April 9, 1938.

MEMORANDUM:

TO - Mr. Daiger

FROM - Chairman Eccles

Attached is a copy of a self-explanatory letter from Allan Pope, President of the First of Boston, which contains some ideas in which you might be interested. I have acknowledged its receipt and advised him that I was passing his letter on confidentially to the F.H.A. for such consideration as they might wish to give to it.

Attachment.
March 22, 1958.

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

My dear Governor:—

As you know from our recent conversations, we have been interested in working with the Federal Housing Administration and the R.F.C. on plans for the National Mortgage Association.

In recent visits which I have made to a number of cities in the country, such as Chicago and St. Louis, I have talked with many regarding the mortgage situation and the possibilities of developing it and I have talked with many bankers on the general subject but not in detail as to the National Mortgage Association. In this respect the only one that I have talked with has been Mr. Cummings in Chicago.

I have, however, discussed a matter which I referred to in a conversation with you which is nothing new possibly, but on the other hand has never been actually developed. This is snap judgment but the outline is given to you herewith for what use it may serve.

The plan would be to have the government through its present employees or through competition design, for example, one hundred or maybe one hundred and twenty houses of the type which is best fitted to produce a housing program of the magnitude desired. This would undoubtedly be a rather small house of limited cost. These designs would be largely for outside appearance rather than inside difference. In observing the houses built in Germany, Austria, England and Scotland in the last three or four years the impression I gathered was that they are all very similar — in fact in many cases are all alike in large groups, which is in the main unsightly and does not produce the individuality which is prevalent in America.

After the Federal Housing Administration had designed the floor plans which would be reproduced in each house (although with a different aspect on the outside) the architects in competition or otherwise would design the outside of the houses — some wood, some stucco, with some changes in roof construction, chimneys, etc.; in fact, changes in everything probably but the floor dimensions and the windows and doors.
although these could be somewhat adjusted to fit the house. Porches and other outside additions, of course, could be altered. Garages attached could also be altered in the various architectural designs.

When a sufficient number of designs based largely upon fixed floor plans has been prepared these should be submitted to the various Chambers of Commerce in cities in which the likelihood of sufficient building would be possible. Once received by the Chambers of Commerce, they would have prepared under the supervision of the F.H.A. building estimates which would fit each design. The variation in costs, if this plan was followed out, would be negligible in designs with the same floor plan.

Those who submit estimates to the Chambers of Commerce, as indicated, would be advised that their estimates will be required to be reviewed from time to time or they would be required to submit themselves any changes in raw materials, labor, etc. that became effective.

The third step would be that each Chamber of Commerce would then, from colored pictures and readily understood floor plans, give exhibitions of these in some properly appointed place in the center of a city or in various parts of the city. It might even be possible for some to be exhibited in store windows.

The design of this plan is to advertise what could be made extremely attractive appearing houses with the added advantage that a contractor would be able to figure closer on production than would be the case with an individual builder. If properly handled, the costs which ordinarily are absorbed by either a builder or an architect could be avoided, but the main thing is that it would produce advertising of the campaign that is being undertaken by the Federal Housing Administration in a manner which has never been attempted before.

All the advertising that has gone before has been directed solely towards the ease with which borrowing can be undertaken. This method goes beyond that in that it not only shows the ease with which borrowing can be undertaken but it shows to the wife or husband the actual cost of a house which in many respects can be considered to represent their ideal for the money.

I am advised by architects that very few persons in any walk of life are able to visualize new construction. They are seldom able to read or visualize architects' plans, but a drawing in perspective in colors means a great deal.

It is my opinion that if an ambitious couple were able to see and visualize an ideal representation of a home which they can find within their means through a guaranteed mortgage loan, it would awaken a far greater interest than would any extensive advertising of the borrowing facilities alone.
This Pope plan is not patented, it is not new in most respects and is submitted solely for the reason that I am interested in the matter, and if it has any value you may make such use of it as you may see fit. I should be very glad to give any further ideas, of which I have some, if it should be desired.

With kindest regards, I am

Very sincerely yours,

[Signature]

President.
April 9, 1938.

Mr. Allan M. Pope, President,
The First Boston Corporation,
One Hundred Broadway,
New York City.

My dear Mr. Pope:

Your letter of March 22d with regard to your interesting suggestions on housing was on my desk when I returned from a brief holiday, and I wish to thank you for outlining this idea to me.

It would seem to me to hold very promising possibilities for acquainting the potential purchasers with what could be provided. In any event, I am taking the liberty of passing your letter along, confidentially of course, to the Federal Housing administration for their consideration.

Needless to add, I appreciate your own disinterested attitude and desire to make constructive suggestions—unpatented—with a view to increasing business activity.

With kind regards,

Sincerely yours,

M. S. Eccles,
Chairman.

Received in Chairman's Office
MAR 2 3 1938
Board of Governors of the Federal Reserve System