

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date February 5, 1938.To Chairman EcclesSubject: W. P. A. ExpendituresFrom Lauchlin Currie*LAC*

I checked up with W. P. A. in connection with Secretary Morgenthau's recent statement. The gist of the story I got is as follows:

The present appropriation will see the W. P. A. through this fiscal year if the following schedule is adhered to:

February	1,950,000	on work relief
March	1,800,000	" " "
April	1,600,000	" " "
May	1,530,000	" " "
June	1,500,000	" " "

My informant thought that in addition to the \$658 million unobligated on January 1st, a maximum of \$50 million could be picked up elsewhere without asking for new appropriations.

By working on the assumption that every additional man costs \$65 per month, it is possible for W. P. A. to ease gradually until 500,000 additional are taken on in the next 5 months, at a total cost of only \$180 million over the above schedule. The following hypothetical schedule, which is my own, would fulfill this condition:

February	2,000,000
March	2,150,000
April	2,250,000
May	2,350,000
June	2,450,000

I was informed that unemployment has increased very substantially in January and that the pressure on the regional W. P. A. offices is becoming severe.