

Office Correspondence

FEDERAL RESERVE
BOARDDate March 28, 1935.To Governor EcclesSubject: Wagner Public Housing BillFrom J. M. Daiger *J.M.D.*(\$800,000,000)

G.P.O. 16-852

Senator Wagner has introduced a bill to establish a permanent housing division in the Interior Department, and to transfer to it the present housing division of PWA. The new agency would engage in long-range planning for slum clearance and low-rent public housing.

The bill carries an initial appropriation of \$800,000,000, and also authorizes the President to allocate for slum clearance and low-rent public housing any unexpended emergency appropriations. Funds are to be advanced in grants and loans to local public housing authorities, the grants not to exceed 30% of labor and material costs (this is the present basis of operation in PWA).

Where no local public housing authority exists, the new agency would be authorized to engage directly in slum clearance and low-rent housing projects.

The bill provides that no loan is to bear a rate of interest greater than specified in the last issue of Government bonds having a term of ten years or longer.

As you know, I regard the Administration's slum-clearance and low-cost housing program as a delusion and a snare, though I realize that there is a very considerable body of opinion, including that represented by Senator Wagner, which holds an altogether different view. Since I know Senator Wagner and have occasional opportunities to discuss housing matters with him, I should like at some time, if you have no objection, to give him a copy of the memorandum on construction that you recently gave to the President.

} No

Office Correspondence

FEDERAL RESERVE
BOARDDate **April 1, 1935**To **Mr. Daiger**

Subject:

From **Governor Eccles**

REF ID: A6802

Referring to your memorandum of March 28th covering the subject of "Wagner Public Housing Bill", I note in the last paragraph of the memorandum that you desire to give Senator Wagner a copy of the memorandum on construction which I recently gave to the President.

I prefer that no copies of any memorandums be given out except by me.

MSL:VLS:gb