

DEVELOPMENT AND PRESENT STATUS OF
UNEMPLOYMENT RELIEF MEASURES IN
THE STATE OF NEW JERSEY

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Emergency Relief Administration
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STATE OF NEW JERSEY

September 1934

STATE OF NEW JERSEY
EMERGENCY RELIEF ADMINISTRATION

"DEVELOPMENT AND PRESENT STATUS OF UNEMPLOYMENT RELIEF IN THE
STATE OF NEW JERSEY"

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DEVELOPMENT OF PRESENT STATUS
OF UNEMPLOYMENT RELIEF MEASURES IN
THE STATE OF NEW JERSEY

BACKGROUNDS AND BEGINNINGS

THE OLD RELIEF SYSTEM

Not since the very early days of the province, has New Jersey's public welfare system been static. In colonial days, the frequent revisions of the poor laws and the passage of special acts to assist in solving temporary or local problems showed the concern felt by our forefathers for their responsibility.

During the first days of the Republic, the problem of building a new government caused the legislators to cease tampering with the Poor Laws. Until the 1840's, when Dorothea Dix started her crusade for the proper care of the insane, the colonial laws remained in the books of the State with but minor changes.

Miss Dix, through her success in establishing specialized institutions for the insane, initiated a trend which is still in motion. One by one, functions originally in the jurisdiction of the Overseer of the Poor, have been stripped from that official and a multiplicity of institutions and agencies has developed, each dealing with its special problem, and the whole making up the public welfare program of the State.

Oftentimes the mind of the public has lost sight of the relief features of many of these institutions and agencies. Yet if relief be considered the granting of assistance at public expense to members of the Community who require service for which they cannot pay, this again becomes clear.

With this preface, it is possible to sketch briefly the relief responsibilities of the State, County and Municipalities in 1930 and to indicate what has happened since that time, especially how the problem of unemployment relief has been related to the whole field of public welfare.

In 1930 the State Government expended approximately \$5,000,000.00 for the following types of service:

60% of the cost of caring for indigent insane, feeble-minded and epileptic patients in State and County Institutions or:

\$3,735,000.

30% of the cost of caring for indigent persons suffering from tuberculous diseases or:

\$850,000.

(The indigency of these persons is established through application to and investigation by the County Adjuster)

Allowances for the maintenance and instruction of the feeble-minded (not under care in State Institutions):

\$165,000.

Administrative expenses of the State Board of Children's Guardians and the Commission for the Rehabilitation of the Blind:

\$250,000.

In 1930 the Counties expended approximately \$11,000,000. for the following relief services:

40% of the cost of caring for indigent insane, feeble-minded and epileptic patients in State and County Institutions, or a total of:

\$2,400,000.

70% of the cost of caring for indigent persons suffering from tuberculous diseases or a total of:

\$1,950,000.

In four counties, general or isolation hospitals are operated under county auspices. The care of the indigent patients is a charge against county funds. This item amounted to:

\$870,000.

In 19 counties, payments are made for free care received in hospitals operated under the Charitable Institutions Act. This totalled:

\$1,300,000.

In 13 counties, almshouses or welfare houses are operated by the county government, the cost of which totalled:

\$700,000.

With certain minor exceptions, the cost of Mothers' Aid allowances and for the boarding care of dependent children was a charge against county funds amounting to:

\$3,550,000.

Certain minor items each comprising less than 1% of the total are also charged against county funds. They are listed below and cost approximately:

\$330,000.

Aid to crippled children
Allowances to blind
Outdoor relief to aged and other
permanent poor lacking municipal
settlement
Burial of veterans
Subsidies to private welfare
agencies
County adjusters office
Miscellaneous institutions

In 1930, the municipalities expended approximately \$4,850,000. for the following purposes:

Care of indigent patients in municipal hospitals:

\$2,100,000.

*Care of indigent patients in non-municipal hospitals:

\$500,000.

*Operation and maintenance of almshouses:

\$425,000.

Board of dependent children:

\$75,000.

Unclassified home relief:

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\$1,600,000.

Administration: \$250,000.

- (* - Source, "E.R.A. Analysis of the Cost of the Care of Indigent Sick in General Hospitals." Source of all other foregoing data - "Pension Survey Commission Report No. 2")

Any unemployment relief given by municipalities in 1930 is included under the above heading of "Unclassified Home Relief" and approximates \$800,000. in amount.

In addition to these at public expense, numerous services were provided at private expense through a variety of private agencies. There was and still is much variation in the quality and availability of the types of service provided through private agencies, depending on the intensity of the Community organization or disorganization.

