

Office Correspondence

Date February 15, 1935To Governor EcclesSubject: Saving clause for housing subsidy.From J. M. Daiger 

10-852

At luncheon today I suggested to Mr. Vest a place in the Emergency Relief Bill, as amended by the Senate Appropriations Committee, where a saving clause might be added that would give to the President the authority to subsidize private construction up to 20 per cent of the cost of any project. Mr. Vest and I have since considered the form that such a clause might take, and we have agreed tentatively on a proposed addition to the new section recommended by the Senate Committee.

As proposed by the Senate Committee, the new section "relating to utilization of facilities of private enterprise," would read as follows:

Sec. 7. Wherever practicable in the carrying out of the provisions of this joint resolution, full advantage shall be taken of the facilities of private enterprise.

To which we would add, after changing the period to a semi-colon:

and for the purpose of promoting private enterprise and encouraging employment in trades or occupations where unemployment is severe, the President is authorized in his discretion and through the facilities of agencies of the United States now existing, to make loans or grants for private home-building or other private construction projects out of sums appropriated in section 1 hereof, not exceeding in any such case 20 per cent of the amount required for such project.

If you wish to have this matter followed up with a view to having a provision of this kind offered in conference or on the floor, I would suggest that you let me get in touch with whoever is looking out for this bill for the Treasury.