

Form F. R. 511

TO Mr. Wood

FROM Chairman Eccles

REMARKS:

I just discussed the attached letter and questionnaire, received from Senator Taft, with you over the telephone.

In line with our conversation, I will appreciate your giving the matter your consideration and drafting a reply for my signature.

CHAIRMAN'S OFFICE

WALTER F. GEORGE, GA., CHAIRMAN
DAVID I. WALSH, MASS.
ALBEN W. BARKLEY, KY.
TOM CONNALLY, TEX.
JOSIAH W. BAILEY, N. C.
BENNETT CHAMP CLARK, MO.
HARRY FLOOD BYRD, VA.
PETER G. GERRY, R. I.
JOSEPH F. GUFFEY, PA.
EDWIN C. JOHNSON, COLO.
GEORGE L. RADCLIFFE, MD.
SCOTT W. LUCAS, ILL.

ROBERT M. LA FOLLETTE, JR., WIS.
ARTHUR H. VANDENBERG, MICH.
JAMES J. DAVIS, PA.
JOHN A. DANAHER, CONN.
ROBERT A. TAFT, OHIO
JOHN THOMAS, IDAHO
HUGH BUTLER, NEBR.
EUGENE D. MILLIKIN, COLO.
OWEN BREWSTER, MAINE

United States Senate

COMMITTEE ON FINANCE

CHRISTIE B. KENNEDY, CLERK

August 23, 1944

Hon. Marriner S. Eccles, Chairman,
Federal Reserve System,
Federal Reserve Building,
Washington, D. C.

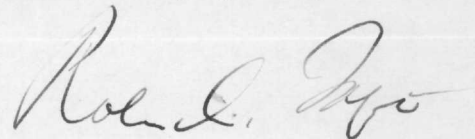
Dear Mr. Eccles:

Our special subcommittee on Housing is making a study of the whole housing situation with a view to legislation dealing with organized finances and general policy.

I enclose herewith the questionnaire which we have sent to many research organizations and other interested groups, for the purpose of showing what line we are following. I hope very much that you may at some time give your views to the committee. Our meetings are somewhat uncertain because of the election period, but if you are willing to come, I will try to fix a date that is convenient.

With kindest regards,

Sincerely yours,



RT/pr
1 enc.

United States Senate

COMMITTEE ON FINANCE

ROBERT A. TAFT, CHAIRMAN
 WALTER F. GEORGE, JR., CHAIRMAN
 DAVID I. WELSH, MEMBER
 ALBERT W. BARNETT, MEMBER
 JAMES A. HANCOCK, MEMBER
 JOHN A. DANFORTH, MEMBER
 ROBERT A. TAYLOR, MEMBER
 JOHN THOMAS, MEMBER
 JOHN B. HENNING, MEMBER
 ROBERT E. MILLER, MEMBER
 OWEN BICKELMEYER, MEMBER
 WALTER F. GEORGE, JR., CHAIRMAN
 DAVID I. WELSH, MEMBER
 ALBERT W. BARNETT, MEMBER
 JAMES A. HANCOCK, MEMBER
 JOHN A. DANFORTH, MEMBER
 ROBERT A. TAYLOR, MEMBER
 JOHN THOMAS, MEMBER
 JOHN B. HENNING, MEMBER
 ROBERT E. MILLER, MEMBER
 OWEN BICKELMEYER, MEMBER
 ROBERT W. LICKER, CLERK
 GEORGE L. BARNETT, CLERK
 EDWARD C. BARNETT, CLERK
 JOSEPH N. GUSTAV, CLERK
 FREDERICK C. GUSTAV, CLERK
 HARRY FREDERICK, CLERK
 HENRY CHAMBERLAIN, CLERK
 WALTER F. GEORGE, JR., CHAIRMAN
 DAVID I. WELSH, MEMBER
 ALBERT W. BARNETT, MEMBER
 JAMES A. HANCOCK, MEMBER
 JOHN A. DANFORTH, MEMBER
 ROBERT A. TAYLOR, MEMBER
 JOHN THOMAS, MEMBER
 JOHN B. HENNING, MEMBER
 ROBERT E. MILLER, MEMBER
 OWEN BICKELMEYER, MEMBER
 ROBERT W. LICKER, CLERK
 GEORGE L. BARNETT, CLERK
 EDWARD C. BARNETT, CLERK
 JOSEPH N. GUSTAV, CLERK
 FREDERICK C. GUSTAV, CLERK
 HARRY FREDERICK, CLERK
 HENRY CHAMBERLAIN, CLERK
 WALTER F. GEORGE, JR., CHAIRMAN
 DAVID I. WELSH, MEMBER
 ALBERT W. BARNETT, MEMBER
 JAMES A. HANCOCK, MEMBER
 JOHN A. DANFORTH, MEMBER
 ROBERT A. TAYLOR, MEMBER
 JOHN THOMAS, MEMBER
 JOHN B. HENNING, MEMBER
 ROBERT E. MILLER, MEMBER
 OWEN BICKELMEYER, MEMBER
 ROBERT W. LICKER, CLERK
 GEORGE L. BARNETT, CLERK
 EDWARD C. BARNETT, CLERK
 JOSEPH N. GUSTAV, CLERK
 FREDERICK C. GUSTAV, CLERK
 HARRY FREDERICK, CLERK
 HENRY CHAMBERLAIN, CLERK

