

RICE COUNTY DEMOCRATIC CENTRAL COMMITTEE

TELEPHONE 60

LYONS -- KANSAS

March 10th 1945

Chairman M.S.Eccles
Federal Reserve Board
Washington, D.C.

Honorable Sir:

I am aware of the difficulties confronting the Securities Exchange Commission in connection with the tendency towards inflation or deflation as concerns stocks and bonds.

I have decided that a voice from the "sticks" might be in order and do no harm at least to express my opinion with reference to the stocks traded on New York Exchange. For I have bought stocks on the N.Y. Exchange for over 25 years in a small way and at the present time have 1500 shares on margin (well covered) with the highest being General Motors and the lowest being Catalin.

Why could not a graduated scale of tax on profits be used with a high of approximately 95% on stocks held less than 30 days and graduated up to 2-3 or 5 years. With possibly losses graded much in the same way and these tax on profits to cover stocks, bonds and real estate. In other words the buying would be more substantial of type and would last out the "duration" and slightly longer.

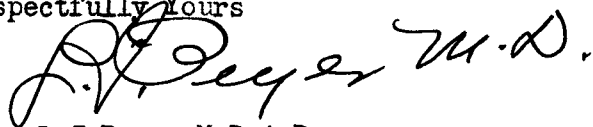
By penalizing the cheap stocks it makes only for a rich man's market with the objective still not attained.

The Stock Exchange is criticised severely however we must not lose sight of the fact that the Exchange is a legitimate trading center where securities can be scrutinized and regulated. On the other hand the public is apt to invest in worthless promotion stocks which are sold by dark alley traders to the unsuspecting public.

I spent a month in Miami Florida in January and noticed some of the circulars of promotion stocks floating around however the regular brokers had no connection with these stocks as circulated.

Hoping this may meet your attention

Respectfully Yours



L.J. Beyer, M.D.; A.B.

E?mLJB

March 19, 1945.

Dr. L. J. Beyer, Chairman,
Hice County Democratic
Central Committee,
Lyons, Kansas.

Dear Dr. Beyer:

This is to thank you for your letter of March 10 in regard to your own stock market experience and your suggestion with regard to a capital gains tax. If I understand you correctly, your thinking and mine are much the same.

It occurred to me that you might not have seen the text of a statement I issued explaining why I favor a special wartime capital gains tax, and I accordingly am enclosing a copy.

I appreciate your interest and your courtesy in writing.

Sincerely yours,

M. S. Eccles,
Chairman.

Enclosure

ET:b