THE PUBLIC WORKS ADMINISTRATION IN A SMALL COMMUNITY

By

George Weber

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CHAPTER I
INTRODUCTION

Purpose of The Paper

Recently a new school of revisionist historians, commonly called the "New Left," have presented newer interpretations of the American past including sharp criticism of Franklin D. Roosevelt and the New Deal, and its effectiveness during the depression years. The criticism of the New Deal has created an atmosphere of concern and interest in reviewing the New Deal era by many historians. It would be impossible in a paper of this nature however, to review the New Deal in its entirety. In this respect I have isolated one agency of the New Deal program, the Public Works Administration as the basis of this research.

In an attempt to coordinate the Public Works Administration and its relationship to the national scene I have analyzed the construction of one project which was under the auspices of that organization. This project was the construction of the Bethel High School in Bethel, Connecticut. It is hoped by following the events of this project that insights can be obtained into the function and effectiveness of the Public Works Administration. Also it is hoped that an analysis of this project will illustrate some aspects of the economic failure of the New Deal.

The objective of this report then is to take one project which was set up in a small community and trace the events which took place in that community to the events which occurred on the national level. This progression of combining events with the community with events on the national level should provide an illustration of the relationship between the FWA and the economic policy of the New Deal.
Methods of Research

The primary reference source used for this report was the Danbury News Times. By outlining the events as reported by the paper from the years 1936-1939, much valuable information was obtained.

Newspaper articles when allowed to stand by themselves often do not give a complete picture. As a result of this a survey and study of the New Deal was required in order to accurately analyze these articles. One of the best sources available on the New Deal is William E. Leuchtenburg’s, Franklin D. Roosevelt and The New Deal. Other books and articles used are listed in the bibliography.
CHAPTER II

THE PUBLIC WORKS ADMINISTRATION

Organization and Effectiveness of The FWA

The Public Works Administration was initiated and organized under Title II of the National Recovery Act of June 16, 1933. The purpose of the act was to create a large scale public works spending program to prime the economic pump and thus provide re-employment for thousands of unemployed workers. The Public Works Administration thereby became the genesis of the National Recovery Act and was viewed as a significant agency through which the nation would achieve recovery from the perils of depression. 1

General Hugh S. Johnson was appointed administrator of the new agency, but was soon replaced by a cautious President Roosevelt. "On the one hand he expected to negotiate codes, on the other pour public works money into areas where it was most needed. Roosevelt refused to give such tremendous power to one man, especially a rather unstable one. Also the President took a more conservative view of public works spending. He turned over the $3,000,000,000 for public works to Secretary of the Interior Ickes, who slowly and methodically began to gather plans for projects checking carefully to make sure it would be worthwhile. The need was for heavy spending in the next few months, but it was four years before Ickes's Public Works Administration pumped appreciable amounts of money into the economy." 2

Before the FWA came to an end in the forties the agency had spent over 4 billion dollars on over 340,000 government sponsored projects; however, it has been concluded that its effect on the economy did little if anything to help relieve the hardships of depression. In short the FWA spent too little over too long a period of time, when in essence it should have spent a great deal more in a shorter period of time if it was to achieve its objectives.
Attitudes Concerning Public Works Program

Prior to the passage of the National Recovery Act there were two prominent views concerning public works programs. "There were those who believed that large expenditures on permanent public improvements, involving as they did large demands for materials, would help to activate such heavy industries as steel and machinery. Under this concept the number of jobs actually created on the project itself would be relatively small as compared with those created in the industries that furnished the materials. In the idiom of 1933, this was called pump-priming." 3

Another school believed that government spending supplied through deficits would increase the money supply. This would be inflationary and would lift wages, prices, and profits. One zealot said at the time that the $3,300,000,000 would be better used if it were scattered by aircraft over the country in one-dollar bills." 4

