

Chicago 43, Ill.,  
Dec. 1, 1945

Marriner Eccles,  
Chairman Of The Federal Reserve Board,  
Washington, D. C.

Dear Sir:

I have been informed that you can offer some concrete plan whereby the speculation of land values, causing the eternal aftermath, depressions, can be avoided for all time.

I can cite one instance of my own personal experience in land values when I was able to buy a lot for home building for \$800.00 thirty months ago. To day the same owner is asking \$1800.00. An increase of 125%. This increase in value is really unwarranted, but because of scarcity of housing owners, of land are taking advantage of the situation.

If The Federal Government cannot put a ceiling on the values of land some plan must be devised to stop the upward spiralling of prices, which bring on the depressions we have faced in this country for over thirty-three times.

Would it be feasible to Amend our Constitution so as to be able to control land values as we have controlled commodity values, to prevent inflations?

Hoping to receive an expression from you along the above lines of thought, I remain,

Very respectfully yours

Jacob I. Gale

*Jacob I. Gale*  
10132 South May Street

Chicago, 43, Ill.

December 11, 1945.

Mr. Jacob I. Gale,  
10132 South May Street,  
Chicago 43, Illinois.

Dear Mr. Gale:

This is to acknowledge your letter of December 1 in regard to the speculation in land values. While I do not profess to have any universal or permanent cure for speculation, nevertheless, there are certain very definite steps that I have long advocated that might and, I think, should have been taken to curb developments such as you cite, which are typical of the inflationary forces today. It had seemed to me most unfortunate that WPA's regulation known as L-41 was removed, for that or something like it could have been utilized to allocate scarce materials to those contractors who would agree to build moderately priced housing available on some priority basis to veterans first of all.

Long ago I did all I could to persuade the powers that be to enact a stiff capital gains tax that, in my opinion, would have taken much of the speculative fever out of the real estate market as well as the stock market and other capital assets. You might be interested to see a statement on this subject which I prepared some time ago, copy of which I enclose.

While I have not been informed as to the proposal that the President is expected to announce shortly, I am encouraged by what has been said in this connection to hope that it will be in effect a reinstatement of the kind of control over allocation of materials that I referred to above.

Sincerely yours

M. S. Eccles,  
Chairman.

Enclosure

ET:b