

January 31, 1951

Marriner S. Eccles,  
Member,  
Federal Reserve Board,  
Washington, D. C.

Sir:

With a mixture of horror and fear I have been listening to and reading your various suggestions in regard to taxes.

In the beginning, the cost of living should be controlled - it should definitely be kept within the range of the American wage earner, who has to feed a family, said family having become accustomed to bread, butter, eggs, and an occasional piece of steak. The family has also grown outright bashful about being seen outside the house barefoot (above the age of ten or so) and unclad from the knees to the chin.

If there is nothing that you can do to keep the above-mentioned habits from becoming too expensive to buy on an average wage, then presto! let us tax the wage earner again, you suggest!

Look - things are tough enough without any more of the particular kind of help you're trying to foist off upon us. Leave off, Mr. Eccles!

In your particular zeal, have you found a way to tax that 27% exemption allowed to the oil interest, or a way to tax the various insurance companies, who are certainly losing no money fast, or a way to tax business institutions which are in direct competition with American business but which go untaxed because they are the property of churches or schools? As I see it - and as most of us do - the churches are surely entitled to a certain amount of tax freedom, but only insofar as they attend to church affairs, and not when they enter into the commercial fields. And this is likewise true of schools, which we are taxed full well to support!

Why don't you and your little family - this is based upon the assumption that you support them yourself - try to live on the \$65. weekly average wage - and try this in one of the more crowded centers where defense work is going on - and pay for little shoes and little tonsils and little and big teeth being pulled and repaired, and little shelters over little heads, and all of this without the very fine financial backing of a wealthy relative or two? Believe me, Mr. Eccles, it is my sincere conviction that you and yours would be - even as we are - against another increase in our taxes.

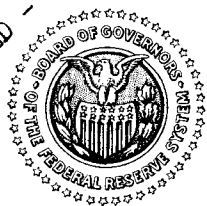
Have you heard the prevalent rumor that we are being quickly and painfully taxed into Socialism? Do you believe that this is true? Are you doing it intentionally, or is it only a by-product?

Please - think this over - not from a viewpoint of  
anything at all except living in this country!

Yours very truly,

Bernice C. Goodwin  
Taxpayer, and good!

RECEIVED - UNCLAIMED



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

RETURNED UNCLAIMED

February 13, 1951

Miss Bernice C. Goodwin  
Torrance, California

Dear Miss Goodwin:

Thank you for your letter of January 31, 1951.

Certainly as you point out higher taxes mean fewer shoes, less clothes and a general reduced standard of living. However, we must be careful to keep in mind that it is expenditures for war that cause the reduced standard of living and not the taxes. If higher taxes were not collected a greater portion of the reduced standard of living would arise from higher prices. The expanded war expenditures are either going to be financed through higher taxes or expanded inflation. In my opinion inflation is much more harmful to the family living on \$65 a week than higher taxes collected largely with regard to the ability to pay.

Sincerely yours,

  
M. S. Eccles

P.S. I am enclosing a copy of my statement which might give you a little different understanding of my views than your letter would indicate you have.

M.S.E.