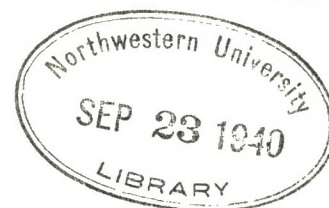


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HOWARD O. HUNTER ADDRESSES U. S. CONFERENCE OF MAYORS

The following address was delivered by Howard O. Hunter, Acting Commissioner, Work Projects Administration, before the United States Conference of Mayors at the Waldorf Astoria Hotel, New York City, at 10:45 A.M., Eastern Daylight Saving Time, Thursday, September 19, 1940:

I appreciate the honor of addressing the U. S. Conference of Mayors on the defense activities of our work program.

Let me begin by paying my respects to the special defense activities of your very distinguished president and my good friend, Mayor LaGuardia. The Mayor has found it possible, on top of all his heavy duties as Mayor of New York and as leader of your organization, to take on the assignment of heading the United States delegation to the American-Canadian Joint Defense Commission. I don't know how he does it, but I do know -- and I am sure you will all agree with me -- that in any task which Mayor LaGuardia undertakes we may expect to see action and plenty of it.

Like Mayor LaGuardia the Work Projects Administration has accepted an additional assignment in the field of national defense. Strictly speaking, it is an old assignment carried forward under new conditions and with new responsibilities. As you know, the WPA from the beginning of its existence has been carrying on projects important for the national defense. A large number of these projects has been under the direct supervision of Federal agencies. Other projects have been carried on in State and City programs. A recent calculation shows that more than \$500,000,000 has been spent on WPA national defense projects in the past five years.

These primary national defense projects which have already been

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done by the WPA are those sponsored by the Army, Navy, National Guard and other military arms of State and Federal Governments. As I shall show later they do not include many secondary projects which have a very real national defense value. Certain important changes were made in the present WPA Act which permit relaxation in previous requirements as to sponsors' contributions and Federal non-labor costs, designed to make it easier for States and communities to carry on projects vital to the national defense.

The WPA as you know operates under a cooperative arrangement with local or State government units. The Federal WPA is allowed to expend an average of \$6 per man month for non-labor costs, and the local communities have been required to make contributions which for each State must average 25 percent of the total cost of the projects.

Now, however, we face a national defense emergency. In this emergency it is the country as a whole, rather than the individual communities that are especially interested in having certain work done, and done quickly. Congress accordingly laid down the principle that on projects which the Army or Navy certifies as important for national defense the WPA may grant approval even though the local communities cannot put up the previously required sponsors' contributions. On these projects we are allowed to grant extra sums for non-labor costs, with the limitation that these extra expenditures, in excess of the statutory \$6 per man month, do not exceed for the country as a whole the total sum of \$25,000,000.

It is well to understand the purpose of national defense certification by the War or Navy Department. National defense certification is designed to allow us to prosecute those defense projects which could not be prosecuted under last year's WPA limitations.

There are two cautions to be kept in mind regarding this fund of \$25,000,000. In the first place this is not a large sum when spread over

many defense projects. In the second place, this sum will not be distributed equally -- as would be a special fund for school buildings. The strategic needs of national defense are not equal in all the States. And, as you all know, the decision as to which projects in which States are important for national defense rests with the War and Navy Departments and not with the WPA. However, many of the WPA defense projects can be, and will be, carried out under the regular sponsors' contributions and non-labor limitations, and for that reason will not need to be certified by the Army or Navy.

Important among the types of projects which are essential to national defense and which have been operated by the WPA in the past and which will be expanded in the future are airports. The importance of adequate airport and landing field facilities is obvious. While airport development in the past few years around our cities has been primarily for purposes of civil and commercial aviation, these developments nevertheless are of immense military value. In addition to civil airports, WPA is developing some important strategic air bases for the Army and Navy, including the Northeastern Air Base at Chicopee Falls, Massachusetts, the Southeastern Air Base at Tampa, Florida; the Southwestern Base at March Field, in California; and the Northwestern Base at McChord Field, in Washington State.

More than 85% of all airport and landing field construction in the past five years has been done through WPA projects, and more than half of all airport construction since the beginning of aviation in this country has been done under WPA projects in the past five years.

A second WPA activity of importance to defense has been the development of roads and highways. Important plans have been developed by the Army for extensive improvements of primary strategic highways, which

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improvements will be done through the Public Roads Administration and the WPA, two units of the Federal Works Agency. The WPA is also prepared to construct many additional access roads to military reservations and roads within these reservations.

