

# **FEDERAL RESERVE BANK OF DALLAS**

**FISCAL AGENT OF THE UNITED STATES**

Dallas, Texas, September 14, 1942

**To All Banking Institutions, and Others Concerned,  
in the Eleventh Federal Reserve District:**

On September 11, 1942, Secretary of the Treasury Morgenthau issued the following statement:

"The impression seems to have spread that I regard the voluntary War Bond program as a 'failure.' This is not only a distortion of anything I have said on the subject but it is also an injustice to the hundreds of thousands of devoted volunteers in all parts of the country who are working night and day to enlist the nation's savings for the war. In view of our swiftly rising war expenditures I have said that the voluntary War Bond program alone cannot close the gap between the amount of money available for consumer spending and the supply of goods available for civilian use. I have said that it must therefore be supplemented by a more drastic and comprehensive tax program, including a tax on spendings, a part of which would be treated as a debt to the taxpayer and repaid after the war. We shall, however, continue to rely upon voluntary lending for a large part of our financing. The mounting requirements of the war demand that our sale of War Bonds be continued and intensified. As I said to the Senate Finance Committee last week, it is my belief that the voluntary War Bond program has produced and will continue to produce a great contribution to the nation's war effort. Regardless of the other measures that are needed, the voluntary savings program will be essential until the war is won. To our hundreds of thousands of War Bond volunteers, I should like to say that the nation is counting on them more than ever to carry on the magnificent work in which they are so unselfishly engaged."

If such an impression as that referred to in the Secretary's statement prevails in your community, your assistance in correcting it will be very much appreciated.

**Yours very truly,**

**R. R. GILBERT**

**President**

