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ACTIVITIES OF THE WORKS PROGRESS ADMINISTRATION

SUMMARY OF TESTIMONY BY WORKS PROGRESS
ADMINISTRATOR HARRY L. HOPKINS BEFORE
THE SUBCOMMITTEE OF THE HOUSE COMMIT-
TEE ON APPROPRIATIONS IN CHARGE OF DEFI-
CIENCY APPROPRIATIONS, WEDNESDAY,
APRIL 8, 1936



PRESENTED BY MR. HAYDEN

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ACTIVITIES OF THE WORKS PROGRESS ADMINISTRATION

Summary of Testimony by Works Progress Administrator Harry L. Hopkins
Before the Subcommittee of House Committee on Appropriations in Charge
of Deficiency Appropriations, Wednesday, April 8, 1936

WORKS PROGRAM EMPLOYMENT

Under the entire works program we have been able to employ 3,800,000 people on direct employment in the United States during the month of March 1936. The number of persons working began to rise in July 1935 and went up to 3,500,000 in December and finally to 3,800,000.

COST PER MAN

The cost from Federal funds of working a man in the W. P. A. per month is about \$65. That is, the average cost from Federal funds is about \$780 a year. This includes everything. In addition to that, we get from local sponsors some \$15 per month per man. The whole program costs approximately \$80 a month, of which the Federal funds are about \$65 a month. To put that on an annual basis you multiply it by 12. That includes all costs.

The projects vary. We have over four and one-half billion dollars worth of projects which the cities have sponsored and which they are now urging us to undertake. Some of them are better than we have had and would take a little longer to build. But I think, in general, if this fund were made available to the W. P. A., it would be used substantially in the divisions I have indicated, with, of course, some adjustments.

AVERAGE EMPLOYMENT

Now, if Congress should make available \$1,500,000,000 on the basis of 12 months, that would obviously enable us to work approximately an average of 2,000,000 persons throughout the year. You would have fewer working in one month than you have in another month, depending largely upon seasonal factors.

If the Congress should appropriate, in accordance with the President's indication of what the real requirements will be, \$2,000,000,000, it would enable us to have in round figures an average of 2,500,000 employed throughout the United States. Our present plan is to drop from our peak—I am speaking now of W. P. A.—of 3,050,000 about 750,000 in the next few months, so that we will have in the W. P. A. about 2,300,000 actually employed on the 1st day of July 1936. This is the W. P. A. program alone. The C. C. C. might have 400,000. All together there would be 3,400,000 on July 1 as the total for all Government agencies.

If we were given \$1,500,000,000 to be available on the first of the fiscal year, we would have about 3,400,000 working on July 1 on the

entire program, 2,300,000 of whom would be on W. P. A. We would have to discharge 300,000 on the 1st of July if this appropriation were to last the entire 12 months. In fact, we would probably have to discharge a good many more than that because of the seasonal factor.

Of course, \$1,500,000,000 in terms of employment would mean the employment of 2,000,000 men on the average which, unless there is a substantial pick-up in business, will not, by any means, meet the needs of this situation in the Nation, because we are being pushed in all the cities now to increase rather than decrease W. P. A. employment.

(At this point Chairman Buchanan pointed out in this business of relief the first thing was the dole. All of that, he said, was absorbed. He wondered if work relief is not on practically the same basis, perhaps to a lesser degree. The larger the appropriation, he stated, the more you will have to employ.)

(Mr. Hopkins continuing:)

Of course, that gets into the merits of the case, that is whether these people are really unemployed, whether they are really in need or have other resources. I do not think they have.

UNEMPLOYMENT ESTIMATES

The United States has never had any accurate figures on unemployment. The best figures that are available would indicate that in 1928 and 1929 there were as many as 2,000,000 or 2,500,000 people unemployed, and from that up to probably 15,000,000 unemployed in the United States late in 1932 and early in 1933. There are now probably 5,000,000 more people employed than were employed in March 1933, but you have got to remember that since 1929 there has been a 400,000 net annual increase in the number of people looking for work in the United States.

