

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON



R-947

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 13, 1942

Dear Sir:

The Board's circular letter R-946, dated January 12, 1942, with regard to rumors to the effect that the Government intends to confiscate all savings deposits, contained a statement that "the Department has advised us informally that it has not issued a formal press release on the subject." This letter was dictated on Saturday, January 10, but was mimeographed and distributed under date of January 12. However, this morning's edition of The Wall Street Journal carried the following news item:

"Savings deposits confiscation is not being considered by the United States, Secretary Morgenthau said at his press conference. He issued the statement as a denial of 'recurring rumors' that the government has some such plan in mind. The head of the Treasury also said he knew nothing about reported plans to freeze savings accounts at certain levels or to impose a tax on savings deposits".

We thereupon made further inquiry of the Treasury and obtained a copy of the Treasury's press announcement #29-43, which apparently was given to the newspapers "for immediate release, Monday, January 12, 1942". A copy of the formal statement in question is being sent you herewith for the completion of your files although in substance it is the same as the individual communications, copies of which were forwarded to you with our letter R-946 of yesterday.

Very truly yours,

Chester Morrill,
Secretary.

Enclosure

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

R-947-a

TREASURY DEPARTMENT

Washington

FOR IMMEDIATE RELEASE,
Monday, January 12, 1942.

Press Service
No. 29-48

In view of recurring rumors that the Government was planning to confiscate savings accounts, Secretary Morgenthau today entered an emphatic denial that this was so.

"I wish to state most emphatically that there are no foundations whatever for such rumors," Mr. Morgenthau said. "The Federal Government does not have under consideration any proposal involving the confiscation of savings deposits of this country for any purpose.

"Furthermore," he added, "any one circulating rumors of this character is acting against the welfare of the nation."

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