


Office Correspondence

FEDERAL RESERVE
BOARD

Date April 2, 1935

To Governor Eccles

Subject: New possibility for housing

From J. M. Daiger 

subsidy in relief bill.

o. o. 16-852

The relief bill is being sent back to conference under circumstances that should make it much less difficult than it has been heretofore to insert a saving clause that would cover the housing subsidy.

The point on which Senator Glass is insistent is that none of the funds allocated to PWA shall be used to finance the acquisition or construction of power plants. I know from my own first-hand information, that what PWA is primarily concerned about, in the issue with Senator Glass, is the slum-clearance and low-cost-housing program.

What this means is that you need no longer try to get what Congressman Buchanan was trying for last week. That is to say, instead of having a loans-and-grants clause apply to each of the several classifications of projects, it should now be entirely feasible to have the words "loans or grants for" inserted on page 3, line 20, before the word "housing," in the same manner in which the words "loans or grants for" have been inserted on page 3, line 22, before the words "public projects of States," etc.

Senator Robinson is the person to look to in the Senate and Congressman Buchanan in the House. From the nature of the controversy between Senator Robinson and Senator Glass, and between Congressman Buchanan and Senator Glass, it seems to me evident that Senator Glass would offer no opposition to this amendment.