

WRIGHT PATMAN
FIRST DISTRICT
STATE OF TEXAS

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COMMITTEE ON
BANKING AND CURRENCY

SECRETARY:
MRS. LUCILLE SPAIN

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

October 14, 1947

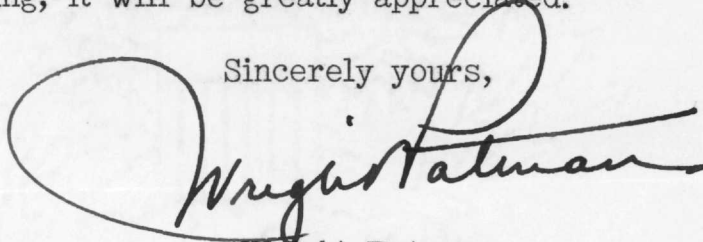
Hon. Marriner S. Eccles, Chairman
Board of Governors of the Federal Reserve System
Washington, D. C.

My dear Mr. Chairman:

As a member of the Joint Congressional Committee on Housing, I have been requested to give primary consideration to rural housing.

If you will give me your views on what the Government should do, if anything, in connection with rural housing, it will be greatly appreciated.

Sincerely yours,

A large, stylized handwritten signature in black ink that reads "Wright Patman". The signature is written in a cursive style with a large loop at the beginning.

Wright Patman.

October 29, 1947.

My dear Mr. Patman:

On receipt of your letter of October 14 with regard to rural housing I referred the matter to our economic staff, who specialize in this field, and the only conclusion I can draw from considering the situation at this time is that the Government should not undertake to do anything now that would add to the already excessive demand for housing, rural and urban, relative to supply.

As you are aware the residential construction industry is inviting a recession. Most of the people of the country including the veterans are already priced out of the market, or, if not are being committed to purchase prices and rentals that are all out of reason in countless instances. Private demand so far exceeds supply without any Governmental assistance, that it would be a mistake, in my judgment, to do anything that would intensify the demand side of the equation through Government action.

It is extremely unfortunate, of course, that the harness of Government controls was prematurely removed, particularly allocation of scarce materials and building permits. Had the controls, allocations and permits been kept it would have been possible to divert scarce materials and labor to those fields where the need was most urgent. Instead we have witnessed a free for all scramble for materials and labor for motion picture theaters, night clubs, automobile show rooms, which incidentally have no cars to sell, and other purposes that cannot by any reasonable standards be considered worthy of high priority.

It seems to me that the GI housing loans which apply to rural as well as urban property make credit even easier for veterans at a time when there is no credit problem, and too many veterans are being induced to make commitments, which it is very doubtful they will be able to fulfill. So far as rural housing is concerned, farmers, generally speaking, have never been so prosperous. In a word, I cannot see at this time how the Government can do anything useful so far as providing rural housing is concerned, except possibly to lay the groundwork for some future action when conditions are reversed and Government activity would be needed to provide employment.

Sincerely yours,

Hon. Wright Patman,
House of Representatives,
Washington, D. C.

M. S. Eccles,
Chairman.

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