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WORK PROJECTS ADMINISTRATION

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The following speech was delivered by Colonel F. C. Harrington, Commissioner of Work Projects, before the Conference of Mayors at Birmingham, Alabama, at 10 a.m. (Central Standard Time) Saturday, March 9, 1940:

I take particular pleasure in addressing this Conference of Mayors of Southern cities. The WPA program in the South is often regarded as a rural program. But, while it is true that in the South we do a good deal of work in rural areas, a very considerable proportion of our employment is concentrated in the cities. I have some simple figures which make this situation clear. You are here representing cities with a population of 20,000 or over in thirteen Southern States. WPA employment in all cities of 25,000 or over in those thirteen States, as of February 21, was 185,000, or approximately 30 percent of all WPA employment in these same States.

This means that the WPA is to a very significant extent a municipal program in the South. The point might also be illustrated, State by State, in the distribution of Federal expenditures on WPA projects. For example, about one-fourth of such expenditure in Alabama during the last six months of 1939 was concentrated in Jefferson County; nearly half the expenditures in Louisiana were in Orleans Parish; more than one fifth of the total expenditures in Tennessee were in Shelby and Davidson Counties, and so on.

The problem of suitable WPA projects for the cities that you represent is thus one of considerable importance to you, as mayors of these cities. In every one of your cities, there are probably more people working for you on the WPA program than are employed by any one regular department of your municipal governments. Dealing with the WPA is fully as important as any other function of your municipal governments.

And, on my side, let me say that dealing with your communities through your municipal governments is as important a responsibility as any that devolves upon the administrative branch of the WPA.

Our work program has two great responsibilities--that of providing work for the needy unemployed, and that of using this work to create community improvements and benefits. As Commissioner of the Work Projects Administration, I am just as much interested in the second of these purposes as the first. I do not want a day or an hour of WPA labor to be wasted or misused. I want every dollar of WPA expenditure and every lick of WPA work to produce genuine benefits to our communities. The fact is that every American community is too much in need of the improvements and services that WPA projects can provide, for us to be careless or wasteful in the planning and execution of such projects.

This is particularly true of the whole southern region represented here at this Conference. The needs of this region have been both vast and acutely pressing. And you are all well aware of the extent to which the welfare of the South has been advanced through the use of WPA projects of various kinds. I need not speak in detail of the construction and improvement of roads, schools, hospitals, recreation facilities, water-supply systems, sanitary sewer systems and other sanitary work. I need not dwell on the use you have made of WPA service projects in the fields of public health, recreation and education. The value of this work to the South is beyond all question.

More than that--I think it can be said that there is no place in the United States in which WPA projects have been so important an assistance to community progress as here in the South. Nowhere have expenditures on WPA projects brought larger returns in civic welfare. In making use of WPA projects you have advanced your communities very definitely along the path of general economic recovery and social progress. And I am proud and glad that the WPA has been able to be of use in this way to the Southern people.

Now that I turn to the future, I think it fitting to get down at once to brass tacks. Certain questions are of direct practical 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.

Our WPA State Administrators must enforce it, and I must enforce it. None 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 made the rule and alone has the power to change it.

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.

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.

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.

A situation 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. 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.

In some parts of the country the large sums that are spent by municipalities for direct relief add heavily to their budgets. But reported expenditures for general relief, in a group of fifteen representative Southern urban areas, during the first half of the current fiscal year, amounted to only one twenty-fifth of Federal WPA expenditures in the same areas. In some of the Southern cities represented here today the total amount of local direct relief was only one fortieth of Federal WPA expenditures; in others it was only one sixtieth; and in one city it was one ninetieth. That is to say, relatively little money is being spent on direct relief in these cities, and the WPA is depended upon to provide almost all the relief provided. The reluctance to put up adequate sponsors' contributions for WPA projects is thus not due to any heavy expenditures for an alternative type of relief program in these cities.

Nevertheless we experience difficulty in some Southern cities in obtaining enough acceptable projects to fill existing employment quotas. The main reason given is objection to the 25 percent requirement as to sponsors' funds. There is also, if I am not mistaken, a notion that the State Administrator or I can be persuaded or bulldozed into making exemptions from this rule for the benefit of these cities. We cannot alter the law, and we are unable to make exceptions in favor of local governments that are able but unwilling to finance participation in WPA projects.

