

The National Resources Planning Board in the United States

By L. G. ROCKWELL

DURING the last decade political action in the United States—particularly at the Federal level—has been profoundly influenced by the conviction that modern society can no longer be left to function without guidance. The National Resources Planning Board is one of the many products of this conviction. The several lines of activity of this agency constitute a new function—a planning function—in the operations of the Federal government. This planning function no longer approaches problems in terms of area only; it is concerned with the adjustment of resources and activities to the changing needs of the population. Alone among government agencies the planning body is responsible for studies and recommendations designed to point the way to a better balancing of government activities related to the development of the national resources. Alone among government agencies the planning body is responsible for presenting an over-all picture of these development policies and the *relation* of these policies to the national economy.

The responsibilities of the Board involve three general categories: (1) to make plans and recommendations to the President (and through the President to Congress) concerning the wise use and fullest development of the national resources, (2) to report periodically to the President on employment trends and business activity, and (3) to prepare six-year advance programs of public works designed not only to bring about a better adjustment of public works to public needs but also to promote employment stabilization by building up a reserve shelf of public works projects which the Federal government can utilize to help offset unemploy-

ment trends during periods of economic depression. The Board is also directed to act as a clearing house and means of coordination for planning activities among the various fields and levels of planning.

The Board itself is composed of three part-time men: Mr. Frederick A. Delano of Washington, D.C., Mr. Charles E. Merriam of Chicago, and Mr. George Y. Yantis of Olympia, Washington. The professional staff in charge of a Director and three Assistant Directors numbers approximately two hundred employees—both full-time and part-time. This staff includes a large panel of expert planning consultants who work on a per diem basis. There are also a varying number of technical committees appointed by the Board to deal with special planning and research problems. Annual appropriations for the Board have run between \$700,000 and \$1,000,000.

A brief analysis of the activities of the Board will suggest the nature and extent of the planning function which it, as the only comprehensive planning agency in the Federal government, is exercising. The Board is directed to make plans and recommendations concerning the use of the national resources. The phrase "national resources" is sweeping and inclusive. Implicitly it embraces all the resources of the nation—physical, social, and cultural. Despite the almost limitless ramifications inherent in this phrase national resources planning has fallen into four clearly defined although closely related categories:

- (1) Planning for the development, use and conservation of *natural* resources such as land, water, mineral, and energy resources.
- (2) Planning of *man-made* resources or *facilities* resources. This category

EDITOR'S NOTE: Landon G. Rockwell, on the staff of the Department of Political Science of the University of Cincinnati, has recently undertaken a special study of the National Resources Planning Board.

includes primarily the planning of public works.

- (3) *Human* resources — population studies, migration trends, etc.
- (4) *Institutional* resources — primarily economic and governmental.

Early planning and research activities of the Board were concerned largely with the first category—natural resources. Technical committees on Land and Water were the first appointed by the Board to conduct planning studies. To-day they are still among the most active of the several technical committees. Under the aegis of the Land Committee over a dozen reports have been published dealing with basic matters such as land classification, criteria for public land acquisition, and various aspects of land use. The Water Resources Committee has also published a number of reports dealing with analogous problems in the field of water resources. An Energy Resources Committee has published a study dealing with energy resources and national policy. These planning and research activities which are concerned with *natural* resources are carried on by one of the three divisions into which the staff is organized.

Planning activities of the Board concerned with *facilities* resources involve largely the formulation of six-year programs of public works construction. Responsibility for this work was originally vested in an Employment Stabilization Board which was created by Congress in 1931. This agency, however, ceased to operate in 1936 and its activities were transferred to the National Resources Planning Board. Briefly the planning of public works as it is now handled by the Board involves this general procedure: all Federal construction agencies are required, by executive order, to prepare a six-year advance construction program indicating specific projects allotted to each year. Each construction agency is required to keep its six-year plans up-to-date by annual revision and by new annual plans for an additional year. These plans must be submitted every year to the Board for review and evalua-

tion. Programs of construction submitted by one agency are correlated with programs of construction submitted by another agency operating in a related area. Evaluation is made in terms of the conformance of projects to lines of development which have been recommended by technical committees, or regional, State, or local planning bodies. After these construction programs are reviewed, recommendations concerning any changes in programs are made by the Board to the Bureau of the Budget in the fall of the year coincidental with the preparation of the annual budget. During this time the staffs of the Board and the Bureau of the Budget work in close cooperation. Although the Board's recommendations are in no way binding on the Bureau of the Budget, a recent ruling promulgated jointly by the Board and the Bureau of the Budget stipulates that the Bureau will not include in the annual budget any request for funds for a construction project unless plans and estimates for that project have been submitted to the Board for review and evaluation. There are of course special exemptions for defense construction and routine maintenance work.

