

American Lumberman

ESTABLISHED 1878

431 SOUTH DEARBORN STREET
CHICAGO

December 15, 1937

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

Dear Mr. Eccles:

I have just read with a great deal of interest a brief report of your address made before the American Farm Bureau in Hotel Sherman, Chicago, yesterday.

I believe, with you, that the best interests of our country are bound up with the largest possible volume of production.

It so happens that I was born and raised on a farm and I have had a very close association with farmers. I own three farms on which we have been endeavoring to cooperate with the farm programs.

Last year we found it very difficult to secure farm labor. In a little survey, made in our territory forty-five miles West of Chicago, I found that those farmers that had a tenant house on their farms and hired a married man for help on the farm are in a better position to take care of their farms. These farms also looked better. The single men have a roving disposition and it is hard to keep them on the farm. It is almost impossible to get men to leave the relief rolls and go out and work on the farms.

Therefore I am suggesting that the Government loan money to the farmers whose farms are free from debt so that they can build tenant houses. This would take a large number of married men off the relief rolls. I believe, also, that this would do two things - help solve the farm labor problem and give relief to the taxpayers. Furthermore, it would make comfortable homes for those who have none.

Quality Circulation—Published Every Other Week—\$3.00 Per Year.

To the Honorable Marriner S. Eccles

December 15, 1937

-2-

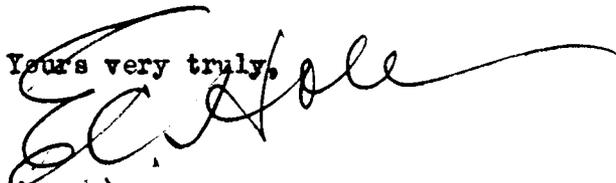
Leaning the farmers money with which to build tenant houses
would be a good investment of the Social Security
funds.

I am enclosing herein a proof of an article regarding this
suggestion, and I would like very much, indeed,
to have you tell me what you think about it.

I used to know some of your family years ago when I traveled
in the West, and they were quite active in the
lumber business.

With kindest regards, I am

Yours very truly,



Manager
American Lumberman

ECH:N
ENC.

This article is protected by copyright and has been removed.

The citation for the original is:

American Lumberman, "A Plan to Solve the Farm Labor Problem, Take 500,000 People Off Relief," December 18, 1937, p. 25.

December 30, 1937

Mr. E. C. Hole, Manager
American Lumberman
431 South Dearborn Street
Chicago, Illinois

Dear Mr. Hole:

This will acknowledge your letter of December 15 addressed to Mr. Eccles in which you discuss the housing problem. Mr. Eccles is so pressed with current matters pertaining to his Federal Reserve duties that he has asked me to reply to your letter.

You make the interesting suggestion that an important contribution to the housing program would be afforded by the encouragement of tenant housing construction on farms, setting forth what is no doubt a very widespread difficulty in obtaining adequate year round labor on farms. I assume that your suggestion goes beyond the limitations of the Farm Credit Act under which mortgage loans can be obtained at low interest and over a long period and the proceeds used for the purpose, among others, of building improvements on the property. There is, of course, a limitation on the percentage of total valuation represented by the improvements.

Since your letter was written there has been introduced in the Senate the LaFollette amendment which apparently would go a long way in the direction you suggest. This amendment reads as follows:

"(d) The Administrator is authorized to insure, pursuant to the provisions of this section, any mortgage which (A) covers a farm upon which a farm house or other farm buildings are to be constructed or repaired, and (B) otherwise would be eligible for insurance under the provisions of paragraph (b) of this section: Provided, That (1) the construction and repairs to be undertaken on such farm shall involve the expenditure for materials and labor of an amount not less than 15 per cent of the total principal obligation of said mortgage; (2) the mortgagor shall establish that he cannot obtain credit on equally

Mr. E. C. Hole - 2

advantageous terms from any private- or public-lending agency or institution; and (3) the Secretary of Agriculture, or his designee, shall certify that the farm if operated on a sound farm management basis can reasonably be expected to yield a return sufficient to enable the mortgagor to operate the farm and to amortize the mortgage indebtedness in accordance with its terms."

While I am not sure that Senator LaFollette had in mind particularly the tenant housing problem, it seems to me that his amendment would open the way for such construction. I might suggest also that you communicate with him.

Mr. Eccles was pleased to note that you were acquainted with some of his family who were interested in the lumber business out west. I presume you refer to his father, the late David Eccles, and perhaps some of his brothers who were active in the management of the Oregon Lumber Company. Mr. Eccles himself is still interested in the lumber business, being president of the Stoddard Lumber Company, which operates at Baker, Oregon. This company resulted from the consolidation of two older companies about 1928, I think, prior to which time Mr. Eccles and his immediate family disposed of their interest in the Oregon Lumber Company.

With kind regards, in which Mr. Eccles joins, I am

Yours sincerely,

Lawrence Clayton
Assistant to the Chairman

LC:fgr