan for organizing the more than 40 publishers of comic magazines in support of the bond program.

Defense Savings Day in Altoona, Pennsylvania, where clerks in all stores were assigned \$10.00 worth of Defense Savings Stamps to sell to customers.

February 1 -- "Buy a Bomber" campaign was started by the New York Journal American and the Los Angeles Examiner. There followed a few days later similar campaigns by the Washington Post, Radio Station WJSV in Washington, the Chicago Herald-American and the San Francisco Examiner.

February 2 -- At Boston there was started the tour of Kargere collection of miniature dolls by Audrey Kargere, well-known stylist and sculptress.

February 3 -- Broadcast by Secretary Morgenthau over the Blue Network at which Secretary of Navy Knox presented the Navy's check for Defense Bonds on payroll savings of their personnel.

"Bugs Bunny" cartoon by Leon Schlesinger appeared in a short which was available for distribution throughout the country.

February 20 -- Minute Man recordings were made by United States Senators, and with their photographs were sent to their home state daily newspapers.

February 22 -- Broadcast by Secretary Morgenthau and William Green, President of the AFL, over the Blue network, to be heard at planned meetings of 805 AFL locals.

February 27 -- Plans were completed to utilize the nation's securities dealers. Special bond application forms, for use of the securities dealers, were prepared and distributed through the Federal Reserve Banks. One hundred and forty nine dealers in all 48 states were designated by the National Association of Securities Dealers, the Investment Bankers Association of America and the Association of Stock Exchange Firms to work with State Administrators. Coordination of the securities dealers was in charge of T. J. Bryce, partner of Clark, Dodge and Company, Investment Bankers.

The publicity and advertising division of the Motion Pictures War Activities Committee completed plans to place Defense Savings Stamps on sale in virtually every theatre in the country.

698 radio stations are using, three times weekly, the new transcribed fifteen-minute, "The Treasury Star Parade."

March 10 -- The Secretary of Agriculture informed the Department of Agriculture War Bond chairmen that they should be prepared to cooperate with the War Bond State Administrators in conducting the canvas of farm families.

March 20 -- Special War Bond announcements were wired to all radio stations urging bond purchases in a news tie-up of General MacArthur's arrival in Australia.

March 25 -- Editorial appeared in all Scripps-Howard newspapers which presented in detail arguments in support of the Treasury not paying for advertising in the promotion of War Bonds and Stamps.

March 27 -- Installation of the payroll savings plan was made in the War Department, making bond purchases available to approximately $2\frac{1}{2}$ million men and women in the Army, and 500,000 civilian employees.

The first meeting of the Church Press Advisory Committee was held in Washington to work out plans for increasing amount of material for use in church publications.

April 13 -- Through the cooperation of MGM, the national champion drum majorette, Betsy Parker, and Dorothy Schoemer, tap dancer, both starlets from MGM's picture, "Ship Ahoy" initiated a national tour for bonds at the Gridiron dinner in St. Paul, Minnesota. The starlets will stay on tour until

enough bonds and stamps are sold or pledged to buy a destroyer at \$3,500,000.

At a series of three rallies in Hartford, Connecticut, featuring Carole Landis, Dorothy Mackaill, Raymond Massey, Barry Wood, Edna Ferber and Clem McCarthy, the amount of \$3,000,000 in bond sales was raised.

April 15 -- In cooperation with OCD, the Bond organization staged four "Town Meetings for War" in Amenia, New York; Hannibal, Missouri; Ontario, California; and Tuscaloosa, Alabama.

April 24 -- War Bond feature articles by leading American writers -- Kathleen Norris, Mary Roberts Rinehart, Thomas Mann, Carl Van Dorn, S. J. Perelman -- were released to INS, AP and UP.

May 1 -- The first edition of the "Retailers for Victory" magazine was released, published by the Retail Advisory Committee, a contribution of the National Cash Register Company.

May 12 -- The Treasury Department announced its policy -- its disapproval -- in reference to the use of bonds and stamps as prizes, discounts, or gifts in connection with the promotion and sale of merchandise, or as prizes in lotteries, games of chance and the like. The Treasury's objections were based on considerations of public policy and do not depend upon the legality or illegality of any of the devices or games in question.

May 18 -- Rear Admiral Charles Conard was appointed by President Roosevelt to head the payroll savings program in all government departments. At a meeting of the members of the Interdepartmental War Bond Committee a plan was adopted modeled on the Navy Department and the Treasury Department payroll savings.

May 31 -- The color comic, "Small Fry", contribution of Al Capp, was published for the first time in 85 of the nation's leading newspapers.

June 1 -- The "Tank for a Yank" tour was started with Johnny Sheffield, "Tarzan, Jr."

June 5 -- Richard Litton, Pfc. of the 4th Motorized Division, Camp Gordon, Georgia was announced the winner of the Treasury's War Bond March contest for writing the words of a new marching song titled, "Save the American Way."

June 13 -- The "Jeep Tour" was started with Marlene Dietrich.

The first Treasury certificate of award to go to an International Union for achieving 100 per cent participation in War Bond purchases was presented to James C. Filgate, Secretary of the International Association of Siderographers.

June 15 -- Two official War Savings Bond emblems were adopted -- one a target lapel button and the other a red, white and blue window sticker. Both of them connote ten per cent of income participation in purchases of War Bonds. The sticker read, "We're Buying at Least 10%."

War Savings Stamp corsage sales were started. Various department stores throughout the country sold the corsages for \$1.00 as boutonnières for suit and dress decoration. The press and women's fashion magazines gave this patriotic vogue their attention. The Saturday Evening Post made a cover around the theme.

June 16 -- The 8-plane "Air Cavalcade" was started at the New York City La Guardia Field. This was a joint project of the Treasury and Army Air Force to promote War Bonds and Aviation Cadet Enlisted Reserve.

June 19 -- As a result of the trial of several plans, two distinct systems of savings by farmers were adopted. Farmers with regular monthly income, such as dairymen and poultry raisers, could have their cooperative deduct stated sums monthly. Farmers who deliver crops to their cooperatives only once a year could have a per cent of each sale or a stated amount per bushel, or other unit deduction.

Contractors engaged on cost-plus-a-fixed fee contract with the government were now permitted by the War Department to qualify as Issuing Agents for War Bonds in order to accomplish the delivery of bonds to employees, when contractors were administering payroll savings plans.

June 24 -- The Post Office Department issued an order authorizing rural postal carriers to accept applications for War Bonds. The postal carriers had been selling War Savings Stamps for several months.

July 1 -- As a result of numerous requests by purchasers to be permitted to put more money into the war effort, the limitation on holdings of War Bonds, Series F and G was raised from \$50,000 to \$100,000. No change of \$5,000 in Series E bonds limit in any calendar year was made.

July 2 -- All July magazine covers featured the American Flag and War Bonds.

July 27 -- More than 70% of all radio stations in the country agreed to become direct agents of the Treasury in selling bonds.

August 8 -- Of the 868 radio stations in the United States there are now 815 radio stations broadcasting the Treasury Star Parade series of programs.

August 15 -- Effective today the famous Minute Man flag will represent 90% employee participation and 10% of gross payroll invested in War Bonds. The banner previously had been displayed by firms enrolling 90% of their employees in the payroll savings plan.

August 19 -- Jacob Ulevich, Assistant Secretary of the Acme Savings & Loan Association of Milwaukee had sold 1632 bonds with maturity value of \$330,025 -- 90% of the purchasers were wage earners of foreign birth or parentage.

August 29 -- The Blue Network, comprising 142 stations from coast to coast on the air selling War Bonds for seven hours. This was the first time an entire network attempted a bond selling job. They sold \$10,666,000 worth of bonds.

September 2 -- Sir Winston Churchill purchased a \$100 Series E bond. He was the only non-citizen who was permitted to buy a War Bond.

September 6 -- The War Bond mural in Union Station at Chicago was unveiled. It was sponsored and donated by the Chicago and Cook County Building and Construction Trades Council.

September 12 -- The two General Electric plants at Bridgeport, Connecticut were the first to fly the new official "T" payroll savings 90-10 participation flag.

September 15 -- The Lockheed-Vega Aircraft Corporation at Burbank, California signed up more than 97% of the 60,000 employees to set aside 10.9% of the gross payroll for War Bonds every payday.

September 22 -- The Boston and Maine Railroad was the first railroad of more than 300 employees to allot 10% of its gross payroll to the purchase of War Bonds.

September 25 -- The "Schools at War" program was launched with the slogan "Save, Serve and Conserve." Mrs. Roosevelt participated in the broadcast on the Mutual Broadcasting System. A special 8-page publication was mailed September 12 to all daily and weekly newspapers, superintendents of schools and to high school papers.

October 26 -- Enrollment of workers in Payroll Savings passed the 21,000,000 mark.

October 27 -- The tour of the two-man Japanese submarine (suicide sub) was started.

November 5 -- All 435 employees of Board of Governors of the Federal Reserve System enrolled in the payroll savings plan with 10.7% of gross payroll. This was the second Federal Agency to achieve such a record.

November 9 -- The new War Bond song by Sergeant Dick Uhl and Corporal Tom Adair was released. The title was "Ev'rybody Ev'ry Payday."

November 24 -- The number of Americans who have purchased War Bonds has reached 50,000,000.

November 27 -- The Christmas Card crusade was inaugurated.

December 4 -- The "Information Please" tour was started from Boston.

December 7 -- To promote the purchase of War Bonds on December 7th, the Navy Department civilian employees adopted the slogan, "Let's Give the Japanese Something to Remember on Pearl Harbor Day."

During 1942, there were thousands of special promotions in the states. Some of them were amusing, such as the one in Nebraska, titled, "Getting Hitler's Goat." The Wilson & Company bond wagon was a large old-fashioned wagon drawn by a team of fine Clydesdale horses. During the year the wagon appeared in many parts of the country in behalf of the War Bond program. Passing through Nebraska it had with it a goat which was about as dirty and unfriendly as any goat one could find. However, it made a great hit at the war bond auctions. In less than a week it was sold over and over again (the buyers were only too glad to return it) to bring a total of \$90,000 in War Bond sales.

Administration and Personnel

During 1941 we had built a solid foundation of personnel in the Washington Staff. With the assistance of the Collectors of Internal Revenue and Customs, we had made a good start on a field organization -- all of this in a period of defense preparation without a war incentive.

At the beginning of 1942 we knew that the Washington Staff and the field organization had to be increased and reorganized at once. Therefore, during the year 1942 many personnel changes were made and the staff increased to 365 employees to handle the increased promotions and campaigns. The field organization was increased with several deputy administrators.

Ralph Engelsman, former Director of Sales of the Life Underwriters Committee for National Defense left his insurance business in New York City and was appointed Associate Field Director in charge of Payroll Savings Section. Additional

personnel was added to this section.

On May 22 Ted Gamble was appointed Assistant to the Secretary of Treasury at a \$1.00 a year.

On July 1, Robert Sparks, Field Director resigned to return to the Bowery Savings Bank. Robert Coyne was appointed National Field Director.

On September 8, Dr. Homer W. Anderson, President of the American Association of School Administrators assumed the duties as Associate Field Director in charge of the Education Section.

In October the Agriculture Section was established in charge of Lloyd E. Partain. Dr. William I. Meyers was appointed a Consultant to the War Bond Staff to develop a comprehensive program for selling bonds to farm people. Dr. Meyers was the head of the Department of Agriculture Economics, College of Agriculture, Cornell University and former Governor of the Farm Credit Administration. This section was considerably strengthened by these appointments.

The National Organization section was also increased. Dr. Pickens, an outstanding negro leader had done an excellent job in bringing the negro population into the bond program. At a War Bond rally at Victory Field, Indianapolis, 8000 people of all races attended, mostly negroes -- 200 coming from Terre Haute alone. As one writer stated, "This country has its internal problems, and will have them, but it has a solid front for battle against any outside enemy."

The Labor section was increased to continue the outstanding job in payroll savings.

The Women's program was expanded to take part in all phases of the War Bond program -- payroll savings, education, farm, retail, national organizations, and even in press, radio and advertising. In June Miss Harriet Elliott, Dean of Women of the University of North Carolina, became head of the Women's section with Dr. Mabelle Blake of Boston as her assistant. Six women regional advisors were appointed and assigned as follows: Mrs. Evelyn M. Crowell to the Southwestern states, Mrs. Carolyn W. Wolfe to the Northwestern states, Mrs. Dorothy B. Atkinson to the Midwest, Mrs. Helene Gans to the Eastern states, Mrs. Nancy G. Robinson to the Southern states and Mrs. Eleanor Wilson McAdoo to the far Western states. Mrs. McAdoo directed the Womens' Liberty Loan Drive in World War I.

In the Spring of 1942, Secretary Morgenthau talked to Graves about using Mrs. Morgenthau in the bond program. He explained that their son was in the armed services and she was worried. He thought if she was engaged in the war effort

it would help to keep her from worrying so much. It was arranged to assign her to the Women's Section. Mrs. Morgenthau was a motherly type of woman, well educated and with a pleasant personality. She was of great assistance in getting things accomplished for the Women's program.

We had a small conference room in the Sloan Building where nearly every morning we had a meeting of the section heads to discuss promotional plans and materials in order that there would be no conflict or duplication. On several occasions Mrs. Morgenthau attended. We were just sitting down to one of the morning conferences when Mrs. Morgenthau spoke up, "Yesterday I was so embarrassed. As you know our women's conference lasted late into the afternoon and when we finished I asked one of the Women State Chairmen to have dinner at our home. When we got out of the cab at home, there was Henry sitting on the porch with a drink in his hand and with his stockinged feet propped up on the porch railing. I was so embarrassed I didn't know what to say."

The group smiled. From that time on my feeling toward the Secretary softened -- he was really a human being.

During 1942 the Field Division of the Washington Staff included the Retail, Motion Picture and Special Events, Payroll Savings, Womens', Farm and Education sections. The Advertising, National Organizations and Administrative sections operated as separate units. Ted Gamble, as National Director, reported to the Secretary through Harold Graves. Bob Coyne acted more in the capacity as Assistant National Director. Peter Odegard, Consultant to the Secretary, handled policy matters and checked promotional materials.

There were two divisions of the Treasury that worked very closely with us -- the Bureau of Public Debt which was in charge of the Distribution Center in Chicago and the Research and Statistical Division. The latter handled the statistics on the Public Debt, the sale and redemption of the bonds and stamps and the various statistical information we needed in the program. Prior to a War Bond drive they prepared charts to present to the conference showing the financial situation and prepared the information on the quotas for the various states.

In the state organizations, during 1942, there were few changes of State Chairmen and State Administrators. Four of the Collectors of Internal Revenue resigned -- Indiana, Louisiana, Rhode Island and Tennessee. Lipe Henslee of Tennessee resigned to enter the Navy. Three other State

Administrators resigned -- Nebraska, Ohio and New Hampshire. William Starr of New Hampshire resigned to enter the Navy.

There were only three changes of State Chairmen -- Florida, New Jersey and New York.

In the larger states it was necessary to add Deputy Administrators to handle the increased promotional programs or to cover certain portions of the state.

Sales Results

The sales of Series E, F and G bonds by months during 1942 were as follows:

January -----	\$1,060,546,000	July -----	\$ 900,861,000
February -----	703,200,000	August ----	697,255,000
March -----	557,892,000	September -	754,684,000
April -----	530,502,000	October ---	934,998,000
May -----	634,357,000	November --	734,549,000
June -----	633,945,000	December --	1,014,168,000
		Total ---	\$9,156,957,000.

During the year there were sold 1,436,953 War Savings Stamps at a value of \$308,621,000. There were redeemed \$358,454,000 (included stamps sold in 1941) of which \$317,043,000 were redeemed for bonds and \$41,413,000 were for cash or Postal Savings Certificates.

Redemption of Series E, F and G War Bonds were insignificant in volume compared either with the total amount outstanding or with the month-by-month sales -- 42/100 1 per cent. Each bond carried on its face a statement that it could be redeemed for cash at any time beginning 60 days after the issue date in the case of Series E bonds, and 6 months after the issue date in the case of Series F and G bonds. A table of redemption values by six month periods was also printed on the face of each bond.

In November 1942 a survey was made by the American Institute of Public Opinion (a selective sampling process) which disclosed that four out of five adults had bought either War Bonds or Stamps. Analysis of the survey revealed that the percent of purchasers varied as follows in different groups:

	<u>Had Bought</u>
Middle Income and well-to-do----	90
Lower income group-----	68
Farm -----	71
City (10,000 population or over)	81

CHAPTER VI

THE WAR BOND PROGRAM - 1943

During 1942 the American Naval Forces had gradually halted the Japanese Navy at the Battle of the Coral Sea, Midway and at Guadalcanal. The Japanese finally withdrew from Guadalcanal on February 7, 1943. The United States had gradually turned the preponderance of strength to the side of the American Fleet.

In Europe, during August 1942, the Dieppe raid designed to test the defenses of the Atlantic Wall proved that the defenses were stronger than anticipated. The force of 5000, chiefly Canadians, suffered losses of over 3300. It was clear that a full-scale assault would be a formidable one. It was decided to postpone the attempt and to embark instead on the conquest of North Africa.

In Africa, during October 1942, the German-Italian armies, commanded by Field Marshal Rommel, and the Eighth Army commanded by General Alexander stood in strongly fortified positions. On November 1, the Eighth Army gathered its forces for a decisive effort at a break-through. In a furious tank battle Rommel's armour was shattered and his forces embarked on a full retreat which ended after 1400 miles at the Mareth Line on the Mediterranean coast. While Rommel was retreating a powerful American and British naval force invaded Casablanca, Oran and Algiers. It was the largest invasion armada that had ever yet been employed. The whole Allied enterprise was under the command of General Dwight Eisenhower. On May 12, 1943 the last organized resistance was subdued and the whole of North Africa was in Allied hands.

