

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date October 6, 1936.To Chairman Eccles

Subject: _____

From Lauchlin Currie*L.C.*

G P O 16-852

I think you will find the attached interesting and significant. I saw another note in the Wall Street Journal to the effect that the Caterpillar Tractor Company is considering paying the dividend in preferred stock, which would be considered taxable income of the recipients and yet permit the company to retain earnings for expansion. You probably noticed that Hoover has joined Landon in asking for a repeal of the tax. I saw Leon Henderson the other day and gave him some material from which he can prepare a speech for the tax.

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The citation for the original is:

Wall Street Journal, "Investors Trust Head Finds a Solution to Profits Tax Dilemma: Merrill Griswold Says Many Companies Can Retain Excess Earnings Through Subscription Rights," October 2, 1936, p. 11.