

ROBERT W. BACHELOR

I. IDENTITY IN BANKING COMMUNITY

Affiliation with Banking Association

American Bankers Association - Secretary of Economic Policy Commission

II. CRITICIZED TREASURY WAR TIME FREEZING CONTROLS * (EXECUTIVE ORDER 8389)

Charged that Treasury Used Freezing Control to Place Restriction Upon Banking Facilities

"The first financial facility to be restricted by the Government was the foreign exchange market. Next, imported securities whose title could not be traced to some length were also blocked. There followed the freezing of accounts of selected individuals and firms, the immobilization of all foreign-owned bank accounts in the United States. Nor were safe deposit boxes immune. Those which had been rented by foreigners were sealed, and an inventory of the contents required. Already earlier the safe deposit box had fallen under the critical scrutiny of death-tax collectors, both state and Federal, and in some states regulations had been promulgated forbidding safe deposit boxes to be carried in two names, with right of access to the survivor."

Blamed Current Public Hoarding of Cash on Treasury Freezing Control

"Without imputing the slightest bad faith to the Government, it is manifest, that a considerable number of people are sufficiently anxious as to the fate of their savings to draw the false conclusion that these will be safer in home-storage and custody than they will be in bank deposits. Such anxiety is understandable, even if it is not intelligent. When the bank account of particular individuals and of selected classes of nationals are blocked or virtually sequestered, then question arises as to the inviolability of any bank account. The constant and threatening discussion of forced savings has convinced a certain number of people that their bank accounts might eventually be blocked until they had purchased a certain percentage of Defense Bonds."

Criticized Treasury Freezing Control as Totalitarian Method of Arbitrary Regulation and Control

"It is an old saw but worth repeating that when capital is frightened it will run, if it can; if it cannot run, it will hide. Unhappily there is very little in the current behavior of modern governments to restore the confidence of those who have accumulated a stock of values of any kind whatever. Consequently, it does very little good to say that the Treasury does not intend to impose forced saving in any form, nor to seize bank accounts for either a levy or surveillance. The unhappy truth is the totalitarian

methods of compulsion have raised serious doubts in the minds of the citizens of democratic countries as to whether or not they, too, will be the victims of arbitrary regulation and control.

"It must be obvious that we are in the presence of profoundly psychological factors. The instinctive reaction to the blocking of accounts of certain groups of people is to raise doubt in the minds of all as to whether their bank deposits are subject to arbitrary control. And a great deal of fuel has been added to the fires of such suspicion during recent years. The publication of salaries and incomes, and the deliberate removal of the normal safeguards of secrecy concerning the private affairs of individuals has had its definite effect upon public confidence. A great deal is implied in the constitution guarantee against search and seizure and there is considerable room for doubt as to whether this basic civil liberty has been adequately protected during the last decade."

• Co-author of article "Why It's No Use to Hoard" in November 1941 issue of "Banking".