"It is not clear whether Ickes was interested in either of the foregoing theories. He wanted to use the money to build large and useful public improvements, highways, buildings, airports, and, above all, immense dams that would not only control water flow but generate electricity in wholesale lots. He was most concerned in public ownership of public power generation and distribution in competition with "evil" private utility companies. Since he had control of the money his concept prevailed. Ickes was less interested in quick recovery than in pursuing his theories of public ownership." 5

Roosevelt's attitude was one of caution in regards to public spending. He stated, "Many people had advocated the appropriation
of vast sums running as high as five billion dollars, or even more, to be spent on a program of public works. All of us are in favor of public works on a great scale; but I had made up my mind that public works for the mere sake of spending money could not be justified by us or by future generations."

Handicaps of Caution

Secretary of the Interior, Harold Ickes, as head of the Public Works Administration followed Roosevelt's cautious attitude toward public spending. In fact he operated the agency with such extreme caution that it did next to nothing to stimulate the economy. 7

In October 1936 the editors of the Economist published the following concerning the effects of the Public Works Administration on the nation's economy. "Its net result has been to restore the average expenditure on public construction to about 60% of its pre-depression level. In these circumstances, it would be idle to look for the effects which have been theoretically predicated for a policy of increasing public works expenditures in times of depression. The plain truth is that the United States public works have not been increased they have merely been prevented from fading altogether away." 8

Caution was not the only handicap of the public works program. Programs were often stalled because of indecision on local, state, and federal levels. The Public Works Administration participation in the construction of the Bethel High School gives clear indication of the problems of indecision and bureaucracy which hampered the public works program. It also clearly indicates that the Roosevelt Administration did not really understand nor accept deficit financing as a method of alleviating the hardships of depression.
CHAPTER III
THE BETHEL HIGH SCHOOL BUILDING PROGRAM UNDER THE PWA

The Issue of 1936

The issue of building a new high school first gained local prominence on February 16, 1936. The WPA (Works Progress Administration) submitted for approval to the towns people of Bethel a proposal to build a new town hall. The total cost of the structure would have been $57,000 with the Works Progress Administration providing $37,000 and the town's share of $20,000. A similar grant of $33,000 by the Works Progress Administration was submitted for the construction of an addition to the existing high school. 9

A referendum was held on February 21, 1936 to vote on the two Works Progress Administration proposals. The choice of the people was whether to construct an addition to the high school (built in 1887) at a cost to the town of $9,055, or erect a new town hall at a cost to the town of $21,000, or to accept both proposals. 10

In a comparatively small number of votes cast (less than 25% of the eligible voters) the majority voted for the addition to the high school. The results were as follows: 11

| Total vote cast......................... | 760 |
| For addition.......................... | 510 |
| For town hall.......................... | 208 |
| Against school......................... | 201 |
| Against hall......................... | 367 |
| For both projects.................... | 102 |
| Against both projects................ | 139 |
| Rejected.............................. | 8  |
The plans for the project were drawn up and approved by the federal government. The town's share was to be $9,055 with the total cost of construction estimated at $33,323. The addition was to include, two class rooms, a study hall with showers and facilities for athletic teams. 12

The project, however, never materialized. WPA labor was not available on relief rolls, and as a result the project was cancelled. 13

Controversy Over New High School Continues

The question of the new high school building had been the center of the town's attention particularly since the cancellation of the original WPA project. When the question of the new school arose, two factions appeared in the town. One faction favored an addition to the old school while the other favored a new town hall which would also contain new classrooms. 14

The controversy over a new high school continued. On July 2, 1937 a special town meeting was called on Tuesday, July 8, 1937 authorizing the town selectmen to accept a grant from the United States government for the purchase of a site and erection of a new high school building. 15

The meeting was scheduled to take place at Leeja Hall at 7:30. In addition to authorizing acceptance of the federal grant, the meeting was also scheduled to authorize the Board of Finance to float a bond issue of $105,000.00 in lieu of laying a special tax to pay the town's share of the new school building. 16
Since the cancellation of the WPA project a new group appeared in town which favored building an entirely new high school. The Bethel Lions Club was instrumental in getting representatives of civic and fraternal bodies to support the new school project. In April of 1936 the Lions Club held a mass meeting with representatives from civic and fraternal groups and voted in favor of a new high school. 17

