

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date January 10, 1974

To Messrs. Fisher, ~~Waldman~~, Seiders, ~~Tepkin~~

Subject: Project 14, 1974 MAC Section

From Emil Melichar *EM*

Program, "Factors affecting farmers' use of credit"

As indicated in the description of project 14 in the 1974 MAC Section program, I am looking forward to receiving early in 1974 data from the 1970 Census sample survey of farm debt. This will permit me to replicate, using 1970 data, the type of cross-section analyses of farm debt that I already made in 1964-65 using data from the 1960 survey. In addition, there will now exist the opportunity to describe and comment upon trends (the 1960 survey was the first of its kind).

All of the analyses planned in 1964 were completed before the project was shelved in order to execute the 1966 survey of farm loans at commercial banks and subsequent studies concerned with reform of the discount mechanism and of the access of small banks to money markets. However, the bulk of the results were not formally published, with the exception of a methodological article and the results of the analyses of debt owed to merchants and dealers (both publications are attached).

It just happens, however, a draft of the proposed Chapter III reporting the analyses of farm mortgage debt was finished in 1965, complete with tables, figures, and appendix! It was circulated for comment among farm debt analysts at that time, and I now plan to re-circulate it among the current crop of analysts, to find out what changes are now deemed desirable in the thrust of this kind of analytical effort.

In the same vein, since by good fortune we have the mortgage debt portion available, it seems appropriate that I circulate it for your perusal and comment, both as a convenient means of informing you about the nature of one of our 1974 activities (as I recall from 1964, the activity associated with this work is most impressive, with great heaps of arrays of equations and write-ups lying around, stacks of charts being drawn and re-drawn, tables being typed on giant sheets of paper, etc.--now that I think of it, that's when I had to buy my steel shelving--and it sure helped to have that 12x18 office in the Board building!) and also to secure your comments and advice concerning the analyses and how they are presented in the report.

Could all of you enter any marginal comments on this same draft? You can use the reverse side of the paper for more extensive remarks. (Comments on the comments of previous reviewers may also be helpful!) If all of you could get over this material by about March 15 it will be appreciated, as that will be about the time that I will begin serious planning of the new work.

Attachments

Emil: A brief summary of findings would be helpful. Let's talk about this further before Mar 15. Bob
Will this Mar 15 date have any implications for the much delayed mortgage debt survey so far as it affects farm mortgage debt? Ben