On the Russian front there was another turning point. In November 1942 the Russians launched an offensive in two directions against the Germans who had pressed their attacks for months against Stalingrad. February 2, 1943 marked the virtual end of the struggle around Stalingrad and a German force of 330,000 had been completely liquidated. By March 3, 1943 the Germans had been dislodged from one of their main strongholds in the Moscow sector. It was the first major setback administered to the Germans in continental Europe.

On the home-front there had been many changes in 1942. Censorship had been established. Price ceilings had been put into effect and the whole nation had been registered for rationing.

The actual spending by the government for war purposes had risen from 100 million dollars a day in April 1942 to over 200 million dollars a day at the beginning of 1943. The public debt (amount of interest-bearing debt outstanding) had risen from over 48 billion on June 30, 1941 to about 72 billion on June 30, 1942, and by June 30, 1943 it was estimated it would be over 135 billion.

In an address to the American Bankers Association, Secretary Morgenthau outlined some of the principles of wartime financing. In the address he stated: "In borrowing from the people directly, we intend to make every effort to reach and surpass our promised goal of 12 billion dollars from the sale of War Bonds and Stamps in the fiscal year that ends June 30, 1943."

Early in 1943 the Payroll Savings section issued a pamphlet titled, "Dollars and Sense" to labor and management. It was one of the best promotional pieces issued on payroll savings. It was stated simply, clearly and direct, and was an attractive piece. The first part read:

"A year ago, you, leaders of labor and management, were asked to do your bit by helping to sell War Bonds through the Pay-Roll Savings Plan. AND YOU DID IT!

"HERE'S WHAT YOU DID: At the beginning of 1942, some 700,000 people were investing about \$5,000,000 of their earnings each month in War Bonds through the Pay-Roll Savings Plan. Today, the 700,000 has swelled to 26,000,000; the \$5,000,000 each month to \$400,000,000. YOU DID A GREAT JOB. NOW YOU'RE BEING ASKED TO DO AN EVEN GREATER ONE. AND THIS IS WHY YOU'RE BEING ASKED TO DO IT.

"FIRST -- Because Uncle Sam is now taking the offensive and needs more money for war. This year the war is going to cost many billions more. Where's that money coming from? There is only one place it can come from. The American People! Either through taxes or loans. And, because only part of this money can come from taxes, the Government has to borrow the rest.

"SECOND -- We must protect ourselves against 'Dangerous Dollars.' In 1943 there will be 45 billions in the hands of the American people over and above the amount of consumers' goods available to them. These are 'Dangerous Dollars' burning holes in people's pockets. If we try to spend these 'Dangerous Dollars' we will -- force up prices -- encourage black markets -- and open the door to inflation. The people who have this money must be induced to save by lending it to the Government in the form of War Bonds.

"WHO HAS THIS MONEY? This year nearly every group in America will have a higher income -- and a big slice of it is going to the men and women on the plant payrolls. After meeting

the 1943 cost of living and the 1943 rate of taxes -- the people of America will still have more money left over than in any period of our history. AND -- whereas formerly one member of a family was working, in many instances, today, several members of the same family are employed. So that -- in a large number of these cases FAMILY INCOMES HAVE INCREASED GREATLY.

"OUR JOB THEN IS CLEAR -- (1) To help finance and speed the war, (2) To help ward off disastrous inflation, (3) To provide a backlog of savings for after the war.

"WE HAVE TO SELL MORE WAR BONDS! 10% is not enough. We've got to regard 10% as a starting point -- and then on from there. PAST PERFORMANCES INDICATE practically everybody can put a good portion of their earnings into War Bonds, and that, workers in War plants can save considerably more than the average.

"A RECENT SURVEY SHOWS approximately one-half of all workers are members of families where two or more are employed -- and -- such families can put a REALLY LARGE PORTION of their aggregate earnings into War Bonds.

"OUR JOB IS TO get every dollar beyond what is actually needed for living expenses -- to get the people to understand why real sacrifice -- giving up luxuries and unnecessary spending -- is expected of them. The most satisfactory and efficient way to get this money is through increased savings on the Pay-Roll Savings Plan."

The pamphlet then went along to tell the way to do it, the various materials available and the assistance from the War Bond organization.

From May 1, 1941, we had issued folders and pamphlets describing the E, F and G bonds and the different features of each -- registration, redemption, in case of loss, etc. Evidently many bondholders had never seen the folders or they had not read them. When the Treasury started receiving all kinds of questions regarding the bonds, we sent out new folders to all Issuing Agents and large supplies to the State offices.

Sylvia Porter, financial writer, in her column in the New York Post assisted us in this project by printing a series of "Questions - Answers" on War Bonds. Under date of February 19, 1943 she wrote her sixth series as follows:

"With close to 50,000,000 of us owning war bonds and the total increasing every day, it's probably to be taken for granted that many of us are being careless and are misplacing or losing our certificates -- and judging by the War Bond questions received by the Post this week, that assumption is entirely justified. Oddly enough, three readers wrote in simultaneously, posing different problems arising out of loss of War Bonds. And each one wants to know how he or she can go about tracing

ownership, proving loss and replacing the security.

"Luckily, when we buy War Bonds, the Government registers them in our names and keeps the lists up-to-date at all times at the Treasury Department in Washington. So the problem of loss is easily solved.

"But before getting into the matter of proper procedure to follow to get a duplicate for a bond lost or destroyed, it seems wise to urge the adoption of a program to protect yourself against this nuisance.

"War Bonds are valuable certificates, equivalent to cash and representing your savings.

"If it weren't for the fact that the bonds are registered in our names, they'd be readily marketable and transferable anywhere and then loss would be a serious mishap. (When corporate stock or bond certificates are lost, for instance, the owners must go through a long rigmarole to make sure no one else can use them.)

"It's scarcely intelligent action to be careful about a War Bond until you get it home and forget you're handling 'money' and throw it casually into a desk drawer or handkerchief kit.

"Here are some things you should be doing to keep your financial position straight.

"When you buy a war bond write down on a separate piece of paper the denomination of the bond, the serial number on its face, the date purchased and the beneficiary or co-owner, etc. Keep that record in a safe place at all times -- and of course, choose a spot apart from the box in which you're safe-guarding your bonds.

"And as you buy more bonds, add the figures to the same sheet of paper so you have a complete, easily obtainable record of your holdings.

"Then, if and when your bonds are lost or destroyed, you can tell the Treasury the whole story immediately, save time and expense and speed up replacement.

"Another good move is to keep all your bonds together in one place that you know is safe and protected from the 'hazards' of home-kitchen fires, sudden storms, young children grabbing for paper to play with, frisky dogs and whatever else you can think of.

"The best thing is to deposit your bonds in a safe-deposit box at your neighborhood bank.

"The Treasury Department or any Federal Reserve Bank will hold your bonds in safekeeping for you free of charge and will give you a receipt. Savings Banks and Savings & Loan Institutions generally offer safekeeping free to their customers. Many commercial banks have a free custodianship service and others charge a minimum fee. Just think of those small certificates

as \$25 or \$100 or \$500 -- and you'll automatically be more careful.

"M. G. of Brooklyn, however, 'thinks' she has lost one of three bonds she and her husband bought in 1942. Her impression is that they purchased three bonds but she can only find two. And she asks, 'how can I go about finding out how many bonds are registered in our names?'

"Considering the value of the certificates involved, this question seems to confirm the wisdom of keeping a separate record. The fact that M. G. has no record at all of her purchases complicates matters, according to officials of the Federal Reserve Bank.

"The best step, therefore, is to go direct to the Federal Reserve Bank and submit proof of identity, address, etc. The Reserve Bank will check on the bonds registered under M. G.'s name and let her know what securities have been issued to her.

"If she does own three and can prove loss of one, a duplicate of the bond she cannot find at home will be issued by the Treasury."

A week later Sylvia issued another series of "Questions - Answers" on War Bonds which covered explanation of why a war bond could not be used as collateral on a loan, about coownership and other important points regarding war bonds.

Criticisms of the Program

During 1942, and into 1943, the underlying philosophy of the War Bond program was subject to several attacks. Large segments of the banking and investment fraternity regarded a non-negotiable bond as a weak vehicle for a mass sales campaign. In addition, many in the professional financial circles regarded the War Bond organization as ineffective, being manned, allegedly, by amateurs with little or no experience in the securities business. Also, there was a demand that the organization along state lines be abandoned in favor of either Federal Reserve Districts or metropolitan trading areas.

These criticisms were not considered seriously by the Secretary or the Treasury Staff. The negotiable bond to the people had been carefully considered and quickly dropped. The bond organization was built along state lines. It was an efficient method of handling the program and the Secretary did not plan to change it. The Washington Staff was not intended to be made-up of financial and security bankers -- they were organization, promotion and advertising experts. In the state organizations there could have been more financial leaders but in 1941 and 1942 we were concentrating on the payroll savings program, the farm program, the women's promotions and the schools. We

were working with the labor unions, the workers, the farmers, the women and principals of the schools.

The serious criticism that bothered the Secretary was, "forced savings" or "forced loans." Many highly-placed people, in and out of government, clamored for a system of forced savings. Both President Roosevelt and Secretary Morgenthau believed in the voluntary system. They believed the Treasury could raise sufficient funds to meet expenses not covered by tax revenues, and could absorb enough private income to relieve inflationary demands for goods and services in limited supply.

However, the advocates of compulsory savings were constantly after President Roosevelt and Morgenthau -- there was Vice President Wallace, Miss Perkins of Labor, the Office of Economic Stabilization and Harold Smith of the Budget Bureau.

The Secretary had promised to raise one billion dollars a month from War Bonds in 1943. If he failed, voluntarism would fall with him. He realized this and as a result was unreasonably critical of the War Bond Staff. President Roosevelt's remarks at Cabinet meetings to "needle" Morgenthau did not help the situation -- "He's got his neck out and let him hang himself if he wants to, or else his head goes kaput!" Morgenthau reporting to Graves, Odegard and Gamble told them that if he seemed unreasonable in his pressure on them, it's remarks like the President's that are difficult to take.

On the whole Morgenthau was proud of what the War Bond program had accomplished. The First War Bond Drive in December 1942 had exceeded his expectations. Aiming for \$9 billion the organization had raised 12 billion 907 million dollars -- the largest amount of money ever raised by any government in such a short period of time. The response of the people impressed the President, and for awhile, protected voluntarism from the mounting criticism of its opponents. However, Morgenthau was caught on a treadmill that constantly accelerated due to rising war costs and the pace of inflation.

In December, Secretary Morgenthau stated at a press conference that he was especially grateful to Harold Graves, his assistant for many years, who had built up the bond organization, and to Ted Gamble and Peter Odegard, and their associates.

Second War Bond Drive

The War Bond program, for all its accomplishments, had never been designed to raise all the revenue the government needed, or to completely roll back the forces of inflation. It was to contribute to these ends but it was only one of the necessary instruments for financing the national defense and the war. Morgenthau believed that taxation should meet two-thirds

of the costs of the Federal Government, including expenditures for defense, the war and Lend-lease.

Treasury studies indicated that in 1943 taxes and war bond savings would have to absorb 16 billion dollars, the estimated excess of income available to consumers over the value of goods available to them to buy.

In February 1943, Secretary Morgenthau announced the Second War Bond Drive was to be in April, with a quota of 13 billion dollars. In preparation of the Drive he brought into the Treasury two representatives of the Victory Loan group with increased authority at the expense of Graves, Odegard and Gamble. This was a decision which caused a lot of dissention, heated arguments and a question in the minds of the War Bond organization, and others, as to who was going to operate the program -- the Federal Reserve Banks or the Treasury. The representatives of the Victory Loan group drew up a memorandum on the consolidation of the two organizations. The memo left Gene Sloan out of the proposed organization and on March 25, 1943 he resigned and became Director of the Savings Bond Division (Distribution Center) in Chicago.

As a result of the controversy between Harold Graves and the Victory Loan group, and the lack of decision by the Secretary, the direction and plans of the Drive came to a halt. All we could do was wait for orders.

On March 10 I went to Graves' office and told him the morale of the organization was at a low point; that we lacked direction and plans in order to prepare for the Drive. Graves reply was "Larry, I will take care of this difficulty. I want you to go back and hold the organization together. You can do it."

In a few days we received orders that the Bond Drive would be from April 12 to May 1; the Victory Loan Committees would work with the War Bond organization similar to that in the First Bond Drive in 1942, concentrating on the F and G bonds. We understood the difficulty was not settled and some kind of a consolidation of the two organizations would be worked out.

In an explanation to the press, the Secretary stated, "I have got to raise the money. I have got to use the financial machinery of the country. I have to have their cooperation and that doesn't mean I have sold out to them. It would be very stupid on my part that I should suddenly, at the end of my career practically sell out to the bankers, particularly when all my sympathy is the other way. I don't belong to their club and I have no intention of joining -- and they don't want me."

To some extent, Morgenthau's action with the Victory Loan group was understandable. War expenditures were increasing at a terrific rate and had to be financed. The Secretary failed to get through Congress the Treasury's taxation program in 1941 and 1942. The forced savings group was constantly on his neck. The

Victory Loan Committee's sales record of F and G bonds in the First Bond Drive was excellent. And in addition to all this, he was loaded with problems President Roosevelt had turned over to him -- the Chinese Loan, Lend-lease and other projects, even outside the Treasury.

Under these circumstances and arrangements we went into the Second War Bond Drive. The Victory Loan Committees were to concentrate on the F and G bonds, and the marketable securities as follows:

2½% Treasury Bonds of 1964-69. Buyers could be all types of investors except commercial banks which accept demand deposits.

2% Treasury Bonds of 1950-52. Buyers could be all types of investors.

7/8% Treasury Certificates, Series B - 1944.

Treasury Tax Savings Notes - due 3 years from issue date. Average rate 1.07 per cent a year if held until maturity.

The War Bond organization was to increase Payroll Savings; handle the promotion of War Bonds and Stamps; make the contacts with all advertising media; and handle all the distribution of promotional material.

The slogan for the Drive was, "THEY GIVE THEIR LIVES - YOU LEND YOUR MONEY."

The goal of 13 billion dollars in 19 days seemed like an unattainable goal. Our promotional material consisted of very few pieces due to the delay of plans. However, the state organizations with thousands of volunteers, supported by all types of local advertising, went into full speed.

In Washington the War Bond Staff waited anxiously for the sales results. We could hardly believe the sale figures when they started coming in. The work of two years in organization, advertising, payroll savings and promotion of all programs were paying off.

The national quota of 13 billion had been divided into 2½ billion from individuals and 10½ billion from all other investors. The final sales results were:

Total Sales-----\$18,555,000,000--142.7 of quota.

From all other Investors-----15,265,000,000

From Individuals----- 3,290,000,000

There were \$1,473,000,000 of E bonds purchased -- no quota was set. Our objectives were being reached when the final figures showed that 22,700,000 of the \$25 E bonds were purchased and 4,600,000 of the \$50 bonds. Of the 60,000,000 people who held jobs, or who were in the Armed Services, there were five out of every six who were bond holders -- 50,000,000 people owning War Bonds.

In the First World War there were five bond drives between May 1917 and May 1918. As a result a total of 21 billion dollars was raised. Those drives required 18 weeks of concentrated work. In the three week Second War Loan, 18½ billion dollars was raised, or 90% as much as in the five drives of World War I.

The results of the Second War Loan is best expressed in a pamphlet issued to the people by Secretary Morgenthau, dated May 25, 1943, and titled "The Story of America's Greatest War Loan." A portion of the report follows:

"During the three weeks between April - May 1, the American people invested 18 billion, 500 million dollars in the future of their free country. This was the most tremendous financing task in the history of the world. I feel that the people should have the facts about this successful undertaking. It will make them proud -- but more that that, it will give them a better understanding of the even greater tasks yet to be done in financing the most expensive war in history.

"Before the war the Axis boasted that Democracy's armies would be weak, and flabby. Now they know better. And now the people on the home fronts all over the world realize what kind of people they are fighting. They know that you and I and all of our neighbors are in this war to the finish. The fact that we sold 18 billion 500 million dollars in the Second War Loan is proof enough.

"We exceeded by more than five billion the goal we set for ourselves. This is a measure of our enthusiasm and patriotism. The result proves many things. It proves that the American people stand solidly behind their Commander in Chief, that they recognize this is their war, and they are willing and eager to finance it.

"I believe in the American people; I believe that they will go to the very limit of their capacity if only they understand the urgency of the situation.

"From reports that have come to me from all over the country, and as a result of what I saw and heard on a seven-thousand-mile trip from which I recently returned. I have come to some definite conclusions as to the reasons for our success. It seems to me that the explanation is found in the spirit of the American people and their deep-rooted determination to fight this war through to victory.

"When the people really become aflame with the war-spirit, all the other problems seem to solve themselves. Labor and management get together; production rises to an all-time high; and bond sales go up automatically. That checks with what all our figures tell us.

"War spirit, labor-management relations, production and bond sales all go hand in hand.

"Military terms to describe this Second War Loan victory -- and it is a victory -- are only partly appropriate. There can be no comparison between the self-denial needed to finance the war adequately and the suffering and death which our fighting men must face.

"Yet, there is a close relationship, a very definite similarity between the war on the home front and the war on the fighting front. Neither is won in a single engagement. On both fronts the war must go on through a succession of gains until the final and complete victory is won. We can speak of this success in the Second War Loan Drive only as a victory in a minor engagement. It is like the taking of a single fortified point while the main battlefield and the main forces of the enemy still lie ahead.

"The real battle is still ahead of us. All that we learned in this Second War Loan Drive, all the enthusiasm that we gained, will be useful in the bigger job that we still have to do.

"There is no automatic and easy process for winning battles on the home front any more than there is an automatic and easy process for winning battles in the field. The war must be won and the war must be financed by the voluntary, united effort of the whole American people.