The Town Board of Finance went on record as ready to approve acceptance of a PWA grant being sought for construction of a new school on June 15, 1937. However, many residents were opposed to the building of a new high school on the grounds of the extra expense to the taxpayers, and others still favored an addition to the old high school. 18

Board of Education Supports New School

On July 6, 1937 an article appeared in The Danbury News Times written by the Board of Education urging the members of the community to vote for the new school. The communication follows:

The club has struck the hour for Bethel to act. For the past few years the town has been facing the growing need of increased facilities at the high school. For months the board of education has been studying the question. During the last two or three years the school has been struggling along against difficult odds. On several occasions in the recent past the town has recognized the need of more room and better equipment. Various organizations and individuals have endorsed the idea of a new school as well as the need of a suitable auditorium large enough for town meetings and other town purposes. In a report to Congress of a recent study by a government agency, following the lamentable tragedy at Lincoln, Texas, the Bethel High School was listed by name as a wooden structure, presenting a definite fire hazard, which was aggravated by the crowding in of more children than the building was intended to accommodate.
The town now has an opportunity to remedy the condition, that will never present itself so favorably again. It appears reasonably certain that the federal government will do what so many wished might happen in Bethel, play the role that Miss Hawley did for Newtown, to the extent of paying almost half of the total cost of a new building. To take care of its own part of the cost, the town can issue bonds at an unbelievably low rate of interest, probably two per cent or less, the lowest rate in the history of the town, and undoubtedly the lowest that it will ever be. The cost to the individual taxpayer would be almost $2 per thousand of assessed valuation at first and would decrease each year as payments were made on the indebtedness. In other words, if a person's property is assessed at $2,000.00 his additional tax for the new school including payment on principal, interest on the indebtedness, and increased cost of maintenance would be $4.00 the first year and would decrease each succeeding year.

The most valuable assets of the town are the children. They are worthy of the best that we can give them. Surely we can give them something better than cramped quarters in a condemned wooden building.

At the last inspection of the school by the state board of education the approval of the school was qualified because of the inadequacy of the present building.

One of the first questions prospective residents ask is, "What kind of schools have you?" With the development of the Merritt highway and other proposed great arteries of traffic, there is bound to be an unprecedented exodus from the metropolitan area of commuters and summer residents. These will be desirable citizens, but Bethel will not benefit from this movement unless it shows itself progressive. Other towns are building good schools and making their communities attractive. A penny wise philosophy will be a cause of deep regret in years to come.

The plans have matured enough to indicate a building that will be attractive but not extravagant and that will be adequate for the school for years to come. Provision is made not only for the necessary classrooms but also for an auditorium that will be available for much needed school use, yet so situated that it may be used for town purposes at any time without interfering with school work. It will have a seating capacity of 750 for town meetings and entertainment. An arrangement of seats on the sides of the hall is such that the room can be used for sports and physical education and still accommodate 300 spectators. In fact it will not be necessary to move the chairs in order to hold a regular school assembly even when the floor is cleared for gymnasium purposes.
It is recognized that no plan can be made which will be wholly satisfactory to everybody. The Board of Education urges that everyone who has the interests of the town and of the children at heart attend the town meeting Wednesday evening and unite on the general policy of a new school leaving the details of the building and the choice of site to a special committee to be appointed for the special purpose.

