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Federal Reconstruction and Development Planning Commission
for Alaska

by

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The Alaska earthquake of March 27, 1964 generated a crisis for Alaska's people unparalleled in any state since the Civil War. Early reports of the damage from Governor William A. Egan and Edward A. McDermott, Director of the Office of Emergency Planning, confirmed that this was a disaster of major proportions, demanding extraordinary measures to cope with the emergency and, at the same time, start a massive rebuilding program.

The action of the earthquake, coupled with land and submarine slides intensified by fire and seismic seas, crippled most of the waterfront facilities in the south-central part of the state, where two-thirds of Alaskans live. With fishing the principal industry, and with the waterfronts serving as a vital link to other forms of transportation, this loss dealt savage twin blows to the economy of the area.

The threat of heightened inflation, the shortness of the construction season, and Alaska's remoteness from the "lower 48" states further complicated the problem of furnishing help and rehabilitation.

Sensing the urgent need for action, President Johnson summoned Senator Clinton P. Anderson to Washington a few days after the disaster. The senator had sponsored the Alaskan Statehood Bill. He had had extensive experience both as a cabinet officer and as a powerful figure in Congress -- a unique combination. And probably most important of all, the President had

worked closely with Senator Anderson and knew that he possessed both human compassion and the common sense to take a levelheaded approach to the task of reconstruction.

The first indication of my personal involvement came from Frank Diluzio, the senator's able director of the staff of the Senate Space Committee. He told me that Senator Anderson was to chair a cabinet-level Federal Reconstruction and Development Planning commission which would give overall direction to the efforts of the federal government to respond to the plight of this emerging state. The senator then met with me and Dr. Glenn T. Seaborg, Chairman of the AEC, to say he was recommending to the President that I be designated Executive Director of the Commission.

Several days later Senator Anderson told me the President had agreed with his recommendation. Because of the need to get started, the senator also said he would like me to begin at once, without waiting for the White House announcement.

A few minutes later, I joined Frank Diluzio and two men the senator had on detail on the Space Committee staff. They were already poring over maps of the devastated areas and developing initial plans to establish a series of task forces.

I had known Frank as an extremely vigorous and resourceful Deputy Manager of our AEC operations office in Albuquerque, and later as staff director of the Space Committee. His remarkable ingenuity and initiative were invaluable to the senator during those first few days in helping to shape a plan of action for the new Commission.

Senator Anderson gave me several instructions, and these were basic, clear and firm. First, speed was of the essence for priority rebuilding, especially that involving public health and safety. Many people were without water or sanitary facilities. Whole communities lacked transportation.

Second, in recommending congressional action, we should concentrate on modifying existing law rather than risk lengthy debate in Congress over precedent-setting legislation.

Third, while remaining sympathetic to the great need of the Alaskan people, we were to plan our work carefully and spend funds prudently. Fiscal responsibility was essential.

Fourth, the process of reconstruction must not lead to a further spiraling of the already inflated Alaskan economy.

Fifth, the usual bureaucratic procedures would not get the job done. Under a business-as-usual approach, we would spend the first season merely planning the reconstruction, the economy might be dealt a fatal blow, and many of the people on whom Alaska's future depended would be forced to leave before the program got moving. Red tape would have to be slashed, and our own streamlined procedures would have to be established. Our staff was to be extremely small.

Finally, while coping with the emergency needs of the earthquake area, we should, at the same time, plan reconstruction with an eye to the future, which meant good city planning, sound engineering studies, and emphasis on the future economic development of the area. Rebuilding should be keyed to current standards, not merely replace what had been destroyed.

The Office of Emergency Planning, the Corps of Engineers, and several other agencies performed vital roles in the rebuilding process. The Federal

Commission in no way diminished the role of these agencies. On the contrary, it reinforced their importance. The Commission supplied the cohesiveness needed to tie the diversified programs together, and it also supplied the driving force so necessary for swift action.

As soon as it could be arranged, Senator Anderson, Frank Diluzio, and I flew to Alaska to gain some first-hand knowledge of the extent and scope of the disaster. On our arrival, Governor Egan asked me to join him the next day in meeting with the city council of Valdez, which was faced with a fateful decision. It was to decide that day whether to rebuild.

