Williams Replies to U.S. Chamber of Commerce on Relief Costs

Statement by the United States Chamber of Commerce that expenditures for "direct relief of unemployment" are "approximately 65 per cent in excess of those of last year" for the first five months of the present fiscal year are "very misleading", Aubrey Williams, Acting Administrator of the Works Progress Administration, said today.

Replying to the assertion published today in the Chamber's periodical, "Washington Review," Mr. Williams added:

"Actually, direct relief expenditures in 1936 have been substantially lower than in 1935. This reduction in direct relief was caused by the change in relief policies of the Federal government which involved substitution of a program of useful work projects for the direct relief program in effect during the first part of 1935.

"Obviously a program of work at prevailing wage rates costs more than a direct relief program, but the preference of the American people for useful employment rather than a dole was clearly shown long ago. If the Chamber of Commerce has added the expenditures under the Works Program, including the Works Progress Administration, to the direct relief expenditures for unemployed by States and local agencies in 1935, to compare with expenditures for direct relief in 1935, a larger figure for 1936 naturally was obtained. The figures for the two years simply are not comparable, because of the complete change in relief policy between the two periods, as mentioned above.

"The fair and proper comparison, concerning the relief problem in 1935 and 1936, is obtained, not by comparing non-comparable statistics of expenditures, but by comparing the number of families in need who are being aided. On this basis, the number of families is substantially less this year than last.

"This information was made available November 12 and showed, for example, that in June, 1936, there were 633,000 fewer families aided by the Works Program and direct relief than in June, 1935. In July, 1936, there was a decline of 615,000 families from the same month in 1935, and in August there was a reduction of 417,000 families from August, 1935, despite the effect of drought relief upon the total number of cases in July and subsequent months of 1936."