The following address was delivered by Colonel F.C. Harrington, Work Projects Commissioner, from the studios of WRC, Washington, D.C., over the Red network of the National Broadcasting Company, 7:45 to 8 p.m., Eastern Standard time, Wednesday, September 27, 1939:

So far, the European War has had three effects upon the economic situation in the United States. The first is a tendency to raise prices. The second, as seen by the latest report of the U.S. Department of Labor, is a slight but definite increase in current employment. The third is a mounting output of optimistic predictions about the effect of the war on American business. It is being freely asserted in business and financial circles, and in some labor circles as well, that the European war will bring about a boom prosperity in the United States, and put all our unemployed to work in private industry.

It is too early to make any definite predictions concerning the effect of the European war upon unemployment in the United States. There are still too many unknowns in the equation, the two most important ones being that the future development of the military situation in Europe is uncertain and that the character of the legislation which will be passed during the current Special Session of Congress and its effect upon American industry and business cannot now be determined. In these circumstances one is compelled to confine one's remarks largely to generalities.

On behalf of the Work Projects Administration, let me say that we are anxious to turn over our workers to private industry, just as fast as jobs are created for them. One of the great advantages of the WPA method of work is its flexibility. We can provide public employment with great rapidity to the millions of workers who are not needed by private industry. And we can, with equal rapidity, return
Now let us turn to our trade with the belligerent countries. Our exports to Germany have practically stopped. In the last war our exports to England and France were increased threefold. But we must remember that much of their buying was done on credit. At the present time they cannot buy on long-term credit. Even if our embargo on war materials is lifted, and replaced by a cash-and-carry policy, their purchases of war materials will be limited by their ability to pay in cash in this country. If our exports to England and France increase by a billion dollars over the next year, this will increase our employment considerably but not enough by itself to create a boom in business.

In figuring our war-time business gains, I think some people tend to confuse the two periods of the last war, in the first part of which the United States was a neutral, and in which our economy suffered severe dislocations, in spite of large war-sales on credit. They forget that the period when we had little unemployment in the United States was after this nation had entered the war as a belligerent, and had set about mobilizing and training an army of some four million men, and had given practically unlimited credit to our allies for their war purchases here.

We must also consider the agricultural situation. At the outbreak of the last war there was an actual shortage of agricultural commodities in most parts of the world. Today the opposite is the case—there is a world surplus rather than a shortage of agricultural staples.

Conditions during the last war were very different from those which will exist during our neutrality in this present war. Therefore, those who indulge in dreams of putting all our unemployed to work on war orders, or on goods to be sold to neutral countries may well be overshooting the mark.

If this nation, as we all hope, keeps out of the European war, our present unemployment of ten millions may be reduced next summer by one-sixth or even one-fourth. This will still leave us with a very large number of unemployed.
It ought to be clear to us that we cannot found our American prosperity on the tragic sufferings of a European war. We should rather seek to protect our economy from the inevitably disastrous consequences of that war. Whether it is a short war or a long war, it will be followed by profound economic disorder in Europe, and perhaps by economic collapse. The more we rely on war business to help us, the more serious will be the economic dislocation in this country when that war business suddenly stops.

Our American economy needs to strengthen itself on its own basis right here at home. We need to continue the work we have begun, and in which we have made good progress in the last seven years—that of creating a sound national economy in which there are fair wages, fair prices and fair profits. It is in this direction that true prosperity lies.

We need, of course, to look to our national defense program. And we should include in such a defense program not only more airports and better roads, but also better health for our population, better housing for our low-income groups, the elimination of illiteracy and better education for all. A stable economy, good health and a contented people are important in terms of national defense. The WPA has been doing good work on this front for four years, and I feel it is very important that this work continue.

Today there are almost two million men and women working on WPA projects. They are conscientious and hard-working Americans who are on the WPA rolls only because business and industry had no jobs for them. They will be glad to take better paid jobs in private industry, and will do so at a moment's notice.

I say this to business and industry: provide real jobs for these WPA workers, and you can have them, and welcome. But do not ask us to dismiss any more WPA workers because of predicted jobs to come from the European war. We have already dismissed a million three hundred thousand of them.

If the visions of profits and increased employment coming from the European war situation do not materialize, there is much other work for America's unemployed millions to do. Our communities
are making application for WPA help in building and repairing roads, bridges, sewers, water mains, schools, hospitals, parks, playgrounds, swimming pools, gymnasiums, dams. WPA assistance is also needed in making traffic surveys, tax surveys, in conducting public recreation projects, in running nursery schools, in serving school lunches to underfed children, in teaching illiterates to read and write, in bringing education to adults who have lacked education opportunities. We have thousands of such applications from communities, approved by all tests as worthy projects, and waiting the time when they can be put into effect.

I repeat that it is too early to make definite predictions as to the effect of the European war upon unemployment in the United States. The WPA at the present time is operating under an appropriation made for the fiscal year which extends to July 1, 1940, and it is our intention that this appropriation shall be used for the purpose for which it was intended; that is, for providing useful public work for the needy unemployed, with the accent on the word needy. We anticipate that employment in certain areas and in certain industries will increase in the very near future; on the other hand we deem it very probable that unemployment may increase in other areas and in other industries. In order to be in readiness to meet these varied local conditions, we have put into effect measures to enable us to secure the best possible current information as to the need for employment in different sections of the United States and we shall use those data as the basis for assigning our WPA employment quotas.

At various times in the past charges have been made that, because of the WPA program, private employers have been unable to secure workers. Upon investigation these charges have in practically every instance been shown to be unfounded. I anticipate that those who are hostile to our program will use the present situation to revive such charges. I repeat that it is our desire to shift WPA workers into private jobs whenever and wherever such jobs are offered at decent rates of pay. This is not only our policy but is required by law. Furthermore, any instances which may be reported of the refusal of WPA workers to accept private employment if supported by specific
information will be immediately and thoroughly investigated and any persons who are found to have refused such private employment will be summarily removed from the WPA rolls. It is my firm conviction, however, that nobody is more anxious to see the WPA workers returned to private jobs than the WPA workers themselves.

Private industry, now as always, has the first choice of our unemployed. Take as many of them as you can use. But those you cannot use should be given public work to carry out useful projects. Our workers can be put on low-cost housing projects. They can be put on flood-control and conservation projects. There is much public work of all kinds that greatly needs to be done in this country, and the unemployed stand ready and willing to do it. The least we can do for our unemployed is to make it possible for them to support their families by their own toil.

To carry on such a program will help business and industry; it will increase general purchasing power; it will make this a better and happier America. Our democracy will be more secure, if the economic and social well-being of this country is grounded on the making of things for our own citizens to use and enjoy—and not on the misfortunes of Europe.

#####

#-6-