

SKOGSBERG CONSTRUCTION CO., INC.

*General Contractors*

155 LAFAYETTE AVENUE      WHITE PLAINS, N. Y. 10603

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P.O. BOX 491, WHITE PLAINS, N.Y. 10602

April 6, 1977

Office of the Ass't to the President for Domestic Affairs  
The White House, Pennsylvania Avenue  
Washington, D.C.

RE: Attached

Sir:

I feel you may be able to set some wheels in motion to correct an inequity to the people in the country who placed their trust in their "friendly banker".

As a small businessman trying to stay alive in the construction industry, I felt it was about time somebody raised cain about this type of manipulation. It would not be surprising if a great number of the investors were small people who invested in these notes purely on the strength of the name "Chase Manhattan".

Over the last few years we have seen mortgage money rates go sky high with the inevitable slow down in construction work and the associated bankruptcies of investment builders irretrievably tied to Bankers in the Realty Trust field. As usual, the builder without a bonafide construction trade payroll, subs out every facet and the little subcontractor who pays his bills, meets the weekly payroll including taxes and fringes, gets stuck by the owner/investment builder when he goes down the tube. Now, the very people who put their trust and dollars in good ole Chase Manhattan are getting gypped .20¢ on the dollar.

A Supreme Court Justice once said that "for every wrong there is a remedy". A remedy might be jawboning Chase Manhattan to put their good name behind their Trust and pay their just debts with interest, just like the rest of us have to do.

As a graduate engineer from Illinois, 46 years old and a former canoe club member for 4½ years, I have seen my equity in my 18 year old business go down steadily because of inflation, rising fringe benefits (\$5.15/hr in fringes alone for a Westchester bricklayer), higher interest rates and the latest gimmick, a floating mortgage rate of 2% above the federal fund rate that guarantees the lender a profit.

Please try to set these money lenders straight. Nobody ever guaranteed me an overhead and profit, and I don't recall the Federal Reserve issuing an engraved invitation to anybody to become a banker. Risk is partner to profit.

- 2 -

I hope this does not fall on deaf ears and blind eyes, but if small business is to stay alive, let's start getting the interest rates down to where people can afford to put an addition to their house or build a new one.

Thank you for your time and attention in this matter.

Yours very truly,

R.E. Skogsberg

RES:sep