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U.S. SAVINGS BONDS CAMPAIGN KICKOFF,
GRAND RAPIDS, MICHIGAN, 12 NOON MONDAY
APRIL 10, 1972.

CHAIRMAN BROWN, DISTINGUISHED
GUESTS, LADIES AND GENTLEMEN ---

IT IS A VERY REAL PLEASURE FOR
ME TO BE HERE TODAY. I WELCOME THIS
OPPORTUNITY TO TALK WITH YOU ABOUT OUR
SAVINGS BONDS PROGRAM AS YOU LAUNCH YOUR
1972 CAMPAIGN.

THIS IS AN IMPRESSIVE ASSEMBLY
OF GRAND RAPIDS' LEADERSHIP. I AM VERY
PLEASED WITH THIS OUTSTANDING SUPPORT ON
THE PART OF INDUSTRY AND LABOR AND I
THANK YOU. I OFFER SPECIAL THANKS TO OUR
FINE HOST, CHAIRMAN BROWN.

SOME OF YOU MAY HAVE WONDERED
JUST WHERE SAVINGS BONDS FIT INTO OUR



ECONOMIC PICTURE -- IN THE LIGHT OF THE GOVERNMENT'S NEW ECONOMIC POLICIES AND OUR DESIRE TO STIMULATE CONSUMER SPENDING FOR GOODS AND SERVICES.

I CAN SAY, WITHOUT EQUIVOCATION, THAT THE SAVINGS BONDS PROGRAM WILL CONTINUE, UNDER THE NEW ECONOMIC PLAN, TO FILL AN IMPORTANT ROLE. THOSE WHO BUY SAVINGS BONDS REGULARLY WILL BENEFIT FROM THE FAMILY SECURITY DERIVED FROM THE PAYROLL SAVINGS PLAN. BY THE SAME TOKEN, THE GOVERNMENT -- AND THE NATION AT LARGE -- WILL GAIN FROM AN ONGOING FLOW OF THESE STABLE, NON-INFLATIONARY SAVINGS FUNDS.

THRIFT IS STILL A VIRTUE, A HABIT WHICH SOMETIMES TAKES A LONG TIME TO FORM AND CERTAINLY A HABIT WHICH NEEDS

CONSTANT ENCOURAGEMENT. THE PAYROLL SAVINGS PLAN HAS FOR YEARS PERFORMED A VALUABLE SERVICE IN MAKING IT EASY FOR OUR CITIZENS TO PUT ASIDE SMALL SUMS ON A REGULAR BASIS FOR EMERGENCY NEEDS AND FUTURE OPPORTUNITIES. FOR THE SELF-EMPLOYED, THE PROFESSIONAL MAN AND WOMAN, THE BOND-A-MONTH PLAN HAS BEEN A BENEFICIAL PROGRAM.

AS OF MARCH 31, THE CASH VALUE OF E AND H BONDS OUTSTANDING AMOUNTED TO MORE THAN \$55 BILLION. WITH THE INCLUSION OF FREEDOM SHARES -- WHICH WERE WITHDRAWN FROM SALE ON JULY 1, 1970, -- HOLDINGS TOTAL \$55.6 BILLION, AN ALL-TIME PEAK.

THIS IS A HUGE SUM OF MONEY IN THE HANDS OF TENS OF MILLIONS OF

E/H.
SS.



AMERICANS WHO NOW OWN SAVINGS BONDS. IT REPRESENTS 22 PER CENT OF THE PRIVATELY-HELD PORTION OF THE PUBLIC DEBT.

THE IMPORTANCE OF SAVINGS BONDS IN TERMS OF MANAGING THE NATIONAL DEBT IS NOT FULLY REFLECTED IN THIS SINGLE FRACTION, SIGNIFICANT THOUGH IT IS. THE FACT IS THAT SAVINGS BONDS TODAY, EVEN WITH THEIR SHORTER INITIAL MATURITIES, CONSTITUTE A VERY STABLE PORTION OF THE GOVERNMENT DEBT.

BECAUSE OF THE $4\frac{1}{4}$ PER CENT INTEREST RATE CEILING ON GOVERNMENT BONDS THAT DATES FROM WORLD WAR ONE, THE TREASURY -- FROM 1965 UNTIL THIS YEAR -- HAD BEEN PREVENTED FROM ISSUING ANY SECURITIES OF MORE THAN SEVEN YEARS TO



$4\frac{1}{2}$

MATURITY. WE NOW HAVE \$10 BILLION OF AUTHORITY FROM CONGRESS TO ISSUE BONDS LONGER THAN SEVEN YEARS WITHOUT REGARD TO THE $4\frac{1}{4}$ PER CENT CEILING.

THIS AUTHORITY WILL BE USED GRADUALLY, AND SAVINGS BONDS WILL REMAIN IMPORTANT IN THE OVER-ALL STRUCTURE OF THE TREASURY'S DEBT.