(Signed) Board of Education
Geraldine M. Dolan, pres.
Samuel S. Ambler, sec'y.
New High School Approved by Town

The town meeting of July 6, 1937 approved the construction of a new high school. Anticipated opposition to the proposal never materialized and the board of finance was authorized to float a bond issue of $190,000 for the project. Only 100 people attended the meeting which was expected to draw a much larger gathering. A building committee of nine was chosen and entrusted to handle all details of choosing the site for the building. There were no heated arguments as had been expected, and the meeting was brief, lasting little more than an hour. 20

The $190,000 bond issue voted was intended to cover the total cost of construction of the school. The PWA grant if approved by the Federal Government was expected to supply 45% of the cost. 21

The building committee which consisted of Frederick H. Judd, Thomas Mannion and E.C. Platt, Sr. comprising the board of selectmen; Mrs. Bernard J. Dolan, John P. O'Keefe and J. Gordon Bennett, of the board of education, and H.L. Shepard, Sr., Mrs. Catherine C. Eckerman and George Carroll held their first meeting on July 20, 1937. The meeting was for organizational purposes by which the committee would discuss the purchase of a site, adopt plans for the new school, contract for its construction and to enter into all necessary arrangements with the Public Works Administration for the completion of the project. 22

Congressman Alfred N. Philips, Jr., of Stamford visited Bethel on August 2, 1937 and met with the building committee. The committee urged Congressman Philips to give his attention to the securing of a PWA grant for the construction of the new school. The grant had been applied for and the committee members urged Congressman Philips to see what he could do to hasten its execution. 23
On August 16, 1937 Representative Alfred N. Philips Jr. of Stamford following a conference with the Public Works Administration regarding the project stated that the project was on the eligible list and had a reasonably good chance for success. 24

According to Philips the proposed new building had been submitted to replace an earlier proposal for the construction of an addition to the existing building under the auspices of the WPA but was never completed because of the lack of relief labor. 25

The legal, engineering, and financial divisions of the Public Works Administration had declared the project sound. During the debates which occurred in Congress over the relief appropriation bill, preference would be given to projects for which the sponsors had voted bonds and school buildings whose conditions were hazardous to the life and health of students. Bethel, falling into both of these classifications, appeared to have the best chance of any project in Fairfield county for approval. 26

Selectmen Judd had also written Senator Augustine Lonergan, Senator Francis T. Malmay, and Rep. Alfred N. Philips for information concerning the project. All three answered Selectmen Judd and all three replied with letters of encouragement for the approval of the project. Conditions appeared favorable for approval of the grant. 27

Project Not Approved by FWA

On October 27, 1937, however, the town of Bethel was officially notified that the application for a FWA grant to assist in the construction of a new school was not approved. 28
Senator Lonergan enclosed in his letter to First Selectmen Judd, a copy of the notification sent him by E.W. Clark, of the PWA staff. Mr. Clark stated that because of budgetary reasons the application must be denied as applications for funds were several times greater than the amount authorized by the PWA Extension Act of 1937. The denial of the PWA grant left the town of Bethel in a very precarious situation. The old high school was badly overcrowded, and was one of the numerous school buildings that were listed as unfit for classes by a congressional commission.

The letters of Senator Lonergan and of Mr. Clark are as follows:

October 25, 1937

Mr. Frederick H. Judd,
Selectman's Office
116 Greenwood Avenue,
Bethel, Connecticut

Dear Mr. Judd:

I enclose herewith a copy of a report just received from the Public Works Administration regarding the new school building at Bethel, Conn. I regret that the information is not more favorable, but if I can be of further service in my official capacity do not hesitate to advise me.

Very truly yours,

Augustine Lonergan
October 22, 1937

Hon. Augustine Lonergan
United States Senate

My dear Senator Lonergan:

I have your letter of October 19, addressed to the Administrator, urging favorable consideration of an application requesting funds to aid in the construction of a high school building at Bethel, Connecticut, designated as Docket No. Conn. 1269.

The Public Works Administration Extension Act of 1937 authorized the use of a limited amount of funds to continue the Public Works program. At the time that the legislation was enacted there were pending before this Administration applications for funds several times greater than the amount authorized by the act, and it was, therefore, initially recognized that all pending applications could not be granted. With this in mind certain standards conforming with the requirements and apparent intent of the Act were established as a guide to be used in the selection of projects. Every care was exercised that these standards should be sound and equitable.

