

November 26, 1947

Mr. M. S. Eccles:

Dear Sir.

Was very much surprised to read the paper and see that you suggest taking more away from the worker and give it to the war millionaire.

There is enough goods stored in warehouses throughout the country to take care of all demands, but are held for higher prices.

The high prices are

Not caused by the workers, receiving from \$38⁰⁰ to \$50⁰⁰ a week, but to the few top men of each large corporation, who receive from \$200,000 to \$500,000 a year. Many of these corporations pay as much to the few men on top, as the entire payroll to the workers. There should be a law preventing any one being paid over \$25,000 a year in salary bonus or any other way.

There is another cause. Many of the corporations in recent years split their stock, giving stock holders one share free for each one held or one for each two held and this was done several times. Now when they pay a dividend of 3 or 4 percent, they are actually paying as high as 15 to 20 percent on

the Original investment Have also seen
some large corporations tear down
buildings that were in good condition,
and put up new ones, and the
official admitted that it was done
to get rid of excess profits.

The more you take away from
the worker, the more you drive him to
communism. That is the trouble in
Europe to-day, every thing taken away
from the worker and given to the few
in the 1st class, while the other

poor class could even eat, They have two classes the Very rich and the extreme poor, We are heading for the same thing here, which is bound to lead to trouble.

It is too bad the you dont get around a little and see conditions in general instead of just among your associates.

Yours truly,
 St. Whithead
 421 So Marguerita
 Alhambra Calif

December 5, 1947.

Mr. S. H. Whitehead,
421 South Marguerita,
Alhambra, California.

Dear Mr. Whitehead:

Newspaper accounts necessarily give only a partial and often distorted version of testimony and this, I imagine, accounts for the erroneous impression you derived from my recent appearance before the Joint Committee on the Economic Report. Accordingly, I am enclosing a copy of the text of my statement.

While it is lengthy, the subject is complex, and you will see that I made no such proposal as your letter indicates. I made every possible effort against repeal of the excess profits tax. I felt at the time and have felt ever since that it was a very grave mistake.

Sincerely yours,

M. S. Eccles,
Chairman.

Enclosure

Chc. Filed in
Mr. Tolson's Office
NOV 28 1947
Board of Governors
Federal Reserve System