

FEDERAL WORKS AGENCY
WORK PROJECTS ADMINISTRATION

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The following address was delivered by Colonel F. C. Harrington, Work Projects Commissioner, before a gathering of state and municipal officials at the Hotel Olds, Lansing, Michigan, Wednesday evening, February 14, 1940:

I am glad to be with you and to have this opportunity of discussing current problems. But first I want to express again the pride and the pleasure that I felt when I attended this morning the dedication of the new water-conditioning plant in Lansing--one of the finest buildings we have helped to construct in the State of Michigan, and one of the very finest of its type in the whole country. It is this kind of achievement that well illustrates the purposes of our joint Federal-local cooperation, and the needs which have called it into existence. It should encourage us to make the best use of our opportunities in our further joint efforts.

I know that in this present discussion you would like to have me get down to brass tacks in regard to certain matters that are of direct interest to you as sponsors. One of these matters is the requirement in the current Appropriation Act that on projects approved subsequent to January 1, 1940, the State average of sponsors' contributions shall be at least 25 percent of the total cost.

On this point I have a number of things to say, and I do not know whether they will be any comfort to you, but I think they should be of some practical value. The first thing is that the WPA must abide by this legal requirement.

The State Administrator must enforce it, and I must enforce it. Neither of us has the power to make any exceptions from this requirement. And it is therefore a waste of energy and of time for anybody to ask us to make such exceptions. If you think the requirement is too stringent, you should address your complaints and your arguments to Congress, which alone has the power to change the rule.

If I am asked by Congress for my opinion on the matter, I shall say, as I have said before, that I am sympathetic to the general aim of securing larger sponsors' contributions because larger sponsors' contributions mean better and more worthwhile WPA improvements for the local communities. When the sponsors put up more money, it does not mean that the Federal Government puts up less--it means that more money goes into the pot, more money for materials, on which, other things being equal, the quality of a WPA project depends. The Federal policy has been to put up all the money for the employment of certified project workers, all the money for administrative expenses, and, in addition, an average of \$6 per man-month for materials. For the rest, we have depended on sponsors' contributions. Whether the sponsors put up much or little, the Federal contribution is not affected--what is affected is the quality of the completed projects to which the community takes title. It is to the interest of the communities to put up as much money as they can for sponsors' contributions; and it is of course also to the interest of us on the WPA, because larger expenditures for materials and equipment make WPA work so much more effective, so much more useful.

On the other hand I shall also say, as I have said before, that since the WPA must not only build community improvements, but must also take care of the unemployment relief load, a policy of allowing administrative discretion in the size of sponsors' contributions is advisable for the best interests of the program. A community with a large unemployment relief load may not have the financial resources to make high sponsors' contributions for all the required projects. In such a situation it is better for the WPA and the local community to get together on projects requiring smaller outlays for materials, than not to get together at all.

Sometimes I am asked what are the prospects that Congress will change this requirement in the next Appropriation Bill. I do not know. The answer depends partly on the representations made to Congress by our communities. It also no doubt depends on the general economic situation this spring and summer. Sponsors' contributions have risen in recent years, as the general economic situation of the country has improved. That is fair enough, for the general

economic improvement has meant an increase in local tax receipts, and an increased local capacity to pay for WPA improvements. The difficulty has always been that some communities do not share proportionately in general economic improvement, and certain stranded or semi-stranded communities do not share at all. It is on behalf of such communities that the WPA has exercised its discretionary powers in the past.

The present legal requirement still permits us to exercise such discretion within each State, on condition that the whole State averages up to the 25 percent level. We intend to do our best to make use of this latitude to ease the burden in communities that are less able to raise money for this purpose. But we shall need full cooperation within each State in order to exercise this latitude effectively. We cannot accept less than 25 percent from some local sponsors unless the State or other local sponsors are willing to put up correspondingly larger contributions.

