CONFIDENTIAL: The following message to the Congress MUST BE HELD IN STRICT CONFIDENCE and no portion, synopsis or intimation shall be published or given out until delivery of the message to the Congress has begun.

CAUTION: Extreme care must be exercised to avoid premature publication.

STEPHEN EARLY
Secretary to the President
In my message of April 14, 1938, I presented to the Congress certain recommendations covering programs for the Works Progress Administration, for public works, and for housing, which were designed to increase the purchasing power of the nation, to stimulate business activity, and to provide increased employment. Subsequently, in the Emergency Relief Appropriation Act of 1938, approved June 21, 1938, the Congress appropriated to the Works Progress Administration the sum of $1,425,000,000, together with certain balances of previous allocations to that Administration which remained un obligated on June 30, 1938. By other legislation, $23,000,000 of this appropriation was reserved for specific purposes and therefore was not available for the Works Progress Administration program. In Section 2 of the Act, the Congress provided that the available funds should be apportioned over the first eight months of the fiscal year 1939, and further authorized me to modify that apportionment in the event of an extraordinary emergency or unusual circumstance which could not be anticipated at the time the apportionment was made.
Since the enactment by the Congress of legislation providing funds for the programs recommended in my message, substantial business and industrial improvement has occurred throughout the country. However, during the period prior to the adoption of this legislation, when unemployment was increasing, the increase in the number employed on the Works Progress Administration program did not keep pace with the need for employment because the Works Progress Administration had funds to employ only part of those who were out of jobs.

In addition, in a period of increasing unemployment there is a lag before the impact of the jobless reaches the Works Progress Administration. This is because workers who lose their jobs exhaust their private resources before applying for relief. Furthermore, the time intervening between the loss of private jobs and the need for Works Progress Administration employment is now considerably greater than heretofore because of the operation of the unemployment compensation program.

Therefore, with the passage of the Emergency Relief Appropriation Act of 1938, the Works Progress Administration expanded its program in an
effort more nearly to meet the needs of the unemployed. While beginning in July, 1938, 125,000 to 150,000 workers were voluntarily leaving Works Progress Administration projects each month, it was necessary to add from 200,000 to 300,000 others monthly to the rolls in order to meet the needs of those whose personal resources or compensation benefits had become exhausted, and to take back as required by Section 13 of the Act, those who had left the Works Progress Administration for private employment and whose employment had been terminated through no fault of their own.

The demands upon the Works Progress Administration appropriation were increased by two additional factors. The critical foreign situation has had an adverse effect upon American business and industrial employment in this country, and has been an unexpected deflationary force affecting the prices of commodities entering into world markets, such as certain of our important agricultural commodities. This has accentuated relief problems in important areas in the country. In addition, the hurricane which devastated large areas
of New England last September seriously dislocated industry and trade in the northeastern section of the country and added to the relief burden in that area.

As a result of the foregoing factors, the employment provided from the Works Progress Administration appropriation increased from $2,900,000 at the beginning of July, 1938, to a peak of $3,350,000. During the past few weeks the number has been declining. On December 24, 1938, the total had fallen to $3,112,000, and it is expected that the employment during the month of January will approximate $3,000,000. The foregoing figures include employment provided with funds transferred by the Works Progress Administration to other Federal Agencies under the authority of Section 3 of the Act. An average of 90,000 persons are thus employed under conditions entirely similar to those pertaining in the main Works Progress Administration program.

Under the conditions outlined above, the funds appropriated to the Works Progress Administration will be barely adequate to finance the operations of that agency through the month of January, 1939. Therefore, in accordance
with the authority contained in Section 2 of the Emergency Relief Appropriation Act of 1938, I have apportioned those funds to be used during the first seven months of the fiscal year.

It is believed that sufficient funds should now be appropriated to the Works Progress Administration for the balance of the current fiscal year to employ an average of 3,000,000 workers in February and March, and a diminishing number beginning in April which would reach a figure of 2,700,000 in June. This would include the numbers to be employed with funds transferred to other Federal Agencies. The employment proposed for February and March, which is the same number that is expected to be reached in January, is justified by seasonal factors and the lag in outside construction operations which always occurs on account of weather conditions. In fact, there is normally an increase in the need for employment during these winter months, and the funds available to the Works Progress Administration have not been sufficient to enable it to assign to its program a large number of employable persons who have been certified as in need of relief.
The Works Progress Administration program is at present being conducted at an average Federal cost of approximately $61 per worker per month, of which only $2 is overhead administrative expense. Therefore to provide the employment set forth above, a deficiency appropriation of $875,000,000 will be required, and this is the amount which I recommend to the Congress. In view of the fact previously mentioned, that the funds now available are barely sufficient to finance the Works Progress Administration through the month of January, 1939, I urge speedy action on the part of the Congress to provide these additional funds in order to prevent disruption of the program and consequent suffering and want on the part of the unemployed.

