

FEDERAL HOUSING ADMINISTRATION  
WASHINGTON

 STEWART McDONALD  
ADMINISTRATOR

May 10, 1939

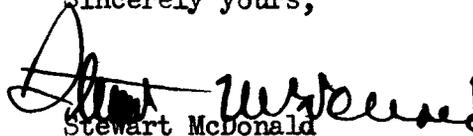
Honorable Marriner S. Eccles  
Chairman of the Board  
Federal Reserve System  
Washington, D. C.

Dear Marriner:

I draw your attention to a copy of a letter I have addressed to the Honorable Harry L. Hopkins, Secretary of Commerce, as well as to some of my comments, covering the present status of our large scale housing activities.

I will be grateful for any help you can extend me.

Sincerely yours,

  
Stewart McDonald  
Administrator

May 9, 1939

Honorable Harry L. Hopkins  
Secretary of Commerce  
Washington, D. C.

Dear Harry:

I notice in the press conference yesterday, you comment upon business generally and particularly upon the fact that residential construction is progressing with much activity.

The week ending March 31, was the biggest week in the history of the FHA, total applications being \$29,457,028, an increase of almost \$8,000,000 over the same week the year before. Every week since then has been less and last week was only a little over twenty-four million dollars, which is only an increase of about \$2,000,000 over the same week the year before.

Our State Directors are reporting that there is a pronounced slow-up which we are doing everything to combat. This slowing up is, to a considerable extent, due to the fact that the amendments to the Housing Act, under which we operate, have not yet come out of Congress.

Everyone knows the several important features of this Act expire July 1st. Furthermore, there has been a controversy introduced by the so-called Cochran amendment in the House, which has effectively killed all large scale construction under Section 207. Some forty-five million dollars worth of this work has either been held up or abandoned.

Unless the Housing Act, without the Cochran amendment, is passed promptly, you may look for a sharp curtailment of FHA activities as far as new construction is concerned.

I have tried to reach you on the telephone to talk to you about this and would appreciate your calling me on receipt of this letter.

Sincerely yours,

Stewart McDonald  
Administrator.

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