

*Lawson*  
SCHWABE COLL

March 8, 1946

Mr. Paul Edwards, Realtor  
Petroleum Building  
Tulsa 3, Oklahoma

Dear Paul:

I have your most interesting letter of the 4th instant relative to the housing situation in Tulsa and pertaining to the so-called housing bill that has been before the House of Representatives for consideration for more than a week, and finally passed yesterday.

I have read with more than usual interest your statements on various phases of the problem, for I am sure that you are sincerely interested in the welfare of the people of Tulsa and that you and others engaged in your line of work are just as patriotic as some of those who are rendering a lot of lip service to the veterans.

I appreciated the specific examples and instances that you cited in your letter and I think that they are generally speaking characteristic examples applicable all over the country. I know you know your line of business. I was engaged in that business myself for a few years and built many houses. I think I know the problem about as well as the average Member of Congress from the standpoint of the builder, the dealer, the financier and the public. I could not think of going along with the Patman Bill as it was originally presented. In fact the Committee was split about three ways on this bill. The bill was virtually rewritten on the floor of the House. The voting on the various amendments which were adopted showed substantial and in some cases very large majorities in favor of such amendments. Included in the majority voting for such amendments were many of the most trustworthy and dependable Members of the House, both Democrats and Republicans. Some of the New Dealocrats accused the Republicans of being partisan, but it must be remembered that we could not have adopted a single amendment or carried a single amendment vote without some forty to a hundred Democrats helping us. Hence, it was not partisan.



Again thanking you for your interest and the  
painstaking effort you put forth in writing me, and assuring  
you I am always glad to have your views, I beg to remain

Your friend,

George B. Schwabe, M.C.

GS:LW



*Edwards' Offices*

REALTORS

*Traders Exchange*

A REAL ESTATE SALES, RENTAL, MORTGAGE FINANCING AND INSURANCE AGENCY  
PAUL EDWARDS, ATTORNEY AND MANAGER

PETROLEUM BUILDING      PHONE 2-6285  
TULSA 3, OKLAHOMA

March 4, 1946

VIA AIR MAIL

Congressman George B. Schwabe  
Washington, D.C.

Dear Mr. Schwabe:

Having been actively engaged in the real estate business here in Tulsa for some twenty years or more and feeling qualified by this experience to express a reasonable opinion as to the present status of the housing situation in Tulsa, as well as to what action might be expected to relieve this situation locally, I am taking the liberty of writing you this letter on this subject, hoping that it might help to promote some action beneficial to the people of Tulsa.

In the first place, it appears to me that housing demand is at its peak in this locality at this time, and that with the gradual dispersion of certain classes of the population to other communities and with the completion of houses now under construction as well as houses for which construction is already planned during the next few months, July, 1947 will see local housing conditions at a healthy, normal level if ill-advised, artificial regulations proposed by governmental authorities do not retard this trend to normalcy.

Contrary to public statements made by Congressman Patman, Mr. Bowles and the housing expeditor, in this locality at least, professional real estate dealers, professional speculators, real estate investment companies, life insurance companies and loan companies own very very few, if any, residential units. Practically all the residential property owned and being sold at advanced prices are owned and being sold by ordinary individuals such as postmen, building janitors, office workers, grocery store owners, refinery and railroad workers, and just the every-day run of people who have bought a house to live in or to rent out and are now being induced to sell their property at the present bidup prices being

Our  
24th  
Year



offered by other individuals who want a house in which to live.

A typical example of the type of homeowner above referred to is a young electrician by the name of Winfrey who worked here for the Norris Ironworks for a number of years and then worked out at the Douglas Plant until it closed down. Mr. Winfrey once rented a \$15.00-a-month duplex from me. While working at Douglas he made good wages and bought an ordinary 4-room house, unmodern, in the Northeast section of Tulsa. Mr. Winfrey was industrious and he jumped in and reconditioned his house, made it modern and put it in a condition to where the Home Building & Loan Association of Tulsa appraised it at \$3,000.00 and agreed to make a loan of \$2250.00 on it. Mr. Winfrey decided to move to Texas and he called me and asked me to come out and advise him as to what he could sell the property for and to aid him in selling it, as a broker. I inspected the property and told him that in my judgment it would sell somewhere between \$3500.00 and \$3750.00. Mr. Winfrey advised me that he wanted to get all of his money out of the place and that he did not want to take less than \$4250.00 for it, including the real estate broker's commission. Reluctantly, I undertook to sell the house for Mr. Winfrey at \$4250.00, and after advertising it only a very few days, did sell it to a GI for that price, the GI utilizing the \$2250.00 loan made by the Home Federal Savings & Loan Association, and paying cash for the difference.

