

Bank of Canada

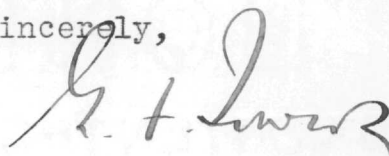
Ottawa, October 15th, 1942.

The Hon. Marriner S. Eccles,
Chairman of the Board of Governors,
Federal Reserve System,
Washington, D.C.

Dear Mr. Eccles,

As promised in my letter of August 4th last, I am forwarding under separate cover the official table of income tax deductions which employers are required to make in respect of salaries and wages, and am also sending two pamphlets which explain and illustrate our new income tax provisions.

Yours sincerely,



Received in
Chairman's Office
OCT 19 1942
Board of Governors
Federal Reserve System

October 22, 1942.


My dear Governor Towers:

This is to thank you for your letter of October 15 and for the official tables of income tax deductions. This material is of particular interest to us and I appreciate your thoughtfulness in sending it.

I have strongly favored withholding at the source and while we have made a small beginning in the new tax bill, it does not begin to go far enough.

Sincerely yours,

Honorable G. P. Towers,
Governor,
Bank of Canada,
Ottawa.

 ET:b