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General Agents for Utah, Idaho and Montana
SALT LAKE CITY, UTAH

February 2, 1939

BYRON DE FOREST, State Agent
GREAT FALLS, MONTANA

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

Dear Sir:

I have read in the United States News the things you and Mr. Byrd have said concerning your respective ideas of borrowing and the balancing of the budget. Certainly you two gentlemen have different ideas, and I am sure the great majority of all THINKING people think Mr. Byrd has the right slant.

DEMORALIZATION.

In your radio talk appearing in the United States News of January 30, 1939 among other things, you say:

"The same Government Credit that can used to protect human lives in time of war against the encroachment of a foreign enemy can also be used in time of peace to protect these human lives against DEMORALIZATION and despair."

Perhaps your logic is sound, but when it comes to DEMORALIZATION there has never been anything in this National that has demoralized certain of our citizens as has the present relief set up.

For more than eighteen years I have been Manager of the retail credit bureau in this city. As such Manager I have access to everything that goes on in our community, including the names of all families who have to seek work relief or relief work. I dare say, that not yourself or any member of Congress or even the President himself has the remotest idea of the things that go on in the name of relief.

Let me, to illustrate my point on DEMORALIZATION, give you just one incident: Some months ago a young man wanted to rent from one of our rental agencies a house and this young man had the cash laid down on the counter to pay the first month's rent. Retail credit grantors in our community do not extend credit until they first call our office for a report.

In the instance of this young man, the record for ten years buying from various members of our organization was good, as good as anybody could have. He had managed to pay all his accounts promptly and as agreed, and the only accounts he owed at the time he wanted to rent the house, was a small current doctor and hospital account.

All this information was disclosed to the rental agency, and then the girl said, "Recently this subject has taken a W. P. A. job." The rental agency handed the money back and told that man he did not care to rent a house to any W. P. A. worker. The man asked the agency if his credit was poor and the agent assured him he got an excellent credit report, but that his experience in renting to W. P. A. workers was not at all satisfactory, and that often they paid the first month's rent, refused to pay any more, and it was a costly procedure to get them out if they did not choose to move on notice.

Then the man came to see me and his first question was "Can I force a man to take money for rent?" I assured him that he could not under our laws. Up to this time I knew nothing of the matter, and I called the girl who delivered the telephone report to the rental agent. I looked at the past credit record and assured the man it was first class, and then he asked me why they would not take his money. I told him that very few credit grantors, and practically no landlords or rental agencies would extend any credit to W. P. A. workers, that the worst thing that can happen to ones credit is to get a W. P. A. job, and THAT IS A FACT.

I further explained to this man that, while he would not believe it, that the experiences of various credit grantors is that, once men get on W. P. A. they start losing all self-respect and become demoralized. This man assured me this would not be the case with him but I suggested he then thought so, but to stay on for any length of time and he would see the results.

I then asked him "Why in hell did you get a W. P. A. job? You have lived in this city for more than ten years and managed to keep off relief." And his reply was "It is easier to get a W. P. A. job than to spend the time rustling for one in private industry."

He also asked me "Do you suppose that man would have rented the house to me if I had not even had a job?" I assured him that with his past fine credit record I had every reason to believe he could have had the house, and I am sure that is a fact.

We have had hundreds of W. P. A. workers who are refused credit come to our office to see WHY. The explanation in all cases is the same as was given to the man who was refused the house. THEY ARE DEMORALIZED.

To credit men the amount of money spent for relief is small loss, if a loss, in comparison to the demoralizing effect on these people.

You do not need to take my word for this. We have a credit bureau in every important city in the United States, one right there in Washington. It is called "Associated Retail Credit Mens of Washington, Inc." and Mr. John K. Althus is Secretary-Treasurer. Go and talk to the manager along the lines I am writing you and you will see that I am telling you the truth.

Ask any retail credit bureau manager in ANY city, and learn something of what demoralization really means. R. Preston Shealey is the Washington correspondent for the National Retail Credit Association. Look him up and talk to him and get an earful of what demoralization means.

Another angle to this W. P. A. work. A district Judge of this city--I will be glad to give you his name if you want it--has a few houses he rents. Not long ago he was checking with me a tenant who owes him something like \$75.00. The record is that the man is making payments on a car, yet he will not pay his rent. Is this DEMORALIZATION?

I had the girls in the office keep track for one year in this county, population not more than 40,000, of relievers, including W. P. A. workers, who bought cars on time, and there were 153 of them. They are still doing it. Fact is most W. P. A. workers here own and operate cars of some kind.