"What success in financing means to our fighters is illustrated by a conversation I had recently with the Chief of Staff, General Marshall, who came over to the Treasury to have lunch with me and, before he left, he said:

"Mr. Secretary, I want you to answer a question for me and to answer it with complete frankness. Can we military leaders plan to fight this war in an orderly way -- in the surest and most effective manner -- or must we take extraordinary risks for fear the money will not hold out?

"My answer was: General, the American people will take care of that. What they have done in this Second War Loan Drive -- the money they produced and the spirit they have shown -- is proof enough for me that they will not let our fighters suffer from lack of support until we achieve complete victory, no matter how long that may be, nor how much it may cost."

"That was my answer to General Marshall. I know it is the answer of the American people."

Reorganization

After the successful completion of the Second War Bond Drive, the Federal Reserve System urged an immediate enlargement of its role within the War Bond organization. The Secretary finally issued his decision:

1- That there would be a consolidation of the Victory Loan Committees with the War Bond organization;

2- That the new organization would be called the War Finance Division (Treasury Department Order No. 50)

3- That the Treasury Department would continue to direct the state organizations under State Chairmen who were to report directly to the Secretary of Treasury.

4- That the Collectors of Internal Revenue and Customs were to be replaced by personnel approved after consultation with the Presidents of the Federal Reserve Banks in their regions.

As a result, the two representatives of the Victory Loan Committee at the Treasury resigned and left the bond organization. Ted Gamble, with Assistant to the Secretary Gaston, went into the field to arrange the consolidation and to consult the Presidents of the various Federal Reserve Banks on appointments in their respective districts.

Several months later, after the consolidation had been completed, Harold Graves, Assistant to the Secretary, resigned. The reason for his resignation was never made public, but it was known the Secretary did not request it. Graves had reached retirement age and retirement conditions of the Civil Service. He had fought the Victory Loan Committee in all their attempts to take over the program and from all reports he resigned in order to secure a friendly consolidation of the organization.

Graves insisted that Ted Gamble and Peter Odegard continue the management of the program and requested that I stay. After the war, Secretary Morgenthau visited Graves in Seattle where they had a happy reunion. In 1948 I visited Graves and we had such a good visit together I could not and did not want to bring up the question of why he resigned.

In the consolidation, there were very few changes in the Washington Staff -- of course Ted Gamble was in full charge of the program.

In the state organizations there were many changes in the top positions of State Chairmen, Vice Chairmen and State Administrators. There was only one state that did not have a change -- North Dakota.

In the other 52 bond offices, there were 31 State Chairmen who resigned. Of these 31 positions there were only 12 Victory Loan representatives appointed. The other 19 State Chairmen appointed were men who had been working in the bond program. According to Ted, there were very few State Chairmen who resigned because of their objections to the reorganization.

The largest number of appointments were Vice Chairmen who were added to the State organizations. Of the 53 Vice Chairmen appointed, 26 were members of the Victory Loan Committee.

The part of the reorganization which concerned us most was the removal of the Collectors as State Administrators. In the reorganization this position was titled, "Executive Manager." The Collectors had done an outstanding job of organizing the program and many of them did not want to be replaced -- they liked the bond program. Their replacements would be full time paid employees. The result was 29 replacements and only five were members of the Victory Loan Committee -- and only two of the five replaced Collectors. Seven of the Collectors remained in the program, three as Executive Managers and four as Vice Chairmen. Most of the Executives managers appointed were Deputy Administrators who had been in the program from the beginning.

The result of the reorganization was that the Treasury was satisfied and the Federal Reserve Banks were pleased. There was no question we had strengthened our organization. Now we could handle all the financing -- marketable securities and the War Bonds. As one Treasury official stated, "The whole controversy could have been worked out much easier."

The Third War Loan Drive

The reorganization and consolidation of the two organizations continued into August. Shortly after the Second War Loan we were advised that there would be a bond drive in September and it was going to require an all-out effort. Every phase of the program had to function to the limit. The Secretary set the quota at 15 billion dollars and all of it was to come from non-banking investors. The slogan was, "Back The Attack -- With War Bonds."

The basis of the 15 billion dollar quota, as explained by Morgenthau was that the cost of the war during 1943 would be 100 billion dollars. Under the tax laws the Treasury will receive 30 billion from taxes and during the first four months of 1943, including the Second War Loan, there was sold 25 billion dollars of War Bonds. This would leave 45 billion dollars that must be raised this year in new taxes and additional sales of War Bonds.

On June 30, 1943 the interest-bearing debt outstanding of the United States was \$135,380,305,795, an increase of 63 billion dollars over June 30, 1942. This was approximately the amount predicted in 1942.

The slogan, "Back the Attack -- With War Bonds," was based on the war situation -- moving from primarily defense to an offense action. When the Japanese withdrew from Guadalcanal on February 7, 1943, it became a base for offensive operations against the remaining islands in the Solomons. New Georgia, the site of an important Japanese airfield was invaded on July 2nd; landings were made on Villa Lavelle on August 15; and Bougainville on November 1, 1943. The effective neutralization of these

islands carried the United States forward on the first stride along the island road. A parallel drive by Americans and Australians under General MacArthur was under way in New Guinea.

At the Casablanca conference in January 1943, attended by Roosevelt and Churchill, it was decided to follow up the operations in North Africa by an invasion of Sicily. By August 17 the whole island was in Allied hands. The Italians, caught between the German occupation and the Allied invasion, signed an armistice on September 3. There followed a full scale invasion against the Italian mainland.

In planning the Third War Loan campaign there were certain facts we learned from the Second War Loan. The most important point was that the best conceived and administered program of advertising and publicity cannot make our quota unless it is carried directly to every individual American by a personal appeal to buy bonds. In spite of the intensive, general appeals to "buy an extra bond in April," only 17% of those who were not solicited responded by actually buying extra bonds. But 47% of those who were personally solicited did so.

In rural areas, the effectiveness of solicitation was even more striking. Fifty four per cent of the farmers who bought bonds said they did so because they were personally asked. Only 2% bought because of rallies and other general promotion.

In April, it was also learned that the most effective way to reach workers on payrolls is through the person-to-person, bench-to-bench canvass of every worker. This was particularly true of workers who were already investing through the Payroll Savings Plan. Unless a personal appeal was made to them, they tended to regard general sales appeals as directed toward the other fellow and to think of themselves as "doing my share."

In a memorandum of 28 pages, Ted Gamble issued to members of the War Finance Committees a summary of the plans and suggestions for the Third War Loan Drive. Portions of the memorandum were:

"State by state quotas will be assigned in terms of (a) sales to individuals as distinguished from corporation and institutional investors, (b) sales of series E bonds as distinguished from all other securities. There will, however, be no such breakdown of the national quota.

"To make our individual quota, we must obtain an average investment of an extra \$100 E bond during September for every American now receiving regular income (excluding members of the armed forces), and we must also dig deeply into the accumulated funds now being held by individuals as well as by corporations, institutions and associations. We must not overlook or slight any possible non-banking investor.

"There are 53,500,000 Americans now earning income from

various occupations. They include men and women at every income level, but it is important to remember that approximately seven-eighths of the total income payments made are received by individuals earning \$5,000 a year or less. This great middle-income group is our most important market for E, F and G bonds.

"The Advertising and Publicity Division in Washington has detailed plans for the most extensive and intensive national advertising and publicity campaign in our history. State and local War Finance Committees should plan similar campaigns. All should be designed to create an atmosphere of urgency, expectancy and even of crisis throughout the nation, to appeal to the individual's patriotism and self interest, and to prepare him for a direct, personal appeal to buy bonds.

"The publicity will include more than one hundred million lines of advertising space in newspapers; more than ten thousand hours of radio time; over fifteen million lines of news and editorial space in daily and weekly papers; forty eight thousand 24-sheet billboards; full-page advertisements in four hundred business publications; editorial space in more than twenty five thousand house organs; full-page and half-page advertisements in forty leading general magazines; lobby displays, news reels and short subjects in more than sixteen thousand motion picture houses; displays in one million drug stores, grocery stores, liquor stores, and department stores.

"The most important task of every War Finance Committee during September will be to conduct a campaign of solicitation that will reach every potential bond buyer in its territory.

"A successful canvass of this magnitude will require not only an efficient organization for carrying on the solicitation but for the direct sale and prompt delivery of bonds as well. We must close the gap between the personal appeal and the actual sale."

The memorandum also contained specific suggestions for the solicitation and the effective handling of all phases of the program.

From May to August the Washington Staff worked feverishly on the promotional material. With the assistance of the National Advertising Council, the largest number of promotional pieces and the best material of any War Loan Drive was prepared and shipped to the field.

- 1- Posters - 16 different types. This did not include one of the posters printed in eight different languages.
- 2- An advertising campaign book of 48 pages for the Press, Radio, Screen and advertising media with a message on the front cover from Secretary Morgenthau to "The Volunteer Workers of the Third War Loan."

"I want to welcome you into the great Home Front Army of Volunteer Bond workers. Upon you rests the final responsibility for success in this greatest financing plan in all history.

"In order to reach our goal of fifteen billion dollars in the Third War Loan, we will need the enthusiastic help of every one everywhere. We will have to talk to people where they live, and where they work. We will have to sell and keep selling without stopping, for the duration of the Third War Loan.

"It can be done. It will be done, we are confident of that, and we know from past experience that you can do it.

"On all the battle fronts, our armed forces are on the offensive. The hour of invasion has struck, and as the President said in his Third War Loan Proclamation, 'Our need for money now is greater than ever, and will continue to grow until the very day that Victory is won; so we must ask for more sacrifice, for more cooperation than ever before.'

"Because you will be talking to millions of American citizens face to face, you will have the best of all opportunities to convince them that they have a responsibility to "Back the Attack -- With War Bonds."

- 3- Radio pamphlet of 12 pages to radio stations which included a copy fact sheet and pictures of the radio stars organized in the Third War Loan Drive.
- 4- A pamphlet issued by the Office of War Information on the Third War Loan Drive.
- 5- A pamphlet of 12 pages issued to the Outdoor Advertising Industry which contained pictures of the two 24-sheet posters. In addition it contained a statement of the Board of Directors of the Outdoor Advertising Association of America recommending to the members that they contribute space for a 100 showing in each of the 16,000 cities and towns in which poster displays are maintained. The association pledged to secure sponsors for 20,000 24-sheet posters at no cost to the government. The Outdoor Industry also pledged 100,000 Treasury corner posters on the poster panels throughout the country.

In addition to these promotional pieces, there was the Schools At War pamphlet of 19 pages, the Retailers' pamphlet of 8 pages, the Minute Man magazine to the field organization, display cards, certificates of appreciation, and various folders.

During the preparation for the Third War Loan, the various states had special promotions. In the District of Columbia there were two outstanding events -- the arrival of the captured two-

man Japanese suicide submarine and the Four Freedoms show.

The Japanese submarine had been transported from the West Coast by the Treasury Department stopping at the various cities enroute in the promotion of the bond program. It was a very effective promotion and attracted thousands of people. The submarine was captured off Oahu on December 8, 1941. The suicide craft was 81 feet long by 6 feet in diameter and weighed approximately 17 tons without the electric motor which was removed to lighten it. The only means of entrance and exit to the submarine was through a 16-inch hatch at the top of the conning tower. In addition to the two 18-foot torpedoes which were carried in the forward end, the submarine had a demolition charge of TNT sufficient to blow up two entire city blocks.

The Four Freedoms Show was held at the Hecht Department Store in Washington, D. C. where an entire floor was turned over to a display of the original painting of "The Four Freedoms" by Norman Rockwell. The exhibit was well attended and was an effective promotion for War Bonds.

Secretary Morgenthau opened the campaign of the Third War Loan on September 3 by selling a \$100 bond to Winston Churchill who was in the United States at the time. The Drive started on September 9 and continued to October 2, 1943.

Sales Results of Third War Loan

Early in October we received the final sales results showing we had exceeded our national quota by almost four billion dollars:

Quota-----\$15,000,000,000.
Sales to Non-banking Investors----\$18,944,000,000.

We were pleased with the break-down of the sales to individuals all types of securities - \$5,377,000,000 and Series E bonds - \$2,472,000,000. The per cent of total sales purchased by individuals was 28.4%. Compared to the Second War Loan, there were about 5½ billion dollars more bonds sold to non-banking investors. There was an increase of one billion dollars in E bonds and the purchases by individuals increased from 17.7% to 28.4%. Another encouraging result was that 81.1% of the E bonds purchased were in \$25 and \$50 denominations.

After the Third War Loan, a survey was made and the results set forth in a memorandum by Ted Gamble. In the introduction he stated:

"Following the Second and the Third War Loans we have had surveys conducted in order to get an accurate and objective description of how these drives went over. By knowing how the drives actually worked, by knowing which efforts were successful and which unsuccessful, we can be best equipped to guide our

efforts in the future along the most efficient and realistic avenues of promotion.

"The surveys upon which the material is based were conducted following each of the War Loan Drives with a national cross-section of the population. Approximately 1500 people selected by scientific sampling methods, were interviewed after each drive to find out what they knew about the drive, whether they bought, why they bought, why they didn't buy, and other information."

The survey disclosed some interesting information and a basis of suggested recommendations for the next War Loan.

- 1- Nine out of ten people knew about the Third War Loan.
- 2- Twice as many people bought extra bonds in the Third Drive as in the Second.
- 3- In each market the sales increased.
- 4- Most who didn't buy asserted they couldn't afford to buy.
- 5- Put emphasis on extra purchases in urban areas; larger purchases in rural areas.
- 6- Personal solicitation is the best way to sell bonds.
- 7- Solicitation is highly effective in each market.
- 8- Solicitation at work is more effective than at home.
- 9- Repeated solicitation does no harm.
- 10- Individual quotas help sell more bonds.
- 11- Local community quotas are popular and effective.
- 12- Japan appeared in many ways a stronger emotional symbol of the enemy than did Germany.

Sales Results for 1943

During 1943 the people of the United States purchased \$13,729,403,000 of E, F and G bonds and \$590,268,000 of War Savings Stamps. Therefore, Secretary Morgenthau's goal of one billion dollars a month in 1943 was achieved. The bond sales by months were:

January-----	\$1,240,444,000	July-----	\$ 889,691,000
February-----	887,195,000	August-----	801,730,000
March-----	944,276,000	September---	1,926,555,000
April-----	1,469,724,000	October-----	1,708,150,000
May-----	1,334,984,000	November----	798,146,000
June-----	875,491,000	December----	853,017,000

Total-----\$13,729,403,000

The Curious Pigeon

During the Third War Loan many of the states created their own promotions. This was encouraged. The District of Columbia

committee had several that were excellent.

It was in connection with one of these events that my assistant, Hal Master, grabbed me as I was going to lunch. "Larry, the District is just starting a special promotion in front of the Treasury building. Let's go over and see it."

We could see a large crowd gathered around a Signal Corps truck as we came out of the Washington building. We edged our way into the crowd and saw several cages of homing pigeons on the truck. A sergeant was at a mike giving a talk on War Bonds. Raising his voice, he said, "Now ladies and gentlemen, we have a special feature for you. Anyone who signs up for a War Bond will have the privilege of writing a message to the boys at camp over in Virginia who are ready to depart for Europe. We will attach your note to one of the pigeons and you can see him take your message to the troops. You do not need cash today -- all you do is sign for a bond and pay later. Who will be first?"

There was a stir in the crowd and a sweet, motherly-type little old lady advanced to the truck. The sergeant helped her to the platform where she wrote her name on a slip of paper, and then a short message. As an assistant handed a beautiful blue-gray, pigeon to the sergeant, he turned to the crowd saying, "You see, folks, we place the message in a capsule which we attach to his leg. This pigeon's name is Trigger." The pigeon blinked his eyes several times and looked at the crowd.

Holding the pigeon in both hands, the sergeant raised his arms and Trigger took off. As he circled into the air to gain height, the crowd let out a big roar waving their hands and yelling, "Hurrah! Hurrah! for Trigger!" Gaining the height of the Treasury building, he started toward Virginia. Every eye in the crowd was trained on him. Suddenly he turned and glided down on the eaves of the Treasury overlooking the crowd. For a minute the crowd was silent, then a roar went up, hands started waving, and you could hear, "Get going, Trigger. Get going." But Trigger just sat there and looked down at the crowd. Finally the sergeant went to the mike and said, "Never mind, folks, he will leave in a few minutes."

I edged my way out of the crowd and as I crossed the street I looked back. Trigger was still perched there looking down at all the people.

I learned later that Trigger sat up there until the show was over and then took off for Virginia. The other pigeons performed according to regulations and the promotion was considered very successful.

I guess the trouble was that Trigger, in all his life, had never had such a big send-off and he was just curious as to what it was all about.

CHAPTER VII

THE WAR BOND PROGRAM - 1944

At the conclusion of the successful Third War Loan, we looked forward to the Fourth and 1944. Morgenthau planned a drive in each quarter of the year 1944 but he finally came to the conclusion that there should be only three and the last one after the election in November. As he explained, a bond drive during the presidential campaign in the fall would fail to win any enthusiasm from the Republicans. Daniel Bell, Under Secretary of Treasury, pointed out that this would require the Treasury to borrow more from the banks than from individuals. The Secretary's reply was, "That is all right. I would rather borrow it than have them cut my throat."

Even with the success of the Third War Loan, Morgenthau was not happy -- Americans at home still had too much to spend. In addition, only 38% of the gainfully employed in the country had purchased extra bonds in the Third War Loan. As 1944 approached, Congress's final and stubborn rejection of the tax program left corporations and individuals with surplus monies which would push the prices of scarce goods and services to new peaks.

This was born-out by a March 1944 report of the Securities and Exchange Commission which indicated that some 14 billion dollars of savings had gone into bank balances, which were easily convertible into cash. Morgenthau felt that the bond drive should have attracted that money.

