

September 28, 1945

AN OUTLINE
OF

CONSTRUCTION STABILIZATION ACT OF 1945

The purpose of this Act is to minimize both long-term and seasonal fluctuations in the volume of construction in order that continuing high levels of employment may be maintained and a steady expansion of construction activity, consistent with the needs of the country, may be achieved.

To accomplish these purposes, the bill provides for: (a) advance planning of Federal and local public works. Advance planning of local public works is to provide at all times a shelf program amounting to \$5 billion, stimulated by Federal aid in the form of non-interest bearing loans or advances for which a revolving fund of \$150 million is authorized; (b) timing of public construction; (c) collection, compilation and dissemination of information on trends in volume, thus providing local government and private enterprise (primarily the sources of credit) with information, now lacking, essential to intelligent decisions regarding volume of construction as affected by need and consuming capacity; (d) fostering cooperation between the Federal, State and local governments and private enterprise to the end that public works programs can be voluntarily coordinated.

The bill creates a Construction Policy Board composed of the Secretaries of Commerce (Chairman), Labor and Agriculture and two advisory committees --- the Public Works Stabilization Committee and the Construction Industry Advisory Committee.

The Construction Policy Board is a policy-forming agency which makes recommendations to the President and to the Congress. Its recommendations, if accepted, will be implemented by using the facilities of established Federal agencies.

The Public Works Stabilization Committee is composed of the Federal Works Administrator (Chairman), the Chief of Engineers of the U. S. Army, the Reclamation Commissioner, the Director of the Bureau of the Budget, two members representing states, two members representing municipalities, and two members representing other political sub-divisions. The Chairman acts as advisor to the Construction Policy Board.

The Construction Industry Advisory Committee is a committee composed of sixteen members, two of whom represent specialized sub-contractors, two

represent builders and general contractors, two represent labor, two represent distributors of building materials and equipment, two represent manufacturers of building materials and equipment, two members representing architects and engineers, one represents public utilities, one represents financial institutions, and two selected at large represent small business and the general public. The Chairman of the committee acts as advisor to the Construction Policy Board.

The function of the Public Works Stabilization Committee is to coordinate, as far as possible, Federal, State and local public works programs. (The Construction Industry Advisory Committee performs a liaison function between the Construction Policy Board, the Public Works Stabilization Committee and private enterprise.)

The bill gives the President authority to direct federal construction agencies to accelerate the prosecution of public works already authorized or to defer starting authorized but postponable public works when such action is required to prevent unemployment or to prevent competition for available labor and materials between public works and private enterprise.

The bill also provides that when determined by the Public Works Stabilization Committee, with the President's approval, the Federal government may require the local governments to defer the award of contracts for public works in connection with which the Federal government has extended financial aid in an amount of 50% or more of the cost or upon the capital cost of which the carrying charges are to be met, either wholly or in part, by contributions by the Federal government.