I mention airports and roads primarily because they are projects usually not sponsored by branches of the armed forces. Work which has already been done by the WPA on projects for the military and naval agencies alone totals over \$250,000,000. A greatly expanded program on military and naval reservations and on training grounds and camps is being planned. A few such places where extensive WPA projects are being operated at present include Portsmouth Navy Yard; Fort Knox, Kentucky; Naval Torpedo Station at Newport, Rhode Island; Camp Dix, New Jersey; Philadelphia Navy Yard; Naval Airport in Washington, D. C.; the Naval Air Station at Pensacola, Florida; the International Airport at Miami; Lowry Field, Denver; the Naval Air Station at Seattle and Camp Jackson, South Carolina.

There is still room for more of these airport and street and road projects, although it is understood that it is the War Department that decides as to their military importance. Frequently such projects may be of value to national defense and at the same time be of great service to the cities concerned. It is clear that the cities would be well justified in undertaking many of these projects with full sponsors' contributions.

May I say that there have been a great number of projects operated, and still being operated by the WPA, which we do not list in our category of strictly national defense projects, but which might well be considered to have an important relationship to a total defense program. As one

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illustration only, I am thinking of the public health projects operated by the WPA. Many of these have been operated under the direct sponsorship and supervision of the U. S. Public Health Service, others under State health departments and many under your own city health departments. No more enthusiastic supporters of the WPA can be found than the public health officials, from the Surgeon General of the Public Health Service down to county health officers.

As an illustration, perhaps the most spectacular and important project which has been done in the field of syphilis control is being done under the City Board of Health of Chicago through a WPA project. The facts brought out in this project and the techniques developed in finding syphilis, controlling it and curing it, will be of immense value in a total defense program because no one will dispute the importance of health and physical fitness not only in the armed forces themselves but in the entire civilian populations.

And again on the whole question of white collar employment on WPA projects, we are at present employing thousands of WPA workers in research and statistical projects for various defense agencies.

So far we have had little or no difficulty in providing the labor for the national defense projects without crippling regular projects for community improvements. Many of these community improvements are still needed, and although they are properly subordinated to defense needs, there is no thought of abandoning this part of the program.

Some people are asking the question as to how long our local governments can count on Federal cooperation being given through the WPA.

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This is of course another way of asking how long large scale unemployment will exist.

Once again we are hearing some old refrains from some familiar quarters - "unemployment has disappeared" - "the WPA can be liquidated" - "such relief as remains can be handled by the states and cities." I do not need to elaborate on this. You are as familiar as I am with these recurring claims. And no one hopes more than we do that unemployment will disappear - but -

The facts are that unemployment at the present time numbers from 8,200,000 to 10,000,000 according to the various estimates, and the pressure on the WPA today to provide jobs is still severe. The WPA so far this year has given work to a smaller percentage of the unemployed than in any previous year. This does not mean that there has not been a very important and "dynamic" increase in employment during the past $7\frac{1}{2}$ years. Since the low point in 1933, there has been an increase of about 9 million persons employed in private industry. However, as you all know, the population has also been increasing, and we have had a net increase of 600,000 new workers each year looking for jobs. Over these $7\frac{1}{2}$ years, therefore, there has been a net increase of 4,500,000 additional persons looking for work. Public utterances made recently to the effect that the government has not produced a single private job, are fantastically untrue -- the most conservative estimate shows 9 million more so employed since 1933.

Those who seek to wash out a Federal program of work for the unemployed are now using defense expenditures as their newest excuse. It is true that defense activities are being prosecuted with all the vigor of a

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being built and will be built to the utmost limit of the productive capacity of this nation. Everyone realizes, however, that this takes time. Battleships take time for construction. Machine tools must be made and installed in newly built factories before we get real mass production of airplanes. Consequently, it is necessary to consider when defense expenditures will result in rising employment, in addition to evaluating their total effect. Army and Navy appropriations, authorizations, and commitments made by the present Congress total in the neighborhood of 15 billion dollars. Appropriations which represent the maximum that can be spent during the fiscal year at the present time total about 7 billion dollars, and the adoption of the request, contained in the President's message of September 14 last, raised this to 8.6 billion dollars. There is always a substantial carry-over in appropriations at the end of a fiscal year and inasmuch as a large part of the appropriation has just recently been made, or has not yet been enacted, I think it would be a major achievement if we are able to spend 5 billion dollars for defense purposes during the fiscal year 1941. The current rate of defense expenditures is at the rate of about 2.5 billion dollars a year, so that the rate at the end of the year would have to be substantially in excess of 5 billion dollars in order to spend as much as 5 billion dollars during the fiscal year 1941.