The Fourth War Loan Drive was scheduled -- January 18 to February 15, 1944. The goal was 14 billion dollars -- 5½ billion from individuals. The slogan -- "Let's all back the Attack" -- the theme was "Sacrifice, Everyone to buy extra bonds."

The preparation of publicity material in the Fourth Loan was not as great in quantity as the Third but the material was more intense and more direct. In the Campaign Book and the press material the copy was more direct in stating our aims, and the arguments were sharpened. In graphic terms the solemn duty of all citizens were stated:

- 1- "Failure to invest in bonds and instead using swollen income to bid for scarce consumer goods,

- will result in higher prices. This will impair the value of your wages and in general damage the economic structure of the nation. Protection of this stability has been entrusted to the home front by the men on the fighting front. To belie the trust is to betray the men in our armed services.
- 2- Failure to assume your share of each War Loan could, if multiplied by millions of other instances, endanger the orderly financing and prosecution of the war, thereby threatening the military security of the nation and of the individual.
 - 3- To pass up the purchase of War Bonds is to deny yourself ownership of the most desirable and safest investment in the world today.
 - 4- To deny yourself that investment today is to miss the opportunity for guaranteeing the future security of your family, your children and your country."

There were several new, and some unique, features as sales ammunition in the Drive. A window sticker was produced in the form of a shield which read, "We Bought Extra War Bonds -- 4th War Loan." It was to be issued to all purchasers who bought extra bonds and was to be placed in the window of their home.

The E, F and G bonds were reduced to half the size of the former ones. This was to save paper and reduce production costs for the Treasury. As stated in advertising, "The new war bonds will do just as much work in winning the war as the big-size ones."

The "Squander Bug" was a unique promotion which was adopted by the field organization in many ways. Advertisements read, "Americans must deal that Bug a knock-out blow if the Treasury is to raise its $5\frac{1}{2}$ billion dollar quota from individuals." At strategic points in the shopping districts a live Squander Bug taunted the customers into buying action with such remarks as, "Don't buy Fourth War Loan Bonds. Give me the money instead."

A Michigan business man advised his customers, "Can your dollars for future use -- in Fourth War Loan Bonds. The Squander Bug has no can opener. War Bonds will starve him to death."

The schools of Michigan held trials during the Drive charging the Squander Bug with being an Axis agent and an enemy of America's best interests. Alabama conducted the Squander Bug campaign as a drive to catch this notorious lawbreaker "dead or alive". Locally produced posters reading "Wanted -- Information leading to arrest of

Squander Bug" -- were placed by the highway police in every corner of the state.

Miss Harriet Elliott, head of the Women's Division of the Washington Staff, commented on the bond selling achievements of women volunteers. In the article she stated, "Our individual purchase may seem small in comparison to the gigantic War Loan total of 14 billions. But for a fraction of a second of time, it will have borne the costs of conflict. The philosophy which leads one to say, "It can't possibly matter what I do is defeatist thinking."

In an article, Shelly Smith, author and researcher for Life Magazine, wrote, "If we do not believe in this war or in the world we can build after it, then let us send the world to hell -- and our soldiers with it. If we do believe, then let us put everything we've got into winning the war and the peace. Every cent we have must go to back our country in this war. We must buy our quota of bonds and then buy extra. Extra bonds may win the world for freedom."

Shelly Smith was the wife of Life's famous photo-reporter Carl Mydans. With her husband she went to Europe at the outbreak of the war in 1939 and covered the warfronts there. In 1941, the Mydanses were sent to the Orient, where they covered the Sino-Japanese war and the Allied preparations in Burma, Singapore and the Philippine Islands. When Manila was occupied on January 2, 1942, the Mydanses were interned by the Japanese. They were finally returned to America on the repatriation ship Gripsholm.

On November 26, 1943 we started work and plans on the regional meetings to be held in six cities and to which State Chairmen and Executive Managers were to be invited from the various nearby states. Ted Gamble, with the heads of the various sections of the Washington Staff were to conduct one day promotion meetings in each of the cities. Included in the Washington group were two representatives of the Research and Statistical Division of the Treasury who would display charts showing the financial status of the government, the results of the previous drives and the need for the Fourth War Loan. The members of the Washington Staff were to explain their special programs. Picture slides of the various promotional pieces were shown and explained.

The first meeting was held at Memphis on December 3, 1943 and meetings followed on the 4th at St. Louis, 8th at Buffalo, 9th at Chicago, 10th at San Francisco and the 15th at Los Angeles. These meetings were very successful -- they brought all members of the Washington Staff closer to the field operations.

On January 17, 1944, Sylvia Porter in her New York Post column wrote:

"The greatest house-to-house canvas in all history will get under way tomorrow, with the start of the Fourth War Loan Drive for \$14 billion -- and if plans go through as scheduled, nine out of every 10 of us will be personally approached by a Treasury representative and asked to buy war bonds.

"We're about to see the widest and most important experiment with the canvass system of selling ever tried.

"And we're about to be put through a test ourselves -- of our ability and willingness to lend to the Government on a voluntary basis, whenever the billions are requested.

"The promotion and the advertising pleas that will hit us no matter where we turn between today and February 15 beat anything ever attempted. The army of volunteer workers which has been created by the various State War Finance Committees contains hundreds of thousands of trained salesmen.

"Preparations for this loan were started back in October, even before the Third campaign was finished.

"And with the European invasion imminent and the Treasury ready to canvas 80 to 90 per cent of the American public, it's unthinkable that this will be anything but an overwhelmingly successful drive.

"The basket of bonds on sale in 24 hours represents a superb job of choosing securities to fit every pocketbook, every investor's need.

"For those of us on salaries and with small savings accounts there are the usual Series E, F and G bonds. They're still the best for us, because their interest rate is highest and they can't go down in price.

"For wealthy individuals, trust funds and institutions, there are the $2\frac{1}{4}\%$ bonds of 1959 and the $2\frac{1}{2}\%$ bonds of 1970. They can go up or down in price because they are marketable, but that feature is necessary to big investors.

"And then, there is some short term stuff for corporations with some temporarily idle funds.

"Buy what you wish. The choice doesn't matter. All that does is that we put this loan over the top in the shortest possible time."

During the early part of 1944 activity in Europe was directed chiefly toward preparation for the coming invasion. To a large extent the battle was still one of supply, with the Allies striving to clear the sea lanes against which German undersea warfare was directed, and to disrupt German production and transportation by a sustained and expanding

offensive from the air. The Allies shipping losses were dropping with the United States alone producing ships in excess of sinkings. On December 26, 1943, the British had sunk the German battleship Scharnhorst.

On the Russian front the Germans were slowly retreating from the Leningrad area.

The Allies in Italy had failed to penetrate Cassino and in January staged a new coastal landing at Anzio in the rear of the German defenses. At times this foothold was in a precarious situation.

In the Pacific, the fighting on Tarawa had been a scene of bitter struggle. The Japanese were finally isolated and the garrison wiped out at a cost of over 3700 casualties. The next objective was the Marshall Islands. The attack was carried out on February 2 by two divisions. The main fighting took place on Kwajalien. With the capture of Eniwetok in February, the whole of the Marshall group was effectively under American control.

The Liberty Ship Promotion

Early in January, Ted asked me if I would like to take charge of a big promotion in Washington, D.C. I readily agreed. My promotion experience had been limited to the office for three years.

Ted explained that the War Shipping Board had agreed to try and get a Liberty Ship up the Potomac to the Washington docks; and if they could we were permitted to use it as a promotion to sell bonds in the Fourth War Loan. We would be working with the War Shipping Administration, the U. S. Maritime Service and the District of Columbia War Finance Committee.

On January 15th the Liberty Ship "American Mariner" docked and we immediately went to work on the arrangements, putting up the posters and constructing a bond booth on the dock. The purchase of a bond admitted the person and his family to a tour of the ship. We soon abolished that requirement and just sold bonds at the dock. Volunteers managed the bond booth. With ropes and signs we layed out the route of the tour.

On January 16th we opened the Liberty Ship to the War Shipping Board and the Treasury personnel, and had to turn away over a thousand people.

From January 17th, the start of the Fourth War Loan, to January 31st when the ship left, we had long lines of visitors each day. They wanted to see the type of ship

which had been carrying our war materials and forces to Europe, and the type of ship that had been attacked by the German submarines. The entire promotion, with support of good publicity, was a huge success. Commander Joseph H. Masse, captain of the ship and his officers and crew were cooperative and assisted in every way. Mrs. Franklin Roosevelt visited the ship and gave a short talk.

Before the ship left, the "T" flag of the Treasury was presented to the officers and crew and was raised with considerable ceremony.

Sales Results of Fourth War Loan

The Drive was started on January 17 by a radio broadcast of Secretary Morgenthau, Admiral Nimitz in the Pacific and General Eisenhower in England.

The Fourth Loan sales were successful although we did not quite make our quota of $5\frac{1}{2}$ billion to individuals:

Goal -----	\$14,000,000,000.
Total sales to non-banking investors -----	16,730,000,000.
Individuals - all types of securities -----	5,309,000,000.
Series E bonds -----	3,187,000,000.

Sales to individuals as a per cent of total sales was 31.7% as compared to 28.4% in the Third War Loan.

There were 47,563,000 E bonds of \$25 denomination issued -- 68.1% of the total E bonds. This was one of the highest percentage of any bond drive.

The Fifth War Loan Drive

In preparing for the Fifth, June 12-July 8, we knew it was another big assignment -- Goal \$16 billion, \$6 billion from individuals, and \$3 billion in E bonds. If these quotas were to be reached, the 27 million employees buying bonds regularly would have to be exhorted as never before to buy extra bonds, farmers would have to buy more bonds, not extra bonds, and the people would have to be convinced they could afford to buy more bonds.

The success of the Drive was going to depend very greatly upon the thoroughness of solicitation. It was important to pay more attention to the War Bond's volunteer sales force. They would need more help than they had received in the past. Advertising, Press and Radio could help in two ways -- preparing the prospect for the volunteer's visit, and boosting the volunteer's morale.

There was one advantage we had -- the war situation.

In a message to the volunteers, Ted Gamble stated:

"Invasion is in the air -- and there isn't a man, woman or child who doesn't know it, sense it, feel it in the very marrow of his bones.

"The great military effort which is on everyone's tongue has its counterpart in a great financial effort -- in fact, a supreme financial effort -- in which all of us have an important part to play. The Fifth War Loan starting June 12 and ending July 8, is the biggest, the most vital job that we have faced together. It may well be the most important Bond Drive of the War.

"The Treasury is deeply appreciative of the splendid work you've done in the past. Your help in carrying the story of this War Loan to the people of America is more essential than it has ever been before."

Our publicity, especially posters and ads, were directed to the war and the advertising media was told -- "This time ... don't pull your punches!"

The slogan, "Back the Attack -- Buy More Than Before," was supplemented by another, "Join the Fight." Some of the hard-hitting posters and ads carried the titles:

"I died Today ... What Did you Do?"

"What's the Cost of a Wooden Cross?"

"His Patriotism is written in Blood."

"Thinking of Buying a Bond? Men are Dying While You Make Up Your Mind."

"This Beach-head is big enough for all of us."

"Anybody you Know?" (Picture of a dead soldier in a trench)

"This American is Not expected to buy an extra Bond in the Fifth War Loan." (Picture of a dead soldier on the battle field.)

The Campaign Book of 56 pages covered every phase of the Bond program: copy policy, payroll market, organized labor, farm market, town and city market, retail stores, newspaper advertising, radio, local promotions, national organizations, sponsoring equipment, special War Bond events, film industry plans, women at work, schools, bank promotion and facts and figures.

Secretary Morgenthau's statement to the Victory Volunteers stated:

"To America's millions-strong Army in the field, this is zero hour. It's zero hour, too, for War Bond's millions-strong Army of Victory Volunteers.

"For our troops will soon go over-the-top in the greatest invasion in the history of the world. And it's

our job to back them up in the greatest War Loan in the history of the world.

"In the coming June Drive, personal solicitation will be more important than ever. Our \$16 billion goal, \$6 billion from individuals alone, is the greatest yet. What's more, we're out to raise all of it from non-banking sources.

"The market is not cut out for us; it's ours to cut out. It will mean person-to-person, office-to-office, bench-to-bench, and house-to-house solicitation. It will mean asking Americans to do more than they've ever done before.

"Democracy is not built upon the recognition of rights alone. It involves too, the assumption of responsibilities. It's our responsibility, above all, to keep faith with the men and women of the armed forces; to supply them with the mountains of material they will need; to sacrifice our comforts to their needs -- and yes, even our needs to their comforts."

Our promotional materials had gone to the field when on June 6, 1944, "D" Day, the Allies launched the invasion of Normandy. Shortly after midnight, three divisions of airborne troops were dropped inland from the beaches to seize key points and block the roads by which German reinforcements might arrive. Shortly after dawn, five assault divisions from the First American and Second British Armies drove ashore on the coast of Normandy from the areas of Caen to the base of the Cotentin peninsula.

While every American was watching the news releases and the radio with bated breath, and praying for the Americans to hold the beach-heads and consolidate their lodgement area, the Victory Volunteers of the Fifth War Loan sprung into action with "Back the Attack -- Buy more than Before."

Sales Results of the Fifth

Even with a goal of 16 billion dollars, the greatest of any War Loan, we were confident we would make it and probably exceed it. We had several things working in our favor. First, was the invasion of Normandy; second, our publicity was excellent -- good punch ads, top radio coverage, and every advertising media functioning in top efficiency; third, our state committees, after three years and four war bond drives, had reached the point of a carefully planned and well directed organization with smoothly running county and city committees of volunteers.

The sales results bore out our confidence:

Goal -----	\$16,000,000,000.
Total Sales to non-banking investors -----	20,639,000,000.
To individuals - goal \$6 billion -----	6,351,000,000.
Series E bonds - goal \$3 billion -----	3,036,000,000.

There was one problem relating to the marketable securities that reached a worrying dimension during the Fifth War Loan. During 1944, private and corporate speculators exploited the rhythm of financing that the Treasury and Federal Reserve had established. As explained by Marriner Eccles, President of the Federal Reserve Board, they did so by playing the pattern of rates -- called "free riding." Countless corporations as well as individuals made a great show of their patriotism in subscribing heavily to War Loan Drives, whereas, in fact, they were making a guaranteed profit at no risk.

While recognizing the problem, Morgenthau pointed to gains which in his view compensated for the shortcomings of the Treasury's program. The present war, costliest in history, had absorbed approximately half of the national product of the United States for three years, twice the percentage absorbed during the First World War. Defense and war spending, between July 1940 and July 1944 increased the interest bearing public debt \$157 billion. In raising that sum, the Treasury had followed three basic principles -- to borrow money in a manner designed to resist inflation, to offer securities best suited to the needs of the investors, and to keep the cost of financing at a reasonable level. In most respects, Morgenthau believed, the Treasury had succeeded.

The Sixth War Loan Drive

The task of preparing the promotional material for the Sixth was a difficult one for many reasons. The goal of 14 billion dollars - \$5 billion from individuals and \$9 billion from non-bank investors -- seemed high. This was the third war loan in one year. The dates -- November 20 to December 16 -- were in the holiday season. In addition, we were following the election of Franklin Roosevelt as President for a fourth term despite his declining health. Thomas Dewey received over 22 million votes and many people felt that no man should be elected president four times. There was a question as to how much effect all of this would have on the Bond Drive.

The principal difficulty was in what direction should

our promotional material and copy policy be planned. What should be our slogan for the Drive? We had used, "Back the Attack" in the past three War Loans -- Third, Fourth and Fifth.

The Allies in Europe were pushing the Germans back to the Rhine. The Allied bombers were hammering the Reich with steadily increasing intensity, striking at one city after another. The Russians were making rapid progress. In six months they had driven 400 miles from the Dnieper to the Vistula. The war in Europe was at such a stage that people in the United States were beginning to regard it as about finished.

In the Pacific, on October 20, an American force landed on Leyte in the Philippines under the command of General MacArthur.

It was finally decided our promotional material and copy policy should cover several points:

- 1- That the war was not over by any means.
- 2- That everything costs more in the Pacific war.
- 3- That our ads and materials should emphasize the war against the Japanese.
- 4- That we must take care of the sick and wounded.
- 5- That we must win the peace for millions of our soldiers.

As a result we abandoned the idea of a slogan and developed a symbol for the Drive -- a bomb dropping on a Japanese flag with the writing on the bomb, "6th War Loan."

A folder was prepared titled, "Straight Talk about the 6th War Loan." The folder was distributed by the millions. Portions of the folder read:

"As we move closer to victory, it wouldn't be surprising if you were saying to yourself -- what's the big idea of asking for all this additional money now? Isn't the war almost over?"

"No sir, it is not! Not by a long shot. Of course, for many months now you've heard mostly about the war with Germany, where our greatest effort was concentrated. That's why many people have the idea that the war's practically over. But make no mistake about it -- nothing could be further from the truth! The Japanese war is a tremendous undertaking and victory will come high. We'll have to fight every inch of the way.

The European war has been expensive, but almost everything in the Pacific war will cost more. Take transport costs, for instance, because of the longer distances, the same amount of freight costs 25 per cent more when shipped to the South Pacific than to Europe. And it takes twice as many cargo ships in the Pacific to support a task

force of a given size since turn-around time is twice as great.

"In addition, we will need more of everything. More B-29 Superfortresses that cost \$600,000 each. More P-47 Thunderbolts that cost \$50,000 each. More M-4 tanks, with bulldozer blades, that cost \$67,417 each. More amphibious tanks -- more aircraft carriers -- more supply ships -- more gasoline and oil than it took for the invasion of Europe.

"And lest anyone forget, we'll need more battalion aid stations -- more clearing stations -- more evacuation hospitals -- more convalescent hospitals -- more hospital ships.

