

Harry! Shouldn't you acknowledge this one?
Et

DEPENDABLE INSURANCE

BOSTON INSURANCE COMPANY
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CLAYTON, MO.

November 18th, 1939

Mr. Marriner C. Eccles
Federal Reserve Bank
Washington, D. C.

Dear Mr. Eccles:-

May I concur generally with your entire speech before the St. Louis bankers with the exception of your use of the income taxes to keep money in circulation, ie., higher taxes for those who are able to save. There seems to be a strong undercurrent in all your expressed thoughts towards the thoughts that I have expressed in my many letters to you, so much so that six different people remarked of the same thing. My difference of course is the suggested use of a "Tax on Unspent Income" in place of the income taxes.

My objection to the use of income taxes is practically the same as expressed by William McChesney Martin who undoubtedly was expressing his reaction to your speech, that to "soak the rich" eventually kills production. I feel that the only way to get a fuller and richer life for all is to increase production and to oppose everything that hinders production or hinders the consumption of that which is produced. Included in the things which should be opposed are Communistic or Socialized governmental agencies, labor ideas to reduce production or spread the work, governmental agencies trying to overcome the Law of Supply and Demand by artificial means, uncontrolled Capitalism and governmental relief or made work.

High Income taxes and a Tax on Unspent income as suggested by myself will eventually both distribute wealth, but with the Income Taxes we will have to have a Fascist form of government as the discouragement given to Capital is such that you drive men out of business and dry it up to the point where the Capitalistic system is unworkable. I feel that "taxing only a mans increase in wealth" in accordance with his necessity of saving, allowing him the security of his fortune, forcing him to use his income properly when he has no need of saving so as to get the greatest enjoyment during his brief stay on earth by the alternate of tax avoidance if he disposes of his current income, allowing him to make secure his loved ones in an easier manner than income taxes, is infinitely a more equitable and easier manner to divide the wealth, distribute income more equally, keep money in circulation better, have less need for taxes and with a larger production make taxes easier to collect and still at the same time make the Capitalistic System workable again without Governmental attempted artificial assistance.

It is of course hard to get an expression on such a controversial subject such as I suggest from anyone whose name means anything other than "off the record". But I am not discouraged for people love to tear down things and ridicule ideas and I am unable even to find that. Further I have been told that it is propheticized in the pyramids that some such plan will become world operative by August 1953. Perhaps by that time the Treasury Department might be willing to "give every man a hearing" that our President promised.

And really they should take better care of their Insured Risks, for if I dont get an answer before then I may turn out a para noiac. Selah.

Yours truly,
R. E. White