September 8, 1944

August 23, 1944

Honorable Robert A. Taft,
 Chairman, Subcommittee on Housing,
 Post-War Committee
 United States Senate
 Washington, D. C.

Dear Mr. Taft:

Dear Senator Taft:

Thank you for your letter of August 23 and for your invitation to me to appear before your committee.

I have been interested in housing and in public policy for the improvement of housing for many years, and I am always glad to be able to contribute to discussion of the subject.

Since I expect to be out of town the end of this month and the beginning of next, and I want to study the issues raised by your questionnaire carefully, I doubt that I shall be ready to present my views before the end of October or early in November.

Very truly yours,

(Signed) M. S. Eccles

M. S. Eccles,
 Chairman.

RW:dme

Received in
 Chairman's Office

AUG 25 1944

BOARD OF GOVERNORS
 of the
 Federal Reserve System

SUBJECTS TO BE CONSIDERED BY THE SUB COMMITTEE ON HOUSING AND URBAN RE-DEVELOPMENT OF THE SENATE POST WAR COMMITTEE

I. The Role of Residential Construction in the National Economy

1. Estimates of the annual volume of residential construction since 1909 and of the effects on the national economy of its fluctuations.

The Committee is interested in comments on the volume of employment flowing from residential construction, both directly and indirectly, and the relationships between these and the remainder of the national economic picture.

*70% of public
70% of private
70% of public
70% of private
70% of public
70% of private*

2. Fluctuations in residential rents, prices of residential real estate and cost of building since 1920, with indications of causes and effects.

It would probably be generally accepted that there is a relationship between rents, prices of residential real estate and costs of building and the volume of construction. The Committee would be interested in any illuminating or clarifying material.

yes, but please

3. The over-all housing situation as of April, 1940.

In April, 1940, the first housing census ever undertaken in this country was completed. The salient features of the housing situation as revealed by this census are commonly known. The Committee is interested in comments on the significance of the census material, its usefulness and an interpretation of its meaning in terms of the various groups interested in housing and residential construction.

lightly

4. Housing during the war.

Under the stress of emergency and war conditions, both legislation and public participation in the creation, operations and control of housing facilities has greatly expanded. The experience gained in this period should be recorded and the objectives,

*lightly
price of the
rent most*

accomplishments, handicaps and advantages learned during this period would provide material for study and discussion by the Committee.

5. The probable outlook for the post-war period

a part

Due to the disruptions confronting the residential construction industry and the operation of residential properties during the war, the re-establishment of their place in the national economy is a major concern of the Committee. Any suggestions toward this end would be especially helpful. Similarly, a discussion of the incidence of these disruptions on the different factors in these industries would facilitate the examination of proposals for expediting the return of a more normal situation.

volume sheet 3 full report
X
Veterans -
OP A.
Revised for review

II. Federal Housing and Home Financing Legislation and the Administration of Agencies Established thereunder

1. The objectives of the major enactments

The Committee would like to have comments hereon directed to each specific Act.

