

N. Y. Jan. 20, 1942

Mr. Marriner S. Eccles.
Federal Reserve Bank
N. Y. City.
Dear Sir;

Regarding the enclosed article printed in the World Telegram last night, in reference to your address to the N. Y. Bankers Assc.

I have recently written to Sect. Morgenthau, also to my Senators Mead and Wagner protesting against any (withholding Tax). rather a general sales tax would be preferable, because it would affect every class, where the withholding tax would only affect those that are on a company pay roll, and the people working for a small concern that only employed one or more people, would escape., too, I believe it is unconstitutional, and undemocratic, it is too much like the methods used in Germany by the gestapo.

Also, it would be all right to take fifteen per cent from a man that was earning one ore two hundred thousand a year, but look at it from the point of the small wage earner like myself.

My salary is 108.00 dollars per month. we did not get any bonus from our company to help pay any income tax. I support my eighty year old mother, and a sister who takes care of her. out of this small pittance I have to pay 1.08 social security, .90 group insurance, and also a salary allotment of 3.80 to the Travelers Ins. Co. for a personal insurance of 1000.00.

How can my family even exist if the Government takes more? we will all be on the charity pay rolls, and this has never happened in the history of my family.

A general sales tax on every thing but food and medicine would be fairer. then, those that were working on defense jobs, and making double their ordinary salary would have to pay every time they bought anything, and the people working on a stationary salary would curtail their buying, except necessary things.

Trusting you will give this a thought,

I Remain

Respectfully Yours.
Evelyn G. Sharkey,
100-36- 208 St.
Bellaire, L. I.

January 23, 1942.

Dear Miss Sharkey:

This will acknowledge your letter of January 20, addressed to Chairman Eccles, in which you discuss recent tax proposals. Your comments are noted, and particularly your point that you would prefer a general sales tax to a withholding tax based upon salary.

I might add, however, that it is quite likely that any withholding tax would provide for certain exemptions for heads of families. In this event it is conceivable that the head of a family might be exempted up to, say, \$1,000. This, however, is only a personal observation which I am passing on to you for whatever it is worth. I can also say personally that a sales tax with a food and drugs exemption would be fairer than a flat rate income tax without exemptions so far as your situation is concerned.

Very truly yours,

Lawrence Clayton,
Assistant to the Chairman.

Miss Evelyn G. Sharkey,
100-36 - 208th Street,
Bellaire, Long Island,
New York.

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