This analysis of the public welfare program in New Jersey is based on figures gathered by the State of New Jersey Pension Survey Commission in 1931. This Commission, established by the Legislature to study dependency problems and problems relating to public employee pensions, played an important part in public welfare developments in New Jersey during 1931 and 1932. It is referred to at length later. From report No. 2 published October 1931, the following material is quoted as to the operations of the municipalities' relief system at that time.

"The County Adjuster. The County Adjuster is the official designated by law to act for the county in connection with the commitment or admission of insane persons to State or County Hospitals. He also makes arrangements for the admission of cases to other State institutions, and determines their eligibility for free or part-pay institutional care.

"He also carries under the law certain definite responsibilities in connection with the work of municipal overseers of the poor, such as deciding questions of legal settlement involving different municipalities in the county, and acting as representative of an overseer of the poor in determining a matter of legal settlement outside the county boundary lines.

"The Overseer of the Poor. Under the principles originally laid down in the Elizabethan Poor Laws, the local governmental unit in New Jersey still carries wide and varied responsibilities for the care of the temporary and permanent poor. The municipal overseer has power to give or withhold relief, commit to an almshouse in place of providing aid in the home, remove a poor person to his place of legal settlement and compel assistance by court order from relatives chargeable by law with the support of persons applying for public aid.

He is required to arrange for the care of the indigent sick and to provide for the burial of the pauper dead. His request for funds for the conduct of his work is a mandatory item in the municipal budget.

"A case committed by an overseer of the poor to the county almshouse, automatically becomes a county charge. In certain counties, the county accepts such commitments from the municipalities but provides home relief up to the amount which would be required for care in the institution, instead of insisting upon almshouse residence for all cases committed by the overseers.

"In New Jersey, only 27 of the 562 municipalities have a population of 25,000 and over. In the 535 municipalities with less than 25,000 population, it is doubtful if the employment of a full-time overseer is economically justified with the relatively small number of dependency problems which will probably require his attention during a year's time.

"Under the municipal system in New Jersey, the utilization of part-time overseers is, therefore, necessary in all but the few large municipalities. Also, as the Commission investigations show, certain of the small municipalities have so few dependency cases that no overseer of the poor is officially appointed, and any relief work is done by the members of the Township Committee or some other official of the municipality.

"General Comments. The result has been to concentrate public attention in many parts of the State upon the development of strong county programs for various types of welfare service, as illustrated by the large number of counties where the proportion expended from municipal funds has been until recently less than ten percent of the total county and municipal expenditures.

"Under these circumstances, it is not surprising that little attention has been given to the development of high standards in administration, and that old customs and standards of relief-giving still persist."

As a natural result of this system, in many municipalities the Overseer of the Poor acted chiefly as a receiving agent and granted temporary assistance pending the referral of cases to a County or State Agency.

Then came the Autumn of 1930. An avalanche of new applications descended upon the Overseers of the Poor. In Newark the case load jumped, between August and December, from 2,000 families to 5,500 families. In prosperous Montclair, the number of families receiving relief increased during the same period from 50 to 250. (In July 1934, the number was 20,500 and 1,100 respectively.)

Understaffed, untrained Overseers crumbled under the strain. In Newark the basement office of the Overseer was crammed high with unread applications, while building inspectors, public health employees and clerical workers loaned by other City Departments, struggled with unfamiliar assignments.

What was true in Newark on a large scale was likewise true on a smaller scale elsewhere. All this was evidence, not only of a situation approaching a crisis, but also of a need for a comprehensive reorganization. The corrective efforts, therefore, took two directions, the one to provide a better relief machine and the other to finance immediate relief needs.

CITIZENS COMMITTEES

A citizen committee, appointed by the Governor, was organized in November 1930, to survey the unemployment situation in the State and to stimulate employment under industrial as well as public auspices. Similar municipal committees were organized. This Committee reached the obvious conclusion: the best cure of unemployment is a job.

With this understanding, some temporary betterment in industrial employment, largely due to "job sharing," was experienced. The attempt to organize governmental public work projects was more successful. In Bayonne, an extensive work program, described in Miss Joanna Colcord's book, "Emergency Work Relief," was undertaken. In Newark, considerable was accomplished toward carrying out a plan conceived by a City Planning Commission of 1914, in creating new arterial avenues and in widening congested down-town streets. A city railway, following an old canal bed, was also started. Bergen County undertook a plan of highway development and beautification which aroused much favorable comment.

However, as funds were limited and the number of unemployed demanding work increased constantly, these efforts were less and less effective as the year wore on.