2. Accomplishments under these enactments and discernible trends they have set in motion

3. Relationships between these enactments and the agencies established

These objectives, accomplishments and relations should be stated in terms of those which the legislation was expected to bring about. There may be difference of opinion with respect to the objectives of the major Acts, and this difference does not always appear in the printed record. The administration of agencies established by law may be judged in the light of the principal objectives sought in the legislation. Frequently, provisions of a law,

city name
X ?
claim by A
about 1945
would value
X?

which at the time of its enactment appeared incidental, assume much greater significance in the operations flowing from the establishment of an agency or the adoption of legislation which is new in intent or which covers an area of operation that previously has not been a subject of Congressional action. The legislation and the administrative interpretation of both the intent and meaning of Congress should be subjected to examination, and comments thereon will be appreciated.

act - but

III. Specific questions of Congressional policy growing out of the existing situation

1. The disposition to be made of war housing
2. The organization of Federal agencies dealing with housing and home financing

Approved
✓

Executive Order #9070 of February 24, 1942, under authority of the First War Powers Act modified the set up of the major federal housing and home financing agencies established by legislation as independent agencies. These were combined in the National Housing Agency. By law, this consolidation ceases to exist six months after the termination of the emergency unless subsequent legislation is enacted. There are, undoubtedly, both advantages and disadvantages inherent in the consolidation. Whether legislation making permanent this consolidation should be enacted, and if so, the permanent form which it should take are important questions of policy. The point of view of those most intimately concerned with housing and home financing would aid the Committee in recommending this policy.

X

3. Modifications in existing Federal legislation and the programs of the agencies established or affected thereby, desirable for the post-war period

*frank
plenty
premier*

- (1) The Federal Home Loan Bank System and its affiliated agencies

- (a) The Federal savings and loan associations
- (b) The Federal Savings and Loan Insurance Corporation
- (2) The Home Owners' Loan Corporation
- (3) The Federal Housing Administration
- (4) The Federal Public Housing Authority, successor to the United States Housing Authority
- (5) Legislation affecting the investment of national banks in home mortgages

4. Obstacles to more widespread improvement in housing, and how they can be minimized or removed

- (1) The disparity between costs of occupancy and family incomes
- (2) The elements of the cost of occupancy
 - (a) Capital costs
 - 1) Land costs
 - 2) Building costs
 - 3) Public improvements
 - 4) Utility costs
 - (b) Operating costs
 - (c) Upkeep and maintenance
 - (d) Fixed charges
 - (e) Profits
- (3) The scarcity of equity funds for housing
- (4) The intermittent character of construction operations
- (5) Arbitrary and artificial restrictions upon construction operations
- (6) Local and Federal tax structure and machinery

5. Other appropriate Federal measures

A number of proposals have been made for Congressional action that would facilitate residential construction and the re-establishment of a more normal situation in the area of concern to this Committee. The Committee is glad to have these and any other proposals for its consideration. A very widely discussed subject is that of the relationship of the federal government to the general problem of urban re-development. Bills are now pending in both Houses of Congress on this subject. It is one which is intimately related to the general problem of Housing and Home Financing. The Committee will appreciate comments on proposals in this area.

WALTER F. GEORGE, GA., CHAIRMAN
ALBEN W. BARKLEY, KY. CHARLES L. MCNARY, OREG.
CARL HAYDEN, ARIZ. ARTHUR H. VANDENBERG, MICH.
JOSEPH C. O'MAHONEY, WYO. WARREN R. AUSTIN, VT.
CLAUDE PEPPER, FLA. ROBERT A. TAFT, OHIO.
SCOTT M. LUCAS, ILL.

SCOTT RUSSELL, COUNSEL

United States Senate

SPECIAL COMMITTEE ON
POST-WAR ECONOMIC POLICY AND PLANNING

November 27, 1944

12/2
Shannon to
preparing reply

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

Dear Mr. Eccles:

The Sub-Committee on Housing and Urban Redevelopment of the Senate Post-War Planning Committee will start hearings on January 18th, aiming toward recommendations to the Senate for a comprehensive peacetime housing program.

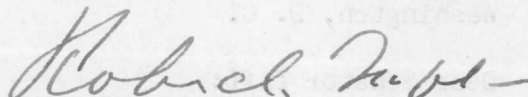
The principal subjects of interest to the Sub-Committee at this time are the following:

- (1) Nature of the permanent federal administrative organization of the housing agencies.
- (2) Disposal of war housing.
- (3) Problems of revival of the home building industry, including relaxation of wartime controls.
- (4) Role of federal government in future public housing.
- (5) Types and methods of private credit aids.
- (6) Relation of housing agencies to the general credit policy of the government.
- (7) Effect of veterans' loans on the housing picture.
- (8) Relation of rural housing and urban rehabilitation to the general housing program.