During the past $7\frac{1}{2}$ years we have had much experience and have built up a large volume of information concerning the effect that government expenditures have on private employment. Consequently, it is possible to estimate with reasonable accuracy the effect that an expenditure of 5 billion dollars for defense in one year will have on private employment. On the

basis of past experience, an expenditure of this amount should result in an increase in private employment during the fiscal year 1941, as compared with fiscal 1940, of approximately 2.5 to 3 million persons. It may not be this much if the hours of work per week are increased in some industries and if technological advances continue to enable the production of a larger amount of goods with the same number of man-hours of work.

In addition to this probable increase in employment in private industry, about 800,000 men will be drafted during the coming year. This increase in the Army will be partly offset over the next year by an additional net increase of 600,000 persons looking for work, simply as a result of the increase in the population of working ages.

A good part, but not all, of the employment increase will result in a decrease in unemployment. Actually, some of the increase will be drawn from the rural population which is not covered adequately in the current estimates of unemployment, and a considerable number of secondary workers will undoubtedly be drawn into the labor market. These latter also are not all included in the unemployment estimates.

Defense stimulation is uneven. It produced capacity operations in a few industries, usually the heavily mechanized ones. In other industries, dislocations develop as resources are siphoned into a relatively few industries. Our exports which are running at an annual rate of 4 billion dollars are being more and more concentrated in the war and heavy industry groups. Our markets for cotton, tobacco, fruit, and other goods not essential to war are being drastically curtailed. The experience of England shows these dislocations to be serious. Unemployment in England, for example, increased

for six months after the war started, in spite of huge war expenditures.

In short, our experience during the last $7\frac{1}{2}$ years should make us extremely cautious in attempting to plan reductions in the program of work for the unemployed until the expected jobs in private industry actually materialize. The process should be automatic. The WPA should employ needy unemployed persons and should be reduced automatically only as these persons are hired in private industry, or, conversely, should increase automatically when workers are let out by private industry.

The unemployed must not shoulder all of the risks of the Defense Program.

Industry is expanding plant capacity with the assurance that the cost of the plant will be amortized in a very few years, thus reducing the risk involved in such expansion to a minimum. Manufacturers are cooperating in accepting defense orders with the assurance that limitations on profits will be relaxed. Employed workers are working longer hours and receiving higher incomes as a result of the Defense Program.

Now there is no question of the loyalty of the unemployed to the Nation in time of peace or in time of national emergency. We cannot discriminate against American workers because of the accident of their employment or unemployment status. We must resist bold attempts that have been made and will be made to make the unemployed bear the major risks of the Defense Program by being denied the opportunity to work on your own useful public projects and to retain their own decent American rights.

Some people seem to think -- or pretend to believe -- that the WPA is keeping workers on its rolls for purely political purposes. Well, I

think that you mayors, who are up against the stern realities of the situation, know better. You know that you are taking care of nearly a million workers who are qualified for WPA employment but who cannot be assigned to WPA projects because of the limitations of WPA appropriations.

As was to be expected and as I specifically predicted on a radio hook-up on last February 3rd, silly and unfounded charges are being bandied about to the effect that the WPA is going to pad its rolls for election purposes. I would like to give this very simple and completely factual statement on this subject.

The national WPA employment total for the month of October will be one million eight hundred thousand persons. This number is in exact accord with the printed testimony as to employment schedules submitted to Congress by the Commissioner of the WPA. This figure is 525,000 less than the number employed by the WPA on February 28, which was the high period of this calendar year. This October employment figure of the WPA is 100,000 less than in October 1939, a non-election year, and is about 1,500,000 less than October 1938. And the high WPA employment in 1938 was simply and solely due to economic conditions. Who knows this better than Republican, Democratic, and Socialist mayors who met with me in 1938 and in a non-partisan manner secured additional money for the WPA?

Moreover, if you compare the WPA work rolls with the estimates of unemployment compiled by the National Industrial Conference Board - a conservative business organization -- you will see that the WPA is now caring for an abnormally low percentage of the total number of unemployed workers. In July 1939 WPA employment represented 24.3 percent of the estimated

unemployment. In June 1940 WPA employment represented 21.5 percent of the estimated unemployment, and in July 1940 this percentage had dropped to 20.1.