FINANCING RELIEF

The early efforts to provide adequate relief through home relief or public works employment both failed for the same reasons; lack of funds and lack of planning. Municipal budgets were maneuvered so as to divert every possible penny to clients and still enough funds could not legally be found. Private campaigns produced sums which looked large to the gatherers but which melted away with discouraging speed as the needy applied. Insurmountable difficulties confronted plans which at the outset seemed plausible and promising.

PLAN FOR REORGANIZATION

In 1931, as an outgrowth of the legislation proposed by the Pension Survey Commission, a plan for special assistance to persons 70 years of age and over was instituted. Old age relief under this plan was to be administered locally by a County Welfare Board in each County, supervised by a Division of Old Age Relief, established in the Department of Institutions and Agencies. Payments were financed; one-fourth from County funds and three-fourths from State funds. This removed from the care of the Overseers of the Poor the group of dependents which between the passage of the Mothers' Aid Act and the coming of the industrial crisis in 1929, formed the major part of the relief responsibilities of the Overseers.

A comprehensive plan for the reorganization of the public welfare system, prepared by the Pension Survey Commission, was submitted to the voters of each county for referendum vote. This referendum proposed the abolition of the office of Overseer of the Poor, transferring his functions to the County Welfare Board, whose executive officer must be a trained social work executive. In addition to the work heretofore performed by the Overseer, the Board would administer old age relief, manage the almshouse or welfare house and pass upon all institutional admissions. It would also work in close relationship to the probation department and the State Board of Children's Guardians. This general proposal was adopted in two counties, Morris and Warren.

The division of cases under the State Board of Children's Guardians, between the Home Life Division (Mothers' Aid), and the Dependent Child Division, was modified to provide greater liberality in the granting of assistance to mothers who were other than widows, and who were without support.

Departments of Public Welfare were reorganized in many of the large municipalities and in others, agreements were made with family agencies to supervise unemployment relief cases.

Because of the scarcity of funds for relief, the program could not reach a high level of efficiency.

THE COMING OF STATE ASSISTANCE

Among the first to recognize the need for special financing and centralized administration was the Department of Institutions and Agencies. A report from its Commissioner to the Governor made in August 1931, called attention to the growing inability of the municipalities to cope with relief problems. Alarmed, the Governor called a series of conferences of citizens and public officials. Out of these conferences, the New Jersey Emergency Relief Administration was born. Chester I. Barnard, President of the New Jersey Bell Telephone Company was appointed Director of Emergency Relief. He immediately formed a skeleton organization. Legislation to make the Administration an actuality was adopted. Under date of October 13, 1931, the State of New Jersey Emergency Relief Administration was officially started, antedating the FERA by eighteen months and following shortly after the establishment of the Temporary Emergency Relief Administration in New York.

THE PROGRAM OF THE ERA IN NEW JERSEY PRIOR TO THE FERA*

The original program of the Administration was exceedingly broad. Primarily intended as an agency through which funds would be fed to municipalities unable themselves to finance their relief burden, it was given authority to supersede any local agency not properly functioning, and to prescribe uniform procedures for the administration and accounting of its funds.

The Administration at once instituted a large scale work program and also a plan for sharing home relief expenditures with municipalities. The work program continued only until June 30, 1932, when it was abandoned as being costly and not reaching those for whom its benefits were desired. From July 1, 1932, until the institution of the CWA, relief efforts in New Jersey centered about the development of a sound home relief program.

The funds of the New Jersey Emergency Relief Administration were not limited by law to the relief of the unemployed. As already stated, the Administration was established as an agency through which funds could be diverted to municipalities and governmental welfare agencies which could not be financed through the usual means because of the increase in clientele simultaneously with the reduction of income from local tax sources. Therefore, funds of the New Jersey Emergency Relief Administration have been used to supplement County payments for the care of dependent children, Mothers' Aid allowances, and Old Age Relief.

The Administration also supplements local payments for the care of the indigent sick in general hospitals. This has gone a long way in standardizing relationships between hospitals and relief agencies.

(* - See Appendix, Chart I)

THE COMING OF FEDERAL ASSISTANCE

THE INTRODUCTION OF FEDERAL ASSISTANCE

Federal assistance for unemployment relief was first introduced in New Jersey in May, 1933, when the Reconstruction Finance Corporation made a grant of over \$2,000,000. to the State. From June, 1933, until March, 1934, New Jersey received FERA matched funds at the rate of \$1.00 out of every \$3.00 expended. In addition to this, special grants were made by the Federal Government for special projects such as transient aid, junior colleges, adult education, civil works, clothing, federal surplus commodities, etc. Also from March, 1934, the Administration has received large FERA grants for direct relief irrespective of the amount of the State money put up for this purpose.

