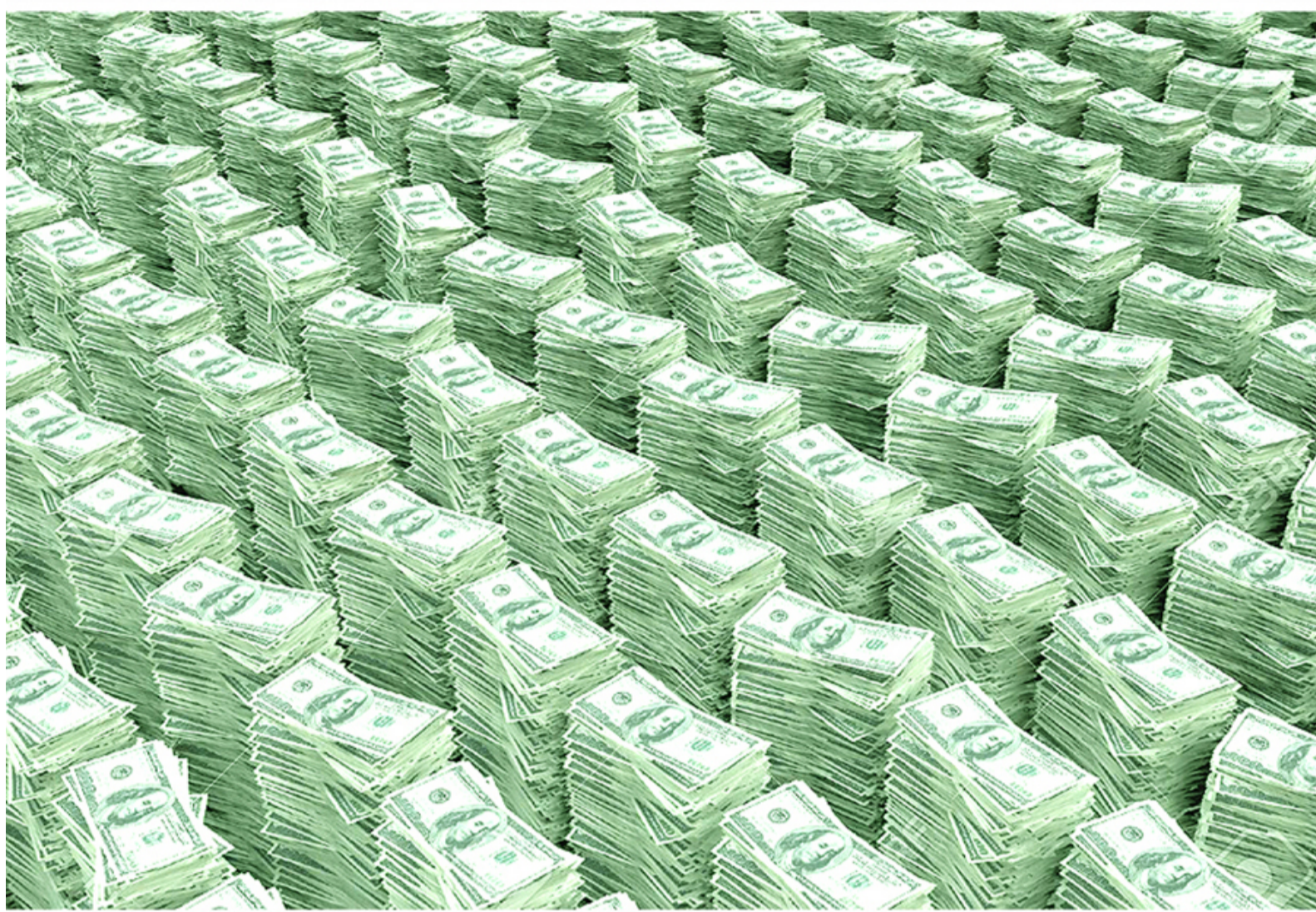


## The Spenders



Much is heard of government spending for relief and for recovery, but who are the spenders? They are the men and women who comprise the personnel of a new bureaucracy which has sprung up in every state.

by E. W. Adams

**T**HE amounts are inadequate, but the figures are large. The RFC loaned \$300,000,000 to various states and to various counties for relief purposes. The CWA spent approximately \$850,000,000 in its four and one half months of existence. The FERA has spent more than a billion dollars since its creation on May 23, 1933, and this organization is now spending at the rate of \$125,000,000 per month, which is at the rate of \$1,500,000,000 per year. These are dizzy figures and can only be spoken with ease and the proper flourish by Mr. Morgenthau's dizzier miracle men. However, when broken down they do not look so formidable. There are almost seventeen million persons on the relief rolls to absorb these millions of dollars, but since we have no way of knowing administration expenses, overhead charges, etc., of the FERA, we must turn to their own reports to find an analysis of these figures.

