

Sears, Roebuck and Co.

Executive Offices

Chicago

R E Wood
President

November 19, 1937

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

My dear Mr. Eccles:

Because I thought it
might be of interest to you, I am enclosing
herewith a letter recently received regard-
ing the housing industry.

Very truly yours,



WESTOVER
PORTLAND HEIGHTS
IRVINGTON

ALAMEDA
COUNTRY ESTATES
LAURELHURST



THE HIGHLANDS
GREEN HILLS
DUNTHORPE

ALLISON DEAN & CO.

Realtors

Finest Homes and Homesites + Subdivisions and Acreage

1323 N. E. BROADWAY

Portland, Oregon

November 12, 1937

Mr. Robert E. Wood
President, Sears-Roebuck
Chicago, Illinois

Dear Sir:

Your recent call to Washington recognized you as a leader of business and one particularly suited to advise the Administration as to the best means of stimulating a real building program.

May I presume to advise you as to our needs on the Pacific Coast?

We do not need more or easier financing, or any artificial stimuli. We do need two things desperately. One is confidence among the buyers.

We have dozens of new homes standing empty here in Portland; We have hundreds of excellent used homes from 10 to 20 years old that are going begging for a buyer, at any price.

Our office has spent hundreds of dollars a month advertising excellent homes at low prices with no response whatsoever. Buyers are almost non-existent.

Why? Because they have not that most essential factor, confidence in their future. They have no confidence in their job. No confidence in their employer's ability to keep open under national conditions. No confidence in their ability to meet their monthly payments they would gladly assume if they felt safe. Further, the really important buyers, those who buy new homes, are the leaders. Men who earn more than the average. Men who by their hard work and ability have risen, by our American way of doing things above the crowd.

These men have neither confidence nor incentive. These men have money in the bank or in securities, or in their business. They need new homes and can buy if they want to. But they don't want to. Why?

Because under our present administration it has become unpopular to store up money to buy a good home. Unpopular to

have sufficient income or money to buy fine motor cars, fine homes. Unpopular to have costly gardens or employ chauffeurs, or in any way "make a show".

Nine times out of ten when I sell a fine home the buyer pledges me to secrecy. Why?--because the next time his employees go on strike they will call him a s. of a. b. for owning a home. Because the owners of property, or money, of power or responsibility are scorned and upbraided as "economic royalists". Only the poor man is righteous. All others are crooks and their money stinks.

(These are strong words, but 100% true, and someone has to speak plainly).

The other thing we need, desperately, is peace among workers and reasonable standards of wages.

At present writing, thousands of Portland's workers are without a job because of Union disputes. All our great saw mills are closed by a C.I.O.--A.F.L. civil war. Our harbors are a horror to shipping men because they never know from one hour to the next whether their ships, once tied to our docks will be allowed to load or unload often for months. Farmers and merchants suffer terrific losses every year by these traitorous conditions that benefit other ports, other nations' industry and agriculture.

I am trying to develop large properties by leading the way in building. I approached a Union plasterer last week for bids on some new houses, He said, "I have to pay my Union lathers \$11.00 per day". I said, "The buyers of these small houses earn an average of \$150 per month. They can't afford to buy houses that were built by \$11.00 a day men!"

Last summer, while trying to run an all-Union building job, the Union plumbers' formed a combine and wanted \$400.00 extra over and above what non-union plumbers, paying identical wages would do the work for. (This was on a \$750.00 job, so the extra was about 60%.)

We must have common sense control of Union leaders or there will soon be no employment for Union men or for anyone else.

One short speech by our President followed by sincere action along same line would give us all the building boom we want. The speech follows:

'Some people have misinterpreted my former statements, therefor, I want to tell you now clearly and plainly that we can have no abiding prosperity in this nation without labor and capital pulling together side by side. Labor must have appreciation for capital. The employee must realize that his boss has more to lose by poor business than he has. That the owners these past few years have been working not 6 or

8 hours, but 12 and 16 hours a day to keep the business going-- to keep the orders coming in--to keep wages safe for their employees.'

'The boss must realize the responsibility that his leadership has thrown upon him. The welfare of the whole nation depends upon conscientious employers giving labor a square deal in paying the highest possible wages to the most possible men and to protect those jobs for those men with all the ability that they possess.'

'To Labor leaders I say, your responsibility is not only to your members, but to this nation as a whole.'

'A wise, conservative leader is of service to his men and to the nation, but a man in charge of a Union who causes friction and strife between labor and capital, who calls satisfied wage earners from their jobs, who causes his members to think 'the big boss' who makes all wages possible does not earn his large salary, who ties up commerce and shipping, who makes constantly mounting demands for shorter hours and greater wages over and above what industry can pay-- is a traitor to his responsibility to his men, and a traitor to the whole United States of America.'

'I pledge my efforts to make this a nation of peaceful industry--of energetic national co-operation. A nation of square dealers where labor and capital look each other honestly in the eye and pledge themselves to the glorious job of making this the happiest, most prosperous nation on earth.' (End of speech)

I am writing this as a private citizen, but would say that I am Vice President of the Portland Realty Board and ~~am~~ Oregon State Chairman of the Land Developers and Home Builders' Division of the National Association of Real Estate Boards.

Yours sincerely,

Alvin H. Dean

AD:LC