Federal funds in New Jersey were not administered by a separate federal relief agency as has happened in many other States. The existing State Administration was judged competent to handle the administration of federal funds. Federal grants were paid over to the State Administration and administered by it as part of its general resources, which were in turn granted to municipalities either as matched funds or as direct grants. Therefore, at first there was no very obvious result of the coming of federal funds either in organization or administration. The State Administration was largely a joint effort - one centralized agency for the administration of federal, state and municipal relief funds. Nevertheless, with the development of the FERA, certain gradual but very definite changes occurred in the New Jersey Administration.

DEVELOPMENT OF JOINT PLAN TO ITS PRESENT STATUS WITH
DESCRIPTION OF ITS PRESENT PLAN AND ITS FUNCTIONS

Since the coming of federal funds, there have been some very fundamental changes in the organization of the New Jersey Emergency Relief. This has been due, in the first instance, to new legislation and in the second instance, to new policies of field organization adopted by the Administration. These changes will be considered briefly.

Changes In ERA Legislation (Chapter 12, Laws of 1934)

As originally set up, the ERA was manned largely by volunteer directors. As the emergency continued, the drain on the time and energy of these people became enormous. Furthermore, the necessity for standardization and centralization made the control of our local representatives desirable.

An Administrative Council of seven was created to establish policies and procedures, appoint a State Executive and subordinate employees and, in general, to administer all funds available for emergency relief work. This council is composed of the Commissioners of Institutions and Agencies, of Labor, of Finance, the State Auditor and three lay persons appointed by the Governor with the approval of the Legislature.

County Advisory Boards of seven, appointed by the Administrative Council, were set up in every county. Their function was to advise on policies not already established by the Administrative Council and to be a representative group in which local opinion could find expression and to which the State Administration could interpret its policies.

A paid State Executive was appointed to carry out the policies decided upon by the Administrative Council with the help of the State Headquarters Organization.

Offices were created for paid County Executive Directors, nominated by the County Advisory Boards but appointed by the State Administrative Council. Each Executive Officer is responsible to the State Director and to the State Administrative Council.

Changes In The State Administration Independent Of Legislation

Changes In Headquarters Organization

By the early Autumn of 1933, the continued expansion and the diversification of the Administration's activity had brought about the establishment of many bureaus, each headed by a manager reporting directly to the State Director. Some of these bureaus or departments employed one or two persons only and concerned relatively obscure work; others, occupying an equal position on an organization chart, dealt with major concerns of the Administration.

In order to make a more effective division of authority, the work of the various bureaus was analyzed and responsibility finally divided among four of the major executive officers whose services with the Administration made them senior in prestige. The division of authority was built up on the following principals:

Authority for planning and executing the general program of the Administration was set up in the Department of Operations.

Authority for allocating funds for relief purposes was placed in the Appropriations Department.

Authority for the selection of personnel and relations with clients was vested in the Personal Service Department.

Responsibility for the custody and paying out of funds was vested in the Finance Department.

This plan definitely placed authority and aided materially in developing orderly procedures and in lessening confusion.

Changes in the Field Organization

The same necessity for centralization and control of procedure which prompted the revision of the law also resulted in the institution of the district plan. Before this plan was inaugurated, municipalities administered their own relief more or less according to their own interpretation of the local relief problem and its solution. Where State grants constituted a large portion of the relief funds, the State Administration was often in control of the situation but even so there were wide variations in policy and procedure. Different county administrations, although reporting directly to State Headquarters, had widely varying methods of administering relief. The district plan provided for a consolidation of administration and a uniform procedure. Small municipalities, which together had a case load of 500 or more, were organized into districts with one district office. Local municipal offices, open full-time or only for occasional office hours, have been maintained within some of these districts.

As time goes on, more and more control of relief and of procedure centers in the district office, even when the municipalities concerned are contributing substantial amounts of money. By means of personal efforts and contacts through the establishing of representative Committees, the district office maintains the interest and confidence of the municipality in the relief program,

The procedures set up both in the Family Service and in the clerical and accounting field have greatly simplified the work done locally and have made for a higher degree of accuracy. The district plan, wherein employees in the district offices report directly to the county offices of the ERA, rather than to given municipalities, centralizes and strengthens State control,

DEVELOPMENT OF RELIEF POLICIES

From the start, the New Jersey ERA has attempted to provide leadership in community organization and relief methods. At first, this service was on an advisory or suggestive basis. Later, as the ERA has been converted from an agency for the distribution of funds to local public welfare agencies into a single-headed relief administration with central planning and local application, adherence to ERA standards and methods has become mandatory. This is due, to some extent, to the FERA's demands for standard reports and also to its rules and regulations under which its funds are to be administrated,

Standards of Relief

There has been more emphasis on standards of relief. Federal standards, distributed to the field have strengthened the hands of our Family Service workers in discussing adequacy with local offices inclined to cut relief below a subsistence level. The State Food Budget which was adopted in March, 1934, is an example of such a State standard. Federal Bulletins on food budgets were taken into consideration in its preparation.