Probably more than 85 percent of the employables on the relief rolls were working on January 15. There are a great many other employables not on the relief rolls that we have not given work. We do not know what that figure is. We simply have indications; we have an indication, for instance, in the number of people that are registered in the United States Employment Service. This recently has numbered about 9,000,000 people. Any figure I would give you of the total number of unemployed would be an estimate based on my own experience and reports which I get from all of our people all over the country.

PROPORTIONS OF W. P. A. FROM RELIEF ROLLS

Ninety-five percent of the persons working under W. P. A., whether in an administrative capacity or in supervisory capacities as project managers, come from relief rolls. Our regulations provide that 90 percent of them must come from relief rolls. When we say 90 percent, we mean 90 percent employed on projects conducted in a State. When we need more highly skilled workers and competent supervisors than we can find on the relief rolls, we get people who are not on the relief rolls through the United States Employment Service.

Most of the people for the whole works program can be taken from relief rolls, including skilled workers, foremen, supervisors of projects,

and so forth. Of 3,800,000 on all projects, under all agencies, about 365,000 of them did not come from relief rolls. The W. P. A. has 138,000 of these.

THE BASIS OF ELIGIBILITY FOR WORKS PROGRESS ADMINISTRATION

One of the great problems is the unemployed man who has kept off the relief rolls. To open up the eligibility requirements for the program would raise some very serious problems. I do not want to indicate now that we could not amend the regulations on that subject, because I think we will, but to open it wide would mean that everybody unemployed in the United States would be eligible for this work.

Your problem is this: Here is a mayor of a city who is responsible for relief in that city, and we have one job open, with two applicants for the job. One is a man with a wife and five children and the family is on relief. The city is paying \$50 a month for that relief. Now, the other man who has applied for the job is self-supporting, or for one reason or another, is not on relief. There is a decision that the mayor must make as between these applicants. If he gives it to the applicant who is not on relief, he is left with that expense of \$50 per month to take care of the family on relief. You can see the motivation of the mayor and those in charge of local relief.

LOCAL CERTIFICATION

You understand that all those people are certified for relief by the local relief agencies, not by the Federal Government; and, naturally, the effort is first to give jobs to the people on the relief rolls.

We have complete control in the selection of the personnel on the projects, in that we do not take on men who are incompetent. We fire any man who will not work or who loafs on the job. We control the kind of work and we have complete control and supervision of the project.

NONRELIEF UNEMPLOYED

I think we must give consideration to the situation of people who are not able or willing to go on the relief rolls but who are in want of employment. The trouble is this: These people are in need. We can agree that they are in need. They could have gotten on the relief rolls if they had not had too much pride. We must provide for an investigation to determine who these people are, and that is not a very simple thing to do. For instance, here, we will say is a banker's daughter making application. The banker gets \$10,000 a year and his daughter wants a job. If we have to make an investigation in order to find out whether the banker is making \$10,000 a year, that is what you might call opening the thing up. We would have to try to develop a new technique for investigations, because people of that kind will apply. It must be opened up to some extent somewhere. It is our thought that we must adjust our procedure in this regard.

INVESTIGATION OF PROJECTS

All of the projects were sponsored, approved, and requested by the States or local subdivisions of the States. We make, of course, a searching investigation into the merits even though they are submitted

and endorsed by the local authorities. That is what we have our engineering staff for. I suppose we turn down one-third of the projects submitted. The project is submitted formally by a public body, and in many cases we require formal action by the board of aldermen of the city or the supervisors of the county. They will ask, for instance, for sewers between certain streets. Their own engineer develops the engineering estimate of cost, how much material will be required, and how much labor. That application is submitted to the operations division, which means our engineers in the local W. P. A. district. They check the figures and determine whether they are right.

In that application there is also included a statement of the amount of money that the sponsors of the project will contribute toward the project. After investigation, if it is decided that the project is needed and is socially useful, it is approved by the district director, by the State W. P. A., and then by our office in Washington. Then it is approved by the President and the Comptroller General; and finally it goes back to the sponsors of the project approved. Then the money is made available and the work is started.

ENGINEERING EXAMINATION

Our engineers examine each project very carefully. If these projects are not worthy, it is not because we have not tried to get the best engineering talent to pass on them. Our projects are improving all the time, and we are making a more careful check of them day by day. This applies to construction projects involving engineering problems, which include more than 80 percent of all the projects we have. We have a few national projects that would amount to probably 1½ percent of the total. All of the rest are suggested, endorsed, and advocated by the State or the local political subdivision.

