

WRIGHT PATMAN
FIRST DISTRICT
STATE OF TEXAS

WASHINGTON ADDRESS:
1035 HOUSE OFFICE BUILDING

COMMITTEE ON
BANKING AND CURRENCY

SECRETARY:
MRS. LUCILLE SPAIN

Congress of the United States
House of Representatives
Washington, D. C.

November 26, 1945

Honorable Marriner S. Eccles, Chairman
Federal Reserve Board
Washington, D. C.

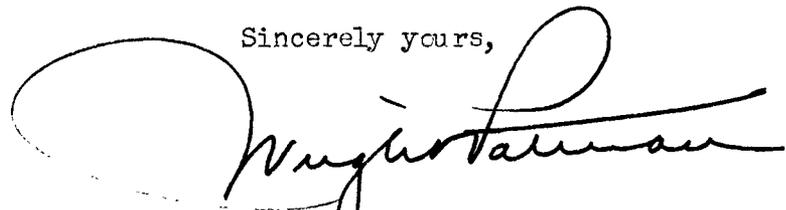
Dear Mr. Eccles:

Knowing of your keen interest in the control of inflation through your connection with the Economic Stabilization Board, it occurred to me that you might be interested in the enclosed copy of H.R. 4761, the housing bill introduced by me on November 20th.

Any comments or suggestions you care to make concerning this bill will be very much appreciated by me.

With kindest regards, I am

Sincerely yours,

A large, stylized handwritten signature in black ink, appearing to read 'Wright Patman'. The signature is written in a cursive style with a large initial 'W'.

Wright Patman
Member of Congress

79TH CONGRESS
1ST SESSION

H. R. 4761

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 20, 1945

Mr. PATMAN introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the National Housing Act, as amended, is amended
4 by inserting after title VI thereof a new title, as follows:

5 “TITLE VII—STABILIZATION OF HOUSING PRICES

6 “SEC. 701. (a) The purposes of this title are to stabilize
7 the prices of real estate to be used for housing purposes, and
8 to prevent speculative, unwarranted, and abnormal increases

1 in the selling prices of such real estate; to eliminate and
2 prevent profiteering in the sale of real estate for housing
3 purposes, the hoarding of materials necessary for the con-
4 struction of housing and other buildings, and other disruptive
5 practices; to encourage the production of housing at a fair
6 profit; to improve the housing of the people of the Nation
7 in order to foster their health and general welfare; to en-
8 courage employment in the housing construction industry,
9 and to maintain such industry at a high level of productivity;
10 to prohibit an undue dissipation of the savings of the people
11 in the Nation in the purchase of homes at speculative prices;
12 to permit returning veterans to acquire housing at fair
13 prices; and to prevent a post-emergency collapse of values
14 in the housing field and to promote a swift and orderly
15 transition to a peacetime economy.

16 “(b) The provisions of this title, and all regulations
17 and orders issued thereunder, shall terminate on December
18 31, 1947, or upon the date specified in a concurrent reso-
19 lution by the two Houses of the Congress, declaring that
20 the provisions of the Act are no longer necessary to deal
21 with the existing national emergency, whichever date is
22 the earlier.

23 “(c) The provisions of this Act shall be applicable to
24 the United States, its Territories and possessions, and the
25 District of Columbia.

1 “SEC. 702. (a) There is hereby created the Office of
2 Housing Stabilization, which shall be headed by a Director
3 of Housing Stabilization (hereinafter called the “Director”).
4 The Director shall be appointed by the President, by and
5 with the advice and consent of the Senate, and shall receive
6 compensation at the rate of \$12,000 per annum. The
7 Director may, subject to the civil-service laws, appoint such
8 employees as he deems necessary in order to carry out
9 his functions and duties under this title, and shall fix their
10 compensation in accordance with the Classification Act of
11 1923, as amended.

12 “(b) The Director shall formulate and develop a com-
13 prehensive national program to effectuate the purposes of
14 this title. In order to carry out this program, the Director
15 shall have the power to issue directives on policy to those
16 Federal departments and agencies which have functions
17 relating to or affecting housing.

18 “SEC. 703. The Director is authorized to make such
19 studies and investigations, to conduct such hearings, and to
20 obtain such information as he deems necessary or proper to
21 assist him in formulating policies, issuing regulations, and
22 performing any other functions under this title. The
23 Director is authorized to require any person who owns,
24 holds an interest in, deals in, or offers to sell or to buy
25 any housing accommodations to furnish information under

1 oath or affirmation or otherwise, to make and keep records,
2 and to make reports. The Director may require any such
3 person to permit the inspection and copying of records and
4 other documents and the inspection of housing accommo-
5 dations. For the purpose of obtaining any information
6 under this section, the Director may by subpoena require
7 any such person to appear and testify or to appear and
8 produce documents, or both, at any designated place. In
9 case of refusal to obey a subpoena served upon any person
10 under this section, the court for any district in which such
11 person is found or resides or transacts business, upon ap-
12 plication by the Director, shall have jurisdiction to compel
13 compliance with such subpoena.

