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PUBLIC WORKS AND HOUSING

10 June 1948

L48-160

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Publication No. L48-160

THE INDUSTRIAL COLLEGE OF THE ARMED FORCES
Washington, D. C.

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COLONEL NEIS: Gentlemen, among the 35 basic elements which we have been studying are few, if any, that touch us as intimately as does housing and public works. In some of the phases of the plans which you have been developing you have given a great deal of thought to the dispersion of industry.

We are very fortunate this morning to have with us Mr. James Follin, the Assistant Administrator of the Federal Works Agency, who has had a long period of experience, particularly during World War II, in dealing with the problems of public works and housing. Mr. Follin.

MR. FOLLIN: Colonel Neis, members of the class: General Fleming had looked forward expectantly to this meeting with you, but he didn't know at the time that the Columbia River was going on a rampage. So this morning finds him in Portland, where he went at the request of the President to coordinate the efforts of all the Federal agencies in that disaster.

The Federal Works Agency, in addition to its other duties, has become in the last year or two a disaster agency. A year ago Congress passed an Act which made available to the Federal Works Administrator surplus personal property from the War Assets Administration which he is authorized to lend or lease to public bodies, states, and municipalities. I never saw anything to beat the way disasters have occurred since that law went into effect. We have had hurricanes; we have had tornadoes; we have had some other floods on the Missouri and its tributaries; we had a forest fire up in Maine, and now we have a major flood on the Columbia River.

The General regrets, I know, that he cannot be with you here this morning, and it is my pleasure to take his part. This paper had already been prepared for his use and I am going to read it to you exactly as it is written. I hope that you will make mental notes, if not notes on paper, of questions which occur to you as I read, and I shall be happy, so far as I can, to endeavor to answer your questions.

Colonel Neis has already mentioned that you have studied the matter of dispersal of industry. Of course, the big problem that is involved is the rounding out and perfecting of all those public works facilities, transportation, housing, and in fact commercial facilities and all the living conditions which are required when you create productive facilities.

While my paper does not deal specifically with this problem, it does cover various phases of it, and afterwards, if there are some phases I can touch up, I shall be very pleased to do so.

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A structure, such as a hydroelectric station, is a good example of a public works project. It is a complete unit. A structure is not considered complete under our program without operating equipment. Therefore, both the construction of the project and the installation of operating machinery and equipment are included in the scope of our public works activities.

Obviously, the equipment installed in a factory depends on the product to be manufactured. That decision is a procurement rather than a public works matter. The Military Services in cooperation with the War Production Board and with private producers who were to turn out the weapons of war decided on the type and extent of equipment needed for production in the late war.

Transportation is not usually considered as public works, although highways, which provide important transportation in time of war, are built and operated as public works facilities. This includes the construction of vital access roads to plants and to military camps, air fields, and navy bases.

Clearly, the agency for controlling public works will have to watch all construction--not just a part of it. Some agency must have this over-all picture of construction requirements--public and private--in terms of manpower, material, and equipment; it must also make decisions as to what types of construction and what projects may proceed should there be doubts as to a sufficient supply of manpower, equipment, and materials for all needs.

Since an agency is needed to determine the essentiality of proposed construction, as well as an agency to act as the construction arm of the Government, these two functions could be combined. Or the Federal Works Agency could serve as heretofore as the construction arm and some other agency deal with essentiality. In World War II, it was the War Production Board.

To conclude this matter of definitions, I would suggest a rather all-embracing title be used to cover the whole category of construction, with three or four major subdivisions, one of which would be public works. Others might be military, industrial, residential and other civilian construction.

Because it is a far-reaching and complex subject, there are many agencies engaged in gathering data and statistics in the field of construction. They include the following:

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In wartime only essential construction is permitted. During the late war, the War Production Board handled judgments concerning essentiality and issued permits or denied permission. Since the five agencies just mentioned perform the great bulk of public construction during peacetime, they probably would be responsible for the bulk of wartime construction ~~permitted--unless~~ a single agency for civilian construction and housing was regarded as more economical and expeditious.

The Federal Works Agency has a well-defined decentralized administration in the field--where the actual construction work is done. It is so developed now, and in the event of necessity, the field office system under the present nine Division Offices could readily be expanded.