THUS, IT IS NOT DIFFICULT TO UNDERSTAND WHY THE TREASURY IS CONCERNED THAT WE CONTINUE TO BE ABLE TO COUNT ON A SOLID BASE OF FUNDS PROVIDED TO THE GOVERNMENT IN THE FORM OF SAVINGS BONDS DOLLARS. ON THE BASIS OF PAST EXPERIENCE, I CAN PREDICT THAT THE SAVINGS BONDS SOLD TODAY, ON THE AVERAGE, WILL NOT BE REDEEMED FOR $5\frac{1}{2}$ YEARS, WHICH IS CONSIDERABLY LONGER THAN THE AVERAGE

$5\frac{1}{2}$ yrs



MATURITY OF OUR MARKETABLE ISSUES.

THIS MAY SOUND A BIT STRANGE, SINCE ONE HEARS SO OFTEN THAT SAVINGS BONDS ARE CASHED IN PRACTICALLY AS SOON AS THEY ARE BOUGHT. IT IS TRUE THAT THERE ARE THOSE WHO TURN THEM IN AFTER THE MINIMUM WAITING PERIOD, AND EARLY REDEMPTIONS ARE A PROBLEM. BUT, BY AND LARGE, OUR BUYERS HOLD ONTO THEIR SAVINGS BONDS. EVERY ANALYSIS WE HAVE MADE SHOWS THAT IN COMPARISON WITH DEPOSITS AT COMMERCIAL BANKS, SAVINGS AND LOAN ASSOCIATIONS, AND MUTUAL SAVINGS BANKS, PEOPLE HOLD THEIR SAVINGS BONDS.

WE NO LONGER NEED TO APOLOGIZE FOR THE SAVINGS BONDS INTEREST LEVEL. SAVINGS BONDS NOW EARN 5 $\frac{1}{2}$ PER CENT, WHEN HELD TO MATURITY. THIS IS A GOOD RETURN,

A SOUND RETURN, A GUARANTEED RETURN.

FROM THE BEGINNING OF THE SAVINGS BONDS PROGRAM, THE INDUSTRY-ORIENTED PAYROLL SAVINGS PLAN HAS BEEN THE BACKBONE OF THE PROGRAM. TODAY, MORE THAN 40,000 COMPANIES, LARGE AND SMALL, OPERATE THE PLAN, AND THE SAVINGS BONDS PURCHASED BY THEIR EMPLOYEES ACCOUNT FOR MORE THAN TWO-THIRDS OF TOTAL SALES.

THE U.S. INDUSTRIAL PAYROLL SAVINGS COMMITTEE -- WITH THE SUPPORT OF ORGANIZED LABOR AND THE VAST ARMY OF SAVINGS BONDS VOLUNTEERS -- HAS ACCOMPLISHED A FORMIDABLE TASK IN PROMOTING THE SALES OF E BONDS. THE 1972 COMMITTEE HAS TAKEN ON A CHALLENGE JUST AS FORMIDABLE. WE ARE CONFIDENT THAT IT,



TOO, WILL NOT ONLY MEET BUT EXCEED ITS GOAL.

THOSE OF YOU WHO ARE SPEARHEADING OUR 1972 CAMPAIGN ARE SELLING A PRODUCT THAT IS TRIED AND TRUE -- ONE THAT IS GOOD FOR THE NATION AND GOOD FOR EACH OF US AS INDIVIDUALS. I FEEL SURE YOUR EFFORTS WILL BE CROWNED WITH SUCCESS.

-- END --





U.S. SAVINGS BONDS PROGRAM

The Department of the Treasury

U. S. SAVINGS BONDS DIVISION

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FACT SHEET

KENT COUNTY "TAKE STOCK IN AMERICA" '72

SAVINGS BOND CAMPAIGN

"TSIA '72" COMMITTEE: The Chairman of the Kent County "Take Stock In America" Campaign is H. J. Brown, Plant Manager, Fisher Body-Grand Rapids Plant No. 1, General Motors Corporation. His Committee consists of leaders in industry, banking, media, labor, and education.

AREA COVERED: Kent County

PURPOSE: The purpose is to increase substantially the sales of U. S. Savings Bonds through company payroll savings plans. These bonds contribute importantly to the sound management of the public debt and help maintain our financial strength. Savings Bonds help finance the necessary costs in the least inflationary way, thus servicing to protect the purchasing power of the dollar.

PARTICIPANTS: In the metropolitan area, more than 200 companies are being asked to conduct payroll savings drives among their employees. These drives will seek to enroll one out of every two people as new payroll savings subscribers. In addition, it will also seek to obtain increased allotments from one out of every two people now buying Bonds thru the Payroll Savings Plan.

