Before the Federal-Aid Highway Act of 1956:
Francis V. Du Pont In Context

By
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It's never a good idea to take over for a legend. You just might some day be as forgotten as Commissioner of Public Roads Francis V. (Frank) du Pont is today.

He had the dubious distinction of following a legend on April 1, 1953, when he replaced Commissioner of Public Roads Thomas H. MacDonald. MacDonald had headed the Bureau of Public Roads (BPR) since March 1919 through a series of title and agency name changes. Throughout the highway community nationally and internationally, MacDonald was recognized as the greatest figure of his era. He was widely respected in Congress, especially in the public works committees and roads subcommittees, and had been retained after he hit the mandatory retirement age of 70 by President Harry S. Truman to avoid disruption during the Korean War.

In 1919, his title was Chief of BPR. That became his nickname. Those who knew him called him the Chief or Mr. MacDonald. Anyone calling him "Tom" or "Thomas" clearly did not know him well.[1]

Two months after the start of the Eisenhower Administration, MacDonald retired on March 31. Actually, he was fired because the new Administration wanted control of the Federal-aid highway program and its funding (about half the Commerce Department's budget). That would not be possible if MacDonald remained in office in view of his stature and relationship with congressional leaders.

On April 1, 1953, he looked on as Secretary of Commerce Sinclair Weeks administered the oath of office to the new Commissioner of Public Roads, Francis V. du Pont. Calling MacDonald "Mr. Public Roads," Secretary Weeks said:

> For all practical purposes, you have been the only public-roads commissioner in the history of this government. You have given many years of earnest and untiring effort in behalf of better highways. Your service and the results accomplished have been notable primarily because of your great ability in this field, coupled with the integrity and high character you have always displayed in your conduct of the office. All this makes me very sure that your devotion to the cause of better highways will provide inspiration to those who follow you long beyond our time. [2]

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[1]Lewis, Tom, *Divided Highways: Building the Interstate Highways, Transforming American Life*, Updated Edition, Cornell University Press, 2013, page 5.

[2]"MacDonald to Texas," News of Men, *Better Roads*, April 1953, page 52; "Road Chief takes Oath," *The New York Times*, April 1, 1953.

In speaking to the press prior to leaving office, MacDonald stressed the importance of the Federal-State partnership:

> [It] is a workable plan to accomplish a continuing program that involves both local and national services; second, it sets a pattern in harmony with the concepts of federal government.

He traced the partnership to the Federal Aid Road Act of 1916, which created the Federal-aid highway program. He told reporters:

> [It] recognized the sovereignty of the states and the authority retained by the states to initiate projects. All through the legislation since then, the same mechanism of checks and balances has been maintained evenly so that the states and the federal government both have to agree before they can accomplish a positive program.

The condition of the Nation's roads was, as ever, very much on his mind. Most of a Federal-aid system of interstate roads – basically, the U.S. numbered highways – had been surfaced by the mid-1930's, but only to the standards necessary for that period. Now, those same roads remained in service but based on the increased number of vehicles and miles traveled, society expected them to provide at least eight times the service they were designed to handle. Less than 25 percent of the National System of Interstate Highways as designated in August 1947 – mostly rural mileage with lines through the main cities, with urban networks not yet determined – was adequate for modern traffic. About 16 percent of the System was "critically deficient."

(Note that at the time, engineers expected that for the most part, existing roads would be upgraded to Interstate standards, not that most Interstate highways would consist of new roads built on a different alignment.)

To meet growing needs, he told reporters:

> It is logical to borrow for important needs and to retire the borrowings from user income. By setting aside the income from a fraction – say a cent of the gasoline tax, there is an assured fund that can be used to retire bonds.

The Federal Government had begun collecting a tax on gasoline in 1932 as part of a deficit reduction plan. The funds had never been used, directly or indirectly, for the Federal-aid highway program.

As always, his attitude toward toll roads was cautious:

> Financing toll roads with bonds paid for entirely out of revenue [tolls collected on the road] can lead us into a dangerous situation. Only certain stretches of heavy traffic roads, like the New Jersey Turnpike, can be self-supporting on that basis.

Issuing bonds backed by earmarked gasoline tax receipts was one way of paying the difference between bond charges and toll collections.

Noting that the Federal Government collected $800 million a year in fuel tax revenue but provided funds to the States at a rate of only $575 million, he thought it "desirable to equate federal aid to federal gas tax revenues." He was not, however, convinced that all Federal highway user tax revenues should be dedicated to highways, citing excise taxes on such products as perfume and alcoholic beverages as examples of taxes levied simply to meet government expenses. "Take the cigarette tax," he explained. "I don't know how you would apply its proceeds for the benefit of cigarette users."

A reporter asked MacDonald if general reductions could be achieved in road expenditures if the use of highways were restricted to lighter vehicles. "We start off on an absurdity," MacDonald replied. "I've never subscribed to any part of that theory. If we didn't have to support an army all our taxes could be reduced." He added that even if it were possible to ban commercial carriers from the highways, officials would still have to build the roads for heavy traffic as a national defense measure.[3]

Secretary Weeks had announced the change on March 17. Author Earl Swift, in his book about the people who created the country's highway network, wrote of MacDonald:

> In the last week of March, he showed the new man around the office, making introductions, explaining bureau procedure. After finishing his last day of government service, MacDonald agreed to preside over a farewell dinner thrown by his closest friends and colleagues at Washington's Metropolitan Club.

After attending the swearing in ceremony for du Pont, MacDonald left by car for College Station, Texas, where he would work part time to help Texas A&M University, in collaboration with the Texas Highway Commission, develop a transportation research institute, to be named the Texas Transportation Institute.[4]

T. Coleman du Pont

Commissioner du Pont knew about replacing legends because MacDonald was actually the second legend du Pont had to follow. The first was his father, T. Coleman du Pont.