In wartime, if the central headquarters were cut off from outside areas, the Division offices could carry on for a considerable period while contact with the old central office was being renewed or the central office re-established in some other location.

Even this brief review of the relation between public works and the broader field of construction indicates that an effective plan of industrial mobilization presents many problems. Such a plan calls not only for a real centralization of responsibility but also requires enough authority in the production chain to get the job done.

In terms of public works, the late war revealed serious gaps in our planning and in the execution of our program. Many of these shortcomings could be traced to the lack of peacetime planning--advance planning--and to the constantly mounting pressures of the wartime emergency.

As our defense program began to gather momentum in the Spring of 1940 we embarked upon an unprecedented period of industrial expansion and community dislocation.

Many of our new or expanded installations--airplane plants, munitions factories, and shipyards--were located in small towns or villages. Some were in open country for reasons of military security. As workers were found to man these new installations, we soon discovered that either no housing for them existed or that the existing housing was totally inadequate. Our newly recruited war workers and their families initially had to live in tents, barns, and trailer camps. Many of them drove 40 or 50 miles to work--in battered cars. We discovered, too, that in many places lack of community facilities had created a rapidly growing menace to health.

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Undoubtedly, we will make mistakes in the future, but they need not be the same mistakes.

We can avoid such repetitions, in my opinion, if our plans for industrial mobilization stress the vital need for as much centralization of policy formulation as we can possibly effect.

During the late war, the important consideration was the immediate construction of camps, airfields, and naval bases and of war plants. The question of manpower, of housing, and of the public works needed to make the greatest use of human resources became a problem after that event. It does seem that as part of a plan, we could adopt a better means of mobilization in the future.

So far as public works are concerned such a program appears much more feasible today than in 1940. We could make use of the nation-wide staff of the Federal Works Agency. When the location of a military base or a new plant is decided upon, we should build the necessary housing and public works at once. The construction of these facilities should be parallel with the military construction. Then, upon completion of the plant or the military base, the problems of staffing that caused so much trouble in the recent war could be avoided, and production of war goods and the training of troops could proceed much more rapidly to the advantage of the country. Moreover, housing and public works planned as an integral unit of the camps or the plant would certainly be a much more economical and efficient method of construction.

The Federal Works Agency, through its operations in this field, particularly under the Lanham Act and under Title V of the War Mobilization and Reconversion Act, has obtained a comprehensive picture of the operations of States, counties and municipalities throughout the United States. We have a clear picture of the public works which are planned or in the process of being planned. We know, also, that few if any localities have a surplus of highways, streets, water supply, sewage facilities, schools, hospital beds, and public buildings.

Moreover, with only a slight change in the direction of our previous investigations, we could determine the feasibility of expanding community facilities to meet new industrial expansion in these communities.

Need I add that modern developments in the field of warfare make it even more imperative to acquire and apply such knowledge in connection with industrial mobilization? The introduction of atomic warfare, the possibility of bacteriological or chemical entrance into that field, necessitate a thorough study of water supply, population dispersal, and kindred problems.

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The Public Roads Administration has a continuing study under way called "Planning Surveys" and more and more thought is being given to needs that will have to be met in the eventuality of war.

As you know, roads are not being built by the Federal Government. They are being built by State Highway Departments with assistance from the Federal Government. Guidance is needed from the military authorities to find out where the critical points of war industry and military concentration will be in order to carry out in advance the improvements that will be needed.

After World War I, the Federal Highway Act provided for the designation of the Federal Aid System. This system has been improved and now includes about 230,000 miles of our total of 3 million miles of rural roads. When routes were first selected to comprise this system, the War Department was asked to indicate roads of strategic importance. This resulted in submission of the Pershing Map, a strategic network of 70,000 miles, all of which were included in the Federal Aid System.

The 1944 Highway Act authorized a more limited system, out of the total Federal Aid System, connecting larger industrial areas. This has resulted in the designation of an interstate system of less than 40,000 miles, which is a selection of the most important routes. They are of the utmost importance as through arteries, and are direct connections between larger cities--connecting all of 100,000 population or over, and connecting all but 11 of those of 50,000 population.