We would like very much to have you appear before the Sub-Committee to express views on any or all of these subjects, or with respect to any other phase of post-war housing or urban redevelopment.

The hearings are scheduled from January 8 through January 23. If you desire to accept this invitation, please notify Mr. Robert B. Troutman, Jr., 102 Senate Office Building, as soon as possible. Please also advise as to the approximate amount of time which your presentation would require.

Sincerely yours,



Chairman of Sub-Committee
on Housing

NOV 29 1944
FEDERAL RESERVE BANK OF ST. LOUIS

Copy sent to: Robert B. Troutman, Jr.,
102 Senate Office Building

December 6, 1944

Honorable Robert Taft,
United States Senate,
Washington, D. C.

Dear Senator Taft:

Thank you for your letter of November 27. I should prefer to appear before your Committee after the representatives of the agencies most directly concerned with housing have presented their views -- possibly on January 22, 1945.

I should like to discuss our "housing problem" and what the Federal government might do about it. Presentation of my prepared testimony should not take more than two hours, but I shall be glad to discuss more fully any points which the Committee may desire to pursue.

Sincerely yours,

(Signed) M. S. Eccles

M. S. Eccles,
Chairman.

RW:dme

Copy sent to: Robert B. Troutman, Jr.,
102 Senate Office Building

Received in
Chairman's Office

NOV 29 1944

Board of Governors
of the
Federal Reserve System

UNITED STATES SENATE
Special Committee on
Postwar Economic Policy and Planning

December 19, 1944

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

Dear Mr. Eccles:

Senator Taft has forwarded to me your letter to him dated December 6. He is pleased that you have accepted the Committee's invitation to appear during the January hearings.

If it is convenient, the Committee would like to meet with you on the morning of January 17. Please notify me as soon as possible if this date is satisfactory.

Yours very truly,

(Signed) Robert B. Troutman, Jr.

December 22, 1944.

Mr. Robert B. Troutman, Jr.,
United States Senate,
Special Committee on Postwar
Economic Policy and Planning,
Washington 25, D. C.

Dear Mr. Troutman:

In the course of a telephone conversation today with Mr. Eccles, who is in Utah to be with his family at Christmas, I mentioned your letter of December 19 in which you suggest that he meet with the Committee on the morning of January 17, if convenient.

He asked me to say that if you felt it necessary to arrange the schedule for your hearings in advance, you permit him to be set down tentatively for that date, but preferably for a later date if the hearings are to continue beyond that time. I think he had previously indicated that he would like to appear as close to the end of the hearings as possible and that his appearance is necessarily contingent upon a number of circumstances that cannot be foretold with certainty at this particular time. This is an especially crowded period and there is not much time for the preparation of the material that he would like to present.

Mr. Eccles asked me to thank you for your courtesy.

Sincerely yours,

Elliott Thurston,
Special Assistant to the Chairman.

ET:b

Date of this letter
should be Jan. 2. 1945

G.G.

WALTER F. GEORGE, GA., CHAIRMAN
ALBEN W. BARKLEY, KY. CHARLES L. MCNARY, OREG.
CARL HAYDEN, ARIZ. ARTHUR H. VANDENBERG, MICH.
JOSEPH C. O'MAHONEY, WYO. WARREN R. AUSTIN, VT.
CLAUDE PEPPER, FLA. ROBERT A. TAFT, OHIO.
SCOTT M. LUCAS, ILL.
SCOTT RUSSELL, COUNSEL

United States Senate

SPECIAL COMMITTEE ON
POST-WAR ECONOMIC POLICY AND PLANNING

January 2, 1944

Mr. Elliott Thurston
Special Assistant to the Chairman
Board of Governors of the
Federal Reserve System
Washington 25, D. C.

Dear Mr. Thurston:

Thank you very much for your letter of December 22. Delay in answering it is due to the fact that our schedule has not been completely arranged until today.

The hearings will begin January 9 and end January 19, and in compliance with Mr. Eccles' request we have arranged for him to appear the latter part of that period. If he can do so on January 17, it will enable us to better conform with a logical sequence of subject matter. Therefore, in accordance with your letter, we are arranging for his appearance on the morning of January 17.

Further, the hearings will take place in the Senate Office Building, but as yet no specific room has been assigned. Senator Taft's office can provide Mr. Eccles with this information upon his arrival.

Sincerely yours,

Robert B. Troutman, Jr.
Robert B. Troutman, Jr.

RBT, Jr:peg