"For many, many years the sick, wounded and otherwise disabled veterans will require medical attention and care. That's the least Uncle Sam can do in appreciation of what they've done for us."

In a statement to the Volunteers, Secretary Morgenthau said, "In the Pacific we can be sure that the road to Tokyo will prove long and arduous; we cannot reckon its cost in lives and dollars but we are certain it will not be cheap."

Ted Gamble told the Volunteers, "To spearhead each invasion, our high command calls upon its veteran shock troops. Some of them led our forces into North Africa, into Sicily, into Italy and then into France; in the Pacific some units have been sent in to take island after island.

"The Victory Volunteers are veterans of two, three, four, even five war loan campaigns. Faced with the sixth objective, I know you will take it. Five times now you have done the impossible. Fresh difficulties will not dismay you."

The Campaign Book contained the usual 56 pages covering all phases of the program. One added feature was an explanation and chart showing how E bond sales were credited geographically. We had been having some complaints from the state organizations that they were not receiving credit for many sales.

In the Sixth, we had very few posters and these were not outstanding according to our state committees. There was one exception -- "A Crop That Never Fails" -- issued to the farm market. This was the best farm poster we ever issued, and was used years later.

If our posters were weak, our newspaper and magazine ads compensated for the lack of punch. Some of the titles were:

- 1- "We're Out to get Japan! Let's go America! Your 6th War Loan Drive starts Today!" (Soldiers attacking)

- 2- "Now Let's give the Sons of Heaven hell!" (American soldier attacking hill. At the top a Japanese flag.)
- 3- "So Sorry, Nips. You're Blocking the Road!"
- 4- "Pushover? Don't tell that to Private Blake."
- 5- "Next year isn't soon enough for them." (Picture of American soldiers in a Japanese prison camp) "Once before, on Corregidor, this American boy's eyes strained toward the skies, begging for help that never came. Remember? Now behind the barbed wire of a Jap prison camp -- where each day is an eternity measured in minutes and hours -- his heart cries out again for help."

The Campaign Book of the Sixth War Loan explained inflation and how the buying of War Bonds would help to prevent it:

"Income payments to individuals during 1944 will total about 153 billion dollars. Local, State and Federal taxes will reduce the amount to about 133 billion. Because of the limitations upon the production of consumer goods and services, only about 96 billion dollars worth of these items will be available to consumers during 1944. This means that consumers will have \$133 billion with which to purchase \$96 billion worth of goods and services. And this means that our citizens must voluntarily save \$37 billion by limiting their purchases to their just share of \$96 billion worth of consumer goods. If our citizens tried to obtain more than their just share and spend all their money, they could end by paying \$133 billions for \$96 billions worth of goods and services. THIS IS INFLATION! BUYING WAR BONDS WILL HELP PREVENT IT."

Sales Results

Evidently the promotional material and ads directed to the Japanese War appealed to the people of the United States. In addition, the excellent work and organization of the Victory Volunteers produced outstanding sales results.

Goal -----	\$14,000,000,000.
Total sales - non-banking investors -----	21,621,000,000.
Individuals - goal \$5 billion -----	5,882,000,000.
Series E bonds - no goal -----	2,868,000,000.

During 1944 the monthly sales of E, F and G bonds were:

January-----	\$1,698,405,000.	July-----	\$2,125,050,000.
February-----	2,781,468,000.	August-----	602,436,000.
March-----	709,054,000.	September-----	692,066,000.
April-----	738,543,000.	October-----	695,003,000.

May-----	750,628,000.	November-----	1,023,355,000.
June-----	1,842,227,000.	December-----	2,385,849,000.
		Total-----	<u>\$16,044,084,000.</u>

From May 1, 1941, persons in the United States could purchase E, F and G bonds from the Treasury in Washington by filling out a bond application and mailing it with their check or money order to the Treasurer's office. The largest number of applications received was during 1942 -- 677,931 in the amount of \$92,503,000. During 1944 the smallest number of applications were received -- 362,987 in the amount of \$33,697,000.

During the latter part of 1944 there were some comments about people cashing in their War Bonds in large amounts. The figures showed this was not true. In December 1944 the total amount of E, F and G bonds outstanding was \$36,722,776,000 and the bonds redeemed during the month was \$358,572,000 which was .98%.

The sale of War Savings Stamps during 1944 amounted to \$408,930,000. The largest amount sold in a single year was in 1943 -- \$590,268,000.

One phase of the Treasury program was watched very carefully -- to whom the national debt was owed. Too large an amount to commercial banks could be inflationary. As of March 31, 1944, the Treasury statement showed the national debt was owed as follows:

To all individuals -----	\$41,800,000,000.
To insurance companies and savings banks -	23,200,000,000.
To other corporations and associations ---	23,500,000,000.
To state and local governments -----	2,700,000,000.
To federal agencies and trust funds -----	18,100,000,000.
To commercial banks -----	64,200,000,000.
To Federal Reserve Banks -----	12,100,000,000.
Total -----	<u>\$185,600,000,000.</u>

As of June 30, 1944 the Public Debt was \$199,543,355,301. It was estimated the debt would be over 250 billion dollars by June 30, 1945.

On January 1, 1945, Secretary Morgenthau wrote Ted Gamble regarding the Sixth War Loan as follows:

"I am delighted to have the opportunity to congratulate you and those who work with you on the smashing success of another war loan.

"The figures that I have today show that the E-bond sales have topped the quota of two and a half billions by

a good margin and that the sales to individuals are well over the five billion mark that we set.

"I am particularly delighted by these results as well as by the more spectacular fact that, whereas we set out to raise 14 billions, we have actually raised over 21 billions, more than half again as much as our quota.

"Your workers, especially the army of volunteers which is doing the big end of the job, deserve again not merely thanks but unstinted praise for their effectiveness.

"I salute them, the members of your full-time staff and you for another great and inspiring success."

CHAPTER - VIII

THE WAR BOND PROGRAM - 1945

Prior to the Seventh War Loan, Sylvia Porter, Financial writer for the New York Post, published in her column an excellent article on the self-interest part of the bond program. It was a timely article and one which we needed and appreciated. The title was "First Baby Bonds Now Due."

"March 1 will be a lucky day for the owners of the first baby bonds issued in America -- for as of that date, they may walk into the nearest bank or post-office, hand over their valuable Government securities and get back \$4 for every \$3 they invested in 1935.

"The first savings bonds, upon which the Treasury modeled all its defense and war bonds, begin maturing in a fortnight. From now on, Americans will be cashing in \$18.75, \$37.50 and \$75 bonds every month for \$25, \$50 and \$100. From now on, you and I will have definite evidence of how a planned savings program works out.

"Maybe you've forgotten those original savings bonds, which were nicknamed, "The Babies" immediately after their issuance. Maybe you've forgotten that the Treasury started its experiment with a non-marketable discount, "People's Bond" 10 years ago.

When the war broke out the name of these bonds was changed first to Defense Bonds, then to War Bonds. But, outside of a few minor revisions in terms, the bonds themselves remained the same.

"If you own a 1935 baby bond just mark down the month when it's due and on that date take it to any bank or other qualified redemption agent in your neighborhood. Identify yourself as the proper owner, and then ask for your cash. It'll be a five-minute job.

"Why take the cash though? Unless you really need the money for an emergency now, why not reinvest the proceeds in new war bonds? For every \$75 you put up 10 years ago, you're getting back \$100. You can purchase another \$100 bond for \$75. You can add a \$25 bond, which will cost you \$18.75, and you'll still have \$6.25 left.

"It's a wonderful system for your own financial health and for the country's financial stability. And thus,

the Treasury is urging owners of maturing bonds to "Roll Over" into new securities at the same time that they present their securities for payment.

"The Treasury's present plan is to continue selling \$25, \$50 and \$100 bonds indefinitely. After the war they'll be the same bonds as now -- except that once again their name will be changed. So we'll have the chance to maintain our planned savings programs and work out our own retirement pensions. And on March 1 the first fortunate creditors of the United States Government can set the pace for the rest of us."

On April 19, the Eighth Army in Italy broke through into the Po valley. The chief cities of northern Italy were swiftly occupied. Mussolini, fleeing for safety, was captured by Italian partisans and put to death on April 28. An agreement was signed on April 29 for the surrender of the German forces in Italy, effective May 2.

By March 25 the whole of the Rhineland had been cleared by the Americans and English, and the Remagen bridge across the Rhine had been seized by the First Army. The last days of the Reich were now approaching. By April 21 the Russians had battered their way into Berlin. Hitler, trapped in the wreckage of Berlin, committed suicide on April 30. Early on May 7, German representatives at Reims signed the document for unconditional surrender, and on May 8 the heads of the three German armed services affixed their signatures. This brought the war in Europe officially to a close.

In the Pacific, the war was being fiercely fought and it looked like a long campaign. On January 9, 1945, in the Philippines two corps of Americans landed on the shores of Lingayen Gulf and drove toward Manila. By March 4 all pockets of resistance in Manila were crushed but it was late in June before the American forces occupied the entire island.

During this period, the Japanese were in retreat on the mainland of Asia. On Guam and Saipan air bases had been established. American air power was striking with increasing weight on leading cities in Japan. By mid-April, thirty-five square miles of Tokyo had been laid waste in three fire raids, and Negoya, Osaka and Kobe had all been hard hit. In the development of the bombing campaigns there was one small island, Iwo Jima, that drew attention of the Armed Services. Located in the Volcano group and in the hands of the Japanese, it was providing facilities for detection and interception of American bombers enroute to Japan. It was important to eliminate it and also it would provide a useful

emergency landing field for bombers in distress.

Iwo Jima was situated 750 miles SSE of Tokyo and was the only island in the Volcanos and Bonins with a surface flat enough for use as an airstrip.

As the American island-hopping campaign neared, Iwo Jima was bombed or shelled almost daily from late in 1944 until the American landing on February 19, 1945. The fight proved one of the most bitter of the Pacific campaign; the island was not completely conquered until March 16.

As soon as we received the picture of the flag-raising on Mount Suribachi by the four Marines, we used it as our poster and insignia. One of the four boys was killed on Iwo Jima. The other three boys were later returned to the United States and through the cooperation of the Armed Services assisted in the War Bond program.

The Seventh War Loan

Early in January, the Secretary announced there would be two War Bond Drives during 1945. The Seventh was scheduled for May 14 to June 30. The eighth would be held late in the Fall.

The national quota was set for 14 billion dollars -- 7 billion from individuals of which 4 billion was to be in E bonds. This was the largest individual quota of any war bond drive.

During the preparation of the promotional material, it was decided to call the bond drive, "The Mighty Seventh." Ted held a staff meeting on February 17th and told us to cut down on materials to the field, to cut down the campaign book to 12 pages, not to throw promotions to the states in April except payroll savings, and that there probably would not be any regional meetings.

On February 13, the Secretary, Ted Gamble, Peter Odegard and Bob Coyne attended a meeting of all the State Chairmen at St. Louis, Missouri. Several Payroll Savings meetings were held in February -- Washington, Chicago and Dallas.

Before our promotional materials were printed we got a lucky break. We received the picture of the soul-stirring flag-raising on Mount Suribachi and used it in the most dramatic poster and insignia of all the war loans.

The promotional materials, although cut down, carried the necessary information and suggestions. All of these were directed to the war with Japan. They consisted of three posters -- the Iwo Jima flag poster, a farm poster and a point-of-sale poster; the Champaign Book covering

advertising, press and radio; two folders titled, "Straight Talk" and "Which Issue Shall I Buy"; and a pamphlet titled, "For Speakers Only." Promotions were arranged through Army and Navy cooperation for the states, and designed for integration with their promotions. In fact, the national promotions for the Seventh were in reality local promotions.

In the pamphlet, "For Speakers Only" was a message from President Roosevelt which read:

"I don't need to tell you that we are still locked in a deadly struggle with our enemies -- the enemies of our way of life -- and the war is still the chief job of each one of us. The greatest production of which we are capable, faithful adherence to regulations that make it possible to supply our boys in battle with everything they need, and buying and holding War Bonds -- these are things we at home must do to speed victory. In the past three years more than 85 million Americans have invested billions of dollars in bonds. Never before have so many people held such a direct share in a great national effort. To save -- to buy and to hold all we can of War Bonds -- this is a small service to ask of us who do not fight -- yet it is one of the biggest things we can do for our fighting men."

This was the last message of President Roosevelt on the War Bond program. He died on April 12, 1945, about a month before the Seventh War Loan Drive.

The speaker's pamphlet contained articles written by many of America's best-known authors exclusively for the Seventh War Loan. They were written as a foundation around which talks could be fashioned. The Treasury was indebted to the Writer's War Board for many of the articles.

One of the articles was written by Sergeant Robert Fleisher, Stars and Stripes, Mediterranean correspondent with the Fifth Army in response to a letter from Mark Van Doren, Chairman of the National Book and Author War Bond Committee. In the article Sergeant Fleisher stated:

"A rifleman or a platoon leader or a commander of an infantry company in combat with the enemy does not count on coming through the war unscathed.

"So when you buy war bonds, think consciously that you are buying time off from the war's full run, shortening it by just so much, making it certain that the last 100 or the last 1,000 will be able to come home intact -- for no other reason except that you, by digging a little deeper, working a little harder, were able to shorten the war by just that much time that would inevitably have meant their deaths -- had the war run on until Tuesday

instead of the Monday that you and everyone like you, caused it to end on!"

General Joseph W. Stillwell

During the Sixth War Loan and in the planning of the Seventh, the Army Ground Forces commanded by General Stillwell had been of great assistance to us in the promotion of the program. We learned from Lieutenant Colonel Bellah, public relations officer of the Ground Forces that the General admired a painting by Martha Sawyer, portraying infantrymen in the Chinese war theatre.

General Stillwell had commanded the Fifth and Sixth Chinese armies and the U. S. forces in China until he was recalled in 1944 as a result of a disagreement with Generalissimo Chiang Kai-shek. He planned the Ledo Road which later was renamed the "Stillwell Road". He was known as the friend and champion of the infantry soldier. His battered campaign hat was often his only insignia of rank. To his men he was known as "Vinegar Joe."

Through the office of Secretary Morgenthau, we obtained the painting and on February 21, 1945 presented it to him in appreciation of the Army Ground Forces cooperation with the Treasury.

On June 21, 1945, General Stillwell commanded the Tenth Army on Okinawa and accepted the surrender of the Ryukyus Islands on August 31, 1945. He died in San Francisco in 1946.

Results of Seventh War Loan

At the beginning of the Drive it looked like a Herculean task to meet the unprecedented quotas. The Treasury was asking for the largest sum from individuals in the history of America. The war with Germany was over. It looked like a matter of a short time before Japan would surrender. Would the volunteer organization work as enthusiastically under the circumstances? Would the American people respond like they did in the other Drives?

These questions were answered in the unbelievable results. It could have been the leadership of the advertising media in spearheading the Seventh. It could have been the cooperation of the Armed Services in promoting the various special events -- infantry shows, air force shows, displays of captured equipment, naval

displays and use of returned war heroes. It could have been the motion picture and theatre cooperation. But it is most likely it was the cooperation of all these together with the effective work of the Victory Volunteers. The final sales showed:

Goal -----	\$14,000,000,000.
Total sales to non-banking investors -	26,313,000,000.
Sales to Individuals (Goal - \$7 billion)	8,681,000,000.
Series E Bonds (Goal - \$4 billion) ---	3,976,000,000,

Resignation of Secretary Morgenthau

The final results of the Seventh War Loan had no more than reached the Treasury when Morgenthau submitted his resignation to President Harry Truman -- July 5, 1945. His close friend, President Roosevelt, was gone and President Truman wanted a cabinet of his own men.

The resignation was accepted by Truman and on July 6th, Judge Frederick M. Vinson, a close advisor and confidant of the President was appointed Secretary. Vinson had been director of the Office of Economic Stabilization and director of the Office of War Mobilization and Reconversion prior to his appointment. In 1943 he had been Chief Judge of the U. S. Emergency Court of Appeals.

On July 24 Ted Gamble had a long conference with Secretary Vinson relative to the bond program. We had not known for certain Vinson's views and whether he wanted Ted to remain as National Director. Ted came away from the meeting very satisfied.

The Victory Loan Drive

Plans for the final bond drive was worked out, with the approval of Secretary Vinson, and a meeting of all State Chairmen was set for August 15 at the Statler Hotel in Washington, D.C.

The dates of October 29 through December 8, 1945 was decided upon for the Drive. The goals were set at \$11 billion -- \$4 billion from individuals and \$2 billion in Series E bonds.

The slogan for the Victory Loan was: "They Finished Their Job -- Let's Finish Ours!" The official insignia was a design combining the victory wreath and the liberty torch, with the words, "Victory Loan."

Our promotional material and copy policy were directed specifically to certain features of the bond program:

- 1- Explain the complete story of why the Treasury needs the money.
- 2- Step-up the promotion of bonds to the farmers. The Victory Loan comes at the peak of farm income in 1945.
- 3- A new denomination of a \$200 Series E bond called the "Roosevelt Memorial Bond" was issued at the sale price of \$150.
- 4- An increased cooperation of the Armed Services will be had with all types of exhibits, air shows, wounded veterans, combat nurses, mobile units and bands.
- 5- The most powerful Treasury 16 mm film program will be available.
- 6- There will be an outstanding performance of the Motion Picture industry.
- 7- Youth activity will be increased in the campaign.
- 8- A "Victory Train" directed by the Army Ground Forces will tour the country.
- 9- Treasury Certificates of Recognition and Award will be increased.

The question of why the government needed the Victory Loan of \$11 billion had to be explained to the American public if the Victory Loan was to be a success. The explanation was made to the advertising media and the volunteers in this manner:

Care of the wounded and rehabilitation of veterans -- this job is going to be one of the nation's biggest expenses for years to come. Mustering-out pay, education, loans, and general administration of the G. I. Bill of Rights must be added to care of the wounded.

