

LEAD INDUSTRIES ASSOCIATION

Graybar Building, 420 Lexington Avenue
New York, N. Y.

May 22, 1934.

TO MEMBERS OF THE LEAD INDUSTRIES ASSOCIATION:

We have been requested by the Durable Goods Industries Committee to provide our members with a copy of a letter of that Committee, dated May 19 with regard to the National Housing Act, which is attached.

For your information, the Lead Industries Association has taken no action on the subject matter of the letter in question.

Respectfully yours,

J. W. Womack
Secretary.



LIA21749

DURABLE GOODS INDUSTRIES COMMITTEE

268 Mayflower Hotel

Washington, D. C.

GEORGE H. HOUSTON, Chairman
Philadelphia, PennsylvaniaJAMES W. MOORE, Vice Chairman
New Haven, ConnecticutLEWIS H. BROWN
New York CityFRANKLIN R. HOARLEY
New Haven, ConnecticutCHARLES R. HOOD
Middletown, OhioROBERT W. JAMES
Grand Rapids, MichiganHARRY S. KIMBALL
Washington, D. C.WALTER J. KOEHLER
Kohler, WisconsinF. A. LOANER, JR.
Chicago, IllinoisC. A. MANNING
Chicago, IllinoisC. C. SKEPPERS
Clark, LouisianaH. GEORGE SMITH
New York CityGEORGE F. TONARINO
Chicago, IllinoisJ. S. TAYLOR
Pittsburgh, PennsylvaniaS. F. VOORHIES
New York CityWILLIAM B. HENDERSON
Secretary

Telephone District 4416

May 19, 1934.

To Code Authorities and Code Committees and All Employers in the Durable Goods Industries:

Your Committee, in a report to be released in the near future on national recovery and employment, has stated that one of the fundamentals of recovery was the rehabilitation of the real estate mortgage market and recommended a national program of modernizing and repair as a means of increasing opportunities for employment in the immediate future.

On May 14th the President sent a message to Congress recommending the passage at this session of Congress of the National Housing Act, which substantially provides for both these programs recommended by the durable goods industries.

Of the approximately 9,000,000 now unemployed, nearly 5,000,000 are from the durable goods industries, and over 2,500,000 of these were formerly employed in the construction industry. There can be no question but that the key to the unemployment problem is to be found in the stimulation of the construction and other durable goods industries which will create, in turn, opportunities for employment in the service and consumption industries. These industries can get their former employees back at work only as the volume of sales of their products is expanded.

A restoration of confidence on the part of both borrower and lender in the soundness of a reorganized real estate mortgage method of financing will probably do more to stimulate the free flow of private capital—through private banking channels—into housing construction with resulting re-employment, than any other single step taken in an effort to bring about recovery.

This letter is being written to acquaint you with the fact that the Durable Goods Industries Committee endorses in principle the Administration's basic proposals embodied in a Bill, S. 3603, entitled National Housing Act, now before Congress. We will later send you an analysis of this bill, together with our interpretations, and any suggestions we may recommend for minor amendments. But in the meantime we strongly urge that you transmit copies of this letter to your organization and urge them to immediately express to their congressional representatives their endorsement of this broad measure as one of the most constructive steps yet taken by the Administration in the interest of recovery.

If the American people can be given assurance again of the soundness of owning their own homes and be relieved of the fear of arbitrary foreclosure, and if investors can buy real estate mutually insured mortgages amortized over long periods and on which risks are reduced so as to justify lower interest rates and financing expenses, private capital will be available again in large quantities for the existing shortage of needed construction. No more effective stimulant can be given to the housing construction of the country and no more effective means can be found to get the unemployed back to work.

(OVER)