

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date May 26, 1945.

To Chairman Eccles

Subject: Proposed Executive Order

From Mr. Vest

on Real Estate.

The National Housing Agency has suggested to the Economic Stabilization Director that the proposed executive order on real estate exempt "new construction so long as the sales price is subject to control of a government agency by reason of priority assistance". If such an exemption is to be made, I believe it should not be in the executive order but should be in the Board's regulations issued under the order.

In a meeting in Mr. Emerson's office, in the O.E.S., at which Dr. Parry and I and representatives of the National Housing Agency were present, this point among others was discussed. It was tentatively agreed that, if the Board were willing to make such an exemption of new construction, instead of putting the exemption in the order, a statement would be issued contemporaneously with the executive order, either by the President or jointly by the Director of Economic Stabilization and the Board, to the effect that such new construction would not be affected. It seems to me that this is a much better way to treat the matter.

The question now, however, is what position the Board wishes to take with respect to new construction; in other words, whether it favors such an exemption in its regulations. I understand that the Division of Research is preparing a memorandum on the advisability of exempting new construction.

GD ✓