

W. 7579

WALES - STRIPPIT CORPORATION

2200 RAND BUILDING
BUFFALO 3, NEW YORK

OFFICE OF VICE-PRESIDENT & TREASURER



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DIES
FOR ALL KINDS OF
SHEET METAL
ANGLES
SHAPES

June 2, 1945

STRIPPITS
(STRIPPER UNITS)

Honorable Marriner S. Eccles, Chairman
Federal Reserve Board of Governors
Washington, D. C.

Dear Mr. Eccles:

Would you kindly send me a copy of your statement before the House Small Business Committee referred to in the attached clipping from the morning's Buffalo paper.

Your position designed to aid new small enterprise is somewhat at variance with the position taken by a group of Buffalo businessmen whose names are given on page 7 of the enclosed Hearings. Our analysis indicates that the excess profits tax should be repealed in toto immediately after the war because it is basically unsound in its definition of "excess profits" so far as small and medium size manufacturing establishments are concerned, it is repressive to the inception of new enterprise, and tends to foster and give protection to established and monopolistic business. We agree thoroughly with your recommendation to raise the exemption to \$25,000 and indeed would go up to \$50,000 if your advocacy of the retention of the excess profits tax ultimately prevails.

If the inequities bearing heavily against small manufacturing are to be removed, we prefer the treatment of the normal and surtax as given on page 17 of my statement rather than your suggestion No. 3.

In view of the social and economic importance of locally owned and locally managed independent enterprise, my suggestion No. 5 on page 17 of the Hearings seems to have advantages superior to your suggestion No. 1.

Sincerely yours

Charles C. Fichtner
Vice President & Treasurer

CCF: SZ

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STRINGERS

June 5, 1945.

Mr. Charles C. Fichtner,
Vice President and Treasurer,
Wales-Strippit Corporation,
2200 Rand Building,
Buffalo 3, New York.

Dear Mr. Fichtner:

This is to thank you for your letter of June 2 in regard to my testimony before Mr. Patman's Committee on small business problems. I had noted the position of the business group to whom you refer. They reflect the usual attitude on the question of the excess profits tax, and I recognize, of course, that my approach is decidedly different. It is gratifying, therefore, to know that you agree with my recommendation in case this tax is to be retained.

The clipping you enclosed does not bring out my point in suggestion No. 3, which is that I would exempt from the corporation tax profits paid out in dividends which would be taxed in the hands of the recipients. This, of course, would eliminate double taxation. Your suggestion No. 5 is certainly worthy of very careful consideration as another benefit, particularly for the small business enterprise.

Because of your great interest in this subject, I am enclosing a copy of the statement I prepared and presented to the Committee. Newspaper accounts were necessarily very abbreviated.

Sincerely yours,

M. S. Eccles,
Chairman.

Enclosure

ET:b