I do not think the employment of 1,800,000 persons on WPA with the present unemployment in the country, and the present known need, is too much. I frankly say to you that at very few times since 1933 have I had as much pressure or as many requests from private individuals or public officials to increase WPA employment. I do not know whether or not you mayors think this figure of employment for October is too high. I would venture to say I could find a letter in my files or a record of a telephone call from a very large majority of the mayors in this room asking for increases of WPA quota. At any rate WPA employment quotas for each state for the month of October will be released from our office tonight and by tomorrow any mayor in this room can secure from his State WPA Administrator the WPA quota for his city. I assure you that this small increase is not political--in fact it is probably too small in reference to need--and definitely too small to influence an election.

Back in 1932 we were told that the government should do nothing for the unemployed because it was against economic law for the government to increase its expenditures in the midst of business depression. Today we are told that the government should do nothing for the unemployed because the government needs to spend all of its money for national defense. Some do not stop to realize -- or do not want to realize -- the full implications of national defense under modern conditions. Today, wars are total wars, and defense for total wars must be total defense.

In such total defense, military weapons -- physical defenses -- are most important. They have the first call on the nation's energies. But at the same time we must continue to build up the internal defenses of the nation. We must strengthen our economic and social structure. We must continue the struggle against poverty and misery. We must have a democracy in which the humblest person has a stake. We must have a nation which every citizen will be proud to defend.

In the light of these requirements for total defense we can all of us look back upon our five years of WPA work with the feeling that the entire program has been a program of national defense. We have built better than we knew. We thought that in maintaining the economic structure and in providing work for the unemployed we were rebuilding the nation's strength for peace. We were correct in this, but we did not realize that at the same time we were developing the nation's strength against the eventuality of foreign attack.

Just think of the situation in which we would find ourselves if our national defense emergency had struck us with social and economic conditions similar to those of 1932. Would our economy have been strong enough to undertake the task of making our shores impregnable? Would the masses of people have been ready to defend a democracy that did not provide them with bread, work, and self-respect?

I think that of all the asinine things I have heard, or seen in print in the last few months, first place goes to the statements that the WPA rolls consist of a bunch of congenital loafers and perpetual relievers

who have adopted the philosophy of expecting to be maintained by the government for life. These statements are usually accompanied by demands that WPA workers be required to join the Army or be denied relief, or that WPA be abandoned entirely.

I am certain that you mayors, who are unusually close to the actual facts of industrial unemployment and relief have no such notion, but for purposes of clarity I would like to put a few facts into this record.

In the first place; over eight million different individuals have worked on the WPA in the past five years. This is almost one out of every five American workers in business and industry. At present there are about one million seven hundred thousand on the WPA. Six million three hundred thousand have been on and are not there today. Does that or does that not indicate a "frozen" load?

In the second place; an average of about 100,000 persons voluntarily leave the WPA every month, most of them to take private employment. In thousands of cases investigated exhaustively by the WPA where charges have been made that WPA workers would not accept private jobs, we have found less than 1 percent of these charges true.

In the third place; we are operating a project in cooperation with State and national vocational schools for the training and retraining of WPA and other unemployed workers for jobs in industries which are engaged in national defense production. From these schools, WPA workers are going into defense industry jobs. They prove to be competent, industrious, and vigorously loyal.

And fourthly; it is perfectly absurd to make charges against nearly one fifth of our working population that they were loafers and sponged off the government when you can take even a casual look at the enormous wealth which has been created by these workers in the form of physical assets to the country. I know that no one needs to tell you mayors that the Chicago outer drive and park development; thousands of miles of city streets; the New York and Los Angeles airports; the 214 new school buildings in New Mexico, the 51 new armories in Oklahoma, the state fair buildings in Minneapolis, the museum in Philadelphia, the Lake Shore Drive and the airport at Cleveland, and the thousands upon thousands of public construction jobs that have been done in this country have not been done by shovel leaners and bums. And, I might also add, they haven't been done by sucking on "candysticks."

And so to any people asking you, or asking us, what the nation has gotten for the money we have spent on the WPA, I think we can tell them that it has gone to make the nation strong both in peace as well as in war; that it has made our Democracy vital by building the things that all of the people need and can use; that it has maintained skills, health and work habits of millions of temporarily unemployed Americans, and that it has been the most worth while and profitable investment that the government has ever made in times of peace, and will return equal dividends in preparation for total defense.

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