

Canton, Ohio.  
Feb. 26th, 1945

Mr. Narriner S. Eccles, Pres.  
Federal Reserve Board,  
Washington, D.C.

Dear Sir:-

After reading your recent ideas on measures to curb trading on the New York Stock Exchange, I would appreciate your giving me some sound reason for your conclusions.

In the first place the Dow-Jones Industrial averages stand at 155.88 while in 1937 they stood at 194, at which time there was no criticism that stocks were overpriced nor that trading was excessive.

Our government is using every means they can devise to raise more taxes and with an active stock market, what better source of revenue can they have. They receive an immense revenue from the transfer taxes alone, as you know they run as high as 8¢ per share and on capital gains tax the Internal Revenue Dept. takes from the smallest investor at least 25% of his profit and if I understand your idea you want to take 100% of his profits. Does this make sense?

Your idea on taxing realstate profits is no more than confiscation and no Congress would even give it a thought.

If it had not been for the investments of the American people in industry when this war started, where would this country have been? as it is the American investor who make our industries possible and it is they that receive the least consideration in our government in Washington. Take dividends, they are not only taxed once but three times which you must admit is most unjust. What the investor needs is a bloc in Washington similar to the farm bloc to see to his interests.

Every country has or will have inflation and I am not foolish enough to believe there is any one in Washington big enough to prevent it and the only hedge the "common man" (on whom the tears are falling in Washington) has to hedge is to invest in common stocks. If our money goes to pot and we have to use beans for money common stocks will be worth so many beans.

This war is being used for an excuse to regiment the American people and they are mostly too dumb to realize it. If they get the people under their iron heel they will never lift it.

Take the matter of prohibition of racing. Is it necessary here when it is not necessary either in England or France? While Racing means nothing to me I would like some one to show me where the war effort will be benefitted to a fraction of a degree by closing the race tracks. The same goes for the Night Club curfew. What is two hours shut down going to do for the war effort. It will mean two more hours of sleep for anyone that wants it or a little more whiskey left to drink the next day.

Sitting right on the scene in Washington, you have a much clearer view of affairs than the lay man out over the country and you certainly must see where we are heading. When the constitution of Petrillo's Union has more power than the Constitution of the United States, something is wrong. Too many crack pots are installed in government bureaus that no one ever heard of and are granted the power to make rulings and enforce them and from whose decisions there is no appeal and when you take the right of appeal away from an American citizen you have destroyed democracy.

I dislike to imagine what this country will be like in four more years of the same kind of administration we have had for the past twelve years. I can respect a Democrat or a Republican, but never a New Dealer. I would like to have some one tell me what difference there is between Nazism, Facism, Communism and New Dealism. They all look alike to me.

What the investor needs in this country is some consideration but your ideas to me seem anything else but. Too many in Washington have got theirs and to Hell with the other fellow.

Very truly yours,



W.H. Rukenbrod  
1010 8th St. N.W.  
Canton, 3  
Ohio.

March 5, 1945.

Mr. W. H. Rukenbrod,  
1010 - 8th Street, N. W.,  
Canton 3, Ohio.

Dear Mr. Rukenbrod:

In reply to your letter of February 26, I am enclosing a copy of a statement which I have just issued in regard to my proposal for a special wartime capital gains tax.

You ask for some sound reason for my conclusion, and I trust that this will indicate to you why I feel that this expedient is so essential.

Sincerely yours,

M. S. Eccles,  
Chairman.

Enclosure

ET:b