This aspect of the public works planning program relates to construction carried on by *Federal* agencies only. However, during the last two or three years the Board has set up a special staff section to work closely with State and local jurisdictions, in an advisory capacity only, to assist them in developing tested public works planning procedures. Thus by encouraging programs of planned public works by all governmental jurisdictions within the nation the Board hopes to promote a better balance between public construction and public need. Also, by having carefully worked out six-year advance programs for all over the nation, it would be possible for each governmental jurisdiction to retard or accelerate public works construction as economic conditions required, thus helping to stabilize employment. The public works planning activities of the Board are carried on largely by an administrative division under one

of the three Assistant Directors of the staff.

Planning activities of the Board in the fields of *human* and *institutional* resources consist mainly of research and reports concerning important problems involved in the development and utilization of these resources. These resource fields are so broad that the Board has thus far been able to touch only on certain general aspects. Certain population studies have been made dealing with the problems of a changing population. A special group has recently completed a comprehensive study on "*Research—A National Resource.*" Another committee conducted an elaborate study on the *Structure of the American Economy* which was published two years ago. This committee also published a series of searching studies dealing with consumer and family incomes and expenditures. Aspects of the housing problem have also been the concern of this committee. Still another committee has conducted a careful survey of the relief policies followed by the local, state and Federal jurisdictions. This research work dealing with institutional and human resources has been carried on mainly within the third administrative division which operates under one of the three Assistant Directors of the staff.

National resources and matters that concern the national resources are not touched exclusively by the Federal government; the states and localities have their responsibilities, too. Hence, for effective national resources planning there must be planning activities within sub-national areas and sub-Federal jurisdictions. Regional, State, and local planning are necessary to make national resources planning effective. Accordingly, the National Resources Planning Board from the beginning has promoted the development of State planning bodies. As a result more than forty states now have active planning boards. The Board has provided assistance to the State planning bodies in the form of free consultant service from the Board's own panel of expert planning consultants.

Since many planning problems extend

beyond the boundaries of a single State yet embrace only a portion of the entire nation the Board has actively promoted regional as well as State planning. Since regional coordination of planning activities proved to be necessary for effective State and national resources planning the Board has delimited ten planning regions which cover continental United States and Alaska. The Board maintains a field office within each region. These offices are primarily for administrative convenience in handling aid to the State planning boards as well as planning or research projects which originate in the Washington office of the Board. In a few of these planning regions there have been set up locally sponsored Regional Planning Commissions—usually consisting of a representative from each State planning body in the region plus a representative of the Board—which have done much to coordinate and stimulate State planning as well as to administer projects of the National Resources Planning Board in terms of the regional focus.

In addition to these activities which constitute the regular and long term responsibilities of the Board it is, of course, concerned with war and post-war planning. For example, the Board has made a number of industrial location studies for the Defense Plant Corporation and the United States Maritime Commission. It has also appointed a special consultant and staff to effect an administrative correlation of post-war planning activities throughout the Federal administration.

Inherent in all these planning activities of the Board is the function of serving as a clearing house of planning interests. The Board is a coordinating body for national resources planning activities that extend horizontally through the Federal departments and vertically down through regional and State endeavors. This involves close cooperation with departmental, State and local agencies and frequent use of the Board's good offices to see that planning decisions are not made by one group in ignorance of relevant

undertakings elsewhere. Obviously most of this kind of responsibility is a matter of informal liaison and active interest rather than of legal authority.

In terms of legal status, the Board does not have the security it would like to have. Originally set up in 1933 as the National Planning Board of the Public Works Administration it was made an independent agency by executive order in 1934. It retained that status until 1939 when the President's Reorganization Plan No. 1 (authorized by the Reorganization Act of 1939) established the Board as one of the management arms within the Executive Office of the President. Thus there is no direct legislative authority for the Board, although it possesses certain indirect legislative status by virtue of the fact that the President has directed it to perform the functions of the defunct Employment Stabilization Board, an agency authorized by law in 1933.

