

SCHWABE COLL

October 3, 1945

Mr. J. H. Steinmesch
Minerva Oil Company
Eldorado, Illinois

Dear Mr. Steinmesch:

I have your letter of the 25th of September in which you present cogent arguments for the continuation of depletion allowances on fluorspar the same as on other minerals.

I am sure you are aware of the fact that I introduced a bill in the House seeking to do this very thing. I don't know just when the Committee on Ways and Means to which the bill was referred will begin its hearings, but as soon as it does, I shall attempt to notify you and my people in Tulsa at whose behest I introduced the measure.

In the meantime, I suggest that you contact your Congressman and try to inspire an interest in him on behalf of the passage of this bill. It might be well for you to attempt to interest as many other Congressmen and Senators as possible, for I am convinced that when the matter is properly presented to them, they should have no objection to the bill, but will more than likely be favorable to its passage. You can be a great deal of help along this line and I shall appreciate your activities in that direction.

Sincerely yours,

George B. Schwabe, M.C.

GS:LW

MINERVA OIL COMPANY

ELDORADO, ILLINOIS

September 25, 1945

Repr. George B. Schwabe, Oklahoma
Washington, D. C.

Dear Mr. Schwabe:

A depletion allowance on fluorspar of 15% of sales was made for the duration of the war. The mines have produced over 400,000 tons of fluorspar annually during the war. This is a phenomenal increase made by depleting the best reserves and neglecting prospecting and development. The present depletion allowance should be maintained.

1. The cost and difficulty of discovering, mining and preparing fluorspar for market is fully as difficult as with zinc, lead and other minerals on which percentage depletion has been allowed for years.
2. Fluorspar, in fact, is seldom found without lead and zinc. They are discovered by the same drill, mined from the same ore body, hoisted out of the same shaft and treated in the same mills.
3. The necessity for percentage depletion on lead, zinc and other such minerals has been recognized for years. It is purely through error that depletion was not allowed on fluorspar long ago. The correction of this injustice to fluorspar was made in war time. Termination of the war should not be a reason for reinstating the injustice.
4. Fluorspar reserves have been reduced by war demand. Discovery and development of replacements will be slow and expensive.
5. There is no question about the need for percentage depletion on raw materials such as crude oil, lead, zinc and fluorspar. It is only a matter of time until the last barrel of oil and the last ton of ore is taken out of the well or the mine. Average mining projects cannot commercially exist without the depletion provision. Manufacturers who can constantly replenish their raw materials from other suppliers are in an entirely different position.

I hope you will use your vote and influence to retain the present depletion allowance on fluorspar.

Yours very truly,

J. H. Steinmesch
J. H. Steinmesch

*Mr. Schwabe: Good luck on HR 3693
Percentage depletion is vitally necessary
for small oil and mining concerns
This letter to Congress means
mines - mining and others.*
JHS:BR