On this basis applications have been selected for allotment under the Public Works Administration Extension Act of 1937, and no additional projects will be recommended for an allotment. In view of the present budgetary considerations and improved financial status of many communities throughout the country, this is considered a sound public policy, and the Public Works Administration believes that it has fulfilled its obligations under the present law.

Your interest in this application is appreciated, but in the circumstances I regret that a recommendation for an allotment can not be made for it.

Sincerely yours,

E.W. Clark
FOR THE ADMINISTRATOR
Efforts Continue for Approval

Although the project had been denied, efforts by members of the community did not cease. Raymond C. Rubley and Frank A. Berry, respectively pres. and secretary of the Bethel Lions Club, had requested Senator Augustine to continue his actions to press for approval of the Bethel High School project. Their letter asked him to use his influence in securing federal funds for the proposed new high school as soon as the relief bill, which was at that time pending before congress, was passed. 33

Senator Lonergan's secretary replied on May 11, 1938:

The project is now on the approved list and it will have a good chance of being finally approved for an allotment... The total estimated cost of the project is $85,000. Last year the people of Bethel voted to issue bonds to pay for the town's share of the cost of constructing the new building. All requirements for final approval have been met. 34

FWA Approves Allocation

On June 23, 1938, First Selectman Frederick H. Judd received telegrams from Congressman Alfred N. Philips, Jr., and from the office of Senator Francis T. Maloney that the FWA had approved the allocation of $85,000 to the town of Bethel to pay 45% of the cost of building the new Bethel High School. Senator Maloney telegraphed through his secretary, Catherine M. Flynn, that the application for the grant had been approved. Congressman Philips telegraphed as follows: "FWA authorities today advised of approval of Bethel High School project 1269. Conn. carrying a grant of $85,000. Best wishes, Alfred N. Philips, Jr." 35
Approval appeared to be connected with the recent so-called "spend-bill". The spend bill made additional funds available to the Public Works Administration for the purpose of continuing present projects and for granting new projects under the auspices of the FWA.

The Hartford Connecticut Trust Company of Hartford, Connecticut was named disbursing agent in payment of principal and interest of the bonds on July 14, 1938. No other major action was taken until January 6, 1939 when the school building committee voted to accept the bid of John Zandonella, a Bridgeport contractor who offered to construct the school for $157,433 subject to the approval of the FWA. On January 12 the contract between the town of Bethel and the Zandonella corporation was signed and sent to New York City for approval by the FWA.

On January 20, 1939 John Zandonella was notified by the FWA to begin work immediately upon construction of the new high school. The high school was finally completed in November 1939, almost a full four years since the project was first considered.
CHAPTER IV
RECAPITULATION AND CONCLUSION

Four Factors of Consideration

In reviewing the circumstances and conditions involved in the construction of the Bethel High School under the assistance of the Public Works Administration several main points emerge which cast light not only on the FWA but also on the nation and the fiscal and monetary policies of the New Deal.

There are basically four main points which bear consideration and analysis from an historical point of view. First is the factor of bureaucracy which existed between local, state, and federal agencies which stalled the project for nearly four years. Second was the introduction and passage of the FWA Extension Act of 1937, which denied the FWA the authority to issue additional allocations for public works projects. Third was the passage of the "spend-bill" which was approved on June 21, 1938, and which ultimately provided the funds to the town of Bethel. Fourth was the economic policies of the Roosevelt administration and their lack of understanding concerning the importance of deficit financing in a period of depression.

The above four factors all combined to affect directly the construction of the Bethel High School Project. An analysis of each factor should draw light not only on the problems of the FWA, but on the nation as a whole during this period.

