

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 2501]
September 12, 1942]

**STATEMENT BY THE SECRETARY OF THE TREASURY
REGARDING VOLUNTARY WAR BOND PROGRAM**

*To all Banks and Trust Companies, Other Issuing Agents,
and Others Concerned in the Second Federal Reserve District:*

Following is a copy of a statement issued by Secretary Morgenthau on September 11, 1942:

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.

ALLAN SPROUL,
President.