Let me call your attention to the recent rise in the State average of sponsors' contributions in Michigan, before the new requirement went into effect. Looking back a little, we find that the Michigan State average of sponsors' contributions for the last six months of 1939 was 22.2 percent, which was lower than the national average of 26.3 percent for the same period. For the last three months of 1939, however, the Michigan State average was 27.8 percent, which is slightly higher than the national average of 27.1 for the same period. Thus Michigan has recently caught up with and even exceeded the national average for sponsors' contributions, and was safely over the 25 percent requirement when the new law went into effect on January first. I do not suggest that this rise in the State average was effected without difficulty, nor that it can be maintained without effort. But I might say that some cities holler a good deal louder than is warranted by the actual facts. I could mention a few such cities in Michigan by name, but I do not want to embarrass anybody this evening.

One factor which tends to confuse the issue of sponsors' contributions arises in municipalities which are under severe pressure from groups who want to economize and balance the budget--not over any reasonable period of years, but right now. Very showy economics can be made on municipal books if the

Federal government can be persuaded to take over a larger share of the costs of our joint work program. This is a very different situation from that of localities which actually have little or no resources to draw upon to provide work for their unemployed.

Our present procedure, under the law, requires us to ask more of sponsors who can afford to pay, whenever we ask less of sponsors who cannot afford to pay. I do not say that we ask any sponsors to pay more than their just share. I do not know how a "just share" can be defined so as to satisfy everybody. But if a State means anything more than a colored space on a map, it means a sharing of responsibilities within that area. It means that the stronger communities of the State and the State itself must help the weaker communities. We do bear in mind the greater direct-relief load that some communities have to carry. We do take into account as far as possible the condition of your State, municipal and county finances. We do try to be fair. But we must act within the limitations of the law, and if you wish those limitations changed you must persuade Congress to change them.

Short of any possible changes by Congress in the direction of your wishes, it seems clear to me that better planning, not only in each locality, but with regard to the different needs and resources of all the communities in each State, will minimize all the difficulties involved.

It is particularly important for every community to have a large reserve of approved WPA projects of various kinds to permit smooth operations and to meet emergencies. The following situation has actually arisen in one large American community: the only available reserve project was a woman's sewing project--an activity that is hardly adapted to meet unemployment needs among male laborers. This is unusual, I am glad to say, but reserve projects are not always perfectly suited to actual conditions as they arise, nor can they be very suitable unless they are both numerous and varied in type.

Sudden unemployment emergencies are characteristic of modern industry, and Michigan is an outstanding example of large and sudden fluctuations in the relief load. In Detroit, two winters ago, 30,000 men were fired over

night from one motor plant; in two months unemployment increased by 100,000. The WPA cannot do its part in meeting such emergencies without preliminary planning of projects by the communities themselves.

It will also be extremely helpful to work out budgets for capital improvements covering a period of several years. Such budgets would show the best order in which various kinds of public improvements should be made, and where the money would come from.

The setting up of that sort of budget is not beyond the powers of any American municipality. Such budgets not only can cover plans for capital improvements over a long period, but they can show the order of priority in such work, and the relation of the plans to estimated tax valuation and borrowing capacities. I need not say how greatly our Federal-local cooperation would be simplified if such long-term local budgets were general, as I believe they will be before very long, throughout the United States.

This brings me to something else that I think you wish me to discuss --the future of the WPA. I have been telling you that you should have long-term plans on your side in our joint efforts; and you might well reproach me for the lack of any long-term plans on our side. You might say "How do we even know that there is going to be any WPA in 1941?"

I am not given to making predictions but I think I can make a pretty good guess as to one thing. As long as there is large-scale unemployment in this country, I regard it as fairly certain that we shall have some kind of program of public work for the unemployed. Whether it is likely to be a good program or a poor program is a question that I will discuss presently.

But first I want to speak about the preliminary question of how long we may expect our present large-scale unemployment situation to continue. That, of course, depends on business prospects. It narrows down to a question of whether increasing business prosperity which we all hope for can, within the next year or so, put the bulk of our present unemployed to work in private industry. And the answer to that question is that there is no prospect of any such sudden miracle.

