HOPKINS SUBMITS REPORT ON PROGRESS OF WORKS PROGRAM

Harry L. Hopkins, Works Progress Administrator, today announced a report to the President on the progress of the Works Program, covering the employment provided and projects operated under the Emergency Relief Appropriation Acts of 1935, 1936 and 1937. The report embraces the activities of all Federal agencies participating in this program, with primary emphasis on activities during the last calendar year, so far as complete statistics are available.

Excerpts from the report follow:

"In September 1937 the net number of recipients of general relief and workers from relief rolls on projects of the WPA and other Federal agencies amounted to about 2,700,000. If allowance were made for the additional households assisted through CCC and NYA work, aid to dependent children, aid to the blind, old-age assistance, and rural rehabilitation grants, the aggregate total of different households would be increased by about 50 or 60 percent. During September 1937, it may be concluded that roughly 10 percent of the people in the United States received public aid in some form.

"Comparison may also be made, though over a much shorter period, of total Works Program employment with the estimate of unemployment. From November 1935 through May 1937 workers on WPA projects, CCC personnel, and workers on Works Program projects of other Federal agencies (emergency drought
workers excluded) together totaled between 30 and 36 percent of estimated unemployment. By September 1937, however, this percentage had dropped to 24.

"Active registration with the United States Employment Service is maintained by Works Program project employees (except for CCC enrollees in various areas, students aided through the NYA program, and a limited number of FWA non-Federal and Public Roads workers) as well as many employable persons certified by relief agencies but not yet assigned to Works Program jobs. Additional registrants are predominantly unemployed workers seeking jobs through the USES. It is noteworthy that in September 1937 Works Program employees numbered considerably less than half the total of over 4,600,000 who were actively registered at the employment offices.

"Authorization for the initiation of the program of Federal work projects known as the Works Program was given in the first of the three Emergency Relief Appropriation Acts. The Emergency Relief Appropriation Act of 1935, approved April 8, 1935, set aside an amount not to exceed $4,860,000,000 in order "to provide relief, work relief and to increase employment by providing for useful projects." The Acts of 1936 and 1937 appropriated additional money for the purpose of continuing the programs begun under the first act.

"Total funds provided under the three Emergency Relief Appropriation Acts amounted to approximately $8,421,000,000 as of October 31, 1937. Through the ERA Act of 1935 about $4,713,000,000 was actually made available: $4,000,000,000 by direct appropriation, and the remainder by transfer of balances from other acts. More than 20 percent of the 1935 appropriation was allocated to the Federal Emergency Relief Administration to enable the FERA program to continue during the time when the Works Program was being put into operation."
Emergency Conservation Work (chiefly the CCC) received 13 percent of the total, and the Bureau of Public Roads and the Public Works Administration, 11 percent and 9 percent, respectively. Total allocations to the WPA, amounting to a little more than $1,400,000,000 were less than 31 percent of this appropriation.

"Allocations from funds provided under the 1936 and 1937 Acts, amounting to $2,318,500,000 and $1,538,600,000 respectively, show a somewhat different distribution as between agencies. Certain agencies received little or none of the funds provided by the 1936 and 1937 ERA Acts. One of these agencies is the CCC which has operated with direct appropriations since June 1936; similarly, additional FWA funds were provided under separate authorizations subsequent to the allocations received by the FWA Non-Federal Division under the 1935 Act. The funds with which these agencies carried on their later Works Program activities are not included in the ERA Act totals. Among the agencies which continued all or most of their Works Program activities by use of balances from the ERA Act of 1935 is the Bureau of Public Roads. These factors, together with the discontinuance of FERA operations, explain the predominance of WPA allocations under the later acts. Allocations to the WPA from 1936 funds amounted to $1,926,000,000, or 84 percent of the total; and under the 1937 Act WPA allocations through October 31, 1937, totaled $614,000,000, or 77 percent of the aggregate amount allocated up to that date.

"Total expenditures from funds provided under the ERA Acts amounted to $6,893,000,000 as of October 31, 1937. This represented 90 percent of all allocations. Funds expended by the WPA alone aggregated $3,623,000,000, and accounted for all except about 8 percent of the allocations to this agency. Other agencies had spent proportions of their funds that varied according to how nearly their Works Program undertakings had attained completion. Operations
of some of the agencies, however, are carried on through current financing.