Types Of Relief

Because of the interest of the FERA in various kinds of relief to meet various emergency problems, the State Administration's conception of the scope of its responsibility has perceptibly widened. This is most obvious in such changes of policies as work relief for cash, cash relief, rural rehabilitation work, transient relief, interest in subsistence homesteads, etc.

NEW DEPARTMENTS DEVELOPED AT STATE HEADQUARTERS

As a result of the new policies introduced by the FERA, the Headquarters office and its field representatives have taken on a great deal of new work. An outline of this development will give some idea of how the business of the Administration has changed in the past year.

Works and Service Division

In New Jersey, no separate Civil Works Administration was organized. This project was turned over to the Emergency Relief Administration. As a result a small department previously concerned with work-for-relief grew overnight into a large department responsible for administering huge sums of money all over the State. With the end of the CWA this department became the Works Division, charged with the administration of projects paying cash wages and also a work-for-relief program.

Transient Department

A local Federal Transient Bureau under complete jurisdiction of the FERA was established in August, 1933. Five central registration bureaus and four camps for transients have been set up and carry approximately 6,000 cases a month. In March, 1934, jurisdiction over the Bureau was transferred to the State Emergency Relief Administration. Recently the Bureau became a division of the Family Service Department, and under this alignment, the Bureau will be able to do more intensive case work.

Centralized Purchasing

The FERA made certain requirements for the purchasing and control of CWA materials. It also encouraged centralized purchasing and control of all supplies. Under this influence a large complex purchasing division was established at Headquarters to purchase and control all types of materials needed by the Administration and its local subdivisions.

Research Division

Supervision and guidance of research activities have been developed in the State organization in a Research Bureau. When additional funds were made available by the FERA, it was possible to widen the scope of the Research Bureau by the institution of a State-wide research program. In addition, the Research Bureau, acting in an advisory capacity, assists in the planning of all local research projects throughout the State.

Rural Rehabilitation

A plan of rural rehabilitation was adopted so that rural relief families might become self-sustaining as rapidly as possible. This is to be accomplished by an educational program and by supplementing family resources in the form of implements or stock.

Training Division of the Family Service Department

Under the encouragement of the Federal Government, an active training department for Family Service Workers has been developed, and the Administration is conducting a training school for Case Supervisors and Visitors. Students are enrolled from various local relief offices for periods of training.

NEW OR ENLARGED ACTIVITIES OF REGULAR DEPARTMENTS

In addition to the establishing of new departments, the activities of established departments were greatly enlarged under FERA stimulus. The Family Service Department assumed the supervision of student aid projects and undertook the recruiting for a Camp for Women. (Service Division responsible for running camp.) Various educational projects were supervised by the Personnel Department, although actual work was delegated to the State Department of Education. The Finance, Accounting and Personnel Departments instituted many new procedures as the scope of their respective fields was enlarged.

MAGNITUDE OF THE UNEMPLOYMENT RELIEF PROBLEM IN NEW JERSEY

CONTROLLING FACTORS

As the national decline of industry and commerce accelerated in 1929, several factors peculiar to New Jersey hastened the arrival of our major unemployment problem.

Municipal Finance

During the past few years various municipalities throughout the State have found themselves faced with an acute financial crisis. In the pre-depression years, there was tremendous municipal expansion through large expenditures for public improvement. Municipal debt rapidly approached and in some instances even exceeded the maximum permitted by the law. When the municipalities found that they were unable to collect taxes to meet their obligations, many found themselves on the verge of bankruptcy.