All through its brief ten year history the President has been a vigorous advocate of the planning function in general and the Board in particular. He has constantly recommended a permanent legislative status for it but Congress has refused to grant it. The attitude of Congress toward the planning agency has varied from lukewarm to one of hostility. On one or two occasions Congress has all but denied funds to the Board. Generally speaking, this opposition has been due to political considerations and to the fact that Congress has not understood the full implications of the planning function. War and post-war problems, however, have apparently eased this situation and convinced Congress of the value of the planning agency; appropriations for the Board have gone through unchallenged for the past two years. It would appear, therefore, that Congress has accepted the planning function.

The planning function of the Board fits into the process of government because it is primarily an important implementation of the executive office. Planning is an *executive* function. The

executive has become the spearhead of national policy and planning is an advisory service concerning the substance and direction of certain aspects of national policy. Until the middle of the nineteen thirties the executive was without a staff arm to shoulder the responsibilities of planning and research. The establishment of a planning body as part of the Executive Office of the President in 1939 offered an excellent example of administrative adjustment to changed conditions and new needs.

The implementation of the executive office by a planning body reflects the expanded scope of governmental activities in the twentieth century world. The provision of certain basic facilities has always been recognized as an appropriate public function. With the increasing complexity of our society, however, and with our increasing dependence on continuity of economic activity, there has been an extension of all public activity. Planning in general, and the National Resources Planning Board in particular, has been a product of this trend. The concern of the government for the welfare of its citizens under changed conditions and the growing realization of the necessity for conservation and fuller utilization of all the resources of the nation have been the fountainheads of the broad planning activities of the Board. This is not to say that there has not been a need for planning before now; we as a nation would be far better off if the planning function had germinated in the eighteen thirties instead of the nineteen thirties. But although the need for planning has existed for decades, the degree of urgency and the increased sense of public responsibility due to modern economic and social complexities have developed only during the past ten years.

The problem of size alone requires the application of systematic planning to many problems of government. In a nation as large as the United States, miscalculations concerning the use and development of the national resources assume serious proportions. Our political experience has finally taught us that we

cannot afford the gigantic waste that attends the unplanned development of the national resources.

Because of the close relation of the political process to the national economy, government has become more responsible than ever for a knowledge of the social and economic problems of its people. Accordingly, the role of the research

expert has become a vital one in the political process. Specifically, the executive must have access to the findings of the research expert and planning technician in order to provide intelligent guidance of many aspects of national policy. The research and advisory role of planning is therefore indispensable to the executive.

Post-War Prospects for Canadian Newsprint

By J. A. GUTHRIE

THE tremendous growth in newsprint production which Canada has experienced during the last three decades has been one of the most sensational developments of the economic life of the Dominion. The manufacture of newsprint paper has increased rapidly and steadily since the beginning of the present century until it now occupies a position of the first magnitude among the manufacturing industries of the Dominion. In 1939, the pulp and paper industry, which is dominated by newsprint, ranked first in net value of production manufactured, capital invested, and salaries and wages paid.

Even more sensational has been the rise in importance of newsprint as an export commodity. At the beginning of the twentieth century no exports of this paper were recorded in the Canadian trade figures. By 1910 exports to the value of \$2,600,000 had made their appearance. Newsprint, however, was still relatively unimportant in the trade of the country, ranking nineteenth in value of commodities shipped abroad. Exports of wheat in that year amounted to \$52,600,000 and of planks and boards to \$33,100,000. A tremendous expansion in the production and shipment of news-

print occurred during the World War, and by 1920 value of newsprint exported from Canada had risen to \$53,600,000. Wheat, however, still maintained a substantial lead, the exports of that commodity amounting to \$185,000,000 in 1920. Newsprint continued to gain in importance relatively to wheat and other commodities until in 1939, the value of newsprint exported from Canada exceeded that of any other commodity and amounted to \$115,600,000. Thus, in a period of three decades newsprint has risen in importance from nineteenth to first place among Canadian exports.

Numerous factors have contributed to this remarkable development. The consumption of newsprint in the United States increased enormously during and after the first World War. The intense interest of the public in war news was reflected in rapidly increased circulations and sizes of newspapers. Furthermore, businessmen became keenly aware of the importance of newspaper advertising in stimulating consumer purchasing. Between 1915 and 1929 expenditure on newspaper advertising in the United States increased more than threefold. Technological developments in printing also contributed to increased consumption of paper by lowering the cost and increasing the attractiveness of newspapers. Sport, society, and comic pages were expanded into sections, and many special

EDITOR'S NOTE: J. A. Guthrie, Ph.D., a Canadian, is Assistant Professor of Economics at the State College of Washington in Pullman, Washington, and author of a recent book on *The Newsprint Paper Industry* that was published by the Harvard University Press.