WHITE-COLLAR PROJECTS CALLED "BOONDOGGING"

The word "boondoggling" has become famous. The term also refers to projects of a kind where, for instance, musicians from the relief rolls have been put into orchestras to give concerts in parks and in high-school buildings. That is one kind of project included under this term, but it also applies to the great mass of white-collar projects. It refers to research projects. All of these projects came under that heading. The great mass of these projects were called "boondoggling." These projects involve, in reality, the intelligent use of a special class of workers and were sponsored locally by the local citizens and officials.

So far as I am concerned, I have no misgivings, for instance, about the project of making Braille books for the blind. If they want to call that "boondoggling", it is all right with me. I feel no concern because we sent nurses who were on relief to visit the sick. If that is "boondoggling" I think it is a good thing. If we want to have women who are on relief distribute library books in communities where they do not have libraries, I think it is a useful work. If they apply the term "boondoggling" to that as an opprobrious word, I do not think it has proper application.

We have used skilled engineers, architects, and others in research work, in connection with universities, and I have no objection if they want to call that "boondoggling."

INTELLIGENT USE OF SKILLS

I think that it is an intelligent use of the skills of these unemployed people.

All of the unemployed are not bricklayers by any means, and I think it would be foolish beyond words to try to use them on projects which they could not do. They need relief as much as the others. They include people engaged in entertainment work, theatricals, or the employment of dancers, etc.

These projects all together would not amount to one-half of 1 percent of the total. That sort of project is chiefly centered at New York and Los Angeles. In New York we have a great theatrical center, and in Los Angeles we have a great moving-picture industry. Thousands of people in these places having that kind of job experience were thrown out of work. They have been devoting all their lives to theatrical work and other arts. We have to put them at work in which they have skill. Literally thousands of them have been able to get back into private industry. If we put musicians and artists to work with pick and shovel, we would be giving them work that they could not do and making it more difficult for them to secure private employment later on.

DIRECT RELIEF BY STATES, COUNTIES, AND CITIES

Direct relief is now being cared for by the cities, counties, and States. There is no Federal grant for direct relief. I am talking now about the Federal Emergency Relief Administration and not the Resettlement Administration. The Resettlement Administration gives some relief to farm families. The proposed appropriation is to be used for a work program for people in need. Let us put it that way. Perhaps some modest part of it would be required for relief for farm families which would not be on a basis of work, because in many cases a work program does not answer the problem of farm families.

NO FUNDS AVAILABLE FOR W. P. A. AFTER JULY 1

To the best of my knowledge there will be no funds available out of the \$4,880,000,000, which the President could make available to the W. P. A. after July 1. It is going to be necessary to transfer some \$150,000,000 simply to carry the W. P. A. to July 1. It is expected that these funds can be transferred from agencies which do not have projects under contract and which have not actually obligated this money.

The President has and will transfer additional sums of money from an agency which has money for a project. They either found they overestimated the amount they would need or they found the amount for the project could be materially cut down, or that it had not been put under any kind of a contract. So there will be no funds which the President will have power to transfer to W. P. A. for use after July 1, 1936. On the other hand, out of the total appropriation of \$4,880,000,000 there will be something in the neighborhood of \$1,000,000,000 or more actually in the Treasury to be spent by agencies that have already allocated their money. None of the \$1,500,000,000

we are asking for now will be needed to fulfill obligations made before July 1—

Chairman BUCHANAN. How many men do you figure would be employed under the Works Progress Administration for a billion dollars?

Mr. HOPKINS (continuing). For \$1,000,000,000 we could provide employment for about 1,350,000.

THE BASIS OF ALLOCATIONS

The basis of the allocations of the proposed \$1,500,000,000 appropriation is affected by two factors: First, the number of the unemployed on relief rolls of States, and then, within the State, by counties and cities. Then, in terms of dollars, it costs less to employ a man in a rural community in Mississippi, for example, than it does in New York City, so you need more dollars for the same number of people in New York City than you do in Mississippi. These two factors are the primary ones that affect the dollar allocation. Obviously this money should be used in those districts where its need is measured by the number of unemployed on relief. The best criterion I know of, and the only one I know of that is really satisfactory in terms of numbers, is the number of people on the relief rolls.