The following table will serve to show the State Tax situation for the past five years:

TABLE I

COMPARISON OF THE TOTAL TAX LEVIES, THE PERCENT OF TAXES COLLECTED AND THE PERCENT OF TAXES OUTSTANDING IN THE STATE OF NEW JERSEY FOR THE YEARS 1928 - 1933 INCLUSIVE*

<u>Year</u>	<u>STATE TOTAL TAX LEVY</u>	<u>% OUTSTANDING 12-31</u>	<u>% COLLECTED 12-31</u>
1928	\$ 231,389,853.00	23.28	76.72
1929	231,748,383.83	25.45	74.55
1930	256,450,922.62	27.06	72.94
1931	260,348,691.02	30.41	69.59
1932	258,386,423.64	36.66	63.34
1933	228,914,419.00	41.47	58.53
		<u>% OBLIGATED TO DEBT SERVICE</u>	
	1929 \$ 231,748,383.83	35.06	
	1931 260,348,691.02	39.03	
	1933 228,914,419.00	44.92	

(* Source - New Jersey Bureau of Municipal Accounts)

As a result of the difficulties in which the State municipalities found themselves, drastic revisions in State regulations governing financing were made. In order to find a solution to the financial problem of the State, the office of State Commissioner of Finance was created. Mr. John Colt, State Director of Emergency Relief, was appointed by the Governor to this new office.

Industrial Situation

As the State is highly industrial, the greater part of all manufactured goods and merchandise produced in the State is sold in other states. The shrinkage of outside markets for manufactured products caused a lessening in business activity within the State and as a result, employment in general decreased. The average weekly payroll of leading manufacturing industries in New Jersey, as reported to the State Department of Labor, declined from \$7,703,000 in October, 1929, to \$3,474,010 in October, 1932. The extent of the decline in local manufacturing since 1929 has been so marked that the total output for the year 1932 is estimated to be 50% of that in 1929.

The following brief table shows the change in volume of the gross income of New Jersey manufacturing industries over a period of years:

TABLE II

GROSS INCOME OF NEW JERSEY MANUFACTURING INDUSTRIES

1921.....	\$ 611,300,000.
1923.....	778,300,000.
1925.....	876,100,000.
1927.....	890,600,000.
1929.....	1,160,800,000.
1931.....	557,000,000.
1932.....	332,000,000.

Suburban Problem

Because large numbers of people who live in New Jersey urban areas adjacent to New York and Philadelphia were employed in those municipalities, the decline of business there was responsible for wide spread unemployment in New Jersey and many of these commuting wage-earners became dependent upon this State for relief. During the prosperous days, before 1929, numerous mushroom suburban developments sprang up in previously little-populated sections adjacent to the congested urban areas. Through high-pressure salesmanship, lots and modest homes were sold to low-wage office and industrial workers, who even in good times found it difficult to meet mortgage and tax obligations on their small homes. When wages were lowered or jobs lost, these groups of families soon exhausted resources and became dependent upon the State for support. These municipalities, because of the relatively low assessments on properties and high initial cost of public improvements, quickly found themselves in financial difficulties as unemployment spread and people were unable to meet their tax obligations.

Rural Situation

Although five-sixths of the case load for the State is included in the urban areas, there are some 10,000 cases each in the rural and shore sections. The rural sections depend upon food products from farms and small truck gardens, and upon employment in scattered small factories or canneries. Wages throughout these sections are very low and as a result there is much need for supplementary relief. The prevalence of gardens, cheap housing and surplus products in local production has eased the situation slightly.

In certain sections, inbreeding and low mentality cause a complex social problem. A broad treatment of this problem is made more difficult in rural than it would be in urban areas because of the lack of cooperating public and private agencies and other supplementary facilities.

Resort Problem

The State's 150 miles of shore resort area was over-developed during the boom period. In Atlantic City and many other important coast cities, staggering sums were spent on the erection of huge hotels and buildings and on programs of municipal beautification. Many families, lured by the possibility of obtaining employment in domestic and hotel work, moved to these areas. Thousands of persons, mostly negroes, who worked in the southern state resorts in the winter season came to the Jersey shore in search of summer employment. When resort business in general suddenly failed, these families and unattached persons found it inadvisable to go south in search of seasonal work. Instead they stayed in New Jersey. Since they are stranded here and rapidly becoming unemployable, their integration remains a major problem for us to solve.

In the years just previous to 1929, numerous tracts, particularly along Sandy Hook Bay, were developed as summer colonies. Many small-income urban dwellers were induced to buy property and erect low-cost summer bungalows. With the decline in business, many families who normally resided in the congested urban areas adjacent to New York, were forced to give up their city residences and live in these poorly constructed summer cottages.

These Bay communities offer no chances for industrial occupation and the State is faced with the problem of providing relief and planning for the adjustment of a group whose mode of living has been changed suddenly and which is stranded in a section isolated from industry.

CASE LOAD

Table III, shown on the following page, gives the case load in New Jersey since the beginning of the Emergency Relief Administration.

