

May 15, 1942.

Honorable Sam Rayburn,
Speaker of the House,
Washington, D.C.

Dear Sam:

Again I bother you, even with all the troubles you have.

The enclosed editorial from the New York Times on the President's Program strikes me as being extremely constructive. Naturally, I am not unmindful of the necessity of taxes and have no desire to avoid my responsibility, but if they pass a ridiculous bill of not permitting anyone to make over \$25,000.00 a year it will be detrimental to the Government in the long run.

Incidentally, I operate as an individual, and not a corporation, and my insurance premiums alone are \$29,000.00 a year. So, I have an expense of \$29,000.00 a year, a daughter in school and a number of necessary expense items that are not deductible. I would be in a hell of a fix. Besides if they took all the money from individuals in this bracket it would still not mean so much in the total tax picture.

They are freezing prices but for the love of heaven why don't they freeze wages with it? I can not understand it and the public generally is going to think it a matter of political cowardice. Merely freezing prices and leaving wages in effect will not curb inflation.

Again, if Congress would establish a sales tax with certain exemptions and let everybody pay something towards the support of the Government, it would help solve the deficit more effectively than any other method I know of. I realize you are up against a tough proposition and I want to express my thanks and appreciation to you for your effective work on the oil depletion as well as the community tax. Meanwhile, I do not know what is going to happen to the oil business.

I owe three or four million dollars on my property and am permitted this month to run six days oil which will not even pay the interest or labor. Mr. Ickes's Department insists on holding Texas's production to \$60,000 barrels a day. The Railroad Commission states they have bonafied requirements from actual consumers for 1,400,000 barrels a day. Frankly, Sam, the belief is continually growing that the Standard Oil Company is dominating the oil organization in Washington and if they keep on they will put every independent operator in Texas out of business, which I presume will be very gratifying to some of the large major companies. If they do it, the public will get a nice "dicking" and the oil will be selling for \$2.00 instead of \$1.00 a barrel.

Sid Richardson called me this morning and asked me to send my check for \$2,500.00 on the Washington Birthday dinner, which I am doing and I want to tell you it is hard digging. Incidentally, I've had a brother in Washington a week trying to get a permit to drill a couple of wells which they have turned down on the most asinine and ridiculous basis imaginable. It is difficult to recall a single favor that I have had from the Administration and I figure up until today it has cost me \$37,500.00. So, I wonder how long I am going to continue to be a sap? Meanwhile, I realize the President is trying to end is doing a grand job and I am for the outfit 100% but it is damn galling to be called on to do everything and then be given a kick in the pants for everything we ask for - even though we are entitled to it. If they would fire about 175% of those theorists and get some country folks with horse sense doing the job everybody would be better off.

But, this is enough, I didn't start out to write you this kind of letter. However, I get so damn burned up on the ridiculous things being done that it is hard to restrain myself in giving vent to my feeling. So, I presume you would be doing me a favor by destroying the letter even though it does not change my feeling.

I certainly hope that they do not, in the final tax plan, permit the \$25,000.00 a year maximum to become a law. I think I have complained less about taxes than anyone as I realize they must be paid but there is no use in killing the goose that laid the golden egg. Some of these tax ideas remind me of the story of the 85 year

old man who married a sixteen year old girl. One of his friends who was astounded asked another friend why he did such a thing. The second friend replied, "I don't know. I guess he is just trying everything for his rheumatism now."

Pardon the length of this letter.

With best wishes, I am

Sincerely,

AGC.KD

P.S: If Congress will face the issue now as well as later and establish a sales tax, with reasonable exemptions, it will help raise the money and interfere with the progress and development of business less than any other method I know of - notwithstanding the fact that Mr. Henderson says it will not help eliminate inflation. The best way to eliminate inflation is to stabilize wages and prices and take all of the income from everyone that will leave a man sufficient to live on and operate his business.