Some people hoped for such a miracle as a result of the European war. It was freely predicted that business would increase so greatly as to put all our unemployed to work and make it unnecessary for us to have any Federal work program of public employment this year. I did not believe in these fantastically exaggerated notions of the benefits that could accrue to us from a European war, and early last fall I stated my disbelief very frankly over the radio. I gave the reasons why we should expect business losses as well as business gains from a war in Europe. I gave a sober estimate of our utmost possible gains in employment from increased war trade, and showed that we would still have unemployment on a large scale. I said that we could not hope to found American prosperity on the miseries of war-torn Europe. And all that I said has been fully justified by subsequent events. The war in Europe has not solved our economic problems here in America, and it cannot solve them. We shall have to solve our own problems by our own efforts right here at home--in producing goods for our own people to use and enjoy.

The creation of a solid and enduring American prosperity will require patient and courageous effort over a long time. It will take years before we make the economic adjustments that will be needed to do away with large-scale unemployment. The case can be put very simply. Our industrial production is now practically up to the 1929 level--in fact during the month of December it surpassed the 1929 level. But we still have nine or ten million unemployed, whereas in 1929 we had an average of about two million. Why? Because we have in the meantime improved our machinery to such an extent that it now takes fewer workers to produce the same amount of goods as in 1929. And we have increased our labor supply by six and a half million workers. At the same time we have built up our productive plant to a point at which--for the moment at any rate--it does not offer the same opportunities for investment as in the past.

Does this mean that we have reached a dead end in our industrial

development? Certainly not. It means that we are just entering upon a new phase of industrial development. In order to put our millions of unemployed to work, we must produce far more goods of every kind than we produced in 1929. We produced in 1929, and we produce now, goods chiefly for the market represented by the higher and middle income groups. But there remains the vast market of the low-income groups, which industry and business must cultivate and develop more fully. It is in this direction, the production of goods and services for our vast untapped domestic market, that American prosperity must be looked for.

I don't intend to embark here upon an economic treatise, and so will refer you to the recent report of Secretary of Commerce Harry L. Hopkins, my former chief, who sets forth in plain and simple terms the new business prospects that are now just opening up in this country. I will mention only one of them--that which exists in the field of housing. It is notorious that a vast part of our population is miserably housed, and that millions of new houses should be built. It is obvious that this would give employment to very large numbers of our unemployed. It is possible that these houses will be built, and that this employment will be provided to American workers. But when? American industry and American capital are not ready to enter this field. And so it is all along the line of production of goods for the low-income market. Many adjustments will have to be made--price adjustments, wage adjustments, interest adjustments. We will probably have to spend more of our income on current consumption. Such changes will take time.

This view as to time is now shared in the main by conservative financial experts and business leaders. They have ceased to expect miracles. They do not look for any sudden burst of business prosperity that will wipe out unemployment this year or next. They are taking the long view. And I think that we also must take the long view. If there is going to be large scale unemployment for years to come, then I think we can look forward to a long period of Federal-local cooperation in public work.

There also exists in this country, along with unemployment, a vast need for public works and improvements of many kinds. The water-treatment plant which we have helped you to construct here in Lansing is not the last one needed in the country. Hundreds more like it are needed. Thousands of sewage-disposal plants are required. I could go through a long list and say the same thing. In spite of all the school houses that our unemployed workers have built, we are still very far from having caught up with our needs in that field. There is still need for a great deal of work to be done in the improvement of farm-to-market roads. And when we come to urgently needed work in the conservation of our natural resources, we find a vast and long-term program waiting for us. This year, for the first time, Congress has authorized us to operate projects "sponsored by conservation districts . . . duly organized under State law for soil erosion control and conservation. . . ." In several states the WPA has begun to cooperate with the newly established soil conservation districts in doing the work necessary to save the topsoil on our farms. Most of the states are now organizing such soil conservation districts and the unemployed can be set to doing this work. An adequate program will take from twenty to thirty years to complete.

