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## Book Review

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# The FDR Jobs Program That Saved the Nation

by Stuart Rosenblatt

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### **American-Made: The Enduring Legacy of the WPA—When FDR Put the Nation To Work**

by Nick Taylor

New York: Bantam, 2008

630 pages, hardcover, \$27.00

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Author Nick Taylor puts forward a timely and inspiring testament to one of the keystones of Franklin Roosevelt's New Deal, the Works Progress Administration (WPA). The release of Taylor's book, during the 75th anniversary of the New Deal, is welcome, as the debate over Roosevelt's recovery programs grips the nation and the Democratic Party. Exemplary of this, is the wide circulation of LyndonLaRouche's Roosevelt-styled policies and the posting of the LaRouche PAC DVD "1932" on assorted Democratic Party and Clinton delegate websites (see [www.la-rouchepac.com](http://www.la-rouchepac.com)).

While *American-Made* is not an in-depth study of the WPA, it does present a vivid picture of a crucial application of American System principles to address the nightmare of the failed economy.

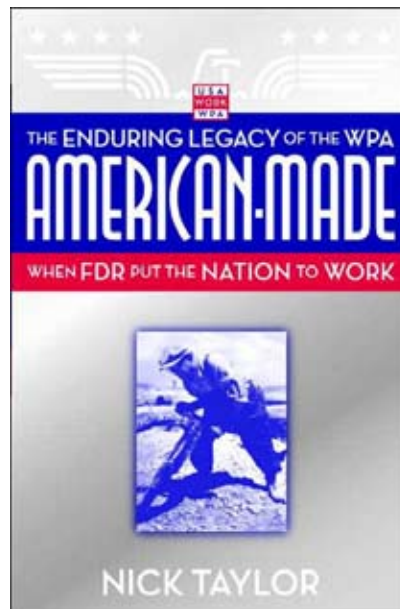
The WPA was born in 1935, as the continuation of the highly successful Federal Emergency Relief Administration (FERA) and its successor Civil Works Administration (CWA), launched by FDR during his First 100 Days. They, along with the Civilian Conservation Corps (CCC), Public Works Administration (PWA), and other employment programs, formed the

engine of the infrastructure-directed economic recovery that led the nation out of the Great Depression. The WPA, during its eight-year life, employed eight and a half million Americans, spent \$11 billion, and radically transformed the landscape of the nation.

The breadth of WPA public works and social programs was enormous: It built 650,000 miles of roads, 78,000 bridges, 125,000 civilian and military buildings, 800 airports (built or improved), and 700 miles of airport runways. It also served almost 900 million hot lunches to school children, and operated 1,500 nursery schools. It presented 225,000 concerts to audiences totaling 150 million people, performed plays and circuses before another 30 million, and created 475,000 works of art.

Popular landmarks of WPA dot the country: LaGuardia Airport in New York, River Walk in San Antonio, and Vulcan Park in Birmingham. It was responsible for Camp David in Maryland and the Cow Palace in San Francisco.

WPA's primary mission was to repair the nation's roads and mid-sized infrastructure. In so doing, it linked rural America with the cities, and refurbished everything from military bases to educational facilities. But it would also be no exaggeration to say that without the WPA, the U.S. could not have carried out a successful war mobilization. On top of the infrastructure it built, on the eve of World War II, only WPA had a comprehensive overview of the skills needed to construct the facilities and train the personnel who would see the nation to victory in a global conflict. Its final assignment was as a major defense agency.



### **A Nation Gripped by Tragedy**

In the opening chapters of his book, Taylor captures the feeling of cultural and political despair that hung over the nation under the Presidency of Herbert Hoover. Under the thumb of the Morgan-Mellon financial interests who ran his administration's economic policy, Hoover refused to take the broad government actions that were required.

When Franklin Roosevelt was elected President in 1932, some 3,600 banks had failed, industry was shut

down, over 25% of the workforce was unemployed: 30% in Detroit, 40% in Chicago, and 50% in Colorado. The country was punctuated by strikes, marches, the specter of Hoovervilles, starvation, and cultural demoralization.

Taylor develops with great enthusiasm and insight the change in moral and political direction of the nation that took place under FDR. In his inaugural address, Roosevelt declared war on the Depression, challenging the nation to overcome its fears. He also moved to immediately put people back to work: “This nation asks for action, and action now. Our greatest primary task is to put people to work. This is no unsolvable problem if we face it wisely and courageously. It can be accomplished in part by direct recruiting by the government itself, treating the task as we would treat the emergency of a war, but at the same time . . . accomplishing greatly needed projects to stimulate and reorganize the use of our natural resources.”

FDR’s program included bankruptcy reorganization, banking regulation, farm and housing foreclosure protection, and massive job creation. In the first several months of his administration, the President used the FERA, headed by Harry Hopkins, to put 2 million Americans back to work in short-term construction and infrastructure jobs. The President also launched the CCC to employ a million unemployed, as long-term PWA programs began their development.

When FERA expired after several months, Roosevelt retained Hopkins, and created the Civil Works Administration. Together they unleashed a mammoth, but again, short-term public works program, that put over 4 million unemployed to work in four months.

Those lugheads in Congress or the Democratic leadership today who balk at Lyndon LaRouche’s three-part recovery program, would do well to study the amazing achievements of Roosevelt in the dark days of the Depression.