These FERA reports come out monthly, but like a corporation balance sheet which shows red, they are always several months late. The last report showed that the average monthly amount of relief given to a family was \$17.93, and showed that this varied from a low of \$6.90 in the State of South Carolina to a high of \$37.20 in the State of New York. It also showed that the monthly amounts given in the different cities varied greatly; some are as follows: Knoxville, \$5.65; Birmingham, \$8.20; Seattle, \$10.64; San Francisco, \$16.81; Indianapolis, \$15.29; New Orleans, \$26.73; Chicago, \$26.67; Boston, \$35.68; and New York, \$42.70. These figures represent the average monthly amounts given to a family, not an individual, and the average relief family consists of about five persons, which shows that these sums cannot be called luxurious although the grand



## The Spenders

totals look as though they might indicate some such fact.

These millions being spent will mean higher future taxes, a none too delightful outlook; but when we look at the whole picture, the high taxes, which seem so inexpedient to us now, fade into the distance. Almost seventeen million persons, 13.5 per cent of the population, are on relief, and much of the future happiness and stability of the country depends upon the way these people are treated today and for the next few years to come; their numbers are too great to be ignored, to be merely fed, clothed and sheltered. England has experienced more than 500,000 cases of unemployment shock, a sickness similar to shell shock, among the men who have been on her dole for several years. America does not want that, nor do we want a shiftless lot of loafers, nor a group of half starved citizens.

At the present time all of the states are partially or wholly dependent upon Washington for relief aid. In granting such aid to the states, the FERA has had each of the states set up a state ERA to again distribute the allotted money to the public relief organizations in their



various political subdivisions, thus better coördinating these scattered, independent and inefficient existing relief units. Although these state ERA organizations are now more than a year old, most of them are still in their embryo stage and show a remarkable dilatory growth in respect to establishing efficient and sound personels and business-like methods. In this matter the FERA has not aided greatly, as Happy Harry Hopkins and his Washington satellites believe in a de-

centralized organization and do little besides entrust the various states and through them their respective city and county administrations with the Federal funds for relief purposes. They furnish these administrations with only a bare outline of procedure and with but few dogmatic rules and regulations. This throws the burden of responsibility on the states, and whether the money is being spent advantageously and efficiently depends on the strength of the various local administrations, the local political influence and the exerted local public opinion.

Lately the personnel problems which the New Dealers have had to face have been one of their most perplexing problems, but they, as a rule, have only been worried about their Washington personnel, not about that of their various lesser state organizations. They have run under the false assumption that if a concentration of brains is used in the development of plans, then the others can carry them out easily. They forget that there is always a big gap between theory and practice, between the plans and the final product, that sound supervision never stops at the top but continues down the line until the job is finished. They well know that a skilled architect would not make plans for a skyscraper and then turn them over to an incompetent and inefficient contractor for construction, yet in spite of their knowledge they are going along in their naive way intrusting the Federal money and their momentous and egregious plans to the various state administrations without a great deal of overseeing, trusting that these organizations will prove honest, efficient, obsequious and enthusiastic enough to carry out their plans as they desire. This is one of the weak places in the FERA, and for that matter in most of the New Deal organizations, and during the coming "second effort" of the New Dealers they must have a closer coördination between the Washington offices and the field if their plans are to prove of any value whatever.



This is strongly brought out by con-

## The Spenders

ditions in the states which are letting the Federal government take care of the whole relief job. Nineteen of the states receiving Federal aid have pleaded guilty of near financial embarrassment and insufficient funds and have not advanced any relief money themselves in the past few months, although in all cases some of their lesser political subdivisions have aided financially in their own local problems. In these cases the problem is one of spending "other people's" money, and when this is Federal relief money it seems to take on certain airlike and multitudinous qualities. The result is that the state organizations, instead of effecting economies within their own ranks, tend to call for more Federal "relief aid" to cover their own weaknesses and inefficiencies. True, the Federal relief money comes from taxes, but many of the state and county relief administrators have not been schooled in the politician's realistic outlook on this, his most lugubrious, unpopular, and uncomfortable subject. If the state officials are none too watchful, and in most of these cases they are not—it is not (directly) the State's money—and if the checks and inspections from Washington remain as infrequent and superficial as they now are, laxity, inefficiency and slowness become the rule of the day under the average administration. In most of these cases it is not so much a matter of shiftlessness on the part of either set of officials as it is a matter of misplaced faith and misunderstood plans.