During the late war the construction of access roads received primary consideration. The main lines of existing highways were generally adequate for what may be called the "line-haul" movements that were essential, and new construction was sharply limited by material and manpower shortages and controls. It was necessary to reduce even maintenance operations on these roads to a minimum due to manpower shortage. Because of this enforced curtailment our main highways, which were in normally good condition at the beginning of the war, had deteriorated greatly by the end of hostilities.

The resumption of normal maintenance and the partial release of reconstruction operations have corrected the more serious wartime damage. Today our highway system is not in what you would call bad shape, in terms of the physical integrity of its surfaces and structures.

We are doing as much as the capacity of material supplies and construction means will permit to recover the ground lost during the war and also meet the needs for more ample traffic capacity. The latter can only be met by building facilities of higher standards than those which existed before the war.

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That situation is worse today. During the war years shortages in materials, equipment, and manpower prevented the expansion of local public works to meet critical needs. Since the end of the war, continued shortages of certain basic materials and extremely high construction costs have held local public works to a bare minimum. Probably today, if we were called upon to expand public works facilities in a given area to provide for a military or industrial installation, even more than 25 percent would go to cope with the existing demand.

To me at least, all of these facts strongly demonstrate the need for an industrial mobilization plan which recognizes the vital significance of public works and provides adequate machinery for a centralized authority.

Looking beyond the field of public works, there is every reason to believe economic mobilization which was thoroughly planned and blue-printed would have a better chance to succeed in an emergency. It would also be more immune to political pressures which, yielding to expediency, might distort or disrupt some vital phase of the plan.

As I see it, such a plan should enlist the active support and participation of informed and influential men--men who had become emotionally involved in the program through contributing to its planning as members of industry committees. You will recall that the War Production Board finally broke its work down into some 1100 separate industries.

In this connection I might also remind you that the work of future industry committees will be centered mainly upon production and production problems. Thus the executives who make up these vital committees should come from the production side of management rather than the distributive side--as often happened in the earlier phases of World War II.

Plans for economic mobilization should, of course, work toward a smooth transition from wartime operations to a peacetime economy. Generally speaking, wartime controls should revert to a normal basis starting from the operational unit and expanding upward as rapidly as possible following the conclusion of operations.

Public Works in particular should be so planned that after its wartime functions end it could be reconverted to civilian use with a minimum of disruption or loss of its functional benefits. This would be practically impossible where the location or magnitude of wartime industrial plants would not fit into the civilian economy. Inevitably there will be some loss of specialized machinery and equipment. As we look into the present War Assets Administration, we find considerable loss of that kind; much of it could probably not have been avoided.

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The small communities would be separated, in this theoretical illustration, by four or five miles of open farming and forest area-- no resident of the urban units being more than one mile from open country. The reduced vulnerability of the "cluster city" in military terms is striking; the improved livability standards possible, assuming a well-considered patterning of industrial locations and centers of employment, efficient interurban transport and communications, are such that the proposal deserves the most careful study in any consideration of urban development policy--in terms of civil needs and urban conditions no less than from the military standpoint.

The case Mr. Augur makes for dispersal and grouping of many small urban communities in regional constellations is of course intended to suggest possibilities, and to provide guiding principles, for application to real urban conditions. Great cities are not readily and easily subject to radical surgery. They are not only vast aggregations of physical plant and land area, representing staggering sums in investment terms and in public expenditures--they are likewise strongholds of human tradition and sentiment, possibly immune or impregnable in their collective, and individual, psychological resistance--except over long periods--to such wholesale urban surgery as seems implicit in Mr. Augur's well-reasoned statement.

Of importance, however, is what this approach suggests for a policy of giving direction and guidance to such changes as are possible, stage by stage, as industry locates or relocates; as residential communities are projected; as department stores and shopping centers, and many types of urban and also rural development seeking new locations and better standards of space and spacing establish or re-establish themselves.

Small towns in regional groupings, well-served by rail highway and air facilities, with or without a large parent metropolis fortunately are not at all exceptional in the United States. Unfortunately, however, through lack of a policy in the big city and alike in the smaller ones in dispersing haphazardly and remaining blind to the consequences, the metropolis extends formlessly and wastefully, destroying and disrupting the small towns in its path, because they are too weak and too "independent" to maintain their integrity and their often long-established substantial economic and human values.