HOW THE F. E. R. A. OPERATED

The Federal Relief Administration was established by act of Congress in May 1933, and some days after that the President appointed me as Federal Emergency Relief Administrator. That first act of Congress provided for grants in aid to the Governors of States. That was the language of the act. It provided that we should pay one-third of all the expenditures incurred by the States for relief purposes. It gave the Administrator the power to add to that, if, in his judgment, the financial condition of the State or any of its subdivisions was such as to warrant it. We were dealing exclusively with State units; the employees of the relief administrations throughout the country were State and local employees and not employees of the Federal Government. Activities in the States were administered in a number of ways.

The F. E. R. A. granted funds to States, and the law provided that we could make certain rules and regulations. We could require reports, and we could require certain standards of administration, which we did. We attempted to develop standards for the personnel who could efficiently manage this work, and we attempted by our rules and regulations to have relief granted on an adequate basis. For instance, we undertook to say to a State that if they wanted to give a family \$2 per month, which we believed was starvation relief, they could continue to do that with their own money, but not with Federal money. Under the power that Congress gave the Administration to make rules and regulations we insisted that the standard of relief be raised. We found families getting an average of \$2 or \$3 per month in many States. It seemed to us that this was a niggardly, wasteful, and shameful treatment of those people.

THE REASON FOR C. W. A.

We went through the summer and into the fall of 1933 on this basis of grants to States for relief. At that time our work-relief program had not been developed to a very great extent, and it seemed wise to us to develop the Civil Works Administration. That was in November 1933. The Civil Works Administration was set up deliberately to tide over the difficult winter period with work for 4,000,000 discouraged people in America. It was set up as a temporary device. It was never intended that it should be continued indefinitely. We put 4,000,000 people to work in less than 45 days. Half of them we took from relief rolls and the other half we took from among unemployed people in need of work.

We paid the prevailing hourly rate of wages, but not less than prescribed minimum rates. The C. W. A. and the F. E. R. A. carried us through the winter of 1933. We liquidated the C. W. A. during the spring but continued the granting of funds to Governors for relief purposes. The relief grants made while the C. W. A. operated were smaller in amount than those made before and after this program. The machinery was moving smoothly again when one of the severest droughts this country ever had hit us, so that we had on our hands not only the unemployed but tens of thousands of farm families in the drought area. Then Congress appropriated \$525,000,000 for drought relief, and our Administration expended about half of that fund. We, for instance, processed cattle bought by the A. A. A. in the drought area and turned the meat over to people who were unemployed. We transported water to the drought area in trucks, we dug wells by the hundreds in that area, and we fed hundreds of thousands of people.

DEVELOPING WORK RELIEF

In the meantime we were developing, in cooperation with the States, a work-relief program. About half of the people getting relief in the United States, or the heads of the families, got their relief by means of local work-relief projects financed jointly by the Federal Government, the several States, and the localities.

THE STATES' SHARE OF THE BURDEN

During this time we were in constant touch with the States over the very vexing problem of whether they would put up what seemed to us their fair share of the money. We were constantly dealing with the Governors of the States on this problem. With some of the States we had a fair degree of success. On the other hand, there were certain States that failed to do as much as they could and should have done. They were depending upon the Federal Government, thinking we would give the money, and then we were forced to make important and critical decisions, such as saying to the States, "If you do not do it, we will quit giving you any money."

We did that in a few States. It became perfectly clear to me that the way to get the States to really put up their share of the money was to give them a certain part of this work to do.

THE DEMORALIZING DOLE

I also came to believe more and more that we should not undertake to take care of unemployed people by means of the dole or grocery order, while the heads of the families remained at home in idleness. It was an extremely demoralizing thing. It was building up in the great mass of the unemployed an unwholesome attitude toward the Nation and the States, and they were losing their skill and energy. It was creating a dependent class in America. It seemed to me that to deal with unemployment by process of direct relief simply did not make sense. Every nation that has tried it has rued the day it did.

