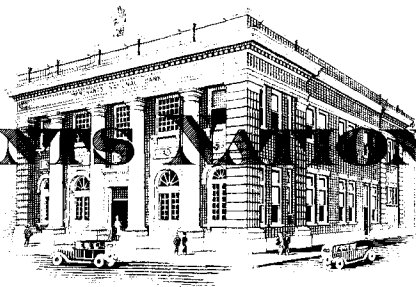


file 54

MERCHANTS NATIONAL BANK



CAPITAL \$200,000.00
SURPLUS \$200,000.00
UNDIVIDED PROFITS OVER \$185,000.00

PORT ARTHUR, TEXAS

February 11, 1944

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

Dear Sir:

You spoke on the 9th at a luncheon at the Pennsylvania Hotel on taxes. In my opinion, the only way the United States will ever be able to pay the debt we now have will be by a sales tax. Mississippi, Arkansas, and other states who, like the United States, have contracted to pay more than they could raise by direct taxes have found out that the only way out was by adopting a sales tax, which is easily paid and easily collected.

Yours very truly,

Geo M Craig
President

(Geo. M. Craig)

bm