We flew through a blizzard, landing at Valdez without benefit of lights or radio, and unaware that another tragedy was in the offing. Aboard the plane was the commanding general of the Alaskan National Guard. He was anxious to leave Valdez immediately, fearing that any delay would cause the plane to become snowbound, interrupting his rescue work.

As we left the plane, the pilot, without turning off the engines, immediately took off. Moments later he crashed in Prince William Sound, killing his passenger, and the entire crew.

For the people of Valdez, still in a state of post-earthquake shock, the plane crash was the final blow. A veil of despair settled over the town. Governor Egan spent that evening comforting families hard hit by the quake, all of whom he knew, for Valdez was his home town.

With the help of several volunteers from Fairbanks, I was able to round up the members of the city council about midnight. We stayed in continuous session until about 5 a.m., discussing the plight of the town, and the feasibility of rebuilding on a more stable site about four miles around the inlet.

All night long townspeople drifted in and out of the council's small meeting room. They were well aware that this was the time for a final decision on whether the town was to live or die.

Finally, the council elected to move the town to the new site. Pending approval of the townspeople, I was asked to seek a commitment from the Commission pledging the large share of federal funds that would be needed to move the town. This I agreed to do.

My first major task for Senator Anderson was to organize the Commission staff and the task forces that had been agreed upon at the initial meeting of the Commission prior to my appointment. Its paid staff consisted of only one professional member, Bill Averill, who became Deputy Executive Director for the latter phase of the project, and several secretaries. We relied primarily on detailing individuals from constituent agencies for limited periods of time. Colonel Harry N. Tufts was on detail from the Senate Space Committee during the entire existence of the Commission. We established nine interagency task forces:

Community Facilities, Economic Stabilization, Financial Institutions, Housing, Industrial Development, Natural Resources, Ports and Fishing, Transportation, and a highly important Scientific and Engineering Task Force.

A state Commission also was formed by Governor Egan to work with the federal team.

Senator Anderson immediately sent a small group of construction experts to Alaska to assess the damage and recommend procedures for reconstruction. Drawn from the Associated General Contractors of America and the International

Union of Operating Engineers, this early group did much to enable the Commission to develop basic guidelines that would serve well in the frantic months that followed.

A short time later the American Institute of Architects and the Engineers' Joint Council also organized a team which advised the Commission and the Governor on reconstruction and long-range planning developments. We also asked the Federal Housing and Home Finance Agency (now the Department of Housing and Urban Development) to survey damages to private real property.

In addition to estimates of damage in terms of dollars, it was essential to the reconstruction program that the nature of land and submarine slides be thoroughly understood. The Commission sought the best judgment of geologists and soils engineers to explore the likelihood of future slides and subsidence, and to look into the precautions that could be taken to minimize their effect.

Prudent planning called for extensive surveys of the soil and geologic conditions in the earthquake area. This was not one of the more popular aspects of the reconstruction efforts. It was understandably difficult for families to wait for the completion of tedious soil studies when they were without water or sewer lines, or when they needed a new foundation for the house. Every day that passed signaled the approach of the long and bitter winter.

Frank DiLuzio and I concluded almost immediately that the schedules drawn up by the responsible agencies, while tight by usual standards, were simply not adequate to meet the rigid demands of the short Alaskan construction season.

With the help of Colonel William J. Penly of the Corps of Engineers and Colonel Tufts of the Senate Space Committee, we put in more drilling equipment, adopted the time-saving device of soil sampling, and cut the already tight schedules in half.

The first major issue to come before the Commission for decision was the question of rebuilding The Alaska Railroad, which had been largely destroyed by the earthquake. Chaired by Lowell K. Bridwell, then with the Transportation Division of the Department of Commerce, the Transportation Task Force recommended to the Commission that the railroad be rebuilt, even though the economic payout seemed to be marginal.