FROM RELIEF TO WORK

So we moved on a new front with the Federal Government's share of this work, and the effort was to get these people off relief and into useful work. We would stop investigating them, and the effort was made to get these people out of a relief environment. We decided to take these people who had been on relief and give them the preference in the matter of jobs on the works program.

Now, in order to do that, it was necessary to develop a program which centered around the skill and abilities of those people. In any kind of work program to place any considerable proportion of the unemployed at work consideration must be given to the cost of the project in relation to the number of persons it will employ.

FINDING SUITABLE PROJECTS

For instance, only twelve or fifteen hundred people were employed on the Tri-Borough Bridge, and practically none of them were from relief rolls. And it was and is a fine Public Works Administration project.

We developed our program around the skills of the people. Eighty percent of them were manual workers and 400,000 were women. There were cab drivers, waiters, barbers, washwomen, cleaners, unskilled workers, and most of the skills and occupations. Therefore, it seemed best to develop a program which would fit reasonably into the skills and capacities of the people who needed relief. Obviously that could not be done 100 percent. That is something which distinguishes W. P. A. from any other type of work program, because we have a program that is flexible and permits us to give employment to a wide variety of skills.

USEFUL WORK FOR PARTICULAR SKILLS

What is the prime purpose of a work program? What is its fundamental purpose? The purpose of W. P. A. is to provide useful work for particular groups of people in their particular skills. It was not our purpose to provide work for everybody. Obviously, the first limitation was the amount of the appropriation. In terms of the number of jobs we had the definite fact that we had 3,500,000 people on relief rolls for whom we had to get jobs. Five hundred thousand boys were provided for by the C. C. C. Some of the adults were absorbed by Public Roads, P. W. A., and so forth.

The W. P. A. was left to adjust the balance of the program. That is what we have attempted to do, and, I think, we have done it with

some success. I would be the last person to say that we have made no mistakes. We have made mistakes; we have committed errors of judgment, but there have been no mistakes in the expenditure of that \$4,880,000,000 in terms of mistakes of integrity. If anybody criticizes us, we can meet that criticism by saying that our work, in the main, has been as good as the people we could get to run it. Like everything else, our work is excellent where we have a fine local administration and have the right people to handle it.

STATES CANNOT DO IT ALONE

In answering the question of whether it would have been humanly possible for the States to have met this unemployment problem without the aid of the Federal Government, I would say no. I do not think the States were able to meet adequately the problem in 1930, 1931, and 1932. I certainly do not. They could not meet it now. They could not begin to meet it.

Of course, I do not think relief answers the problem of unemployment. I think that things have got to be done in this picture that are not related to relief. But until those things are done, until these people do go back to work, it is my job to face realistically the needs of these people on the merits of the case.

UNLESS INDUSTRY MAKES MAJOR MOVES

I do think that unless we make some major moves in industries that there will be permanent unemployment in this country of some proportions, but I would hate to think that it is going to continue in the proportions that it has been in for the last 5 or 6 years. We have always had permanent unemployment. We probably had two or three million unemployed in 1928 or 1929; and we also had in 1928 and 1929 a large part of the population of America living in poverty.

TWENTY MILLION IN NEED

I think there are 20,000,000 people in the United States that have not the money to live upon or the means of obtaining the necessary money, and have to be cared for in some way or other. The net number of persons receiving aid from emergency relief and work programs in January 1936 was probably 18,000,000 or 19,000,000.

I feel very strongly that it is not desirable for the Federal Government at this time to make a permanent pattern and method of how it is going to take care of unemployment relief, because, if you were to do it today, you would have to set up a device to take care of a very, very large number of people. Now I certainly do not look forward in this country to the number of unemployed that we have now. We have had a distinct improvement in 3 years. There ought to be more. If we are not going to get an increase in private employment through normal channels in the near future, then I think we should be thinking of doing other things than merely planning for unemployment relief.

For instance, it seems perfectly absurd to me that we have 1,500,000 to 2,000,000 children under 18 years of age that work in industry, when we have high-school graduates, college graduates, and others

roaming the streets looking for jobs. It seems equally absurd to me that we have some 3,000,000 working in factories and in industry in America over the age of 65.