I realize that the Congress may wish to prescribe by legislation the manner in which funds appropriated to the Works Progress Administration, and other appropriations, shall be distributed. However, the problem of distributing work relief funds is a complicated one involving factors not only of population but of economic and unemployment conditions in various sections of the country. The hasty adoption of legislative provisions, to be immediately
effective, which radically change the present method of distributing Works
Progress Administration funds would greatly complicate the administration
of the program in the coming months. I therefore believe that the Congress
should make this question the subject of study and hearings, with a view to
determining a policy to obtain in the fiscal year 1940, but that the appropriation
recommended in this message should be made on the same terms as that for the
first past of the fiscal year 1939.

No one wishes more sincerely than I do that the program for assisting
unemployed workers shall be completely free from political manipulation.
However, any one who proposes that this result can be achieved by turning the
administration of a work program over to local boards is either insincere or
is ignorant of the realities of local American politics.

It is my belief that improper political practices can be eliminated
only by the imposition of rigid statutory regulations and penalties by the
Congress, and that this should be done. Such penalties should be imposed not
only upon persons within the administrative organization of the Works Progress
Administration, but also upon outsiders who have in fact in many instances been the principal offenders in this regard. My only reservation in this matter is that no legislation should be enacted which will in any way deprive workers on the Works Progress Administration program of the civil rights to which they are entitled in common with other citizens.

In connection with the above, I invite your attention to the fact that under the provisions of Executive Order Number 7916, the administrative employees of the Works Progress Administration, with the exception of a relatively small number of positions, will be brought under the Civil Service on February 1, 1939.

It is my intention to transmit to the Congress, probably in the month of April, a supplemental estimate covering the appropriation which will be required to provide work relief for persons in need in the fiscal year 1940.
DRAFT OF MESSAGE FROM THE PRESIDENT TO THE CONGRESS
RECOMMENDING A SUPPLEMENTAL APPROPRIATION FOR THE WORKS PROGRESS ADMINISTRATION

In my message of April 14, 1938, I presented to the Congress certain recommendations covering programs for the Works Progress Administration, for public works, and for housing, which were designed to increase the purchasing power of the nation, to stimulate business activity, and to provide increased employment. Subsequently, in the Emergency Relief Appropriation Act of 1938, approved June 21, 1938, the Congress appropriated to the Works Progress Administration the sum of $1,425,000,000, together with certain balances of previous allocations to that Administration which remained unobligated on June 30, 1938. By other legislation, $26,000,000 of this appropriation was reserved for specific purposes and therefore was not available for the Works Progress Administration program. In Section 2 of the Act, the Congress provided that the available funds should be apportioned over the first eight months of the fiscal year 1939, and further authorized me to modify that apportionment in the event of an extraordinary emergency or unusual circumstance which could not be anticipated at the time the apportionment was made.
Since the enactment by the Congress of legislation providing funds for the programs recommended in my message, substantial business and industrial improvement has occurred throughout the country. However, during the period prior to the adoption of this legislation, when unemployment was increasing, the increase in the number employed on the Works Progress Administration program did not keep pace with the need for employment because the Works Progress Administration had funds to employ only part of those who were out of jobs.

In addition, in a period of increasing unemployment there is a lag before the impact of the jobless reaches the Works Progress Administration. This is because workers who lose their jobs exhaust their private resources before applying for relief. Furthermore, the time intervening between the loss of private jobs and the need for Works Progress Administration employment is now considerably greater than heretofore because of the operation of the unemployment compensation program.

Therefore, with the passage of the Emergency Relief Appropriation Act of 1938, the Works Progress Administration expanded its program in an
effort more nearly to meet the needs of the unemployed. While beginning in July, 1938, 125,000 to 150,000 workers were voluntarily leaving Works Progress Administration projects each month, it was necessary to add from 200,000 to 300,000 others monthly to the rolls in order to meet the needs of those whose personal resources or compensation benefits had become exhausted, and to take back as required by Section 12 of the Act, those who had left the Works Progress Administration for private employment and whose employment had been terminated through no fault of their own.

The demands upon the Works Progress Administration appropriation were increased by two additional factors. The critical foreign situation has had an adverse effect upon American business and industrial employment in this country, and has been an unexpected deflationary force affecting the prices of commodities entering into world markets, such as certain of our important agricultural commodities. This has accentuated relief problems in important areas in the country. In addition, the hurricane which devastated large areas
of New England last September seriously dislocated industry and trade in the northeastern section of the country and added to the relief burden in that area.

