

FARMERS & MERCHANTS NATIONAL BANK

CAPITAL AND SURPLUS \$100,000

ESTABLISHED 1883

ASHLAND, NEBRASKA

Feb. 3, 1939

E. A. WIGGENHORN, PRESIDENT
W. E. HARNSBERGER, VICE PRESIDENT
EDWIN A. FRICKE, CASHIER

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

Dear Sir:

A printed copy from the Congressional Record of a letter written you on January 14th by Senator Harry F. Byrd in regard to the Governments' fiscal policy has just come to my attention. Without entering into any controversy over the matter I wish to state that I am almost wholly in accord with his position.

The light hearted way with which the Government apparently views the rapidly encreasing deficit and their attempts to minimize or explain it away are certainly discouraging to the average citizen. It would seem that the day of sanity and sound judgement in regard to such matters had past. A great many of the people out here are becoming genuinly alarmed at the trend of events and are fast losing confidence in "the powers that be".



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I realize that it is probably useless to say very much about the matter. The safe, sane and proven rules of common business fundamentals have never appealed to this administration. The time will come, however, I am sure, when we must return to them or else face desperate times. Principle will not be forever obscured.

I realize that you occupy no easy position but it seems to me that if the Government would only conduct its affairs along the same general common sense lines that a private business is conducted it would be very much better for all of us. There is entirely too much tinkering, experimenting and trying to improve on the underlying fundamentals.

With best wishes for better and saner times, I am

Very truly yours,

February 7, 1939

Mr. W. E. Harnsberger, Vice President
Farmers & Merchants National Bank
Ashland, Nebraska

Dear Mr. Harnsberger:

Mr. Eccles has asked me to acknowledge and thank you for your letter of February 3 in which you advise that you are already in accord with the position of Senator Harry F. Byrd with reference to government spending as outlined in his letter of January 14 to Mr. Eccles which was printed in the Congressional Record. Thinking that you may not have had the opportunity of seeing Mr. Eccles' side of the discussion, I am enclosing herewith a copy of his letter to Senator Byrd dated December 22, 1938, as well as his radio address of January 23, 1939.

Yours very truly,

Received in
Chairman's Office

FEB 6 - 1939

Board of Governors
of the
Federal Reserve System

Lafayette Clayton
Assistant to the Chairman

enclosures

LC/fg