

PRINCESS ANNE CORPORATION

PLANT LOCATION, PRINCESS ANNE COUNTY, VIRGINIA



POST OFFICE BOX 478

**NORFOLK,
VIRGINIA**

December 26 1938

Marriner S. Eccles, Esquire.,
Washington D.C.

Mr. Eccles;

The press of the nation today carry excerpts from an "open letter" from you to Senator Byrd which letter may have the effect of bringing more clearly before the general public for analysis two schools of thought to wit;

That persons are entitled to consume according to what they produce and in contra that persons are entitled to consume according to their "need" and in proportion to what others do produce.,

I may err in my understanding of the basic idea back of your premises which seem to be based on the idea that the total production of the country should thru the intervention of Government be divided according to the "need" of producers and non-producers in disregard of contribution by either.,

If that is your philosophy it is the philosophy of Communism.,

Such philosophy is in denial of the age old maxim on highest authority that "by the sweat of your brow shall ye eat"; No one has any right to take exception to that philosophy but I believe any one has a right to argue the ultimate of such philosophy.,

I hold no brief for Senator Byrd who is quite able to present his own opinion but in as much as you make the argument a general matter by offering an open letter for public consumption I hope you will consider the following also.,

You hold (I assume of course) that unless the non-producers in this country are palliated by public largess that we will have an effort to take from the producers by force and that our "free institutions" will perish in the struggle and that even as against blackmail and duress this "free people" which we are should submit to the less forceful Government blackmail on behalf of the non-producers.,

It matters little in principal whether Al Capone or Jesse James or Stalin meets one on the highway with a gun and exacts a part of production or whether under the thin disguise of Governmental taxation the same thing is accomplished., If it be asserted by you that taxation and distribution is justified to avoid having riots plunder and pillage then that is to admit that Government is unable to maintain the Constitution under which we live., Such an attitude is the attitude of cowardice and defeatism., Such has been the attitude of the present Administration and its justification for the Wagner Act, Social Security Act and other measures to appease those who threatened the overtutn of our form of Government.,

You state that next to the most basic right is the right to work.,

It follows therefore that any one has the right to compel someone else to provide him or her with a job on demand., Life is not that simple., The 1st. Sec. of the 13th Amendment denies that the Government has any right to compel me to provide employment either directly or thru the means of taxation unless by free choice I am able or willing to provide jobs yet time after time we read a denunciation of "private industry" for not taking up the slack of unemployment and the excuse that the Government is only providing employment because "private industry" is not doing so.,

You and your school of fellow thinkers in Washington seem also to have the cart before the horse in the idea that unemployment is caused by "consumers" not having sufficient means to consume all that could be produced.,

That idea has one merit which is buried and that is that if products are not priced out of line with consumers means they might be taken in exchange... but all the effort of the Administration is to increase the cost of goods in dis-parity to the means of potential purchasers.,

Has it occurred to you Mr. Eccles that there might be something in contradiction when the median wage of women workers is eleven dollars a week but a brakeman on the railroad levying tribute on production intended for eleven dollar workers demands and with the connivance with the help of The Administration takes eleven dollars a day as his days wages ?

Assume a factory making cement which is wheeled by "workers" to the side of a large cliff and dumped into the ocean... Government paying those workers for dumping the cement and paying other workers to produce the cement with paper money "backed" by the "value" of the produced cement., With paper bonds issued against the value of the cement and delivered to Federal Reserve in exchange for its equally worthless notes and such notes presented to producers who have creatively labored in producing clothes, housing, food etc., and you have a true picture of the predicament suggested by Senator Byrd.,

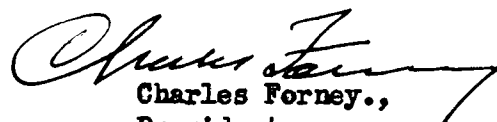
I have long admired your forthrightness and so continue tho I think your ideas are sometimes less than half thought thru..

It might not serve those who would delude our people but under the 16th Amendment The Government is empowered to levy tax on income from whatever source derived and by making due distinction between income derived by non-producers and from production many of our ills could be cured.,

Why not tax that fat old lady sitting over in the corner who never did a days work in her life but who as a parasite on production draws an income from her late husbands "investment" meaning common stock not backed by tangible values in a producing corporation on basis other than is taxed Doctor Mayo who earns his fee.?

Please continue your discussion as it serves the public interest.,

In highest regards


Charles Forney.,
President.,

Copy to Harry Flood Byrd, Esquire.,

January 3, 1949.

Mr. Charles Forney, President,
Princess Anne Corporation,
Post Office Box 478,
Norfolk, Virginia.

Dear Mr. Forney:

Chairman Eccles requested me to acknowledge receipt of your letter of December 26th. I am enclosing a copy of the full text of his recent letter to Senator Byrd on which you commented, and also a copy of the preceding address in New York City which was the subject of the Senator's criticism. I am sure that if you would care to read over these two statements, it would disabuse your mind of some of the misconceptions which you evidently have with regard to Mr. Eccles' views.

Very truly yours,

Elliott Thurston,
Special Assistant
to the Chairman.

enclosures

ET:b

Received in
Chairman's Office
DEC 27 1949
Board of Governors
Federal Reserve System