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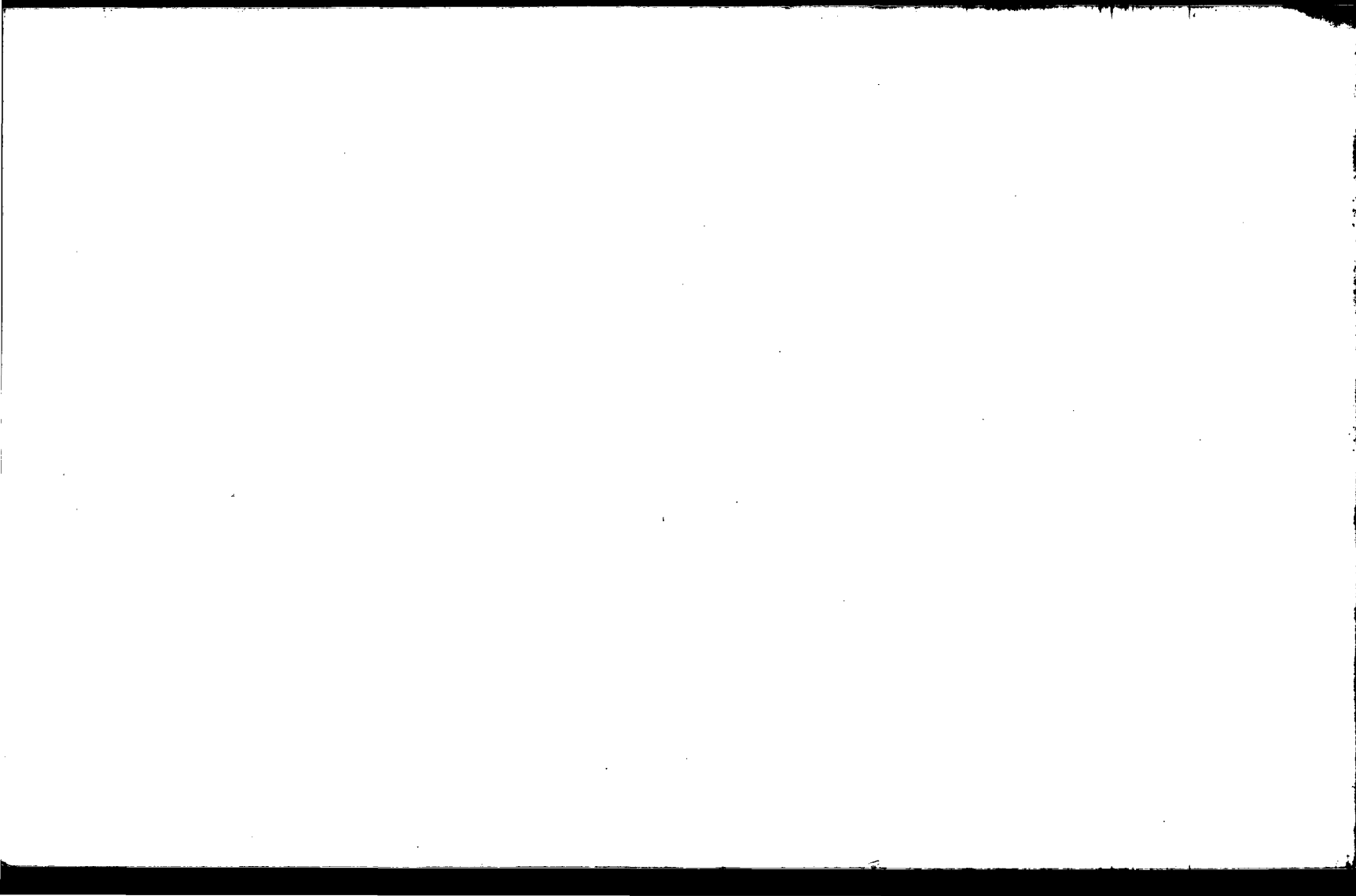
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*(Resolution of October 25, 1926, revised February 6, 1933)*