The Washington officials rely too much upon the states, and the state officials and also the general public too much upon Washington. There are, of course, exceptions. The State of New York, the former experimenting grounds of Mr. Harry Hopkins, is one of the more efficient in its treatment of relief problems. This treatment varies from that of former Police Commissioner Major General O'Ryan's violent tactics of dispersing relatively harmless crowds of relief "clients"; to the fact that this state, in spite of its ever increasing financial load, gives the largest individual relief benefits. Its interest is further shown by the action taken by Governor Lehman in his appointment of a committee to investigate the problems of caring for the unemployed on relief which is to make recommendations for the establishment of a permanent organization to take care of these problems.

Too much emphasis cannot be placed upon the fact that the spending of these millions is mainly an administrative job, and that such an organization is as strong as and no stronger than the men in it. In fact this job is unusually difficult as there are no concrete measurements that can be taken which will show whether or not a state or local relief administration is doing an excellent or a very poor job. They have no accounting records which show a profit or loss, no machines to keep running, no sales quotas to fill. They have the distressed to take care of on a limited amount of money, and although they can compare their administrative expenses, relief per person, etc., with those of their neighboring state or county, they still do not know whether this neighboring state or county is doing a good job, or whether it is logical for them to use such a guide. This means that the administrators have few direct or indirect motives driving them to do more than a medi-

ocre job, that the entire strength of the organization lies in the strength of the personal qualifications of the administrator and his staff of assistants—their integrity, initiative, judgment, coöperative ability and foresight. In other words the handling of millions of dollars per year and the care of thousands of the unemployed on relief is not a small job, and it is not one that can be handled adequately in merely a given routine manner.



## The Spenders

These points were generally overlooked when the State Administrator was appointed. The politicians or the committee who appointed the administrator and his assistants for their states, believing that this would be but a cut and dried job lasting for a little more than a year at the most (such was the accepted thought in the summer of 1933), generally looked to the man's honesty in money matters as the most essential qualification. And although most of the appointed administrators have performed their duties well within the limitations set, few of them have done any real creative and constructive work, and many have allowed their organizations to run very inefficiently. In most cases, whether good or bad, efficient or inefficient, the state and local officials who were first appointed are still in command today.

On the inchoation of the state ERAs, and more especially the State CWAs, certain prominent, well qualified, and public spirited citizens were persuaded to lend their services to the cause. These men, many of whom gave their entire time to this work, aided these organizations greatly; in fact, in some cases, they were the real backbone of the organizations and were the real reason for what early success was accomplished. However, these men have now returned to their private professions, and the State ERAs are now being run almost entirely by the salaried men and women who obtained positions with these organizations when they were first started. These men and women were as a rule not an unusually well picked group, as they were chosen hurriedly and for what was contemplated to be only temporary work. The fact that these organizations were set up on a temporary basis has been, and still is, one of its weakest points. Although most of the men in these organizations know that the work will continue for some time in the future, there is that atmosphere of uncertainty, which has not been erased by official orders from Washington, although Mr. Hopkins has often admitted that his organization will last for several more years as a minimum. This uncertainty affects both the conscious and unconscious mind of all the workers, and is shown by the fact that although most of the assigned and routine work is performed efficiently, no or very little thought is given to the future, few long term plans are thought out or instigated. This condition is also reflected in the fact that most of the men, including some of the executives, are on the look-out constantly for more remunerative and steadier positions, and although none will blame them for this stand, it undoubtedly weakens these organizations.

At first much of the inefficiency, waste and general awkwardness of the CWA and ERA organizations was blamed on the haste of the work, its newness and the lack of definite orders from Washington. However, now that the haste is past, the newness worn off, these excuses are no longer justifiable, yet it is surprising that much that was at fault at first is still at fault today. Part of this is shown in a certain lack of coöperation between departments which is noticeable in many regional offices. The engineering, purchasing, accounting, social service departments often function well as such, but the executives have not coördinated these departments and each insists in running his own individual circus. Consequently much work is duplicated and many of the lesser satellites are constantly confused on whose orders and what policies to follow. This fact is not surprising as the past work of these executives has been foreign to each other's, and many of the administrators have allowed themselves to be too engrossed in details to see these faults or, at times when they have seen them, they are unable to make the proper eliminations because of "political reasons."