It is my hope that when the facts are fully understood by the cities concerned, it will be possible to work out mutually satisfactory arrangements that will permit retention of a full quota of project employment for the needy unemployed of those cities. But I am obliged to add that unused employment quotas cannot be held open indefinitely. They will, after a reasonable time, be transferred to other communities within the State, or, if still unused, to some other State.

There has been some recent improvement in the percentage of contributions to project operations in Southern urban areas; but further improvement is necessary to bring sponsors' funds up to the statutory standard. The financial position of Southern sponsors generally has improved during the period of WPA operation, and there is good reason to believe that cities and counties are better able than at any time in the last five years to finance the local share of capital improvements and other activities that are included in the WPA program. In general, debts are lower, tax collections are better, and financial operations are balanced with less difficulty. I have already noted that general relief costs do not, in this region, compete with the WPA program for local funds.

I have just been looking over reports on the financial conditions of some twenty Southern municipalities. These reports definitely bear out the assertion I made a moment ago, that the financial condition of Southern cities has improved during the WPA period. And they settle a question of fact concerning the ability of certain cities to pay their due share of WPA costs. I wish to speak of two cities in particular. I don't want to embarrass anybody here, so I will call them City A and City B. But what are the facts? City A has an over-all tax rate that is lower than that of any other Southern City of comparable size; its current tax<sup>collections</sup>/are excellent, and its outstanding debt very moderate. In short, it suffers not from inability to pay but from simple unwillingness to pay.

City B is another city that is complaining against the 25 percent requirement. This same city has just finished the most successful financial year in its history, with an unprecedented cash balance of large proportions in its treasury.

In addition to unwillingness to pay, there is also to be found among some city officials an unwillingness to face the facts of the current economic situation. This takes the form of a hopeful belief that by next spring or next fall or next winter all unemployment will have vanished--so that there is no use to make definite provision for WPA projects in next year's budget. The result, in cities where that type of official thinking prevails, is that unemployment needs are always unexpectedly large, and it is always difficult to scrape up funds to sponsor WPA projects.

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 the difficulties involved in sponsoring WPA projects.

I realize that you, as mayors, do not in some instances have full authority to handle these arrangements. Sometimes each department of your municipal governments has its own separate dealings with the WPA. Sometimes it is the city council or other general governing body that makes decisions concerning what WPA projects shall be sponsored. These different methods often introduce considerable confusion into the matter. Yet WPA employment and projects are of prime importance to every municipality. These are not minor matters to be dealt with in a catch-as-catch-can way. I suggest that it is often advisable to have a single person act as coordinator, empowered to deal with the WPA on behalf of the municipality and all its departments. Where this method has been tried it has been working out very successfully. I leave this suggestion with you for your consideration.

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.

Abrupt fluctuations in private employment are characteristic of modern industry, and are familiar in every city in which factories exist. The WPA cannot do its part in meeting such emergencies without preliminary planning of projects by the communities themselves. It would be extremely helpful if the municipalities worked 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. 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 plan 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 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.

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.

During the month of December, our industrial production reached, and even surpassed, the 1929 level; but we still had 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, undeveloped domestic market, that American prosperity must be looked for.

These adjustments 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 industrial water-supply system that the PWA and the WPA have built for Birmingham is not the last one needed in the South. Hundreds of sewage disposal plants are needed. Millions of new homes are needed. I could go through a long list and say the same thing about each separate item of public improvement. 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. And when we come to urgently needed work in the conservation of our national resources, we find a vast and long-term program waiting for us.



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.

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 and for some years to come. 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 proposal 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 is the costs of materials, and the wages paid to the workers. Bricks and mortar cost money, and if you are really going to save money you will have to go back to loaf-making 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. 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. I have some figures which show approximately how WPA workers in the thirteen Southern States here represented have spent their wages. I think you will be interested in these figures. Our total WPA wage payments in these thirteen States, from the beginning of our program in 1935 through November, 1939, have amounted to a little over 911 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 the South, we get the following estimated figures.

WPA workers in these thirteen Southern States during this period have spent about 383 million dollars for food. They have paid about 182 million dollars for rent. They have spent about 91 million dollars for the costs of household operation. They have spent about 82 million dollars for clothing. They have spent about 45 and a half million dollars for street car fare and other forms of transportation. They have paid about 36 and a half million dollars to Southern doctors and hospitals for medical care. And over 91 million dollars has been spent on other miscellaneous items in the shops of your Southern towns and cities.

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

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. 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 in connection with their primaries. As you know, a hot run-off primary took place there last month. 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 our 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 entire confidence.