CWA spent \$1 billion, and its workforce built or improved over 500,000 miles of roads, and built or repaired 40,000 schools and 3,700 playgrounds. It restored all the city parks in New York; CWA laid 12 million feet of sewer pipe, and built 250,000 privies, while starting or upgrading 1,000 airports across the country—all in four months!

However, progress stalled in 1934, and the Depression reasserted itself, so, in 1935, Roosevelt launched the Works Progress Administration and, again, placed Hopkins at the helm.

## **The Credit System at Work**

While Taylor identifies some of the Federal funding mechanisms used to propel the WPA’s projects, he does not explain the process of credit generation FDR used. As LaRouche has underscored, the United States is a credit system, not a monetary or usury system. The Federal government is empowered to generate credit for urgently needed infrastructure programs, like WPA. In a March 2006 study for *EIR*, Richard Freeman developed the critical role of government funding and credit generation as initiated by the Reconstruction Finance Corporation (RFC). This provided the money to enable WPA and the other New Deal jobs programs to succeed.

In summary, what FDR did was to complement direct government funding, with credit from the RFC, which functioned as a quasi-national bank.

RFC was a government-owned institution, that was wielded by FDR to generate credit for infrastructure, as soon as he took office in March 1933. It was capitalized with a bonding capacity to issue and revolve \$500 million in bonds; over the period of its 12-year existence, RFC loaned out \$33 billion, the equivalent of over \$1 trillion today, to an array of infrastructure programs, including those of the WPA.

In June 1933, a direct government appropriation for public works, totalling \$3.3 billion, went, in part, into FERA and CWA. In 1935, Congress appropriated \$5 billion directly for WPA. The RFC collaborated on both ventures. In 1933, RFC issued \$500 million to FERA. In 1935, RFC provided the newly minted WPA with \$1 billion, to begin work immediately, even while the government money was being legislated. Overall, the RFC channeled over \$2 billion into the WPA and PWA programs.

Did this break the bank? By no means. In fact, the investment increased the productivity of the economy as a whole, and therefore yielded more “payback” to the economy, including through taxes, than it took.

This method of direct government intervention for the general welfare is precisely the opposite of the ubiquitous Public Private Partnership (PPP) programs being trumpeted today by the likes of Michael Bloomberg and Felix Rohatyn.

## **WPA: In Peace and War**

The work in rebuilding the infrastructure of the nation during the 1930s undertaken by WPA and the other New Deal agencies, prepared the country for the fast-approaching world war. In the years leading up to World

War II, the far-sighted Harry Hopkins began restoring military bases.

In 1937, he deployed cadres of WPA workers to the Picatinny Arsenal in New Jersey, and restored the complex to wartime readiness. Picatinny, the nation's premier munitions research center, had been partially destroyed in a freak thunderstorm in 1926. Hopkins sent 1,300 workers to the center, and had it totally rebuilt. Many other war projects were revamped during this time period.

As the *Army and Navy Register* reported in 1942, "In the years 1935 to 1939, when regular appropriations for the armed forces were so meager, it was the WPA workers who saved many Army posts and Naval stations from literal obsolescence."

Not only did WPA refurbish military installations, it also developed the labor pool capable of being deployed to conduct the war buildup. As Deputy WPA Commissioner Howard Hunter stated in August 1939, "We have a very good index of the people on the WPA as to their training and qualifications, and if any group of industries or any particular industry were in need of either skilled or unskilled workers, I think we could get our people off the rolls into those jobs."

When the war mobilization began in earnest in 1940, WPA was at the forefront of domestic preparations. WPA had already built 85% of all new airports in the country and its work on other military sites, had contributed to national defense. When the first military contracts were handed out, WPA, now a de facto defense contractor, with 400,000 workers deployed to military projects, was at the top of the list. It was ordered to build or refurbish airports on both coasts, and in Texas, Colorado, and elsewhere.

Further, it was ordered to build 75,000 miles of federally aided highways, and construct housing at military bases around the nation. WPA eventually put 700,000 people to work in military construction.

However, once the war was on, and defense contractors began hiring into the private sector, WPA employees were funneled rapidly into civilian work. Countless others joined the military, and the need for



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*The WPA's Federal Music Project funded programs like this class in New York City. Its director Nikolai Sokoloff fought to bring Classical music into the lives of Americans during the Depression.*

the WPA, forged in the depths of depression, was no more. On Dec. 4, 1942, WPA, renamed Works Projects Administration during the war buildup, was dismantled on orders of the President.

To quote Roosevelt in his letter ending the program:

"By building airports, schools, highways and parks; by making huge quantities of clothing for the unfortunate; by serving millions of lunches to school children; by almost immeasurable kinds and quantities of services the Work Projects Administration has reached a creative hand into every county in this nation. It has added to the national wealth, has repaired the wastage of depression and has strengthened the country to bear the burden of war. By employing eight millions of Americans, with thirty millions of dependents, it has brought to these people renewed hope and courage. It has maintained and increased their working skills; and it has enabled them once more to take their rightful places in public or in private employment...."

"With the satisfaction of a job well done and with a high sense of integrity, the Work Projects Administration has asked for and earned an honorable discharge."