TABLE III
NEW JERSEY RELIEF LOAD AND EXPENDITURES
ENTIRE PROGRAM BY YEARS

PROGRAMS	FIRST YEAR OCT. 1, 1931 TO SEPT. 30, 1932			SECOND YEAR OCT. 1, 1932 TO SEPT. 30, 1933			THIRD YEAR OCT. 1, 1933 TO SEPT. 30, 1934***			TOTAL
	LOAD		EXPENDITURES	LOAD		EXPENDITURES	LOAD		EXPENDITURES	
	CASES	PERSONS		CASES	PERSONS		CASES	PERSONS		
DIRECT RELIEF	71,500	312,000		88,456	371,000		127,155	504,574		
RELIEF			\$10,000,000			\$22,123,000			\$29,404,000	\$61,527,000
ADMINISTRATION			500,000			2,084,000			4,035,000	6,619,000
TOTAL	71,500	312,000	\$10,500,000	88,456	371,000	\$24,207,000	127,155	504,574	\$33,439,000	\$68,146,000
PERCENTAGE CHANGE OF TOTALS OVER PRECEDING YEAR				23.7%	18.9%	130.5%	43.7%	36.%	38.1%	
WORK RELIEF			7,500,000		*	119,000		*	20,140	7,639,140
PERCENTAGE CHANGE OVER PRECEDING YEAR						-98.4%			-83.1%	
G.W.A.								113,688**	44,939,182	44,939,182
G.W.S.								*	750,000	750,000
WORKS DIVISION								*	6,001,669	6,001,669
TOTAL			7,500,000			119,000			51,710,991	59,329,991
OTHER RELIEF AND SPECIAL PROGRAMS						1,181,000			6,553,665	7,734,665
PERCENTAGE CHANGE OVER PRECEDING YEAR									454.9%	
GRAND TOTAL			\$18,000,000			\$25,507,000			\$91,703,656	\$135,210,656
PERCENTAGE CHANGE OVER PRECEDING YEAR						41.7%			259.5%	

FEDERAL PARTICIPATION

	FIRST YEAR	SECOND YEAR		THIRD YEAR			GRAND TOTAL	
		AMOUNT	% OF TOTAL EXPENDITURES	AMOUNT	% CHG. OVER 2ND. YEAR	% OF TOTAL EXPENDITURES	AMOUNT	% OF TOTAL EXPENDITURES
FEDERAL SHARE OF STATE AND LOCAL PROGRAMS ***	NO FEDERAL FUNDS IN FIRST YEAR	\$8,305,200	32.6%	\$25,627,819	208.6%	27.9%	\$33,933,019	25.1%
100% FEDERAL FUNDS AND PROGRAMS		800	.003%	48,061,363	...	52.4%	48,062,163	35.5%
TOTAL FEDERAL FUNDS		\$8,306,000	32.6%	\$73,689,182	787.2%	80.3%	\$81,995,182	60.6%

* FIGURES NOT AVAILABLE

** FIGURES REPRESENT PERSONS EMPLOYED, NOT PERSONS AFFECTED

*** FIGURES FOR THE MONTH OF SEPTEMBER 1934 HAVE BEEN ESTIMATED

**** % OF FEDERAL SHARE IN STATE AND LOCAL PROGRAMS WAS 38.9% FOR ENTIRE PERIOD COVERED.

APPRAISALS

The activities of the New Jersey and Federal Emergency Relief Administrations are so interlocked that it is exceedingly difficult to segregate the influence of each on the present status of public welfare administration and future trends in this field.

Both the FERA and the New Jersey ERA have done much toward elevating standards in and developing cooperation among local offices. Uniform interpretations of policies, such as those regarding legal settlement have been evolved. The standardization of methods of reporting statistical data has made it possible to compare various relief problems. As a result, local units are assisted in interpreting their own situations in terms of what is happening elsewhere.

Just where the influence of the New Jersey ERA was superseded by that of the FERA in these trends, cannot be determined definitely. Certainly the support and backing of the FERA simplified and accelerated the efforts of the New Jersey ERA.

It is too early to state what form the future public welfare program of the State will take. If prosperity should suddenly return, it is probable that the ERA could dissolve and its responsibilities be diverted to other agencies without an undue measure of confusion and distress.