When we go further into the situation we find that the largest per cent of the relief money is going to the men on Work Relief Projects, and here we find one almost universal complaint which is that the men on these work relief projects do not work—that there are always twenty men to do a five-man job. In spite of the orders from Washington and from some of the State Administrations stating that the persons on relief should give real

## The Spenders

value in return for money received, and in spite of the fact that the men on these projects are being paid the local, and even sometimes higher than the local, standard wage for the work they are performing, these complaints are all too true and they reveal the fact that certain weaknesses exist on these work relief projects. Not a few of these projects are sound, some are accomplishing excellent results that will greatly benefit the local community, practically all of them are better than the old type of made work—"raking leaves around a stump." They cover almost all fields of activity—repair and maintenance of public buildings, roads, bridges, recreational facilities, the eradication and control of disease bearers, the sewing of garments, canning and preserving food, nursing, research surveys, etc.—and a man or woman who has been forced by circumstances to apply for relief is placed in a position in his own trade when this is possible.



However, it is a rare relief project which has any enforceable time limit placed upon it. The work can be done in two months or four months, the first to no one's credit, the last to no one's discredit. It is very natural in such circumstances for the local projects engineer, the FERA representative on such work, to become lax, to allow things to drift. The project engineer may have started out with ambition; but his fast work at first was not noticed, his slow work later not damned, so after all, in his own language, "What the hell," and he lets his work take its own course, at times good, at other times poor. He also realizes that although the local standard hourly wages are being paid, the total hours worked per month are so small that the men on these projects only receive starvation wages; and he soon finds that it is impossible to work his men hard under such circumstances.

In this matter Mr. Hopkins believes, and rightfully, that all able-bodied men should work for the money or kind (groceries, clothes, shelter) given them. That this work, being of a real and useful nature, will keep up their morale and self respect, keep them physically fit and keep them busy. Also the work accomplished by these men should be of value to the local community and give the taxpayers something tangible for their money even if that something, as is often the case, is nothing the community really needs. However, the laxity with which much of the work is being accomplished and the small total wages being paid is making many of the men on relief work, even the formerly energetic and ambitious ones, shiftless, incompetent and lazy; and it is causing many people, who do not know the facts behind the work, to believe the recent often repeated saying that "the government is putting those men unwilling to work on relief rolls." Some of these weaknesses could be eliminated if the jobs were better estimated, had reasonable and enforceable time limits placed on them, had a final and detailed check as to cost and further had better field supervision from the state offices. There is no doubt that much of the work is good, but there is also no doubt that most of the work could be increased by 50 per cent. Looked at purely from a construction point of view, it is indisputably a gargantuan mess of inefficiency.

One other weakness which is seen in some of the states is the fact that the ERA organizations are dominated by that naive group of pre-ordained spinsters known as Social Service Workers—the Ann Vickers among them are few and far between. These women workers freely admit that relief is merely a matter of so much case work and feeding so many mouths. Their training has not changed greatly in the past five or six years; and they do not seem to realize that the problems today cannot be met by a

## The Spenders

simple magnification of their past methods, nor do they seem to realize that the men and women affected are not the shiftless lot of former years, but are able-bodied and spirited persons who are capable and willing to do good and honest work, and who, as shown by a number of riots, are unwilling to accept peaceably the starvation (so-called subsistence) wages given them. Social Service Workers are needed in relief work, but their past work and training have been such as to eliminate all but the very exceptional among them from administering directly or indirectly any of the large units of the relief organizations.

These various and sundry weaknesses definitely reflect the inefficient expenditure of the taxpayers' money. The past inefficiencies can be somewhat justified as the FERA has had, and for that matter still has, many large and complicated problems to face. But the truth remains: Washington has relied too much upon the states, and the states and the general public too much upon Washington. Also too much stress has been placed upon obtaining the necessary money, not enough upon the wise and efficient distribution of it. Spending more than a billion dollars a year is big business in any language and for any cause, and should be handled throughout by competent men and strong personnels. We cannot ignore either the vast amounts being spent or the 13.5 per cent of the population now receiving benefits from them.