# PUBLIC WORKS

## IN PROSPERITY AND DEPRESSION

PREPARED FOR THE NATIONAL PLANNING BOARD  
FEDERAL EMERGENCY ADMINISTRATION  
OF PUBLIC WORKS

BY

ARTHUR D. GAYER

RESEARCH ASSOCIATE, NATIONAL BUREAU  
OF ECONOMIC RESEARCH, 1930-31; RESEARCH

ECONOMIST, PWA, 1933-34

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## PREFATORY NOTE

THE studies leading to this volume began in 1929 when Dr. Gayer assisted Dr. Leo Wolman in preparing a report for a committee of the President's Conference on Unemployment upon the *Planning and Control of Public Works*, published by the National Bureau of Economic Research in 1930. That pioneer attempt to raise the discussion of public works policies above the speculative level rested upon a statistical foundation, but one that was not very broad. When Dr. Gayer was made a Research Associate of the National Bureau in 1930 he set himself to extend Dr. Wolman's researches. In June 1932 he submitted a report, which was withheld from publication temporarily because further developments in public works policy seemed imminent.

These developments, culminating in the creation of the Public Works Administration, proved to be far greater than had been anticipated. As one part of his organization the Administrator, Honorable Harold L. Ickes, appointed a National Planning Board to consider the problems of long-range planning. This Board needed the best available information concerning the volume of public works undertaken by the thousands of governments that flourish in this country, the fluctuations in volume from year to year, the types of works undertaken, and the numerous factors that bear upon efforts to use public works as an economic 'balance wheel'. Knowing of the materials gathered by the National Bureau, the National Planning Board engaged Dr. Gayer to bring his report as nearly up to date as feasible,

## PREFATORY NOTE

on the understanding that the National Bureau of Economic Research should retain its right of publication.

This volume is a revised version of the official report made by Dr. Gayer in June 1934. The National Planning Board assumes no responsibility for the contents; but the Board is glad to have the information collected for its use made available to the public.

FREDERIC A. DELANO

*Chairman, National Planning Board*

## AUTHOR'S NOTE

It is a pleasure to acknowledge the generous assistance I have received from many quarters in the preparation of this report. I am considerably indebted to Drs. Wesley C. Mitchell and Leo Wolman of the National Bureau. With the latter I first began the study of this problem; the former made possible its completion and appearance in its present form; both have given helpful advice and kindly guidance during the tortuous course of its progress towards print.

I have a heavy debt to various research workers connected with the Public Works Administration and the National Planning Board for supplying me with indispensable basic data. I also received important assistance from other Federal agencies, notably the Bureau of Public Roads, the Employment Stabilization Board and the Central Statistical Board, and from many local government officials throughout the country.

Various members of the staff of the National Bureau read the study in manuscript and offered suggestions for its improvement. Dr. Simon Kuznets made available to me certain original material embodied in Chapter XII. Professor Lindsay Rogers and Mr. Foster Adams gave me detailed comments on several points in Chapter V. If I have not got them right, the fault is mine. Mr. V. S. Kolesnikoff, formerly with the National Bureau, secured for me the figures needed to bring certain tables up to date. Without the cooperation of the F. W. Dodge Corporation much valuable basic material would not have been available. Mr. C. B. Loudon especially

bore with my presumption upon his generosity with a forbearance I greatly appreciated.

My heaviest debt is to my assistants for their splendid work. Mr. V. D. Kazakevich assisted me throughout the course of the study, Mr. Erich Otto during its earlier stages, and Miss Irma Rittenhouse and Miss Henrietta Liebman at a later period when I was with the PWA. Miss Rittenhouse was responsible, in particular, for gathering and analyzing much of the basic material of Chapters V and VI and Miss Liebman of Chapters X and XI and Appendix C. This study owes much to their unstinting and painstaking work.

The book is printed in two sizes of type for the benefit of readers who may wish to get the gist of the report as quickly as possible and are willing to take on trust the detailed descriptive matter and analysis. Slightly smaller type has been used for the latter than for the broader, more general discussion.

A. D. G.

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