The Task Force concluded, and the Commission so recommended to President Johnson, that the railroad was essential to the economic growth of several areas in central Alaska. A decision not to rebuild would be a severe blow to the morale of all Alaskans. Many of them would leave the state, and the necessary flow of capital into Alaska would be placed in jeopardy.

The dramatic announcement by Senator Anderson that the President had decided to rebuild the railroad is described in his statement on page ___ of this volume. But despite the restoration of the railroad, Seward never regained its pre-earthquake importance as a railroad terminus, and its economic condition has remained precarious.

From representatives of agencies on the Commission that had offices in Alaska I established a field committee, with Burke Riley, Regional Coordinator for the Department of the Interior, as chairman. His knowledge of the problems of Alaska and its people was invaluable to us.

My time was divided between formulating legislative-program policy recommendations for Senator Anderson and supervising the actual construction work for him in Alaska. The commuting from there to Washington was extensive, but both tasks were essential. With several dozen federal agencies, state agencies, and local officials and business leaders all partners in this vast undertaking, the coordinating job was unique.

Following Senator Anderson's admonition to cut red tape rather than create it, we set up virtually no formal procedures. Had we done so, by the time we had finished putting them into effect for all the agencies involved, it would have been too late to do what had to be done during that first construction season.

Much of my time in Alaska was spent "riding the circuit." Burke Riley and I would fly to each of the seriously damaged communities, together with representatives of the principal federal departments and with state officials. At each community we inspected work on the projects. We then met around a table with local officials and, frequently, with local business leaders. We spent whatever time was necessary in agreeing upon schedules, spotting bottlenecks, and deciding who would resolve each problem. At the end of those sessions, we had both a schedule and a plan of action agreed upon by each of the federal departments and all three levels of government, federal, state, and local.

Each week I received progress reports direct from the field committee in Alaska. Copies of the reports also were sent simultaneously by each member of the field committee to his own department. This unusual method

of reporting paid great dividends, flagging many of the problems with which my staff and I needed to deal on our frequent inspection trips. A weekly highlight was given to Senator Anderson which he often transmitted to the President and made available to the press.

While in Alaska, I also made it a practice to inspect personally the repair work on water and sewer lines, the rebuilding of the harbors and the restoration of the railroad and highway systems. Bill Averill spent countless hours visiting with private citizens and business leaders. Colonels Penly and Tufts, both engineers, took turns making engineering-inspection trips, so that the Commission was represented at all times by a senior engineer in Alaska.

As significant problems developed, they were brought immediately to the attention of Senator Anderson without waiting for a formal Commission meeting. Frank DiLuzio always participated in these sessions and was extremely helpful in suggesting practical courses of action.

Impatient as everyone was to move ahead, it was undesirable to put all reconstruction work on a "crash" basis. That would have driven the inflation spiral to a higher level and would have required the importation of labor from outside the state, both of which would have seriously weakened the Alaskan economy. On the other hand, emergency measures were taken to move ahead rapidly on fronts affecting the public health and safety, such as water and sewer lines, and the rebuilding of docks and harbors, upon which the livelihood of so many depended.

The most dramatic chapter in the reconstruction effort was the rebuilding race between The Alaska Railroad and the highway which runs for many miles along

the coast at the base of the mountains around Turnagain Arm. Together they represented the only land transportation south and east from Anchorage. Both were shattered by the quake and had to be rebuilt at higher levels because of subsidence. Clinging to the side of the mountain in a fjord setting much of the way, the highway left no space for access roads. Road and railroad crews had to compete for valuable space as both groups strained every muscle to attain a sufficient elevation by late October to reach above the high fall tides which are normally made higher by heavy storm winds. Failure to reach that elevation by only a foot could have easily resulted in the whole grade being washed out, ruling out land supplies for Anchorage and partially isolating the Kenai Peninsula the first winter except over the long highway to the north.

The schedules measured elevation at key points to the nearest inch, so critical was the need to know how well we were doing. John Manley, General Manager of the Alaskan Railroad, turned in a remarkable performance, and Lowell Bridwell made sure the highway moved. Both made their targets by the narrowest of margins, and we regarded this as a great victory against the elements.