Many of the progressive big cities of the Nation have already accepted in their city plans the principle of rebuilding themselves in a connected series of neighborhood units, usually based upon traditional communities often with an early honorable history and distinct characteristics. Too often, however, such communities have succumbed to the disorderly metropolitan sprawl, have become blurred to indefiniteness, and have fused with the metropolitan mass.

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In the latter connection, undoubtedly there would have to be Federal financial assistance because the replacement of a destroyed water supply, let us say, in a major city would require Federal financial assistance, just as we had to supplement the civilian public works in order that our military establishments and our productive facilities for World War II could operate fully. It would probably be away beyond the ability of that community at the time to put the dollars on the line that would be required. In the event of a war that would bring great disruption to our municipalities, there would have to be Federal participation in the restoration and replacement of facilities. I can see no other way it could be done.

QUESTION: Mr. Follin, the FWA is an independent agency. In wartime, with the need for a strong central organization of which you speak, we see the whole thing picked up lock, stock, and barrel and transferred to an office of economic mobilization. Now that would sever for the duration of the war the direct tie between the administrator and the President. Could you remark on that?

MR. FOLLIN: Well, you say it has been determined to set it up?

QUESTIONER: No. Following your lead for strong centralization.

MR. FOLLIN: I have recommended strong centralization of control, as you will recall, in this paper. We believe in it because we believe that is the way the problem would have to be accomplished. Has this group agreed on a plan?

COLONEL NEIS: No, not yet.

MR. FOLLIN: Oh, I see. Well, you remember, Captain, when you were in my office we discussed public works. You, of course, were thinking of all public works in terms of practically all construction. That is why, as you may have noticed, we defined it in the beginning of this paper, because we wanted to be sure that we were all talking about the same thing.

Now, in the late war in dollar volume, the bulk of the construction was military construction, whether by the War Department or by the Navy doesn't make any difference, but altogether that was the bulk of it. Next, I guess, was the industrial construction. Industrial construction was done privately for the most part but was financed publicly. Expenditures for housing and public works facilities, which I have been talking about here today, came last.

Now, certainly the military construction, without any question, is going to be under the Armed Services and tied into the economic mobilization program. I don't suppose you mean to say that military construction is going to be put under your economic mobilization setup; therefore, all construction would not be under it. I don't know why public works construction as a unit, would necessarily have to be under

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QUESTION: The aid you would give communities in case of disaster--say we have a major disaster--depends on the amount of material that is on hand. The effectiveness would require immediate aid, say, in repairing water works, hospitals, and so on. What is the extent of that material you have on hand, and, if it is low, do you have a plan for stockpiling essential items?

MR. FOLLIN: I am glad you raised that question. I think to date we have obtained from the War Assets Administration and distributed in four or five of these disaster areas somewhere between three and four million dollars in purchase value of various supplies and equipment. Now, the equipment is only leased to them or loaned to them, so it will come back. The supply is rapidly decreasing. Whereas a year ago there was quite a little construction equipment in the hands of the War Assets Administration that had been declared surplus, now when we try to round up some for the Columbia River disaster, the War Assets Administration tells us there is nothing on the west coast whatever, which is true. It has been completely cleaned out.

So there is pending in Congress now new legislation to supplement the present disaster legislation. It has been developed over several months in conjunction with all the various departments and agencies of the Government, and it would make available appropriated funds which could be used by the Federal Works Administrator, or his agents, in acquiring material that is needed or in contracting for services that are needed. On entering one of these disaster areas, the immediate job is to clean up the area, as many of you men well know. There is no way now in which the Federal Government can assist in that respect except as your military commanders in the localities are able to send a few troops in for a limited time. They have authority to do that if it is a case of life and death.

A further development on disaster legislation in the past week--when the Columbia flood became such a headliner in the papers--has been to propose an appropriation which could be used for three purposes: First, to restore any Federal facilities which had been destroyed in the flood. That would be complementary to the present authority of Federal agencies, for instance, of the Corps of Engineers to restore its own dikes and works if they are damaged. Secondly, to make available temporary housing for those who have been displaced by the flood; and, thirdly, to make grants to local governments for the repair, restoration and replacement of local public works that have been damaged or destroyed in the disaster.

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