

1433 No. Normandy Ave
Los Angeles, Calif

April 19-45

Dear "Marriner":

I have read your proposal for a 90% capital gains tax.

I have read your reply to "L.G." in the Financial World 4-11-45.

As has been the habit with the New Deal philosophers you choose to solve a problem by punishing everyone who exercises any individual initiative and you have the gall to say anyone who bot a stock prior to Jan 1st 1945 is an "investor" and anyone who bot afterward is a crook and should be fleeced of 90% of his gains!

The day will come when you will regret this Communistic proposal of yours. God in his wisdom has saved us from any further prostitution of Americanism as it existed prior to 1932. He has made it unnecessary to rise up and throw our tormenters out of office. Death has silenced the most vicious attack in American history on Liberty, Freedom + Democracy.

We will be spared the chance
of living in your rotten Communist
controlled state. The man who
invited Earl Browder to return to this
Country is powerless to protect you
or put your vile proposal into
effect. When you attempt to destroy
God given rights to absolute control
over our private property you are
stirring the whirl wind brother and
you are lucky your proposal cannot
now be put into effect for I would
be only one of thousands who would
collect every cent it cost us from
your own miserable hide! My
property is as inviolate as my home
and your Red Flag would make a swell
target, dear Mariner! Yours sincerely
John R. Kennedy

April 24, 1945.

Mr. John R. Kennedy,
1433 No. Normandy Avenue,
Los Angeles, California.

Dear Mr. Kennedy:

It is unfortunate that I did not have the advantage of your courteous and thoughtful letter of April 19 before suggesting the capital gains tax as an anti-inflation device. It had not occurred to me, until I received your letter, that the tax would "fleece" the investor of 90 per cent of his gains, since my proposal was that if one who purchased after January 1, as I deduce you did, were not looking for a quick speculative profit but was thinking in terms of income and longer range appreciation, the tax would be progressively lower until eventually it equalled the existing capital gains tax of 25 per cent maximum.

Similarly, it had not occurred to me that I was jeopardizing my own personal interests by precipitating communism. As a business man and banker with rather extensive interests in the maintenance of our system, I had supposed until I read your letter that this proposal would in a small way help to protect that system.

Doubtless you have considered all the pros and cons of this rather complicated subject before arriving at the judicial conclusions in your letter. Some other people, less interested perhaps in protecting this Nation than you are, seem to have a contrary view from yours, as exemplified in a letter -- one of a good many I have received -- copy of which I enclose. This particular one, you will note, is from a service man.

Very truly yours,

M. S. Eccles,
Chairman.

Enclosure

ET:b

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

OFFICIAL BUSINESS



No one here by this name

Mr. John R. Kennedy
1433 No. Normandy Avenue
Los Angeles
California

REASON FOR NON-DELIVERY CHECKED

Moved-No Address

Unknown at Address

No Such Number

For Dissolved-No Order

Carrier's Initials

RETURN
TO WRITER
UNCLAIMED



*Unknown - South
by south 24th*





BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON 25

OFFICE OF THE CHAIRMAN

April 24, 1945.

Mr. John R. Kennedy,
1435 No. Normandy Avenue,
Los Angeles, California.

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Very truly yours,

A handwritten signature in cursive script, appearing to read "M. S. Eccles". The signature is written in dark ink and is positioned above the typed name of the signatory.

M. S. Eccles,
Chairman.

Enclosure