As a result of the foregoing factors, the employment provided from the Works Progress Administration appropriation increased from 2,900,000 at the beginning of July, 1938, to a peak of 3,350,000. During the past few weeks the number has been declining. On December 24, 1938, the total had fallen to 3,112,000, and it is expected that the employment during the month of January will approximate 3,000,000. The foregoing figures include employment provided with funds transferred by the Works Progress Administration to other Federal Agencies under the authority of Section 3 of the Act. An average of 90,000 persons are thus employed under conditions entirely similar to those pertaining in the main Works Progress Administration program.

Under the conditions outlined above, the funds appropriated to the Works Progress Administration will be barely adequate to finance the operations of that agency through the month of January, 1939. Therefore, in accordance
with the authority contained in Section 3 of the Emergency Relief Appropriation Act of 1938, I have apportioned those funds to be used during the first seven months of the fiscal year.

It is believed that sufficient funds should now be appropriated to the Works Progress Administration for the balance of the current fiscal year to employ an average of 3,000,000 workers in February and March, and a diminishing number beginning in April which would reach a figure of 2,700,000 in June. This would include the numbers to be employed with funds transferred to other Federal Agencies. The employment proposed for February and March, which is the same number that is expected to be reached in January, is justified by seasonal factors and the lag in outside construction operations which always occurs on account of weather conditions. In fact, there is normally an increase in the need for employment during these winter months, and the funds available to the Works Progress Administration have not been sufficient to enable it to assign to its program a large number of employable persons who have been certified as in need of relief.
The Works Progress Administration program is at present being conducted at an average Federal cost of approximately $61 per worker per month, of which only $2 is overhead administrative expense. Therefore to provide the employment set forth above, a deficiency appropriation of $875,000,000 will be required, and this is the amount which I recommend to the Congress. In view of the fact previously mentioned, that the funds now available are barely sufficient to finance the Works Progress Administration through the month of January, 1939, I urge speedy action on the part of the Congress to provide these additional funds in order to prevent disruption of the program and consequent suffering and want on the part of the unemployed.

I realize that the Congress may wish to prescribe by legislation the manner in which funds appropriated to the Works Progress Administration, and other appropriations, shall be distributed. However, the problem of distributing work relief funds is a complicated one involving factors not only of population but of economic and unemployment conditions in various sections of the country. The hasty adoption of legislative provisions, to be immediately
effective, which radically change the present method of distributing Works Progress Administration funds would greatly complicate the administration of the program in the coming months. I therefore believe that the Congress should make this question the subject of study and hearings, with a view to determining a policy to obtain in the fiscal year 1940, but that the appropriation recommended in this message should be made on the same terms as that for the first part of the fiscal year 1939.

No one wishes more sincerely than I do that the program for assisting unemployed workers shall be completely free from political manipulation. However, any one who proposes that this result can be achieved by turning the administration of a work program over to local boards is either insincere or is ignorant of the realities of local American politics.

It is my belief that improper political practices can be eliminated only by the imposition of rigid statutory regulations and penalties by the Congress, and that this should be done. Such penalties should be imposed not only upon persons within the administrative organization of the Works Progress
Administration, but also upon outsiders who have in fact in many instances
been the principal offenders in this regard. My only reservation in this
matter is that no legislation should be enacted which will in any way deprive
workers on the Works Progress Administration program of the civil rights to
which they are entitled in common with other citizens.

In connection with the above, I invite your attention to the fact
that under the provisions of Executive Order Number 7916, the administrative
employees of the Works Progress Administration, with the exception of a
relatively small number of positions, will be brought under the Civil Service
on February 1, 1939.

It is my intention to transmit to the Congress, probably in the
month of April, a supplemental estimate covering the appropriation which will
be required to provide work relief for persons in need in the fiscal year 1940.
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STEPHEN EARLY
Secretary to the President

TO THE CONGRESS OF THE UNITED STATES:

In my message of April 14, 1938, I presented to the Congress certain recommendations covering programs for the Works Progress Administration, for public works, and for housing, which were designed to increase the purchasing power of the nation, to stimulate business activity, and to provide increased employment. Subsequently, in the Emergency Relief Appropriation Act of 1938, approved June 21, 1938, the Congress appropriated to the Works Progress Administration the sum of $1,425,000,000, together with certain balances of previous allocations to that Administration which remained unobligated on June 30, 1938. By other legislation, $25,000,000 of this appropriation was reserved for specific purposes and therefore was not available for the Works Progress Administration program. In Section 2 of the Act, the Congress provided that the available funds should be apportioned over the first eight months of the fiscal year 1939, and further authorized me to modify that apportionment in the event of an extraordinary emergency or unusual circumstance which could not be anticipated at the time the apportionment was made.

