

PHELPS DODGE CORPORATION

40 WALL STREET

NEW YORK

November
7,
1941

Mr. Marriner Eccles,
Chairman, Federal Reserve System,
Federal Reserve Building,
Washington, D. C.

Dear Mr. Eccles:

I am enclosing copy of the "Daily Metal Reporter Supplement" for October in which is printed a speech I made at the San Francisco meeting of the American Mining Congress.

You will note that I laid particular stress on the one great omission from the last Revenue Bill, namely, that there is no provision for relief for those companies having special situations which make the excess profits tax unduly burdensome and even confiscatory. This is the first Revenue Bill that has not had such a provision, and if we do not get relief in the so-called Administrative Bill now being prepared, the taxing authorities will have no option other than to follow the letter of the law. I personally know of many instances where this is going to work a terrific hardship.

I am writing you in the hope that through your congressional delegation or other influential officials in Washington, especially in the Treasury Department, we may have this situation sufficiently explained so that the Administrative Bill will recognize the necessity for a relief clause.

Very truly yours,



President.

Enclosure.

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Cates, Louis S. "Hardships Cited in Present Profits Tax Law: Relief Provisions Held Too Rigid, May Put Unfair Burden on Mining Industry; More Flexible Terms Are Called For." *Metals: Daily Metal Reporter Monthly Supplement*, October 1941, Vol. 12, No. 4.

November 28, 1941.

Mr. L. S. Cates, President,
Phelps Dodge Corporation,
40 Wall Street,
New York City.

Dear Lou:

This will acknowledge yours of November 7 with which you enclosed a copy of the "Daily Metal Reporter Supplement" for October containing a speech made by you at the San Francisco meeting of the American Mining Congress.

Your speech concerns itself principally with the last revenue bill and you stress what you consider an important omission from the bill, a lack of any provision for relief for companies having special situations which make the excess profits tax unduly burdensome. I presume the American Mining Congress itself has brought this point and perhaps others to the attention of the Treasury, but, at any rate, I am passing your paper on to our staff man here who is working most closely with the Treasury on tax matters.

With best wishes,

Sincerely yours,

M. S. Eccles,
Chairman.

LC:b