14 “No person shall be excused from complying with any
15 requirements under this section because of his privilege
16 against self-incrimination, but the immunity provisions of the
17 Compulsory Testimony Act of February 11, 1893 (U. S. C.,
18 1934 edition, title 49, sec. 46), shall apply with respect to
19 any individual who specifically claims such privilege.

20 “SEC. 704. (a) Whenever in the judgment of the
21 Director the sales prices of housing accommodations have
22 risen or threaten to rise to an extent or in a manner incon-
23 sistent with the purposes of this Act, he may by regulation
24 or order establish maximum sales prices for housing accom-
25 modations in accordance with the provisions of this title.

1 Any such regulation or order may be limited in its scope
2 to such geographical area or areas and to such types or
3 classifications of housing accommodations as in the judg-
4 ment of the Director may be necessary to effectuate the
5 purposes of this title. Before issuing any regulation or
6 order under this section, the Director shall, so far as prac-
7 ticable, advise and consult with representative members of
8 industries affected by such regulation or order, and he shall
9 give consideration to their recommendations and to any
10 recommendations which may be made by State and local
11 officials concerned with housing conditions in any area
12 affected by such regulation or order.

13 “(b) Any regulation or order issued under the au-
14 thority of this title establishing maximum sales prices for
15 housing accommodations the construction of which is com-
16 pleted after the effective date of this title shall provide for
17 the fixing of a maximum sales price consisting of (i) the
18 actual costs of the construction of the unit which are not
19 in excess of the legal maximum prices of the materials and
20 services entering into such construction, (ii) the fair market
21 value of the land sold with the housing accommodation,
22 but in no event less than the actual cost of land purchased
23 prior to the effective date of this Act, and (iii) a margin
24 of profit reflecting the generally prevailing margin of profit
25 upon comparable units during the calendar year 1941. Any

1 prospective seller of such housing accommodations may
2 apply for the establishment of a maximum sales price at
3 any time, including before the commencement of construc-
4 tion, during its progress, or after its completion. In any
5 case where a maximum sales price has been fixed on a
6 basis of estimated costs the prospective seller may, at any
7 time before the first sale and upon a showing that the actual
8 legal costs have substantially exceeded the estimated costs,
9 apply for such revision of the maximum sales price as may
10 be justified under the circumstances; and the Director may
11 similarly reduce the maximum sales price if the estimated
12 costs were substantially in excess of the actual legal costs.
13 No subsequent sale of such newly constructed housing accom-
14 modation shall be at a higher price than that established
15 for the first sale.

16 “(c) Any regulation or order issued under the authority
17 of this title establishing maximum sales prices for housing
18 accommodations in existence and occupied on or prior to
19 the effective date of this title shall establish as the maximum
20 prices the price of the first bona fide sale of such housing
21 accommodations after the effective date of this title.

22 Any regulation or order under this subsection shall
23 provide for the making of appropriate adjustments in the
24 maximum sales price where substantial improvements have
25 been made subsequent to the last sale.

1 “(d) The Director may promulgate such regulations
2 as he deems necessary and proper to carry out any of the
3 provisions of the title and may exercise any power or
4 authority conferred upon him by this title through such
5 department, agency, or officer as he shall direct. Any regu-
6 lation or order under this title may contain such classifica-
7 tions and differentiations and may provide for such adjust-
8 ments and reasonable exceptions as in the judgment of the
9 Director are necessary or proper in order to effectuate the
10 purposes of this title.

11 “(e) Whenever in the judgment of the Director such
12 action is necessary or proper in order to effectuate the
13 purposes of this title, he may by regulation or order make
14 such provisions as he deems necessary to prevent the circum-
15 vention or evasion thereof and he may regulate or prohibit
16 speculative or manipulative practices (including the requir-
17 ing of the purchase of land prior to or as a condition of
18 undertaking construction work or the requiring of the pur-
19 chaser of housing accommodations to buy additional land or
20 any commodity or service as a condition of securing such
21 housing accommodation) in connection with the sale of any
22 housing accommodation which in his judgment are equiva-
23 lent to or likely to result in price increases inconsistent with
24 the purposes of this title.

25 “SEC. 705. (a) Whenever in the judgment of the

1 Director there is a shortage of building materials for the con-
2 struction of needed housing accommodations, he may by
3 regulation or order allocate such materials in such manner
4 and upon such conditions as he deems necessary and appro-
5 priate in order to effectuate the purposes of this title, with
6 particular regard for the need for the construction of low-cost
7 housing accommodations and the need for housing accommo-
8 dations for rental.

