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# THE CITY NATIONAL BANK

FORT SMITH, ARK.

I. H. NAKDIMEN  
PRESIDENT

March 27, 1941

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

Dear Mr. Eccles:

I noticed in the Wall Street Journal of March 25th a statement made by you, but from reading it I can't get the actual thought you are trying to convey.

What I want to know is, are you against the Government issuing bonds for the purpose of raising money for defense? Or, are you in favor of the Government not issuing bonds and just issuing currency and save the interest.

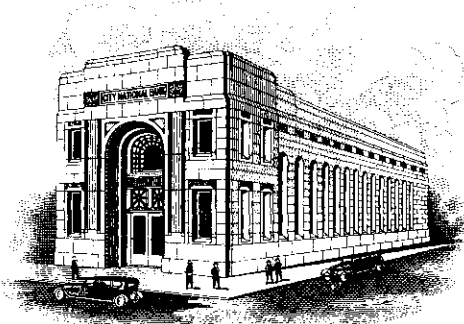
Please excuse me if I don't make myself plain. The way I understand it, the Government issues bonds and sells them or the Government issues currency. The way I see it, these are the only two ways of raising money.

The currency the Government issues is not backed by gold or silver, but by the credit and morality of the country to pay it.

Thanking you for a reply, I remain,

Sincerely yours,

IHN:K



March 31, 1941.

Mr. I. H. Nakdimen, President,  
The City National Bank,  
Fort Smith, Arkansas.

Dear Mr. Nakdimen:

As Mr. Eccles is temporarily absent on a trip to the west, I wish to acknowledge receipt of your letter to him of March 27 with regard to his recent letter to Mr. Patman.

The press reports were very meager, which accounts for your questions. I am enclosing a copy of the full text of the letter which, as you will note, is a defense of the usual method of having the Government issue securities to the public and pay interest thereon.

Sincerely yours,

(Signed) Elliott Thurston

Elliott Thurston,  
Special Assistant  
to the Chairman.

enclosure

ET:b

Received in  
Chairman's Office  
MAR 31 1941  
Board of Governors  
of the  
Federal Reserve System