Cancellation and termination of war contracts -- huge sums are still required to pay for war materials which were ordered produced, and delivered months ago. Where contracts are canceled, payment must be made to contractors for losses suffered, and as contracts are terminated, companies drop out of the excess profits bracket and our taxes go down, thus decreasing Federal tax receipts.

Inflation -- while unemployment will rise during the reconversion period, the bulk of American wage earners will still be earning high wages and will have the most money accumulated that they've had for years. Present figures indicate that the "inflationary gap" -- the difference between purchasable goods and services and income -- will be about \$40 billion this year. In addition, Americans have accumulated about \$100 billion in savings since Pearl

Harbor. If this extra money is saved, it can provide a backlog of buying power and a steadying influence for years to come. Conversely, if people should try to spend it now before many consumer goods are available, chaos can result.

Bringing men home -- it's just as expensive as sending them over, and the process will go on for an indefinite period.

Maintaining armies of occupation -- housing, feeding, giving medical care to at least two armies abroad is a costly business which will go on for sometime -- we don't know how long.

We realized that in listing the Treasury's needs, not all of them made good advertising material. Asking people to buy bonds to maintain their sons abroad was probably useless. They'd rather buy bonds to pay for bringing their sons home. And explaining why it costs money to stop buying war materials is a fairly complicated job. But we wanted the people to know the complete story.

During the Victory Drive, one of the most outstanding national promotions of any drive was the six "Victory Loan Special Trains," carrying exhibits of the Army Ground Forces, Navy and Marines which toured 40 states and 500 cities.

The trains and the exhibits were in charge of Colonel James E. Rudder of the Army Ground Forces. The exhibits included weapons and captured enemy equipment of every type. The trains carried a hand-picked crew of combat veterans from the various theatres of war.

The war trophy which attracted the most interest and attention was the Goering baton. At the beginning of the Drive, Lieutenant General Alexander M. Patch loaned the baton to the Treasury for use in the bond campaign. When the Seventh Army captured the No. 2 Nazi, Goering turned the baton over to General Patch.

The baton consists of an ivory staff 16 inches long and $1\frac{1}{4}$ inches in diameter on which are mounted, alternately in four rows, 20 golden eagles and 20 platinum iron crosses. On one end is the inscription "der Fuhrer dem Reichsmarschall Grossdeutschlands" and on the other, his name: "Hermann Goering, 19-7-1940" in raised platinum lettering. At each extremity are placed two golden knobs containing, in all, 640 diamonds of varying sizes. On one knob is a platinum Luftwaffe iron cross and on the other an eagle in flight carrying a swastika in platinum mounted in diamonds. The baton weighs approximately five pounds.

At the conclusion of the Victory Drive, it was learned that General Patch had died in Texas on or about November 21, 1945. We wrote Mrs. Patch as to the disposition of the baton. She advised that the General had wished the baton to be turned over to the museum at the United States Military Academy, West Point, New York. She stated she would make the arrangements. On March 22, 1946 the baton was turned over to Colonel P. Swofford Jr., Headquarters of the United States Military Academy.

Another outstanding exhibit on the Victory Train was the samuri stained sword of the notorious General Yamashita, pillager of Luzon, who was one of the most brutal of the Japanese warlords. In the display with the sword was a facsimile of the documents of Yamashita's surrender in the Philippines. The traditional caste sword was dispatched to the Treasury by General MacArthur for display in the Victory Loan Drive.

Award to Walt Disney

In 1943, Walt Disney granted the Treasury permission to use the various Disney characters -- Donald Duck, Bambi, the Dwarfs, etc. -- on a certificate of the United States Treasury to be used when bonds were purchased for babies or small children. On the outside edge of the certificate were pictures of 22 of the Disney characters in color.

The certificates were usually signed by a State Chairman, or a Treasury official -- in some cases the Secretary of Treasury.

This was by no means the only cooperation by Walt Disney. Throughout the war he promoted War Bonds through advertising shorts, production of short promotional pictures and in the work of the bond volunteers.

It was my honor to present to Walt Disney the Treasury's Distinguished Service Certificate.

The Victory Loan Sales Results

As a result of the various outstanding promotions, excellent advertising and principally the work of the volunteers, there was no let-down in the sales of war bonds in the Victory Loan:

Goal -----	\$11,000,000,000.
Total Sales to non-banking investors --	21,144,000,000.
Sales to Individuals (Goal - \$4 billion)	6,776,000,000.
Sales of Series E Bonds (Goal - \$2 billior) -----	2,204,000,000.

A fitting climax to over four and a half years of war finance activity came just at the close of the Victory Loan, when the one billionth war bond was sold.

Sales Results of 1945

During 1945 the people of the United States had purchased E, F, and G War Bonds in the total amount of almost 13 billion dollars:

January -----	\$1,074,180,000.	July -----	\$1,294,475,000.
February -----	847,990,000.	August -----	699,741,000.
March -----	889,075,000.	September -----	514,113,000.
April -----	837,635,000.	October -----	624,470,000.
May -----	1,540,088,000.	November -----	1,183,621,000.
June -----	2,178,054,000.	December -----	1,253,521,000.
		Total -----	\$12,936,963,000.

CHAPTER - IX

THE POST WAR PLANS

As soon as the Victory Loan Drive started on October 29, 1945, the Washington Staff turned to plans of the post-war organization in 1946.

Most of the section heads of the Staff had announced their intentions to return to their former occupations or to some position in civilian life. Most of them had taken a big reduction in their income while with the War Bond program. Charles Adams, who had come with me at the beginning of the organization of the Defense Bond program, accepted a position with the Coca Cola Company. Ralph Engelsman, head of Payroll Savings, returned to his insurance business in New York City. Ted Gamble and Bob Coyne stated they were going with the Motion Picture Industry in New York. Dr. Peter Odegard accepted an appointment as President of Reed College in Portland, Oregon. Peter asked me to go with him as Administrative Officer of the college. he explained he disliked administrative work and he wanted someone he could rely upon.

On November 10, I had a conference with Ted and Bob at which they asked me to take over the organization as National Director. They explained they had contacted Vernon Clark, who had directed the War Bond program in Iowa and he would accept the National Chairmanship on a volunteer basis. He would be the contact with the State Chairmen, the Secretary's office and Congress.

Although this carried an advance in salary and position, it was not an easy decision to make. It was to my advantage to remain in the government service as I had more than 20 years in the service and had built my retirement into a comfortable sum. However, the position as National Director would be subject to politics and there was the question of how successful the post-war program could be operated.

There were many financial and industrial leaders, and several Treasury officials who believed the post-war program would gradually deteriorate into a small operation. They based their conclusions on the belief that the

redemptions would soon far exceed the sales, people would cash their bonds as soon as goods were available. Further, the volunteer organization could not be maintained, since the war incentive was over; State Chairmen and other volunteer leaders would not spend the time and effort in the program; and that the banks and industry would not have the patriotic urge to continue.

It was my opinion the American people were sold on buying government bonds and they liked the payroll savings plan. Of course we could not maintain the sales we had in the war period and we would have to cut back our organization. I was certain we could maintain our sales to exceed the redemptions and I hoped a little more. It was a challenge and I accepted the appointment.

On November 15th Vernon Clark arrived in Washington and for a few weeks, with the assistance of Ted and Bob, we worked out the plans and personnel of the Washington Staff.

In general, the peacetime program would be a program of information and sales. There were to be no drives nor formal sales quotas for states, although standards of performance would probably develop. The program would be mainly one of consolidation of the wartime gains made in the habits of thrift by insuring availability of bonds and stamps at as many outlets as possible and encouraging their purchase by the continuance of the established methods of purchase. The program would not be in any sense high pressure and its voluntary character would be carefully preserved. The general objectives were:

- 1- To continue the sale of Savings Bonds through the payroll savings plan.
- 2- To continue the sale of Savings Stamps and Bonds through the schools.
- 3- To encourage the continued holding of Savings Bonds, thereby keeping the public debt spread.
- 4- To continue publicity in all media possible, in lesser quantity but aimed for top quality.
- 5- To maintain good public relations with banks and other issuing agents.
- 6- To provide, by the execution of the foregoing, an opportunity for every volunteer who desires a further opportunity for active public service.

It was of the utmost importance that no gap or lull occur between the Victory Loan and the continuing program. The public had to be made aware at once that the sale of stamps and bonds was to continue.

On December 20, 1945, the State Chairmen and many prominent volunteers sponsored a dinner in tribute to Ted Gamble and Bob Coyne. The tribute read:

"There comes to few men the plaudits of their fellow men, to fewer men the plaudits of a grateful people. Your greatest accolade comes from the hands of these millions, whose destinies you have helped shape and whose trust and faith in you is implicit in the manner in which they have heeded your challenge to support their country in its moment of greatest need. We as your lieutenants speak for the inarticulate millions. We speak in gratitude. We speak in the full knowledge that your work in the war has paved the way for a better and more prosperous world at peace. We salute you and we say to you, Ted, and to you Bob, "Well Done -- God Keep You."

On January 1, 1946 the United States Savings Bonds Division was established by Treasury Department Order No. 62.

CHAPTER X

CONCLUSION

From May, 1941, through December 1945, the War Finance organization, and its preceding organizations, were responsible for the sale of 185.7 billion dollars of government securities. Aggregate goals in the eight special loan drives were oversubscribed by 48%. Individuals increased their holdings of Savings Bonds to 42.7 billion dollars and Series E bond holdings stood at an impressive total of 33.7 billion.

The purpose of the Series E bond was to democratize public finance in the United States. The objective was to have the ownership of America in the hands of the American people. When war broke out they served not only as a vital factor in financing the rearmament of our fighting forces, but what is even more important, they gave to the average citizen a sense of the war's meaning and of the urgent nature of the national danger. Throughout, the program was conducted on a genuinely voluntary democratic basis. From the beginning it avoided certain high-pressure sales tactics which unavoidably attended the fund-raising of World War I. It was determined that there should be no compulsion, no hysteria, no slacker lists and no invidious comparisons between those who bought bonds and those who did not.

The desire of the people "to help", the sense of participation in the national cause, could never have been realized except through a voluntary program. But a voluntary program could succeed of course only through the efforts of volunteer workers. We in the Treasury could fulfill only the functions of a general staff. The real battle had to be fought and won in the field -- fought and won by sustained, unstinting, tireless service -- which we had.

The various divisions of the Treasury worked closely with us. The Division of Research and Statistics headed by George Haas, and with Wesley Lindow and Sidney Tickton, Assistant Directors, marshaled the facts bearing on the public debt problems and their economic significance. They provided alternative sketches and blueprints as to the various shapes which the debt structure might take. Their influence on the planning of campaigns was profound. It will always be remembered their early techniques of briefing laymen into the mystery of finance and the sources of funds that theretofore had been considered largely esoteric areas.

During the war Dr. Peter Odegard was our consultant on policy matters. After Harold Graves left, he was the final approval on all promotional materials and many times was a speaker at sales conferences. Ted Gamble consulted with Odegard on most of the policy problems.

War Savings stamps were often overlooked in the program because of their small sales return in dollars as compared with bond sales. Stamps had an important part, both in dollars and other values. The total sale of stamps from May 1941 through December 1945 was \$1,652,089,000, of which 92% were redeemed. Of the stamps redeemed, 83.6% were redeemed for War Bonds -- 16.4% were redeemed for cash and Postal Savings Certificates. The great bulk of the stamp sales were through schools or newspaperboy clubs. The impact of the thrift message on youngsters who were growing up to be future payroll savings and bond-a-month customers was important to the long range bond program.

The banks' part in the War Bond program, great as it was, instead of hamstringing them, left them in a position to service enthusiastically a virile private enterprise system. They were not only able to maintain a strongly liquid position as a result of the manner in which the nation's war finance had been handled, but also they found an opportunity for public service.

Unlike any previous major war in American history, the Second World War was financed at a low level of interest rates -- Morgenthau's greatest accomplishment in all his years at the Treasury. In the period between the outbreak of the First World War and its end, the average rate of interest on the national debt had risen from 2.36 to 4.22 per cent. In contrast, on July 30, 1939, just before the start of the Second World War, the average rate of interest on the national debt, then some \$45 billion, amounted to 2.53 per cent; six years later, with the debt at \$257 billion, the average rate had fallen to 1.94 per cent. These figures understated the savings in interest cost between this war and the last one, because interest on the securities of the Second World War was not tax free.

Twenty years later, Morgenthau reversed none of his war-time judgments. He observed that the Defense Bond program had served, in the absence of any federal propaganda agency as "the spearhead for getting people interested in the war." As he had before, so again, he lamented corporate speculation during Treasury Bond Drives. Most of all he expressed satisfaction with the Treasury's reliance on voluntarism, and with the bond campaigns as instruments for awakening the American people to the implications of war. He was still deeply grateful to Harold Graves, Peter Odegard and Ted Gamble for their help. He regretted only his signal failure, the failure of the whole executive branch, to bring the Congress to a responsible tax policy for which he had fought continually.

TWENTY FIVE YEARS LATER

May 1, 1966 was the 25th anniversary of the Savings Bonds program. From an auspicious beginning the Defense Bond, War Bond and Savings Bond programs grew into the greatest continuing program of government finance in history.

It was widely assumed that the bond program would come to a natural end with the closing out of the wartime emergency which had brought it into being. But the bond-buyers thought otherwise. Having tasted the fruits of regular saving -- many of them for the first time in their lives -- millions of them wanted to go on with their payroll savings for bonds, or regular purchases at the bank. The volunteer corps felt the same way. Business and industry, banks, labor organizations, womens' and veterans' groups of all kinds demonstrated a belief that popular participation in government financing had a place in a peacetime economy as well as under wartime conditions. So the program continued on a less intensive but equally broad-gauged basis making undramatic but steady gains year by year.

The drive techniques of war time were discarded in favor of constant day-by-day promotion of our major markets -- wage and salary, banking and investment, farm and schools. The staff was sharply reduced in size, to some 592 persons from its war-time height of about 2,000.

During the 25 years of the bond program, some \$152 billion of bonds were sold and \$102 billion of this amount were redeemed to buy the things their owners had saved for -- new homes, education, retirement, and other important needs. The attainment of the \$50 billion goal of bonds outstanding in 1966 was a fitting climax to the Silver Anniversary year of the Savings Bond program.

Although the Series E bond became a wartime security shortly after it was created, it has been a peacetime security since 1945. It is somewhat altered in its appearance as a result of a graceful aging, but it is essentially the same security that was used in 1941. Its long life and eventual place in history can be traced to the fact that the bond was issued at the right time and it was the right security for the time.

A quarter of a century later no fewer than 2 billion 600 million copies of that original bond had been purchased by the American people. It is interesting to note that the American people bought twice as many separate savings bonds since the

Victory Loan as they purchased during the wartime period.

The saver -- particularly one of the eight million who bought bonds automatically through the payroll savings plan in some 40,000 companies -- looked upon Savings Bonds as the answer to the age-old problem of how to show a profit for his labors. He rightly considered them as safe and protected, something he could put away and forget about. Although the idea of "helping to manage the public debt" was furthest from his mind, he still looked upon his Savings Bonds as a kind of badge of citizenship.

Since 1946, there was a 70½ billion dollar increase in the public debt. Fifty nine billion dollars of this was picked up by the trust funds for investment of their surpluses and the central bank to meet credit expansion needs. Thus, the publicly held Federal debt since 1946 increased only 11½ billion dollars. Savings bonds provided more than that amount of public financing, in fact, a total of 19½ billion -- savings bonds outstanding increased from 30½ to over 50 billion dollars. This permitted a net decrease of \$8 billion in all other issues held by the public.

The volunteer support which has made this record possible is impressive, both in volume and variety. From the presidents of giant corporations who have served on national payroll savings committees to the smallest business man who conducted a payroll savings campaign; from the savings bonds committee of the American Bankers Association to the country banker who served as Savings Bond Chairman for the smallest county; from the agencies associated with the Advertising Council who produced our advertising program to the weekly newspaper who purchased an ad; from the top officials of AFL-CIO to the shop steward who worked in a payroll savings campaign, the volunteers gave selflessly of their time and effort to make the program succeed. National civic and fraternal groups, womens' organizations, industry associations and community groups of all kinds have provided the backing, the endorsement and the promotional activity necessary to keep the Savings Bonds program a flourishing enterprise.

Most important of course, there was the permanent volunteer structure of state, county and local chairmen and the respective committee members, without whose dedicated efforts the program could never have grown to its present stature. Bankers were on the forefront of the volunteer corps since 1941, both as individuals and through their institutions, which promoted and serviced the Savings Bonds program. In 1966 about 60% of the state and county bond chairmen were bankers and many of them had served since the beginning of the program.

One of the major highlights of the 25th anniversary year was the issuance of a colorful commemorative postage stamp saluting the American serviceman and the volunteers of the

Savings Bonds program. The stamp was designed by Stevan Dohanos of Westport, Connecticut, one of America's best known artists. The design was based on a photograph of the flag with the Statue of Liberty towering in the background.

It was to the vast army of bond volunteers that the 25th Anniversary of the Savings Bonds program was dedicated.