There is no lack of useful public work for our unemployed to do. And so long as we have large-scale unemployment, I feel confident that we will make use of this labor in improving and in building America.

I do not think that we should ever keep our unemployed in idleness on a dole. I do not propose to waste words in considering that prospect. It is not our American way of dealing with the unemployment problem--or in dealing with human beings, either. We have too much respect, both for work and for human beings, to keep them apart like that.

I have no doubt in my own mind that we shall continue to have a public work program in this country in 1941. Whether it will be as good a program as that which we now have depends on what kind of program our communities want. In the next eight months I think we will hear a good deal about the proposal to "return relief to the States". What this pro-

posal actually means is to pay over Federal relief funds to the states, to be expended there under State and local control--upon their own local work programs or on direct relief, or both, as they may see fit.

This, in my opinion, would be a serious backward step. We have been through all that, and we have left it far behind in our present WPA program. I know that the WPA can be improved, but it would be no improvement to hand it back to the states and localities, with no adequate means of exercising Federal control over Federal funds. I can see why some local politicians would favor such a scheme, but I hope we all realize that this is not the way to keep politics out of relief.

You will be told that it would be more economical to return work-relief to the states. According to some figures that I have seen, it would save two-thirds of our present WPA costs. And so I ask, what would those savings come out of? Our current man-month expense on the WPA is as follows: \$54.25 goes for wages to project workers; \$5.75 goes for materials; and \$2.00 for administrative expense. Our administrative expense is so small that you cannot make any savings there. All there is left to cut would be the costs of materials, and the wages paid to the workers. A cheap work program would be unable to construct a water-treatment plant like this one you dedicated here today in Lansing. Bricks and mortar cost money, and if you are really going to save money you will have to go back to leaf-raking projects, and more than that you will have to pay your workers starvation wages. In short, you can make sizable savings only by taking it out of the hides of the workers.

That will be the argument--economy. But I do not believe we want that kind of economy. I do not think that is our American idea of economy. Is it economy to do without the things we need, and keep idle the people who want to work? The city of Lansing has got along without a water-treatment plant for a little over a hundred years. Some people's idea of economy would be for you to do without that water-treatment plant for

another hundred years. But I understand that it has recently been costing you about \$200,000 a year, in one way and another, to do without that plant. Evidently you have had enough of that kind of economy.

Here in Lansing you have a modern laboratory for the Michigan State Health Department, built by WPA workers. Would it have been more economical for you to go without it? In this laboratory, with the aid of funds supplied by the National Foundation for Infantile Paralysis, trained scientists are making progress in their fight to isolate the germ which causes infantile paralysis. It was to this WPA-built laboratory that the National Foundation turned last summer, when Michigan, along with other States, suffered an epidemic of infantile paralysis.

Should Ann Arbor, in the name of economy, have done without its WPA-built stadium at the University of Michigan? Should Grand Rapids have done without its 16-million gallon concrete reservoir? Should St. Charles have done without the facilities which for the first time have given it a pure water supply? Should Bay City have done without its new sewer system? Should Grayling have done without its winter sports park? Should Michigan have done without its many new and improved roads and streets, schools and hospitals, water-mains and sewers, airports and parks, that you have set your unemployed to work upon in the last five years?

In short, would it be more economical to have the kind of cheap work program which could not do any solid and important work? That is a question which you will have your share in deciding if it comes up this year, as I think it will.

As long as we have unemployed workers, and as long as we have work that needs to be done in our communities, I think we will find that true economy will be served by putting the work and the workers together.

There is another feature of our present work program which should not be overlooked in any consideration of its usefulness. The wages that are paid to WPA workers are quickly spent for the necessities of life. They flow back quickly to the factories and the farms of the nation. I have some

figures which show approximately how WPA workers have spent their wages in Michigan. I think you will be interested in them. Our total WPA wage payments in this State from the beginning of our program in 1935 through November, 1939, have amounted to 270 million dollars. The National Resources Committee has worked out the percentages of expenditure for various items in the wage-group to which WPA workers chiefly belong--that is to say, the \$500 to \$750 a year income group. Applying these percentages to WPA incomes in Michigan, we get the following estimated figures.

