

THE PLAZA BANK OF ST. LOUIS  
TWELVE THIRTY OLIVE STREET  
SAINT LOUIS

F. R. VONWINDEGGER  
PRESIDENT

March 7, 1945

Dear Mr. Eccles:

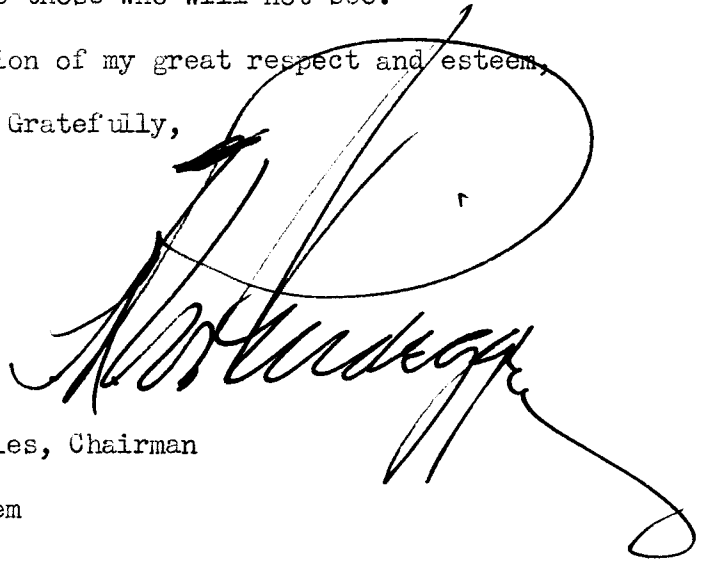
Thanks for sending me your statement before the Senate Banking and Currency Committee on "A Capital Gains Tax to Curb Rising Prices of Capital Values". Once again you have scored. We shall use this statement with telling effect when we hear objections to the proposed new tax.

Your argument is excellent proof of the fallacy of the statement that taxes should be levied for revenue only. If we are ever going to be able to control the violent swings of the economy, the tax structure is going to have to be used as one of the most, if not the most effective weapon for such control.

"None are so blind as those who will not see."

With renewed expression of my great respect and esteem,

Gratefully,

A large, stylized handwritten signature in black ink, likely belonging to F. R. VonWiddegger, is written over the word 'Gratefully' and extends downwards and to the right.

Hon. Marriner S. Eccles, Chairman  
Board of Governors  
Federal Reserve System  
Washington, D. C.

March 13, 1945.

Mr. F. N. vonWindegger, President,  
The Plaza Bank of St. Louis,  
1230 Olive Street,  
St. Louis, Missouri.

Dear Mr. vonWindegger:

Thank you for your letter of March 7 and for the copy of the one to Secretary Morgenthau. Your constant support and encouragement have always been particularly gratifying to me, and I am especially pleased that you see the necessity for and are doing what you can to support effective measures to prevent further inflation of capital values. The blindness is conspicuously prevalent in the New York brokerage community which, as Fortune aptly pointed out in its March issue, lives on the ups and downs -- the bigger they are, the more the brokers get out of it. Some of them who write to me are naive enough to call this free enterprise.

With kindest personal regards,

Sincerely yours,

M. S. Eccles,  
Chairman.

ET:b

February 15, 1945

Hon. Henry J. Morgenthau, Jr.  
Secretary of the Treasury  
Washington, D. C.

Dear Mr. Secretary:

First, I want to congratulate you and your staff on the clear, unequivocal and bold presentation of the Bretton-Woods Agreement that you made last evening, particularly during the question period. Nowhere was the usual diplomatic evasion in evidence except in answer to the question, "Why do the bankers oppose it?", at which time it was both justified and necessary. While the Administrative Committee of the American Bankers Association was authorized by action of the Convention in September, 1944, to speak for the Association, no vote of membership as a whole has ever been taken as to the question of support or opposition by the individual bankers. With my forty years experience with the regrettably ovine characteristics of the bankers' mentality, it is easy to understand how such an authorization was obtained at the Convention.

One naturally wonders why the objecting bankers claim the support of three banking organizations, the American Bankers Association, the Federal Fiscal Policy Committee of the Association of Reserve City Bankers, and the Study Committee on Post-War Problems of the Bankers Association for Foreign Trade. Is this to give the public an impression of strength and solidarity to their objections? Any one close to the banking fraternity knows that these three organizations are dominated, if not by identical men, certainly by men of an identical philosophy. To anyone knowing the actual conditions, it weakens their case and beclouds their sincerity and good faith. It also raises the question as to the objecting bankers' acceptance of the purposes of the fund, and if those are brought in question, what validity can be given to their objection to detail. Are the objecting bankers and the technicians starting from the same premise?

Is a group of men notoriously short-sighted to be permitted to overthrow this constructive agreement? Remembering the position of the American Bankers Association at the Boston Convention in 1913, when it opposed the Federal Reserve Act, and their more tragic insistence on our remaining on the gold standard after England went off in 1931, it can be suggested that their objections and selfish attitude now should not be given too much weight.

Most regrettable of all is the evidence of isolationism in the bankers' objections. Unless we have the vision and courage to cooperate wholeheartedly with other peoples of the world, let us take our tongues out of our cheeks and prepare now for World War III, which may be the end of civilization.

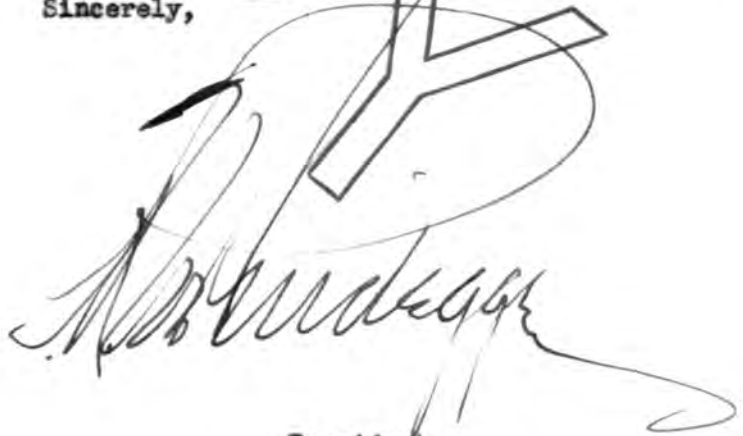
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It is nothing more or less than a miracle that the experts of forty-four countries could arrive at an agreement as adequate as the one that has been submitted to Congress for approval. Winston Churchill has rightly said, "The price of greatness is responsibility." Our country is at the peak of its power, which, because of the rapid development of industrial production and science, may not be true twenty-five years from now. This is our great opportunity to lead the peoples of the world down the paths of peace. There is a growing conviction here in Missouri that the only ultimate solution to these great problems is World Federation.

Last, may I offer what I think is a constructive suggestion? In all of our explanations and in our endeavors to educate the people here, we have taken the position that all of these various agreements, Dumbarton-Oaks, Bretton-Woods, Hot Springs Food, Chicago Aeronautic, Anglo-American Oil, and others still to come, are all component parts of a peace plan and each must be accepted and adopted if there is to be any hope for the success of the plan. Much favorable publicity has been given by the press and commentators to the Dumbarton-Oaks proposal and the necessity for its adoption, but too little stress has been put on the other international agreements which in our humble opinion are vital to the success of the Dumbarton-Oaks Agreement itself. If more stress was given to the interdependence of these various agreements than was done last evening, it would be helpful in getting support from the people for them all.

Sincerely,



President.

FRW:DF