APPENDIX

Schedule "A"

TOTAL SALES BY YEARS OF

SERIES E, F AND G BONDS

<u>Year</u>	<u>Total Sales</u>
1941 (8 months)	\$ 2,537,210,000.
1942	9,156,957,000.
1943	13,729,402,000.
1944	16,044,085,000.
1945	12,936,962,000.
Total-----	<u>\$54,404,616,000.</u>

Schedule "B"

TOTAL SALES TO NON-BANKING INVESTORS

IN THE EIGHT WAR LOANS

<u>Period of Drives</u>	<u>Goals</u> (In millions of dollars)	<u>Total Sales</u> (In millions of dollars)
First War Loan Nov. 30 - Dec. 23, 1942	\$ 9,000	\$ 7,860*
Second War Loan April 12 - May 1, 1943	13,000	13,476**
Third War Loan Sept. 9 - Oct. 2, 1943	15,000	18,944
Fourth War Loan Jan. 18 - Feb. 15, 1944	14,000	16,730
Fifth War Loan June 12 - July 8, 1944	16,000	20,639
Sixth War Loan Nov. 20 - Dec. 16, 1944	14,000	21,621
Seventh War Loan May 14 - June 30, 1945	14,000	26,313
Victory Loan Oct. 29 - Dec. 8, 1945	11,000	21,144
Totals -----	\$106,000	\$146,727

* In addition - \$5,087 to Commercial Banks.

** In addition - \$5,079 to Commercial Banks.

LIST OF STATE CHAIRMEN
VICE CHAIRMEN AND ADMINISTRATORS
DEFENSE AND WAR BOND PROGRAM
1941 - 1945

Schedule "C"

	<u>Alabama</u>	<u>Appointed</u>	<u>Resigned</u>
<u>State Chairman</u>			
Ed Leigh McMillan -- President, Citizens Bank at Brewton-----		11-14-41	
<u>Vice Chairmen</u>			
Lucian Burns -- Mayor of Selma		10-29-41	7-24-43
Thomas N. Beach -- President, W. B. Leedy & Co. Birmingham-----		11-3-41	7-24-43
Frank Park Samford -- President, Liberty Nat'l. Life Insurance Co.-		7-24-43	
<u>State Administrator</u>			
Joseph H. Lyons -- Collector of Customs, Mobile		9-25-41	7-24-43
Marc Ray Clement -- Attorney, Tuscaloosa. Deputy from 10-14-41-----		7-24-43	
<u>Alaska</u>			
<u>Chairman</u>			
Ernest H. Gruening -- Governor of Alaska		7-1-43	
<u>Administrator</u>			
Ernest H. Gruening -- Governor of Alaska		10-6-41	7-1-43
<u>Deputy Administrator</u>			
Frederick W. Ayer -- Capitol Publishing Company		4-9-42	7-30-43
Mrs. Katherine Nordale -- District Court		12-27-43	

	<u>Arizona</u>	<u>Appointed</u>	<u>Resigned</u>
<u>State Chairmen</u>			
James P. Boyle -- Attorney, Tucson		8-28-41	7-9-43
Walter R. Bimson -- President, Valley National Bank, Phoenix----		7-9-43	
<u>Vice Chairmen</u>			
Charles A. Stauffer -- President, Arizona Publishing Company, Phoenix-----		11-11-41	7-9-43
James P. Boyle -- Formerly Chairman-----		7-9-43	
<u>State Administrator</u>			
William P. Stuart -- Collector of Internal Revenue		7-14-41	7-9-43
Oren R. Frasier -- Deputy Administrator 9-10-41		7-9-43	
<u>Executive Director</u>			
Joseph E. Refsnes -- Investments, Phoenix		7-9-43	

Arkansas

<u>State Chairman</u>			
W. W. Campbell -- President, National Bank of Eastern Arkansas, Forrest City		8-29-41	
<u>Vice Chairman</u>			
W. Robert Crow -- President, Crow- Burlingame Co., Little Rock-----		8-9-43	
<u>State Administrator</u>			
Roy G. Paschal -- Collector of Internal Revenue		6-2-41	8-9-43
Claude K. Wilkerson -- Deputy		7-16-41	8-9-43

Northern California

<u>State Chairmen</u>			
Edward H. Heller -- Schwabacher & Co.		8-1-41	7-1-43
Charles R. Page -- President, Fireman's Fund Insurance Company----		7-6-43	5-8-44
William W. Crocker -- Crocker National Bank-----		5-8-44	
<u>Vice Chairman</u>			
Merriel E. Cooley -- President, S.F. Shopping News-----		7-30-43	

	<u>Northern California</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Administrator</u>			
James G. Smyth -- University of California-----		10-17-41	2-10-44
William V. Regan -- Formerly Deputy- 10-15-41		2-10-44	
<u>Southern California</u>			
<u>State Chairmen</u>			
John R. Richards -- Investment Banker----		7-29-41	7-6-43
Robert H. Moulton -- President, Moulton & Co. Bonds		7-6-43	
<u>Vice Chairman</u>			
Charles E. Driver -- Blyth & Co.-Retired-		8-19-42	8-1-44
M. Penn Phillips -- Assoc. Administrator 4-27-42-----		7-7-43	
<u>Administrator</u>			
Howard D. Mills -- Investment Analyst---- Appointed Regional Field Director		8-28-41	7-11-43
<u>Colorado</u>			
<u>State Chairmen</u>			
Richard J. Osenbaugh -- Sales Manager, Denver Sewer Pipe and Clay Co. Denver-----		8-5-41	7-31-43
Clarence H. Adams -- President, Interna- tional Trust-----		7-31-43	7-25-44
Philip K. Alexander -- Vice Pres. First National Bank-----		9-7-44	
<u>Vice Chairman</u>			
Charles B. Engle -- International Trust Company-----		7-31-43	9-22-44
Ralph Nicholas -- Formerly Administrator-		7-31-43	
<u>Administrator</u>			
Ralph Nicholas -- Collector of Internal Revenue-----		7-14-41	7-31-43
Louis M. Montania -- Deputy 8-5-41		7-31-43	9-30-43
Dewey M. Smith -- Deputy 7-27-42		10-20-45	

	<u>Connecticut</u>	<u>Appointed</u>	<u>Resigned</u>
<u>State Chairmen</u>			
Robert B. Newell -- President, Hartford Nat'l. Bank & Trust Co.---		5-1-41	8-30-43
Col. Thomas Hewes -- Attorney-----		8-30-43	12-18-43
Eugene E. Wilson -- United Aircraft Corporation-----		12-18-43	
<u>Vice Chairmen</u>			
Grosvenor Ely -- President, Chelsea Savings Bank-----		8-20-43	12-20-43
Paul E. Callanan -- Vice Pres., Hartford Nat'l Bank-----		2-25-45	
<u>Administrators</u>			
Thomas S. Smith -- Collector of Internal Revenue-----		4-14-41	6-1-43
Philip Hewes -- Deputy 5-1-41		11-14-42	8-20-43
Edward G. Stewart -- Deputy 3-1-43		8-20-43	10-18-43
John M. Hurley -- Deputy 3-24-42		2-26-44	10-20-44
Frank L. Cashman -- Deputy 6-14-43		1-16-45	
<u>Delaware</u>			
<u>State Chairmen</u>			
Henry T. Bush -- President, Farmers Bank, Wilmington-----		1-27-42	5-7-45
Donald P. Ross -- Vice Pres., Wilmington Trust-----		5-7-45	
<u>Vice Chairman</u>			
Donald P. Ross -- Administrator-1-27-42		7-9-43	5-7-45
<u>Administrator</u>			
Donald P. Ross -- Vice Pres., Wilminton Trust-----		1-27-42	7-9-43
Henry O. Gray -- Deputy 7-13-42		7-26-43	
<u>District of Columbia</u>			
<u>State Chairman</u>			
H. L. Rust, Jr. -- Pres., H. L. Rust Co. Real Estate-----		7-31-41	7-1-43
John A. Reilly -- President, Second Nat'l. Bank-----		7-1-43	9-1-44
Wilmer J. Waller -- President, Hamilton Nat'l Bank -----		9-1-44	
<u>Administrator</u>			
Hugh Lynch -- Merchants Assoc. of New York-----		9-25-41	

	<u>Florida</u>	<u>Appointed</u>	<u>Resigned</u>
<u>State Chairmen</u>			
Linton E. Allen -- President, First National Bank of Orlando---		6-18-41	8-29-42
W. W. McEachern -- President, First Nat'l. Bank of Fort Lauderdale---		10-15-42	
<u>Vice Chairman</u>			
John L. Fahs -- Formerly Administrator---		7-30-43	
<u>Administrator</u>			
John L. Fahs -- Collector of Internal Revenue-----		6-2-41	7-30-43
Karl Lehmann -- Deputy Administrator		6-26-41	7-30-43
<u>Georgia</u>			
<u>State Chairmen</u>			
Arthur Lucas -- Lucas & Jenkins -----		8-4-41	8-1-43
Charles A. Stair - V. Pres., So. Bell Telephone-----		8-1-43	5-15-44
R. A. McCord -- Partner, Merrill, Lynch, Pierce Fenner & Beane-----		5-15-44	3-1-45
Jackson P. Dick -- Vice Pres., Georgia Power Company-----		3-1-45	
<u>Administrator</u>			
Marion H. Allen -- Collector of Internal Revenue-----		6-2-41	8-1-43
William M. Stephens -- Formerly Deputy-Oklahoma-----		10-14-44	1-1-45
Thomas L. Camp -- Exec. Sec'y., Railroad Assoc. of Georgia-----		3-15-45	11-30-45
<u>Hawaii</u>			
<u>Chairman</u>			
Fred H. Kanne -- Collector of Internal Revenue-----		5-1-41	
<u>Vice Chairman</u>			
George S. Waterhouse -- President, Bishop National Bank-----		8-1-43	
<u>Administrator</u>			
William K. Hanifin -- Deputy		7-9-42	8-1-43
<u>Idaho</u>			
<u>State Chairman</u>			
John A. Schoonover -- President, Idaho First National Bank-----		7-21-41	

	<u>Idaho</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Administrator</u>			
John R. Viley -- Collector of Internal Revenue-----		7-14-41	7-9-43
Theodore H. Wegener -- President, Wegener & Daly Inc. - Boise-----		7-9-43	

Illinois

<u>State Chairmen</u>			
Harold H. Swift -- Vice Chairman, Swift & Company-----		1-27-42	4-10-44
Renslow P. Sherer -- Formerly Administrator		4-11-44	
<u>Administrator</u>			
Norman B. Collins -- Banker-----		8-22-41	6-4-43
Renslow P. Sherer -- Formerly Asst. Administrator-----		6-4-43	4-11-44
Edmund B. Bartlett -- Formerly Asst. Administrator-----		4-17-44	

Indiana

<u>State Chairman</u>			
Eugene C. Pulliam -- Editor and Publisher of Indianapolis Star-----		10-16-41	
<u>Vice Chairman</u>			
J. Dwight Peterson -- President, City Securities Corporation----		8-21-43	
<u>Administrator</u>			
Will H. Smith -- Collector of Internal Revenue-----		6-2-41	2-21-42
Wray E. Fleming -- Formerly Deputy		7-11-41	8-21-43
Willis B. Conner, Jr. -- Formerly Deputy		10-23-43	2-1-45
<u>Executive Secretary</u>			
Lawrence Dorsey -- Formerly Chairman Lake County-----		7-12-43	

Iowa

<u>State Chairman</u>			
Dr. John S. Nollen -- President, Grinnell College-----		9-26-41	
<u>Co-Chairman</u>			
Herbert L. Horton -- President, Des Moines Nat'l Bank & Trust Co.----		8-9-43	
<u>Administrator</u>			
Vernon L. Clark -- President, Lumber Companies-----		11-15-41	

Kansas

Appointed

Resigned

State Chairman

William Allen White -- Newspaper Publish-
er----- 7-29-41 8-11-43

W. Laird Dean -- President, Merchants
National Bank, Topeka----- 8-11-43

Vice Chairman

Frank L. Carson -- President, Merchants
National Bank, Wichita---- 8-11-43

Administrator

Evan Griffith -- Former Director of State
Highway System----- 6-20-41

Kentucky

State Chairmen

Ben Williamson, Jr. -- President, Ben
Williamson Co.-Ashland---- 1-1-42 7-9-43

State Administrator

S. Albert Phillips -- Vice President,
First Nat'l Bank of
Louisville----- 1-1-42 7-9-43

Chairman-Eastern Kentucky

Ben Williamson, Jr. -- Formerly State
Chairman----- 7-9-43

Chairman-Western Kentucky

S. Albert Phillips -- Formerly State
Administrator----- 7-9-43

Vice Chairmen

Joshua B. Everett -- Chairman, Board of
Welfare----- 7-9-43

David F. Cocks -- Vice Pres., Standard
Oil Co. of Kentucky----- 7-9-43

Administrator-Eastern Kentucky

A. A. Hines -- Formerly Deputy-3-9-42 7-9-43

Administrator-Western Kentucky

James S. Bate, Jr. -- Formerly Deputy
1-16-42 7-9-42

Louisiana

State Chairmen

Nicholas Bauer -- Formerly Superintendent
Orleans Parish School
Board----- 12-26-41 8-6-43

Leon G. Tujague -- Formerly Administrator 8-6-43

	<u>Louisiana</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Vice Chairmen</u>			
Walter B. Jacobs -- President, First National Bank of Shreveport-----		8-10-43	
<u>Administrator</u>			
Paul H. Maloney -- Collector of Internal Revenue-----		11-6-41	10-1-42
Leon G. Tujague -- Owner, Wholesale Fruit and Vegetables-----		10-1-42	8-6-43
J. J. Knecht -- Formerly Deputy	12-10-41	1-1-44	
<u>Maine</u>			
<u>State Chairmen</u>			
Walter S. Wyman -- President, New England Public Service Corporation		6-25-41	4-26-43
Phillips M. Payson -- Payson & Company, Investments-----		11-22-43	
<u>Vice Chairman</u>			
Alton P. Littlefield -- Central Maine Power Co.-----		2-6-42	8-6-43
Horace S. Stewart -- President, Merchants National Bank-----		8-6-43	4-30-44
<u>Administrator</u>			
Clinton A. Clauson -- Collector of Internal Revenue-----		5-21-41	8-6-43
Harvey M. Fickett -- Formerly Deputy	8-26-43	11-19-43	
<u>Maryland</u>			
<u>State Chairmen</u>			
Charles H. Roloson, Jr. -- President, Central Fire Insurance Co.		9-15-41	7-1-43
Hooper S. Miles -- Chairman, Baltimore Nat'l. Bank		8-1-43	12-1-43
Howard W. Jackson -- Riall Jackson Co., Insurance		12-1-43	3-1-44
W. Bladen Lowndes -- Formerly Vice Chair- man-----		3-1-44	10-1-44
Frank W. Wrightson -- Formerly Vice Chair- man-----		11-1-44	3-1-45
S. Page Nelson -- Formerly Vice Chairman-		9-1-45	

	<u>Maryland</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Vice Chairman</u>			
Charles H. Roloson, Jr. -- Formerly State Chairman-----		7-1-43	
Frank W. Wrightson -- President, Provident Savings Bank, Baltimore---		3-1-44	11-1-44
S. Page Nelson -- President, Savings Bank of Baltimore-----		3-1-45	9-1-45
William J. Casey -- Vice Pres., Maryland Trust Company-----		11-1-44	3-1-45

<u>Administrator</u>			
Walter N. Ruth -- Investments		11-24-41	

Massachusetts

<u>State Chairman</u>			
Edwin C. Johnson -- President, H. A. Johnson Company-----		6-10-41	8-7-43
A. P. Everts -- Partner, Paine, Webber, Jackson & Curtis, Investments-----		8-7-43	12-8-43
F. W. DeNio -- Vice Pres., First National Bank of Boston-----		12-8-43	

<u>Vice Chairmen</u>			
Lucius Hill -- Trustee-----		8-7-43	12-8-43
Kenneth S. May -- Federal Reserve Bank---		12-8-43	

<u>Administrator</u>			
Daniel J. Doherty -- Asst. Attorney General-----		5-10-41	12-10-43

Michigan

<u>State Chairman</u>			
Frank N. Isbey -- President, Detroit Fruit Auction-----		5-1-41	

<u>Administrator</u>			
Giles Kavanagh -- Collector of Internal Revenue-----		4-14-41	7-1-43

Walter J. Wade -- Formerly Deputy	4-14-41	10-26-43	
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<u>Deputy Manager</u>			
Robert C. Douglass -- Formerly Deputy	4-6-42	10-26-43	

Minnesota

<u>State Chairman</u>			
O. J. Arnold -- President, Northwestern National Life Insurance Company-----		6-9-41	

	<u>Minnesota</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Vice Chairmen</u>			
Harold E. Wood -- President Harold Wood Company, St. Paul-----		7-9-43	11-25-44
Charles E. Liscomb -- President, Charles Liscomb Company-----		11-25-44	
<u>Administrator</u>			
Arthur D. Reynolds -- Collector of Internal Revenue-----		5-12-41	7-9-43
Leif Gilstad -- Formerly Deputy	6-12-41	7-9-43	
<u>Mississippi</u>			
<u>State Chairmen</u>			
Alfred H. Stone -- Chairman, Mississippi State Tax Commission, Jackson-----		4-24-41	7-26-43
Rex I. Brown -- President, Mississippi Power and Light Co., Jackson-----		7-26-43	
<u>Vice Chairman</u>			
Frank R. McGeoy, Jr. -- President, Bank of Greenwood -----		7-26-43	
<u>Administrator</u>			
Eugene Fly -- Collector of Internal Revenue-----		4-22-41	7-26-43
Marion B. Swayze -- Formerly Deputy	8-13-42	7-26-43	1-31-45
Leigh Watkins, Jr. -- Formerly Deputy	4-20-42	2-1-45	
<u>Missouri</u>			
<u>State Chairmen</u>			
Branch Rickey -- Vice President, St. Louis Cardinals-----		4-17-41	7-9-43
Walter W. Head -- President, General American Life Insurance Company-----		7-9-43	
<u>Vice Chairman</u>			
Dan M. Nee -- Formerly Administrator	4-14-41	7-9-43	
<u>Administrator</u>			
Dan M. Nee -- Collector of Internal Revenue-----		4-14-41	7-9-43
Earl Shackelford -- Formerly Deputy	4-17-41	7-9-43	