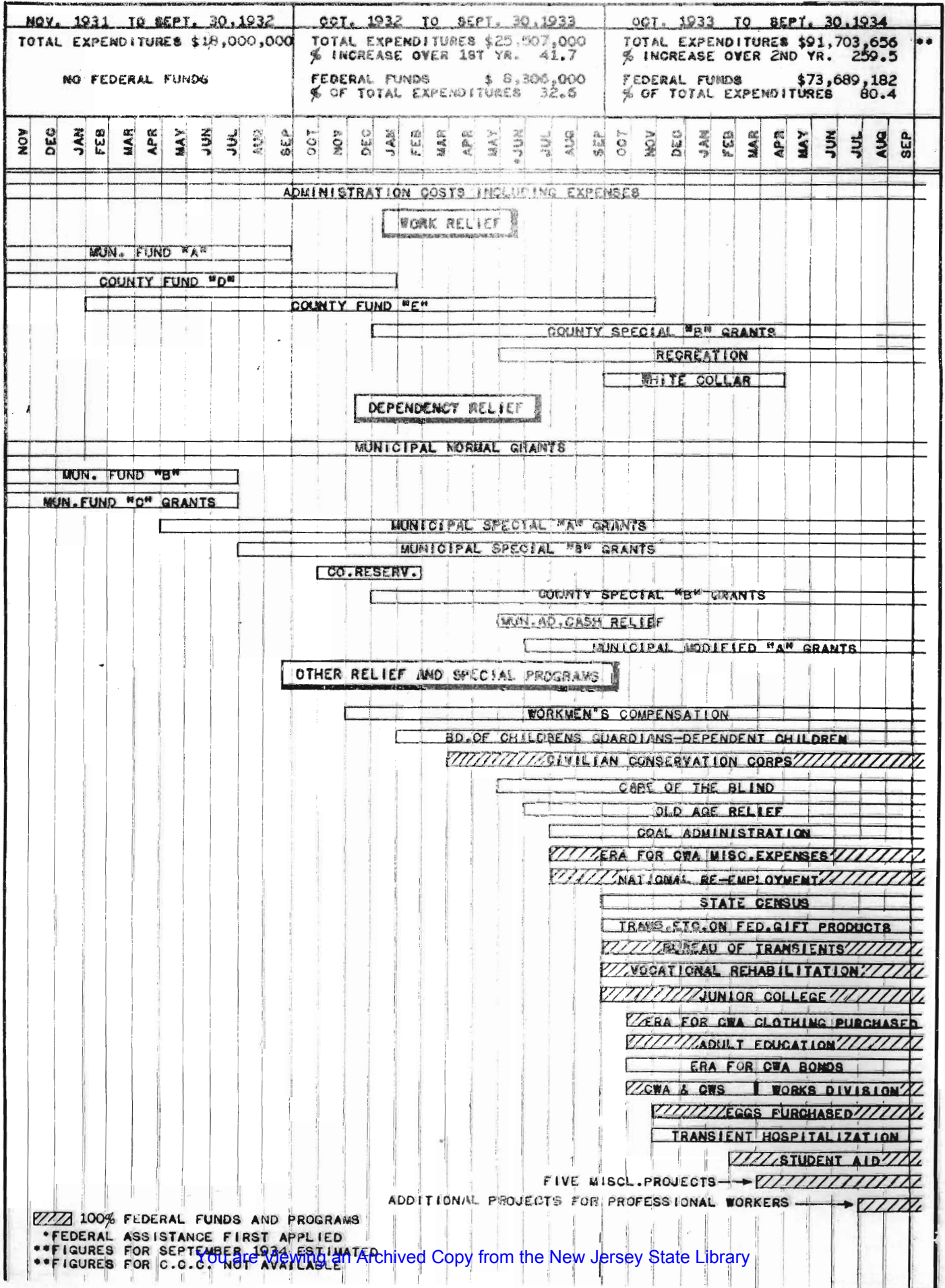
If unemployment continues, the ERA is likely to consolidate its position, and become one of two things: the nucleus of the State Department of Public Welfare, or the absorption into an existing State Department, the particular department depending on the form developments take, i.e., social insurance, home relief, public works, etc.

The need for coordination will gradually become more apparent as the inter-relationship of welfare problems becomes defined and a plan of administration will evolve which will take all these considerations into account.

In any event, New Jersey will have a better public welfare system than it had before 1930, if only because the New Jersey ERA and the FERA have taught our citizenry what to require in the way of Public Welfare Administration.

APPENDIX

**CHART I
EVOLUTION OF EMERGENCY RELIEF ADMINISTRATION PROGRAM
BEFORE AND AFTER COMING OF FEDERAL ASSISTANCE**



// 100% FEDERAL FUNDS AND PROGRAMS
 * FEDERAL ASSISTANCE FIRST APPLIED
 ** FIGURES FOR SEPTEMBER, 1934, ESTIMATED
 *** FIGURES FOR C.C.C., NOT AVAILABLE

Photomount
Pamphlet
Binder
Gaylord Bros., Inc.
Makers
Syracuse, N. Y.
PAT. JAN 21, 1908