

WPA: Scandals, Hope

The New Deal's Works Progress Administration, with its millions of employees and billions of dollars in relief funds, has long been recognized as a potential cesspool of graft where the unscrupulous are concerned. Last week, in the fierce heat of the 1938 campaign's closing days, the stench of scandal began to penetrate WPA Administrations of two states. At the same time, hope was raised that better business conditions might soon cut the need for large-scale Federal relief.

New Mexico: Worst scandal was unearthed in New Mexico, where a Federal grand jury accused 62 persons, including some of the state's leading politicians, of criminal conspiracy to defraud the government and divert WPA funds and personnel to private and political ends. Among those indicted were assistant Federal District Attorney Stanley Miller, son-in-law of U. S. Senator Dennis Chavez; a sister, a cousin and a nephew of the Senator; and Fred Healy, who was ousted as state WPA Administrator last month for "permitting political influence."

While lawyers argued over the validity of the charges, Republicans gleefully recalled that Democratic Chavez led a successful fight during the last Congress against an amendment, proposed by his New Mexico colleague, Senator Carl Hatch, to keep politics out of relief. Chavez had pleaded with the Senate to "be practical about this thing." In Washington, the Department of Justice removed Miller from office, while WPA headquarters pointed out that the indictments were based partly on evidence uncovered by the Administration's own investigators, and promised that further inquiries would be made.

New Jersey: Shortly after the lid was blown off New Mexico's alleged WPA graft, another Federal grand jury in New Jersey exposed other suspicions involving the Administration, but apparently free from political implications. Sixteen sand, gravel and contracting companies and 32 individuals connected with them were charged with conspiracy to cheat the Federal government of \$250,000. According to the jury's true bills, the companies had planned to rig bids on supplies to WPA at "arbitrary, exorbitant and unwarranted prices."

Hope: As his agency wrestled with such troubles, WPA Administrator Harry Hopkins emerged from a conference with President Roosevelt at Hyde Park, N. Y., to predict cheerfully that "the relief curve in America will go down at an early date." Basis of his optimism, he said, was that "we are getting a rise in production and employment, and our relief curve always goes down as national income, productivity and employment go up." About political manipulation of relief in WPA, the Administrator scoffed:

"The old charge that we shove the rolls up before election and bring them down afterward is a lot of nonsense."