For a time our State Association of Credit Bureaus in Montana was considering having introduced in our Legislature a bill which would require all W. P. A. common laborers to transfer their cars to the County Welfare Board to be sold for cash and the money given to the family. There was so much opposition that we decided to forget the matter since it was not our business as credit bureaus but one of taxpayers generally.

One auto dealer in this city, who is a member of our bureau took me to task for even suggesting such a law. He said it was hard enough to dispose of second hand cars as it is and if such a law became effective it would hurt the dealers. Of course it would. I asked this man if he would sell a car to a man on relief if he knew the man had no food or coal for his family. He said he would if the man had the required cash down payment. I then asked him if he still would do it if he knew that cash was all the man had and there was no food for the family and he said he would. Then I asked him why and he said "If I do not, my competitor will." I then asked him if he thought it was RIGHT, and he readily admitted it was not right.

This week when in a barber shop a salesman for an auto company came into the shop to ask where a certain man, who had worked in that shop only two days in an emergency the week before, lived. The barber did not know where the man lived and then asked "What do you want with him?" The salesman said "He has a Model A Ford which he wants to trade in for a better car." The barber did not attempt to restrain himself and remarked that the man was on relief, had nothing to buy a car with, and had no business even trying to own a car.

Is this DEMORALIZATION? I think it is of the worst kind. Adjoining my ranch where I live and drive 12 miles every morning is a family, consisting of the man, his wife, and four children, one boy almost blind, who bought some land--nothing down--from an insurance company. He has been on relief of some kind most of the time for many years.

He had several hundred bushels of wheat some years ago and instead of keeping it for food and seed, he sold it and traded in his old car and bought a better one. I happen to know he has bought four second hand cars in the past five or six years, but when he needs and must have food and coal he rushes in and gets

it. I would feed him myself, of course, if it became necessary, but I'll be damned if I would buy him cars and gasoline. We have thousands of people on W. P. A. who could get along and feed their families without relief, but they cannot do it and spend so much for cars and gasoline.

I know a man, holding a good job as timekeeper in this city for years for the W. P. A., who has two ranches, one irrigated with a livable house, on each one. He used to hold a deputyship as a Republican in the County Clerk's office in this city. He is a Spanish American War veteran with a substantial pension, just himself and wife, has money in the First National Bank, has several head of cattle on the ranch, but he has been the MOST ARDENT ACTIVE worker for the New Deal in our community. Would it not be more in the line of JUSTICE to give that good job to some man who NEEDS it? I will be glad to supply you with his name if you wish.

What is needed most is a thorough check up of ALL applicants for any sort of relief, and this will never be done by the so-called Case Workers. If such a check is made, in our community at least, half of all W. P. A. workers would not be drawing taxpayers money.

I do wish you would get a roster of the credit bureaus of the United States and send out some inquiry and really find out what is going on. As stated before, neither you nor Congress nor the President, has any idea of abuses. I think Senator Byrd does know something of this, but very little.

Aside from being Manager of our credit bureau known here as the Great Falls Credit Exchange I am an insurance salesman and travel to all the larger cities in Montana and in visiting the various credit bureaus we discuss the things I have mentioned.

Senator Byrd used the word "Iron Lung" in one of his articles. It looks to me that there has been so much DEMORALIZATION of so many of our citizens that the "Iron Lung" has become a permanent thing.

Perhaps I may be somewhat prejudiced, but I am 62 years old and was brought up in the "horse and buggy" days, only my horse was a mule and the buggy a dead-ax wagon. Next to the oldest of 12 children born in poverty in South Missouri, I think I can speak of what it takes to get along without going on relief. Eleven of the DeForest brothers and sisters are alive and not one, but who has managed to get along, IN SPIRE of the New Deal.

The big thing that turned so many votes from the New Deal last November was the steadily employed workers I have heard many of them say "I do not see how my neighbor can drive a better car than we can afford and wear better clothes when they are on relief."

I realize in big cities the situation may be different, but there is the same proportion of chiseling on relief, I am sure.

Just one more thought for you to consider and I am through. Why do reliefers spend every cent they can hold of for cars? They know that if they get hungry or cold all they have to do is to apply for relief and get it. This same idea is in the minds of the dealers who sell such people cars.

It would be far less demoralizing to people if they were obliged to live on plain bread and water than to teach them such habits, and unless this constant deficit is stopped not only these extremely poor people, but most of us will be delighted to get the simplest food and forget driving cars. I can see no other end, hence I have lived on my ranch for the past four years where I produce my bread, milk, cream butter eggs vegetables and food for my livestock. In short, I am hedging against the very thing which will come if your philosophy is much longer continued.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Byron DeForest". The signature is written in dark ink and is positioned to the right of the typed name.

Byron DeForest