	<u>Montana</u>	<u>Appointed</u>	<u>Resigned</u>
<u>State Chairman</u>			
A. T. Hibbard -- President, Union Bank & Trust Company-----		10-27-41	
<u>Vice Chairman</u>			
R. B. Richardson -- President, Western Life Ins. Co.-----		7-22-43	
William Bartley -- Formerly Administrator 4-23-41		11-1-44	
<u>Administrator</u>			
William Bartley -- Collector of Customs, Great Falls-----		4-23-41	11-1-44
Fred J. Martin -- Formerly Deputy 7-1-41		11-1-44	
<u>Nebraska</u>			
<u>State Chairmen</u>			
Elsworth Du Teau -- Secretary, Alumnae Assoc. University of----- Nebraska-----		7-21-42	7-31-43
W. Dale Clark -- President, Omaha National Bank-----		8-2-43	
<u>Vice Chairman</u>			
Arthur A. Lowman -- President, Board of Northwestern Bell Tele- phone Company-----		8-2-43	
<u>Administrator</u>			
Orville Chatt -- Attorney-----		12-2-41	4-22-42
Leon J. Markham -- Formerly Deputy		6-29-42	
<u>Associate Administrator</u>			
J. Francis McDermott -- Vice Pres., First National Bank of Omaha----		1-24-42	6-25-42
<u>Nevada</u>			
<u>State Chairmen</u>			
William S. Boyle -- Attorney-----		8-6-41	6-30-43
Forest B. Lovelock -- President, Nevada Ice Company-----		6-30-43	
<u>Administrator</u>			
Robert L. Douglass -- Collector of Internal Revenue-----		7-14-41	6-30-43
Elmer R. Berg -- Deputy 3-16-43		7-26-43	

	<u>New Hampshire</u>	<u>Appointed</u>	<u>Resigned</u>
<u>State Chairmen</u>			
Winthrop L. Carter -- President, Nashua Gummed & Coated Paper Co.-		2-10-42	2-1-44
Reginald A. Soderlund -- Manager, National Cash Register Company-----		4-21-44	5-15-45
Eliot A. Carter -- Vice President, Nashua Gummed & Coated Paper Co.-		5-15-45	

<u>Vice Chairmen</u>			
Norwin S. Bean -- President, Manchester National Bank-----		8-11-43	
Harry J. Pelren -- Manager, Payne, Webber, Jackson & Curtis, Investments-----		8-11-43	
William H. Partlan -- Partlan Advertising, Incorporated-----		8-11-43	1-5-44
Reginald A. Soderlund -- Formerly State Chairman-----		5-15-45	

<u>Administrators</u>			
William J. Starr -- Attorney, Manchester-		11-18-41	8-10-42
William H. Partlan -- Partlan Advertising, Incorporated-----		8-10-42	8-11-43
Reginald A. Soderlund -- Manager, National Cash Register Company-----		8-11-43	4-21-44
Carroll M. Degler -- University of New Hampshire-----		4-21-44	

New Jersey

<u>State Chairmen</u>			
Albert W. Hawkes -- President, Congoleum- Nairn, Inc.-----		6-26-41	7-10-42
Franlin O'Olier -- President, Prudential Life Insurance Company, Newark-----		7-16-42	

<u>Vice Chairman</u>			
Horace K. Corbin -- President, Fidelity Union Trust-----		6-1-43	

<u>Administrator</u>			
John E. Manning -- Collector of Internal Revenue-----		6-2-41	

New Mexico

<u>State Chairmen</u>			
Frank C. Rand, Jr. -- President, New Mexico Publishing Company-		12-20-41	8-11-43
Cale W. Carson -- President, First National Bank of Albuquerque-----		8-11-43	

	<u>New Mexico</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Vice Chairman</u>			
George Bloom -- Formerly Deputy Administrator -----		12-22-41	8-11-43
<u>Administrator</u>			
Steven P. Vidal -- Collector of Internal Revenue-----		7-14-41	8-11-43
Henry A. Nielsen -- Formerly Deputy 6-22-42		8-11-43	

New York

<u>State Chairmen</u>			
Col. Richard C. Patterson, Jr. -- Chair- man of Board, Radio Keith Orpheum Corp.-----		7-14-41	6-7-43
W. Randolph Burgess -- Vice Chairman of Board, National City Bank-		6-7-43	4-28-44
Frederick W. Gehle -- Vice President, Chase National Bank-----		9-13-44	
<u>Upstate Chairman</u>			
Edward H. Letchworth -- Attorney, Buffalo		9-6-41	
<u>Downstate Chairman</u>			
Lewis W. Douglas -- President, Mutual Life Ins. Co.-----		10-31-41	2-10-42
Lewis E. Pierson -- Chairman of Board, Irving Trust-----		2-10-42	
<u>Vice Chairmen</u>			
Mrs. Lytle Hull -- Welfare Leader-----		7-16-41	6-7-43
Bayard Pope -- Chairman, Marine Midland Corporation		6-7-43	
Mrs. Courtlandt D. Barnes -- Civic Leader		9-6-41	
<u>Administrators</u>			
Nevil Ford -- Vice President, First Boston Corporation-----		10-23-41	9-13-44
William Richmond -- Asst. Secretary, Guaranty Trust Co.-----		3-12-45	

North Carolina

<u>State Chairmen</u>			
Julian Price -- President, Jefferson Standard Life Insurance Co.		4-14-41	7-30-43
Clarence T. Leinbach -- Vice President, Wachovia Bank & Trust Co., Winston Salem-----		7-30-43	

	<u>North Carolina</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Vice Chairman</u>			
Wm. H. Andrews, Jr. -- Manager Home Office, Jefferson Standard Life Insurance Company----		7-30-43	
<u>Administrator</u>			
C. H. Robertson -- Collector of Internal Revenue-----		4-6-41	7-30-43
A. Allison James -- President, Yerkes Chemical Company-----		5-26-44	
<u>North Dakota</u>			
<u>State Chairman</u>			
F. L. Conklin -- President, Provident Life Insurance Co. Bismarck		12-6-41	
<u>Administrator</u>			
R. R. Wolfer -- Banker, Investments and Insurance-----		11-17-41	
<u>Ohio</u>			
<u>State Chairmen</u>			
Roy D. Moore -- Vice Pres. and General Manager, Brush-Moore Newspapers-----		7-16-41	11-30-43
Phil J. Trounstone -- Retired Automobile Executive-----		11-30-43	
<u>Vice Chairman</u>			
Percy W. Brown -- Attorney, Hornblower & Weeks		11-30-43	
<u>Administrator</u>			
John McSweeney -- Attorney, Member City Council and Board of Education-----		7-29-41	5-7-42
Harold H. Bredlow -- Sales & Advertising. Deputy Administrator 9-2-41		7-2-43	
<u>Oklahoma</u>			
<u>State Chairmen</u>			
Lew H. Wentz -- Independent Oil Producer-		6-16-41	8-10-43
A. E. Bradshaw -- President, National Bank of Tulsa-----		8-10-43	

	<u>Oklahoma</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Vice Chairmen</u>			
H. C. Jones -- Formerly Administrator----		8-10-43	
C. Edgar Honnold -- Oklahoma City Municipal Securities-----		8-10-43	
E. L. Crutcher -- President, First National Bank, McAlester--		8-10-43	
L. W. Grant -- President, Home Federal Savings & Loan - Tulsa----		8-10-43	
W. E. Hightower -- Vice President, First National Bank & Trust - Oklahoma City-----		8-10-43	5-15-44
Hugh H. Harrell -- Vice President, First National Bank & Trust - Oklahoma City-----		5-15-44	

Administrator

H. C. Jones -- Collector of Internal Revenue-----		6-2-41	8-10-43
Sidney C. Bray -- General Motors Corp.---		8-10-43	

Oregon

State Chairmen

Palmer Hoyt -- Publisher, The Oregonian--		6-23-41	7-1-43
E. G. Sammons -- President, United States National Bank of Portland-		7-1-43	

Administrator

Ted R. Gamble -- Motion Picture Theatres-		7-1-43	12-29-41
Thomas R. Conway -- Formerly Deputy Administrator-----		12-29-41	2-8-43
David W. Eccles -- Manager, Oregon Fuel Merchants Association-----		3-1-43	4-15-44
Kenneth G. Martin -- Supt. Oregon Blind Trades School-----		6-11-44	

Pennsylvania

State Chairmen

John A. Stevenson -- President, Pennsyl- vania Mutual Life Insurance Company-----		11-10-41	7-2-43
E. A. Roberts -- President, Fidelity Mutual Life Insurance Company---		7-2-43	4-10-44
G. Ruhland Rebmam -- Attorney, Assistant Administrator, Office of Lend-Lease-----		4-10-44	

	<u>Pennsylvania</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Vice Chairmen</u>			
Robert H. McClintic -- Assistant to President, Koppers Coke Co.-----		7-2-43	
Thomas Schmidt -- Vice President, Capital Bakers, Inc., Harrisburg--		12-15-43	
O. Howard Wolfe -- Formerly Administrator		1-1-45	
<u>Administrator</u>			
Benjamin Ludlow -- Attorney, Pennsylvania Attorney General's office-		11-8-41	7-2-43
O. Howard Wolfe -- Vice President, Philadelphia Nat'l. Bank-----		11-20-43	1-1-45
Charles J. Miel -- University Of Pennsylvania-----		1-1-45	
<u>Puerto Rico</u>			
<u>State Chairman</u>			
Hon. Martin Travieso -- Chief Justice, Supreme Court-----		7-1-44	
<u>Vice Chairman</u>			
Rafael Carrion, Sr. -- Manager, Banco Popular de Puerto Rico----		11-1-44	
Juan Rodiriguez Pou -- Lumber Merchant--		7-2-45	
<u>Administrator</u>			
Raphael H. O'Malley -- Defense Bond Staff -Washington-----		1-1-45	
<u>Rhode Island</u>			
<u>State Chairmen</u>			
Ernest Clayton -- President, Industrial Trust Company-----		7-15-41	7-17-43
G. Burton Hibbert -- President, Rhode Island Hospital Trust Co.-		7-17-43	5-1-44
Roderick Pirnie -- Massachusetts Mutual Life Ins. Co.-----		5-1-44	
<u>Vice Chairmen</u>			
Frederick Sterling -- Former Ambassador, Iceland and Sweden-----		11-24-41	7-17-43
Ernest Clayton -- Former State Chairman--		7-17-43	
Godfrey Simonds -- Partner, Walker & Co. Investments-----		7-17-43	5-1-44

	<u>Rhode Island</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Administrator</u>			
Joseph V. Broderick -- Collector of Internal Revenue-----		7-14-41	2-23-42
Roderick Pirnie -- Appointed State Chairman-----		2-23-42	5-1-44
Louis B. Carr -- Halsey, Stuart and Company-----		12-4-44	

South Carolina

<u>State Chairmen</u>			
James H. Hammond -- Attorney, Columbia---		4-14-41	8-8-43
Christie Benet -- Attorney, Former U. S. Senator-----		8-8-43	
<u>Administrator</u>			
W. P. Bowers -- Collector of Internal Revenue-----		4-14-41	8-8-43
Henry S. Johnson -- Director of Informa- tion, Farm Credit Administration-----		8-8-43	

South Dakota

<u>State Chairman</u>			
Walter H. Burke -- Cashier, Pierre Nat'l. Bank-----		12-1-41	
<u>Vice Chairmen</u>			
George A. Starring -- Vice President, Greater South Dakota Association - Huron-----		10-22-41	8-10-43
A. W. Powell -- President, Roberts County National Bank - Sisseton--		8-10-43	
<u>Administrator</u>			
Charles A. Christopherson -- President, Union Savings Bank - Sioux Falls-----		10-22-41	

Tennessee

<u>State Chairmen</u>			
H. Grady Huddleston -- Secretary, Tenn. Bankers Association-----		8-3-42	8-6-43
G. Cecil Woods -- President, Volunteer State Life Insurance Co. - Chattanooga-----		8-6-43	

	<u>Tennessee</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Vice Chairmen</u>			
Doddridge Nichols -- Vice President, Union Planters National Bank - Memphis-----		8-6-43	
Ralph A. Davidson -- President, Davidson & Co., Investment Bankers - Knoxville-----		8-6-43	
<u>Administrator</u>			
Lipe Henslee -- Collector of Internal Revenue - Nashville-----		6-2-41	6-11-42
Jo Gibson, Jr. -- Deputy Administrator - 6-16-41		6-16-42	8-6-43
H. Grady Huddleston -- Formerly State Chairman-----		8-6-43	
<u>Texas</u>			
<u>State Chairmen</u>			
Tom Miller -- Mayor of Austin		5-3-41	7-26-43
Nathan Adams -- President, First Nat'l. Bank - Dallas		7-26-43	
<u>Vice Chairmen</u>			
R. L. Thornton -- President, Mercantile National Bank-----		7-26-43	
Fred M. Mayer -- President, Continental Supply Company-----		7-26-43	
<u>Administrator</u>			
Frank Scofield -- Collector of Internal Revenue-----		4-14-41	7-26-43
Judson S. James Jr. -- President, James, Stayart & Davis, Investments-----		7-26-43	
<u>Utah</u>			
<u>State Chairman</u>			
Charles L. Smith -- President, First National Bank of Salt Lake City-----		10-11-41	
<u>Vice Chairmen</u>			
George S. Eccles -- President, First Security Bank, Ogden-----		8-10-43	
Clarence Bamberger -- Financier and Philanthropist-----		8-10-43	
James E. Hogle -- Partner, J. A. Hogle & Company Brokers-----		8-10-43	

	<u>Utah</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Administrator</u>			
Charles R. Mabey -- Banker and former Governor of Utah-----		9-17-41	8-10-43
David Howe Moffat -- Attorney - Deputy 11-10-41		8-10-43	

Vermont

<u>State Chairman</u>			
Levi P. Smith -- President, Burlington Savings Bank		7-12-41	
<u>Vice Chairmen</u>			
D. Arnold Skelly -- Partner, A. M. Kidder & Co. Investments-----		8-6-43	4-11-45
L. Douglas Meredith -- Vice President, National Life Insurance Company - Montpelier-----		5-1-45	

<u>Administrator</u>			
Fred C. Martin -- Collector of Internal Revenue-----		6-2-41	4-10-45
D. Arnold Skelly -- Former Vice Chairman		4-11-45	

Virginia

<u>State Chairman</u>			
Francis Pendleton Gaines -- President, Washington & Lee University		8-13-41	
<u>Vice Chairman</u>			
C. Francis Cocke -- President, First National Exchange Bank - Roanoke-----		8-7-43	

<u>Administrator</u>			
Robert F. Nelson -- Chamber of Commerce--		10-1-41	8-7-43
J. Joseph May -- Vice President, Morris Plan Bank-----		8-7-43	
James S. Easley -- Virginia Public Service Company-----		12-16-43	5-15-45
C. H. Edwards -- Former Deputy 9-18-41		5-16-45	

Washington

<u>State Chairmen</u>			
Joel E. Ferris -- Executive Vice President, Seattle First National Bank - Spokane-----		7-29-41	7-17-43
Reno Odlin -- President, Puget Sound National Bank - Tacoma----		7-17-43	

	<u>Washington</u>	<u>Appointed</u>	<u>Resigned</u>
<u>Vice Chairmen</u>			
Mansell P. Griffiths -- Vice President, Blythe & Company-----		7-17-43	
Dietrich Schmitz -- President, Washington Mutual Savings Bank-Seattle		7-17-43	
Saul Haas -- Formerly Administrator----- <u>Administrator</u>		7-17-43	
Saul Haas -- Collector of Customs-----		4-23-41	7-17-43
Karl Richards -- Formerly Deputy 11-16-41		7-17-43	4-1-44
William C. H. Lewis -- Formerly Deputy 5-26-41		4-1-44	
<u>West Virginia</u>			
<u>State Chairmen</u>			
Albert Snedeker -- Wheeling Steel Company		8-11-41	7-24-43
A. C. Spurr -- President, Monongahela West Penn Public Service Co. - Fairmont-----		7-24-43	
<u>Vice Chairman</u>			
Lee C. Paull, Sr. -- Insurance----- <u>Administrator</u>		7-24-43	
F. Roy Yoke -- Collector of Internal Revenue-----		6-2-41	7-24-43
Robert Clutter -- Deputy 2-3-43		8-11-43	12-31-43
W. C. Handlan -- Deputy 8-16-43		12-26-43	7-31-45
Barnard S. Payne -- Deputy 5-11-42		8-1-45	
<u>Wisconsin</u>			
<u>State Chairmen</u>			
Charles E. Broughton -- Editor, Sheboygan Press		8-20-41	7-17-43
Walter Kasten -- President, First Wisconsin National Bank - Milwaukee-		7-17-43	
<u>Vice Chairman</u>			
William H. Brand -- <u>Administrator</u>		7-17-43	
Frank J. Kuhl -- Collector of Internal Revenue-----		7-14-41	7-17-43
Harold F. Dickens -- E. R. Rollins & Sons, Investment Bankers-----		7-17-43	

	<u>Wyoming</u>	<u>Appointed</u>	<u>Resigned</u>
<u>State Chairmen</u>			
Don H. Wageman	-- Vice President, American National Bank - Cheyenne--	9-16-41	8-9-43
Fred W. Marble	-- Vice President, Stock Growers National Bank - Cheyenne-----	8-9-43	
<u>Vice Chairman</u>			
A. G. Crane	-- President, University of Wyoming, Laramie-----	1-1-44	
<u>Administrator</u>			
A. E. Wilde	-- State Bank Examiner-----	8-22-41	

Note: The title of Administrator was changed to Executive Manager in 1943 when the War Savings organization was changed to War Finance.

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THE END



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