EMPHASIS ON WHOLE PROBLEM OF UNEMPLOYMENT

I think the emphasis and the thinking of Congress should be far more on the whole problem of unemployment itself than on the problem of relief.

I believe that you are going to need a permanent plan for relief in American in which the Government will share. It may not be this one at all; it may not be this kind of program at all. But I would rather postpone the date to determine what that permanent program should be until a time when we can envisage the extent of the problem as a permanent problem far better than we can today.

My thinking centers entirely around the problem of unemployment, to which relief is no answer, whether it is work or the dole, or whatever it is. That does not answer the problem of unemployment; I know that; and I think that the great problem facing America is the whole question of employment.

Now, it would be no great job for Congress at this session to sit down and determine what is the best permanent way to give Government benefits indefinitely, and I have no doubt but that all the present things would be amended to some extent. That, I think, would be a mistake, just as I would think it would be a mistake now to pass a law which would say that you are going to pay the States 50 percent of the amount they spend for unemployment relief, and that is all you are going to do; because I think that has a tendency to freeze the picture.

DIFFICULT TO STOP

If the Congress starts paying the 50 percent for unemployment relief, it is a very difficult thing to ever stop. The longer I have anything to do with relief of unemployment the more I am convinced that it has little to do with relieving unemployment as such; that it is a palliative; that it is a necessary thing.

Simply because a lot of people do not like it, is no reason why we should not try to see that these unemployed get what they are entitled to and in the best possible manner while this situation exists. But the trouble is that people assume that that, in itself, is the important issue. Well, it is an important issue in terms of the people who are getting relief, but it is not the important issue in terms of our whole economy in this country.

That is the way I feel about it, and I feel very strongly on that subject. We get a good deal of criticism, and Congress has gotten some, because it does not develop a permanent plan for relief. We could develop a permanent plan for relief, but I think this would be the wrong time to do it. I would rather see Congress putting its mind on cooperation with industry in terms of employment.

The primary objective of the works program, which is being carried out under the provisions of the Emergency Relief Appropriation Act of 1935, is to provide work for employable family heads and single persons whose need is demonstrated by the fact that they have been forced to accept public relief.

DISTINGUISHING BETWEEN ALLOCATIONS

With reference to the funds which have been allocated under this program it is important to distinguish between (1) the program of projects initiated and sponsored by the States and their civil subdivisions and operated directly by the Works Progress Administration; and (2) the programs which other Federal agencies are operating with funds made available under this appropriation.

The principal emphasis in planning W. P. A. programs always centers on the number of relief workers who can be employed on useful projects within each State. At the winter peak of employment during the first week of March, more than 3,000,000 of the total 3,800,000 persons at work were employed on W. P. A. projects. On the other hand, the projects of other departments and bureaus usually represent continuations or expansions of existing programs of those bureaus which are planned on a Nation-wide basis and which have been approved for operation by the Works Progress Administration and by the Advisory Committee on Allotments on the basis of the availability of the type of labor required on the relief roll and the merits of the projects as individual units.

WHY ALLOCATIONS VARY BETWEEN STATES

The amount of funds made available for the projects of other agencies is relatively greater in some States than in others. Also, because of differences in the average cost of persons employed and in the varying number of workers of the required skills on the relief rolls, there has been a further variation from State to State in the relative amount of relief employment.

Accordingly, it has been necessary to provide State programs of the Works Progress Administration with the maximum flexibility in order to absorb in Works Progress Administration projects the difference between the number of relief workers actually employed on the projects of other agencies and the total number of employable relief cases within each State.

Because of the fact that the relief problem is a constantly changing one, subject to a high rate of turn-over, to seasonal increases and decreases, and to fluctuations resulting from expansion or contraction of key industries in every locality and State of the country, it is not possible to establish a fixed or rigid set of quotas for the number of persons to be kept at work in the various States over a period of time. A favorable crop season on the one hand, or such factors as floods, drought, and severely inclement weather on the other, change the nature of the relief problem almost overnight. A further allowance must be made for expansion or contraction in the Works Progress Administration programs in accordance with employment provided by other agencies as described above.

Changes in the relief problem have been recorded in periodic censuses, inventories of the number of cases certified for employment, and actual employment records. Necessary adjustments have been made in the employment objectives for State Works Progress Administration programs from time to time.