WPA workers in Michigan during this period have spent 113 million dollars for food. They have paid 54 million dollars for rent. They have spent 27 million dollars for the costs of household operation. They have spent 24 million dollars for clothing. They have spent 14 million dollars for streetcar fare and other forms of transportation. They have paid 11 million dollars to Michigan doctors and hospitals for medical care. And another 27 million dollars has been spent on other miscellaneous items in the shops of Michigan towns and cities.

I do not think I need emphasize the importance of these WPA customers and WPA wages in the commerce of your State. You can imagine for yourself the consequences, if these regular expenditures were abruptly withdrawn from the channels of trade in Michigan.

Permit me to say just a word on the subject of politics in connection with the WPA. The President has repeatedly stated that politics and the WPA should be completely divorced. This idea has been implemented by Congress by definite provisions in the law under which we operate and more recently by the passage of the Hatch Act. These laws are specifically designed to protect WPA workers from political threats or promises in connection with their jobs. They are intended to prevent any form of political coercion of WPA workers by anybody in or out of the WPA.

My duty in respect to these Congressional laws is clear. As Commissioner of the Work Projects Administration I shall not tolerate

any violation of them.

The WPA program concerns itself directly with more than two and a quarter million workers. I do not say that isolated instances of coercion or attempted coercion will not occur. Many charges of politics in the WPA will be made. Some of these charges will be made by candidates who cannot think of anything else to say, or who want to avoid talking about real issues. I think you will be able to recognize that kind of loose talk for what it is worth. But some of these charges may be true--and if you think they are true, I urge you to bring them to my attention or to the attention of the Department of Justice, so that the guilty parties may be punished according to law. In any case, you will realize that charges of politics in the WPA must be specific, to mean anything whatever, and that vague denunciations of our political iniquity may merely mean that a candidate feels like talking through his hat.

I do not think it amiss at this gathering to quote from a letter which our Louisiana State Administrator sent to each WPA worker. As you know, a hot primary is now taking place down there. I quote:

"Before the first Democratic primary election last month I advised you of certain regulations pertaining to political activity. I wish to remind you now that these regulations are still in force. They must be obeyed. The WPA is not supporting any candidates for any office. You are not under obligation to vote for or against any candidates. If you are qualified you can vote as you please. No one can threaten to have you fired for any political reason. No one can promise you a better WPA job in return for your support. No one can ask you for money for any political campaign. This is against the law. If you supervise the work of others and if you are a teacher in the adult education program or a recreation worker you must not be politically active on or off the job. You must not use your influence to get votes for any candidates or otherwise help any candidate for any office. If you are a WPA security worker without supervisory duties you must not

talk politics on the job or on the project site. You are employed by the United States Government and your job does not depend upon the outcome of any election in Louisiana. You do not owe your job to politics-- you will not lose it because of your vote."

In closing, I want to say that the WPA program is getting better all the time, in spite of all kinds of difficulties. Our organization has been in existence less than five years. It takes much longer than that for an organization of the size and complexity of the WPA to settle down to work at maximum efficiency. Any industrialist or engineer will corroborate this. Among our special difficulties, I will only mention the fact that we have never had enough supervisors and other management people--that we do not and cannot pay adequately those we have--and that we necessarily lose out best ones all the time as they return to private jobs. Similarly we encourage--nay, we order--our project workers to accept work in private industry the moment it is available. Thus we have a constant turnover of labor. Under these circumstances I think our accomplishments are remarkably good. But we can do better, with your full cooperation.

Should the WPA program still be in operation five years from now I think you will have a good deal less to complain of, and fewer calls upon your patience in your work with us. I hope and believe that we in turn will be able to say the same thing about you as our working partners. It is a great enterprise on which we are engaged together. We have already accomplished great things in our joint work. We have much to be proud of, and I think we can face the future with confidence and hope.

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