These agencies (one of which is the WPA), which receive periodic allocations for continuing their respective programs, have supplied the major proportion of employment during recent months.

"Of the expenditures from WPA allocations through October 31, 1937, which totaled $3,622,800,000, nearly 92 percent were made in the prosecution of WPA work projects. These are predominantly locally sponsored undertakings classified under 'State work programs.' The NYA student aid and work project activities together accounted for 3.1 percent of the total WPA funds, expended and checks drawn upon administrative allocations for both the WPA and the NYA represented 4.2 percent of all expenditures. The remaining expenditures were made in connection with drought relief and land utilization supervised chiefly by the Resettlement Administration but financed from WPA allocations.

"In recent months total WPA expenditures have been at a much lower level than during earlier months. That this decline is paralleled by the decline in WPA employment is shown in charts of WPA expenditures and employment. In the first 6 months of 1937 WPA expenditures were 17 percent below the corresponding period in 1936, and in the period from July through October they were about 37 percent lower than in the previous year. Although the extent of this decline is in part due to the inclusion of drought expenditures in the 1936 period, the chief factor is the reduction in regular WPA operations.

"The division of WPA expenditures as between payments to persons and purchases of materials, supplies, and equipment and rent of buildings and equipment indicates the extent to which the WPA program has concentrated its efforts on making payments to workers. Personal services, i.e., earnings of workers, accounted for over 85 percent of all WPA expenditures through June 30, 1937."
On materials, supplies, and equipment 8.2 percent of the total was spent, and on rent of buildings and equipment, 5.4 percent. Other expenditures, principally for communication, transportation, and similar services, were only a little more than 1 percent of the total.

"About three-quarters of the estimated total cost of all WPA projects initiated by the end of June 1937 is for construction activities. Repair, improvement, and modernization work account for a little more, and new construction work for a little less, than half the total cost of construction projects. Road construction and improvement are predominant and include large amounts of farm-to-market and other secondary road development as well as important street work in many cities. Other major construction activities involve the building or improvement of schools and other public buildings, of parks, playgrounds, and other recreational facilities, and of sewer and water systems. The remaining construction projects include chiefly airport work, certain conservation activities, and work contributing to sanitation and health. Most of the nonconstruction work is found in the white collar and goods project groups. The former comprise research, clerical, and similar projects; various education and recreation undertakings; and the art, music, theater, and writers' projects of the Federal arts program. Typical of the goods projects, which contribute particularly to the employment of women, are the making of clothing and various household articles and the preserving of food for distribution to families in need of relief."

"The costs of prosecuting WPA projects have been shared to a considerable degree by sponsors of projects. While Federal expenditures over the whole period of operations, through October 31, 1937, amounted to $3,330,000,000 (for WPA work projects), the expenses borne by sponsors aggregated about
$491,000,000, or 12.9 percent of the total costs. From 12.4 percent in the 6 months ending December 31, 1936, sponsors' expenditures rose to 14.9 percent of the total in the 6 months ending June 30, 1937, and to 21.2 percent in the 4 months ending October 31, 1937.

"Sponsors' expenditures have been made predominantly for other than labor costs, thus complementing the nonlabor expenditures of the Federal Government. These costs of project operations were divided between the Federal Government and sponsors on about a 3 to 2 basis in the last half of 1936 and nearly evenly during the first half of 1937. In the July to October 1937 period sponsors bore 64 percent of the total nonlabor costs.***

"The WPA policy with regard to sponsors' funds in general has been to make available to each State each month an amount sufficient to cover the labor cost on work projects, plus an allowance for nonlabor costs based on the number of workers employed. Sponsors are required to supply funds and services for the projects; first, in accordance with their ability to pay and second, in accordance with the relative cost of the projects which they desire to operate; that is, sponsors are required to make up the difference between the Federal allowance for nonlabor costs and total nonlabor costs on their projects. This policy is designed to maximize the effectiveness of Federal expenditures in providing relief employment and to effect an equitable distribution of Federal funds on the basis of the amount of employment provided. At the same time, it makes possible the adaptation of the program to the sponsors' project needs."