Baltimore Bank

1014 BALTIMORE AVENUE
KANSAS CITY, MO.

GEORGE H. BUECKING,
PRESIDENT

April 2, 1945

Mr. Elliott Thurston, Assistant to Chairman
Board of Governors,
Federal Reserve System,
Washington 25, D. C.

Dear Mr. Thurston:

Thanks very much for your letter of March 26, 1945. I am referring to your last paragraph in which you state, "You refer to people purchasing stocks for income purposes and, of course, investment of that sort would not be hit by the tax Mr. Eccles has in mind."

Please bear in mind again I am now arguing with you about the matter but trying to get satisfied in my own mind whether a party buying stocks for investment and taking the chance on a loss when he does buy stocks, whether this same party should be entitled to a profit in case he is forced to sell sooner than he expected.

I realize perfectly that prices at the present time are due to underlying conditions and prices on real estate could be a trifle high, still, I am almost ready to take a chance on them being a trifle high and stand the consequences rather than have too much regulation.

Perhaps I am wrong in the matter. If so I am willing to admit it.

Very truly yours,

George H. Buecking.

GHB:MB

April 9, 1945.

Mr. George H. Buecking, President,
Baltimore Bank,
1014 Baltimore Avenue,
Kansas City, Missouri.

Dear Mr. Buecking:

Let me say in regard to your letter of April 2 that I do not think you are wrong about the danger of over-regulation. Although Mr. Eccles' proposal of a 90 per cent maximum is a pretty stiff rate, it would still leave the seller with a 10 per cent profit on assets purchased after January 1 and sold within two years. The rate, of course, would drop by 10 per cent, or more, if he held for three years, and so on, until the present 25 per cent rate is reached.

So far as capital losses are concerned, Mr. Eccles suggested that there be a provision making losses deductible against profits.

Sincerely yours,

Elliott Thurston,
Assistant to the Chairman.

ET:b