Since the enactment by the Congress of legislation providing funds for the programs recommended in my message, substantial business and industrial improvement has occurred throughout the country. However, during the period prior to the adoption of this legislation, when unemployment was increasing, the increase in the number employed on the Works Progress Administration program did not keep pace with the need for employment because the Works Progress Administration had funds to employ only part of those who were out of jobs.

In addition, in a period of increasing unemployment there is a lag before the impact of the jobless reaches the Works Progress Administration. This is because workers who lose their jobs exhaust their private resources before applying for relief. Furthermore, the time intervening between the loss of private jobs and the need for Works Progress Administration employment is now considerably greater than heretofore because of the operation of the unemployment compensation program.

Therefore, with the passage of the Emergency Relief Appropriation Act of 1938, the Works Progress Administration expanded its program in an effort more nearly to meet the needs of the unemployed. While beginning in July, 1938, 125,000 to 160,000 workers were voluntarily leaving Works Progress Administration projects each
month, it was necessary to add from 200,000 to 300,000 others
monthly to the rolls in order to meet the needs of those whose
personal resources or compensation benefits had become exhausted,
and to take back as required by Section 13 of the Act, those who
had left the Works Progress Administration for private employment
and whose employment had been terminated through no fault of their
own.

The demands upon the Works Progress Administration ap-
propriation were increased by two additional factors. The critical
foreign situation has had an adverse effect upon American business
and industrial employment in this country, and has been an unexpected
deflationary force affecting the prices of commodities entering into world
markets, such as certain of our important agricultural commodities.
This has accentuated relief problems in important areas in the
country. In addition, the hurricane which devastated large areas
of New England last September seriously dislocated industry and
trade in the northeastern section of the country and added to the
relief burden in that area.

As a result of the foregoing factors, the employment pro-
vided from the Works Progress Administration appropriation increased
from 2,900,000 at the beginning of July, 1938, to a peak of 3,350,000.
During the past few weeks the number has been declining. On December
31, 1933, the total had fallen to 3,118,000, and it is expected that
the employment during the month of January will approximate 3,000,000.
The foregoing figures include employment provided with funds trans-
ferred by the Works Progress Administration to other Federal Agencies
under the authority of Section 3 of the Act. An average of 90,000
persons are thus employed under conditions entirely similar to those
pertaining in the main Works Progress Administration program.

Under the conditions outlined above, the funds appropriated
to the Works Progress Administration will be barely adequate to fi-
nance the operations of that agency through the month of January,
1939. Therefore, in accordance with the authority contained in Sec-
tion 2 of the Emergency Relief Appropriation Act of 1938, I have
apportioned those funds to be used during the first seven months of
the fiscal year.

It is believed that sufficient funds should now be ap-
propriated to the Works Progress Administration for the balance of
the current fiscal year to employ an average of 5,000,000 workers in
February and March, and a diminishing number beginning in April which
would reach a figure of 2,700,000 in June. This would include the
numbers to be employed with funds transferred to other Federal Agen-
cies. The employment proposed for February and March, which is the
same number that is expected to be reached in January, is justified
by seasonal factors and the lag in outside construction operations
which always occurs on account of weather conditions. In fact, there
is normally an increase in the need for employment during these winter
months, and the funds available to the Works Progress Administration
have not been sufficient to enable it to assign to its program a
large number of employable persons who have been certified as in need
of relief.

The Works Progress Administration program is at present
being conducted at an average federal cost of approximately $6.1 per
worker per month, of which only $3 is overhead administrative ex-
pense. Therefore to provide the employment set forth above, a de-
ciciency appropriation of $975,000,000 will be required, and this is
the amount which I recommend to the Congress. In view of the fact
previously mentioned, that the funds now available are barely suf-
ficient to finance the Works Progress Administration through the
month of January, 1939. I urge speedy action on the part of the
Congress to provide these additional funds in order to prevent
disruption of the program and consequent suffering and want on the
part of the unemployed.

I realize that the Congress may wish to prescribe by leg-
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Administration, and other appropriations, shall be distributed. How-
ever, the problem of distributing work relief funds is a complicated
one involving factors not only of population but of economic and un-
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Progress Administration funds would greatly complicate the admini-
stration of the program in the coming months. I therefore believe
that the Congress should make this question the subject of study and
hearings, with a view to determining a policy to obtain in the fiscal
year 1940, but that the appropriation recommended in this message
should be made on the same terms as that for the first part of the
fiscal year 1939.

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assisting unemployed workers shall be completely free from political
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with the exception of a relatively small number of positions, will
be brought under the Civil Service on February 1, 1939.

It is my intention to transmit to the Congress, probably in
the month of April, a supplemental estimate covering the appropriation
which will be required to provide work relief for persons in need in
the fiscal year 1940.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

January 5, 1939.