Bureaucracy

The problem of bureaucracy which stalled the project for nearly four years began at the local level. At the heart of the problem was the question of money. Although a new school was badly needed and the
federal government was to provide 45% of the cost many residents did not want to accept the burden of supplying the additional 55% of the cost. Town meetings both for the acceptance and issue of bonds also created an unnecessary time lag. It is the view of this writer that the Federal Government should have accepted the total cost of the construction of the school. There is no question that all members of the community would have readily accepted this proposal and construction could have begun in 1936 without delay. The purpose of the FWA was to act as an economic pump which could only be effective on the national level through expediency of its operation, and yet Bethel stands as evidence of the slow moving effects of its operation. How many other situations similar to the one in Bethel occurred throughout the nation? During the depression crisis the Roosevelt Administration should have attempted to eliminate the bureaucracy which existed in order to allow reform programs to be carried out with more expediency. In the case of the Public Works Administration the opposite happened. Bureaucracy was not eliminated but rather strengthened and as a result much needed reform projects were stalled.

Extension Act of 1937

The passage of the Extension Act of 1937 indicates Roosevelt's faith in fiscal orthodoxy even when engaged in deficit spending. Roosevelt had been unwilling to greatly unbalance the budget throughout his term of office. The temporary recovery of 1937 offered him the opportunity to cut government spending which he eagerly did. The Extension Act was one measure employed to cut expenditures for public works, and relief.
It was the main reason why the Bethel High School Project was not approved by the PWA in 1937 as indicated by the letter of E.W. Clark, of the PWA (Letter appears on page 11 of this report).

The Extension Act did not eliminate the Public Works Administration but rather extended it to 1939. However, it did cut down the amount of money available to it. The result of the Extension Act, and other measures taken to reduce spending led to an intensifying of the depression. The denial of the grant to the town of Bethel in 1937 affected not only the town of Bethel, but when viewed in the light of the fiscal policies of that year, affected the nation as a whole.

The Spend Bill of 1938

The intensifying of the depression in the latter part of 1937 had won a point for those who advocated deficit spending. The government seemed to have assumed a new role in warding off threatened economic disaster. The balanced budget no longer remained as the main economic goal. Government spending was now considered as the appropriate path to follow. The spend-bill which gave additional funds to the PWA was a result of this change of philosophy.

The passage of the spend-bill on June 21, 1938 clearly shows the new trend in the economic policies of the Roosevelt Administration. The bill was a large scale lend-spend program. The PWA got nearly a billion dollars and the authority to lend millions more. It was only two days later on June 23, 1938 that the FWA approved the grant for the Bethel High School construction. There can be no question that this bill was ultimately responsible for the approval of that project.
Failure of The New Deal

In conclusion I feel the activities and events which occurred in the construction of the Bethel High School give indications of the policies of the New Deal, and their attitudes toward large scale government spending. Stated very simply most of the New Dealers felt that laissez faire capitalism had failed but few really knew how to rearrange the economy toward greater government spending. It is for this reason that no real concrete, long range plans were incorporated. The Extension Act and the Spend-Bill show the lack of consistency in economic policies. Some programs did help to eliminate suffering and did create jobs, however, the programs were never extensive enough to fully serve their purpose.

The failure of the New Deal to recreate prosperity can be summarized as follows: "Its programs were inadequate. While Roosevelt reluctantly endorsed relief and went beyond Hoover in support of public works, he too preferred self-liquidating projects, desired a balanced budget, and resisted spending the huge sums required to lift the nation out of depression." 42

The construction of Bethel High School with the delays, the inconsistencies, and the confusion which existed at both the local and federal levels, I feel support the above thesis.
FOOTNOTES


25. Ibid., p. 9.
26. Ibid., p. 9.
27. Ibid., p. 9.
29. Ibid., p. 13.
30. Ibid., p. 13.
31. Ibid., p. 13.
32. Ibid., p. 13.
34. Ibid., p. 11.
41. Leuchtenburg, op. cit., p. 257.
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*Danbury News Times*, May 11, 1938, p. 11.


*Danbury News Times*, July 14, 1938, p. 11.

*Danbury News Times*, January 9, 1939, p. 11.

*Danbury News Times*, January 12, 1939, p. 9.