Frequently we slashed agency schedules from 40 to 50 percent, and pressed for sufficient manpower and stronger leadership to accelerate the projects. Contracting innovations were introduced, and construction was often begun before the design was completed. In these efforts, we had the complete support of the Deputy Secretary of Defense, Cyrus R. Vance, and Glenn V. Gibson, Deputy Assistant Secretary of Defense for Installations and Logistics.

As close as was the coordination among the various agencies represented on the Federal Commission, we enjoyed the same intimate working relationship with the state representatives of Governor Egan. We lent one of our offices to State Attorney General George N. Hayes. He had full access to our files and was invited to participate in any Commission or Task Force meetings he chose.

Governor Egan devoted tremendous energy to the task of rebuilding. From the standpoint of the Commission staff, no one was more helpful than Joseph Fitzgerald, whom the Governor appointed Coordinator of the Alaska Reconstruction and Development Planning Commission. He did much to help us forge the informal, but effective working arrangements operating at the three levels of government.

This joining of federal, state, and local effort, drawing upon the resources and programs of many agencies, was an early illustration of creative federalism, a phrase which has gained considerable currency since that time. The concept has served as something of a prototype for some elements of the Model Cities Program, one of the more recent landmarks of President Johnson's Great Society.

Although the coordination of these agencies produced tangible results, it soon became apparent that Alaska would require more aid than was available under existing legislation. Senator Anderson therefore directed the Commission staff to prepare a legislative program. He directed me to avoid novel proposals which would take time-consuming committee consideration and debate in the Congress. Harold Seidman and Sam Hughes of the Bureau of the Budget were extremely helpful on this project, and Mr. Seidman offered the leading testimony at several of the hearings.

The success of the legislative program however, is primarily a personal tribute to the stature of Senator Anderson and his parliamentary skill in the Senate. Arriving in the midst of the senate civil-rights filibuster, the Alaska Omnibus Bill would have been bottled up completely except for his efforts. A more complete story of the legislation is contained in the Commission's report, RESPONSE TO DISASTER. Among the more significant items were the following:

The Alaska Omnibus Act was amended to increase from 50 percent to 94.9 percent the federal government's share of the cost for repairing and reconstructing federal-aid highways.

The Corps of Engineers was authorized to modify previously authorized civil-works projects to assist in the restoration and expansion of small-bore harbors.

The Farmers Home Administration, Rural Electrification Administration and the Housing and Home Finance Agency were authorized to adjust the indebtedness of some of their borrowers to enable them to overcome some earthquake losses.

Supplementing the Housing Act of 1949, the HHFA was authorized to contract for \$25 million in grants for urban renewal projects in the disaster area.

The federal government was authorized to purchase up to \$25 million State of Alaska bonds or, as an alternative, to lend \$25 million to the state. As part of the bond authorization, HHFA was given authority to purchase up to \$7.2 million State of Alaska bonds for completing capital improvement programs.

Matching grants up to \$5.5 million also were authorized to adjust or retire outstanding mortgage obligations on one-to-four family properties damaged or destroyed by the earthquake.

Six months after the Commission was formed, Senator Anderson concluded that it had fulfilled its mission, and he recommended to President Johnson that it be dissolved. All of the planning had been formulated, and most of the resulting projects were well under way. Most water and sewer lines had been restored. The priority projects were moving forward with great momentum and were scheduled to be completed in a matter of a few weeks. Sufficient materials and labor were on hand, and inflation had been averted. A diversified legislative program had been enacted. Many administrative and engineering innovations had been introduced, and the Commission's overhead cost had been but a very tiny fraction of one per cent. Senator Anderson's leadership had been magnificent.

On October 6, 1964, President Johnson called the Commission members and staff together in the White House for its final report. After commending the work of Senator Anderson and the Commission, the President replaced the Commission with a Federal Field Committee for Development Planning and a President's Review Committee for Development Planning, both of which are designed to coordinate federal programs contributing to Alaska's future development.

Holding to its determination to break the usual pattern of bureaucracy, the Federal Reconstruction and Development Planning Commission had achieved its goals and, in doing so, had put itself out of business.