

# FEDERAL RESERVE BOARD

WASHINGTON

OFFICE OF THE GOVERNOR

March 11, 1935.

MEMORANDUM:

TO- The President  
FROM- Governor Eccles

— 3/6/35  
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Supplementing the memorandum which I discussed and left with you Saturday, March 9th, relative to using the \$4,000,000,000 relief fund, I respectfully submit the following:

I suggest that that be increased by \$675,000,000, the amount of bonds -- \$600,000,000 of Consols and about \$75,000,000 of Panama bonds -- which the Treasury on March 11th, 1935, is calling for redemption on July 1st, 1935, use<sup>^</sup> the gold profit in the Treasury to pay for these bonds. This will reduce the National debt by that amount, hence the justification for the increase of the authorization from \$4,000,000,000 to \$4,675,000,000; the \$675,000,000, to be added to the \$900,000,000 proposed for public works in my memorandum, would thus increase the public works fund to \$1,575,000,000. If this amount is adequate for public works requirements the billion dollars could then be used for the housing subsidy. If it is not adequate, such portion of the \$1,000,000,000 allocated to the relief administration as may be required could supplement the public works funds. With the revival of employment created by the use of funds as outlined in my memorandum there would, no doubt, be sufficient of the \$1,000,000,000 relief funds remaining to take care of the relief load until Congress

Memorandum to the President.

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meets next year.

A handwritten signature in black ink, appearing to be 'MSG', written over a horizontal line.