Nationally, the Treasury seeks to enroll 2,248,000 new savers and increased allotments through payroll savings.

10,000,000 Americans are presently buying Series E Bonds on the Payroll Savings Plan.

THEME: "Take Stock In America, with Higher Paying U.S. Savings Bonds."

GOAL: The Kent County goals are \$9,923,000 in sales and 4,000 new payroll savers and increased allotments.

JOIN THE PAYROLL SAVINGS PLAN. BUY BONDS WHERE YOU WORK OR BANK.



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PAYROLL SAVINGS PLAN: The Payroll Savings Plan was created in 1941 when Series E Bonds were first issued. It has since become the most successful installment savings plan ever devised. Maintained by companies as a free service to their employees, the Payroll Savings Plan provides for the automatic and regular purchase of Series E Bonds. Under the Plan, an employee authorized his company to set aside a small part of his pay each payday towards bond purchases. The amount set aside is determined by the employee.

FACTS AND FIGURES

National sales goal for 1972 - \$5,300,000,000
Payroll savers nationally in 1971 - 10,000,000
National goal for new payroll savers and/or increased allotments for 1972 is 2,248,000
Number of companies operating payroll savings in 1971 - about 40,000
Average Savings Bonds purchases per payroll saver - \$27.00 per month
Tens of millions of Americans now own Savings Bonds

Kent County sales in 1971 - \$9,757,479
Kent County sales goal for 1972 - \$9,923,000
New payroll savers added in Kent County in 1971 - 7,600
Kent County goal for new payroll savers and/or increased allotments for 1972 is 4,000

At the end of 1971 Americans owned nearly \$55 billion in Series E and H Bonds and Freedom Shares. This total represents 25% of the privately held portion of the public debt. This compares with \$30.7 billion outstanding at the end of World War II.

Two types of Savings Bonds are sold today -- Series E, an appreciation bond purchased at about 75% of face value, and Series H, a current income bond which pays interest by semi-annual Treasury check. E Bonds now earn 5½% interest when held to maturity of 5 years and 10 months. (They pay 4% for the first year with interest increasing on a graduated scale. At maturity, they pay ½% bonus.) Interest is not subject to state or local taxes. Federal income tax on accrued E Bond interest can be postponed until the bonds are redeemed. If current income is desired E Bonds may be exchanged for H Bonds with continued tax deferment on E Bond earnings. H Bonds earn 5½% interest when held to maturity of 10 years.

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31st Anniversary of the E Bond

May 1 marks the 31st Anniversary of the Series E Bond and of the Savings Bonds volunteer program.

Success is measured by sales:

- * Since 1941 - Americans have purchased \$190 billion worth of Savings Bonds.
- * Since 1945 sales have averaged over \$4½ billion a year.
- * Approximately 120 million individual bonds are purchased each year -- an average of nearly 3 bonds per family. Total number of bonds sold today is double that of 20 years ago.
- * More than ten million employees now buying Series E Bonds regularly through the Payroll Savings Plan -- at an average of \$324 per year for each participant. Sales through Payroll Savings accounts for approximately 70 percent of the total sales.
- * Other millions of Americans buy and hold savings bonds purchased from banks, savings and loan associations, and other financial institutions.
- * The value of bonds outstanding averages over \$1,000 per family.
- * The average life of all E and H Bonds issued since 1941 is over 7 years -- the average length of the marketable debt is only about one-half of that of the savings bonds portion.
- * Americans earn more than \$2 billion of interest annually on their Savings Bonds.

Suggestions for tying-in to the 31st Anniversary period:

- * Check to see if any employees have been long time bond buyers -- possibly since 1941. Interview them and write personal stories around the long-term reasons for buying and holding all these years.
- * Consider the millions of homes bought with Bonds -- Hundreds of thousands of college educations financed with bonds --

Difference between subsistence and a "dignified" retirement --
Emergencies eased -- vacations financed -- weddings -- cars, etc. --
all made possible whenever a Savings Bond is cashed.

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US Savings Bond Division
The Department of Treasury
Grand Rapids, Michigan 49502
Telephone 456-2416

JOIN THE PAYROLL SAVINGS PLAN. BUY BONDS WHERE YOU WORK OR BANK.

1/2 year - Cross section
gross 1973

Savings Bond Campaign Kick-Off.

CDN NALLY

Congratulate - Leadership - Business
Labor

Savings Bond Plan - fits into

NEW ECONOMIC PLAN

BOND
A
MONTH

"stable non-inflationary funds"

Payroll savings - easy,
way to save up for
an Emergency.

Good for:
Part -
Individuals -

No of March 31st -
E & H. - \$55 billion

22% of privately
held public debt.

Misconception - early
redemption

5 1/2% apr.
Longer than savings
in Banks.

I.R.S.

Good return - 5 1/2%