OPERATING COSTS VARY

As funds have been allocated to the Works Progress Administration by the President, they have been distributed to the various States in accordance with the required amount of employment and cost of operating the programs in the various States. Operating costs vary from State to State in accordance with the basic schedule of monthly earnings, established in Executive Order 7046 of May 20, 1935, which established monthly rates on the basis of the degree of skill required by the work performed and the relative density of population of the areas in which projects are located in the four wage regions into which the country was divided by the Executive order.

Differences in the cost of materials, supplies, and equipment from State to State arise from variations in the types of projects which are being carried out and the relative amounts of materials and equipment contributed by the sponsoring agencies. Material costs have been estimated on the basis of the original specifications for projects which State administrators have selected for operation and actual expenditure records on the various programs.

In determining the total amount of funds required to operate the several programs during the entire fiscal year it was necessary to take into account the rate at which Works Progress Administration programs got under way during the summer months of 1935. In some States a large volume of projects was submitted and approved earlier than in others, and these programs approached peak operation during August and September.

BASIS FOR DETERMINING STATE ALLOCATIONS

The Works Progress Administration funds allocated to States has been determined on the basis of (1) the estimated number of employable persons on the relief rolls (with adjustments for employment provided by agencies other than Works Progress Administration under the works program); (2) variations in costs per person depending on differences in wage scales, amount of necessary materials, and extent of sponsors' contributions; and (3) the number of months the Works Progress Administration program has been in operation in the various States.

THE SECURITY-WAGE SCHEDULE

In drawing up the security-wage schedule the attempt was made to allow for differences in living costs throughout the country. The paucity of data on living costs, however, made it difficult to use these data extensively.

From general observation and from scattered cost data it is known that living costs are, as a rule, lower in the South than in the Northeast and Pacific regions, and that living costs in small towns and rural areas are generally lower than those in the large urban areas. These considerations supported the decision to establish geographic and urban-rural differentials in the security-wage schedule. It must be pointed out, however, that the cost-of-living data are not sufficiently complete to establish definite differences between areas; rather, these cost data supported the more comprehensive wage-rate data and relief-benefit data and thus aided in the work of computing differentials between regions and between urban and rural areas.

W. P. A. EFFICIENCY

I have been asked whether W. P. A. workers are efficient. When they get fed and get enough money to get an adequate amount of food and clothing and are under proper supervision I think they are 100 percent efficient; just as efficient as any other men. A lot of them were underfed and improperly clothed, and when we did not have the right supervisor over them we did not get the right amount of work from them. I do not put it on the basis of the efficiency of the man as much as I do the efficiency of the supervision. If a project is badly run, I think the thing to do is to fire the boss on the project rather than the men. We have fired hundreds of them. We fire anybody that loafes on these jobs. If a foreman is inefficient, we replace him with one who is efficient. The efficiency of our work depends on our ability to get competent men to supervise the jobs, individual jobs, just as the efficiency of our State organization depends on the efficiency of our State administrators.

ENGINEERS TONE UP PROGRAM

It is pretty much like anything else in private business or anywhere else. Naturally, in a big administration like this, it is not uniform. Within a city you get competent, high-grade men doing the airport supervising, and the man who is supervising the street work might not be so good. That is a constant problem of administration, but that is what we have our engineers for; all they put their mind on is to try to tone this thing up in terms of getting better work out of the men and more value out of the Federal dollar. I think it is improving all the time.

Mr. BACON. Mr. Hopkins, I would like to ask one general question that has been puzzling me, and that is as to the adequacy of this money asked for. As I understand it, it is contemplated in the Budget and by the President that \$1,500,000,000 allocated to W. P. A. will be sufficient to carry on the relief problem, perhaps not completely but at least to carry it on, for the next fiscal year.

The CHAIRMAN. To carry 2,000,000 men.

Mr. HOPKINS (continuing:)

I do not think that is the case. I think if our unemployment situation remains as it is now, it will not be adequate. The President's message indicated that, I think. What he stated in the message was that we really appear to need \$2,000,000,000 to do this job, but that if employment picked up sufficiently it would not be necessary to come back to Congress and ask for more money.

