

Box 652

St. Augustine  
Florida

Washington's Birthday

Dear Mr. Eccles:

You are so busy a man that it would be very excusable and also understandable, if you had not considered the 'forgotten man' when you suggested more stock market taxation.

I am one of many thousands of later-age people who live on a tragically decreased income due to no fault of my own, after a luxurious bringing up until 1929. I am not one to grouse. But we, my husband, retired, and self, willingly gave up all the luxury both of us had accepted as a matter of course, and even had to dispose of a loved home in Connecticut and come here to exist and live within our income. With the increased cost of living right here in Florida now, we have been obliged now and then to sell certain stocks to get sufficient to carry on! We, of course, retained some good stocks which we took on at a time that bonds, (German, Chilean, Brazalian, bought for us by N.Y. brokers) went nil, with what they brought when thrown off. Now do you like to suggest that when and if, the higher cost of living swamps us, and we have to include these stocks with those thrown over, we are to be taxed more than today! I doubt you have considered all

les. We are not of the variety --and they even include to my knowledge Government people making money-- to buy today and sell tomorrow, and personally we are not interested in their lives, but we do make appeal that you give some little thought --as that is all that is necessary --to the retired people of this country who live on income alone..... Thank you.

Sincerely, and respectfully submitted,

Mrs Robert Edwards  
Alia Edwards

We are, together, in or under the \$3,000 class of people over sixt  
Your statement might not have included us, but please restate  
your case if so. I want to feel we have one man patriotic  
enough to consider the "forgotten man today"

February 26, 1945.

Mrs. Robert Edwards,  
Box 652,  
St. Augustine, Florida.

Dear Mrs. Edwards:

I have read your letter of February 22 with a great deal of sympathetic interest.

When I testified before the Senate Banking and Currency Committee the other day in connection with a technical Federal Reserve bill, I had not expected to be questioned about the danger of inflation in capital values. Since I was pressed on this subject, I said that I strongly favor a penalty rate under the capital gains tax applicable only to speculators who are in the real estate or stock markets for a quick turnover. They are the ones, in my opinion, who are giving the greatest impetus to the rapidly rising prices in these uncontrolled fields. I feel very deeply about it because I think that if unchecked it would make a mirage of the G. I. Bill of Rights and amount to a repudiation of the country's obligation to the returning veterans who have been given various assurances that they will be helped in getting a home, or a farm, or other essentials of life.

The penalty rate I have in mind would have no direct effect whatsoever on your savings. Since it would apply only to the quick turnover speculator, it would not apply to the securities which you own and which, I presume, you purchased some time ago. It would, however, have this effect, or at least I hope it would: It would help to curb this dangerous inflationary condition that would make your dollars have less and less buying power. My only concern is to use this as well as other necessary instruments to prevent the very inflationary developments which bear hardest of all upon those, like yourself, who are in the fixed income groups.

Sincerely yours,

M. S. Eccles,  
Chairman.

ET:b