At about the same time, I had an offer of \$90,000.00 on a local apartment house that was owned by a real estate speculator in New York, and though the speculator thought the price offered was a good one for the property, and though the speculator would have had a handsome profit in the property had he sold it, he refused to sell the property at all because the income tax rate in his bracket would eat up too great a portion of his profit.

Still again, houses are being sold all over town by individual owners who have their property rented but feel they cannot afford to turn down the purchase prices now offered compared to the rents available. It is not uncommon for an individual to own a house and have it rented out for \$30.00 per month--rent ceiling--and be offered \$5,000.00 for the house by some purchaser desiring



the property for his own use. In such cases, it is very difficult for the owner to justify himself in keeping the property and renting it out to some tenant for \$30.00 per month when he can get \$5,000.00 in cash for it.

It seems obvious that all that is now needed is to have more residential units built, and seems equally obvious that to place a ceiling price on the sale of new residence property would certainly not be a stimulant to building.

Existing houses are filled up and it does not help the housing situation to have one family buy and move in, at the same time moving another family out. Inasmuch as, during the present shortage emergency, it would seem desirable to retain the status quo as to occupancy of existing houses, it appears to me that a wholesome and desirable effect could be obtained by placing a ceiling price on existing houses. Such a price could probably be established at the first sale made after January 1, 1945. On houses that have been sold since January 1, 1945, such a ceiling date would set the price back some under the current market, and since a great number of houses have been sold since that date, a considerable portion of existing properties would be affected by that ceiling. Perhaps the ceiling date could be set back to January 1, 1944, with a more general and not undesirable effect.. I believe that to set the ceiling back farther than January, 1944 would be unreasonable and would tend to defeat the general advantages of a ceiling price.

To summarize, from the local picture, it appears that the housing situation might be helped best in the following ways:--

1. Place a ceiling on all existing houses equal to the first sale price obtained after January 1, 1944.
2. Allow a blanket increase in rent ceilings equal to 20% of current rents.
3. Leave new construction and all materials and labor going into new construction free from any ceilings or delivery controls--that is as to residential construction.



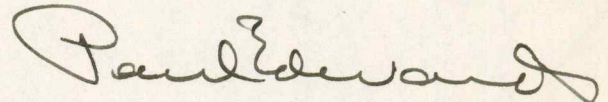
Congressman George B. Schwabe - 4 - March 4, 1946

4. Enforce full-time operation of building material manufacturers, including particularly lumber, steel, plumbing and electrical fixtures, to the extent of government operation of such plants where necessary.

5. Liberalize F.H.A. financing and appraisals on all new residential construction to whatever extent may be required to accommodate new construction needs.

Also, in this connection, it seems to me that any special legislation favoring any particular class of citizens, that is veterans or others, is foolhardy and useless since the domestic lives of veterans are so closely interwoven with the domestic lives of non-veterans that the housing needs of the two groups cannot be separated. For example, when you give a veteran preferential right in the renting or purchase of a given housing unit, as likely as not the person moved out by the incoming veteran must, if other accommodations are not available, move in with a brother, father or son who is himself a veteran.

Respectfully yours,



PE:pq

P.S. Real Estate pressure groups, such as the National Association of Real Estate Boards, are being publicly accused of trying to oppose needed legislation in order to serve the selfish interests of such groups. It is unquestionably true that the National Association of Real Estate Boards is vigorously opposing current legislation, but I don't think their efforts in opposition reflect the viewpoint of the majority of their constituent members, and I think these pressure groups are misled as to where their own best interest lays.