9 “(b) Whenever in the judgment of the Director there
10 is a shortage of housing accommodations, he may by regula-
11 tion or order give preference in purchase or renting of housing
12 accommodations, the construction of which is completed after
13 the effective date of this title, in such manner and upon such
14 conditions as will effectuate the purposes of this title, with
15 particular regard for the housing needs of veterans of World
16 War II and their immediate families.

17 “SEC. 706. Whenever in the judgment of the Director
18 there is no practicable alternative method for securing the
19 construction of adequate housing accommodations in an area
20 where the shortage of housing accommodations is acute, he is
21 authorized to subsidize the construction of new low-cost hous-
22 ing accommodations. Any such subsidy assistance shall be
23 granted on terms involving the minimum expenditure of funds
24 necessary to secure the needed construction, and upon such
25 other terms as are necessary and appropriate to effectuate the

1 purposes of this title. Appropriations are hereby authorized
2 to be made for subsidy payments under this section.

3 "SEC. 707. It shall be unlawful for any person to effect,
4 either as principal or broker, a sale of a housing unit at a
5 price in excess of the ceiling price which shall be applicable
6 under the provisions of this title, or to offer, solicit, attempt,
7 or agree to making any such sale. Notwithstanding any
8 termination of this title as contemplated in section 701 (b)
9 hereinabove, the provisions of this title, and of all regula-
10 tions and orders issued thereunder, shall be treated as
11 remaining in force for the purpose of sustaining any proper
12 suit, action, or prosecution with respect to any such right,
13 liability, or offense.

14 "SEC. 708. Any person who is aggrieved by any action
15 taken pursuant to any regulation or order issued under the
16 authority of this title may petition the district court of the
17 district in which he resides or has his place of business
18 for a review of such action, and such district court shall have
19 jurisdiction to enjoin or set aside, in whole or in part, such
20 action or to dismiss the petition. No such action shall be
21 enjoined or set aside, in whole or in part, unless the peti-
22 tioner establishes to the satisfaction of the court that such
23 action is not in accordance with law or is arbitrary or
24 capricious.

25 "SEC. 709. (a) Whenever in the judgment of the

1 Director any person has engaged or is about to engage in any
2 acts or practices which constitute or will constitute a viola-
3 tion of any provision of section 707 of this title, he may make
4 application to the appropriate court for an order enjoining
5 such acts or practices, or for an order enforcing compliance
6 with such provision, and upon a showing by the Adminis-
7 trator that such person has engaged or is about to engage
8 in any such acts or practices a permanent or temporary
9 injunction, restraining order, or other order shall be granted
10 without bond.

11 “(b) Any person who willfully violates any provision
12 of section 704 of this title, and any person who makes any
13 statement or entry false in any material respect in any docu-
14 ment or report required to be kept or filed under section 703,
15 shall, upon conviction thereof, be subject to a fine of not
16 more than \$5,000, or to imprisonment for not more than
17 one year or to both such fine and imprisonment. When-
18 ever the Director has reason to believe that any person is
19 liable to punishment under this subsection, he may certify
20 the facts to the Attorney General, who may, in his dis-
21 cretion, cause appropriate proceedings to be brought.

22 “(c) The district courts shall have jurisdiction of crimi-
23 nal proceedings for violations of section 707 of this title, and,
24 concurrently with State and Territorial courts, of all other
25 proceedings under the section. Such criminal proceedings

1 may be brought in any district in which any part of any act
2 or transaction constituting the violation occurred. Such other
3 proceedings may be brought in any district in which any
4 part of any act or transaction constituting the violation oc-
5 curred, and may also be brought in the district in which the
6 defendant resides or transacts business, and process in such
7 cases may be served in any district wherein the defendant
8 resides or transacts business or wherever the defendant may
9 be found. Any such court shall advance on the docket
10 and expedite the disposition of any criminal or other pro-
11 ceedings brought before it under this section. No costs shall
12 be assessed against the Director or the United States Gov-
13 ernment in any proceeding under this title.

14 “(d) If any person selling housing accommodations
15 violates a regulation or order prescribing a maximum selling
16 price, the person who buys such housing accommodations
17 may, within one year from the date of the occurrence of
18 the violation, bring an action for treble the amount by
19 which the consideration exceeded the maximum selling
20 price, plus reasonable attorney’s fees and costs as deter-
21 mined by the court. If the buyer fails to bring an action
22 under this subsection within sixty days from the date of
23 the violation, the Director may bring such action on behalf
24 of the United States within one year from the date of the
25 violation. If such action is brought by the Administrator,

1 the buyer shall thereafter be barred from bringing an action
2 for the same violation.

3 “SEC. 710. There are authorized to be appropriated
4 such sums as may be necessary or proper to carry out the
5 provisions and purposes of this title.

6 “SEC. 711. If any provision of this title or the applica-
7 tion of such provision to any person or circumstances shall
8 be held invalid, the validity of the remainder of the title
9 and the applicability of such provision to other persons or
10 circumstances shall not be affected thereby.”

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By Mr. PATMAN

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