

Office Correspondence

FEDERAL RESERVE
BOARDDate December 11, 1935To Governor EcclesSubject: Footnote to memorandum ofFrom J. M. DaigerDecember 10.

• • • 16-652

The memorandum that I gave you last evening, on FHA matters for discussion at today's luncheon, should of course be considered in conjunction with my memorandum of December 4 on low-cost housing under the Housing Act.

That memorandum dealt with the practical need of providing new low-cost housing for rent as well as for sale, and pointed out that the low-cost housing provisions of the Housing Act constituted the only existing instrumentality that can give impetus and direction to private enterprise in this type of housing operation.

As I remarked in my letter transmitting a copy of that memorandum to Mr. McDonald, what I should like to see brought about is an early development here in Washington of a plan for financing low-cost housing for sale similar to the plan that we have now developed, through the Housing Act and the Banking Act, for financing low-cost housing for rent. I am trying to find a way out of the operating and legal complications of such a plan.