"Coly," according to biographer William H. A. Carr, was, "Six feet four, good-looking, [and] a complete extrovert . . . ." He liked to perform simple magic tricks and enjoyed playing practical jokes on his friends and employees.

An 1885 graduate of the Massachusetts Institute of Technology (M.I.T.), du Pont began his career at the family's coal mines in western Kentucky. In the 1890's, as general manager of the

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[3]"MacDonald Retires as Commissioner of Public Roads; F. V. du Pont takes over," *Engineering News-Record*, April 2, 1953, page 52; Odlin, William S. Jr., "MacDonald Stresses Antiquity of 76 Pc. of U.S. Main Roads," *Transport Topics*, April 6, 1953, page 1.

[4]Swift, Earl, *The Big Roads: The Untold Story of the Engineers, Visionaries, and Trailblazers Who Created the American Superhighways*, Houghton Mifflin Harcourt, 2011, pages 161-162.

Johnson Company, he began by manufacturing street railway rails and switches, then moved into building and operating street railways.

In 1902, the family's E. I. du Pont de Nemours and Company was in financial difficulty and in danger of passing out of the family's hands. He and two of his brothers acquired the company, with Coly appointed President, a position where his outgoing good humor and promotional skills helped restore the company to financial health. By the mid-1910's, du Pont was also part owner of a hotel chain that included the Waldorf Astoria and the Sherry Netherland in New York City; the Bellevue-Stratford in Philadelphia; and the Willard Hotel in Washington; as well as the Du Pont Hotel in Wilmington.

Du Pont had a longstanding interest in good roads. He claimed that it went back to his days in the Kentucky coal fields. Production was plagued by a large hole in the road outside a mine in Centre City. Finally, du Pont concluded that it would be cheaper to fill it with coal than pull loaded wagons out of it several times a day. Whatever the cause, his interest was reflected in his role as Chairman of the National Highways Association's Board of National Councillors. The association was dedicated to construction by the Federal Government of a national highway network, as well as "Good Roads Everyone," as its motto proclaimed. He would be a spokesperson, with his picture printed in all its publications. (You will find more information on the association on this Web site at https://www.fhwa.dot.gov/infrastructure/davis.cfm.)

More direct evidence came in 1911, when he announced, "I am going to build a monument one hundred miles high and lay it on the ground." The road in Delaware would be "the straightest, widest, and best [road] in the world." Through Coleman du Pont Road, Inc., he began construction of the road at the Maryland State line on a 200-foot wide right-of-way. When the first 20-mile section was completed in 1917, du Pont presented the road to the State.

By then, du Pont had become a member of Delaware's first State highway commission, which supervised the work of the State Highway Department. To avoid a conflict of interest with his corporation, he arranged for the new State Highway Department to take over construction of the du Pont road. He promised to pay up to $44,000 per mile for the rest of the road (excepting only the cost of bridging the Chesapeake and Delaware Canal).

His road was completed in 1924 at a cost to du Pont of $4 million. On July 2, 1924, du Pont was honored for his work. It was not the visionary roadway he had conceived, but it was an excellent highway for its day and, because of its importance to the State, was gradually improved and widened over the years. Today, the Du Pont Road is part of U.S. 13 from Wilmington to Dover and U.S. 113 from Dover to Selbyville at the Maryland State line.

Du Pont gradually developed political ambitions, fueled by his family's control of the State's Republican Party. As early as 1916, he felt he could be President someday, but he thought that perhaps a term in the Senate might prove helpful toward achieving that goal. He was appointed to the Senate in 1921 to complete the term of a Senator who had been appointed to the State's supreme court. In 1922, he ran for the remainder of his appointed seat and for the regular 6-year term that was up for election that year. He lost both races. However, in 1924, he finally was victorious in winning a Senate seat in his own right, taking office on March 4, 1925.

On December 9, 1926, Senator du Pont introduced a bill calling for creation of a Federal Highway Corporation to construct "a post road and military highway" across the country. It would be a "four-track highway" that would "permit a two-way fast traffic for tourist and non-truck traffic, and a two-way traffic for trucks and heavy traffic." It would be 500 feet wide, with excess right-of-way leased until needed for highway purposes. Provision would be made for tourist camps, operation of emergency airplane landing fields, and radio and other electrical communication facilities.

The bill was referred to the Senate Committee on Post Offices and Post Roads, which took no action on it. In 1928, the bill was reintroduced on behalf of Senator du Pont, who was too sick to participate. Despite a hearing on the bill in 1928, Congress took no further action on the measure.

"As a senator," Carr summarized, "Coleman du Pont was best known for his absenteeism." However, he had only a few years to serve in the Senate. In 1927, his doctors found that he had cancer. They removed his larynx, but the cancer had already spread into his throat. On December 9, 1928, knowing he would never recover, du Pont retired from the Senate. He died in 1930 at the age of 67.[5]

Before turning to Commissioner du Pont, a look at the situation he faced will be helpful.

The Gas Tax

As Commissioner du Pont took office, the highway industry and its supporters were actively debating the future of highway programs in the United States after years of bottled-up demand. One of the questions was the future of the Federal excise tax on gasoline.

Beginning with Oregon in 1919, States had seen the gas tax as a politically popular option for financing road improvements, with BPR in agreement, but this *quid pro quo* was not always possible, as Professor Bruce E. Seely explained:

> But almost as quickly, state legislatures were attracted by the rapidly growing amounts of money these imposts raised, and the BPR actively tried to stop the diversion of highway-user taxes to nonhighway purposes. By the time that the National Highways Users Conference was organized by General Motors head Albert Sloan in 1932 to combat such diversion, federal and state highway officials had been fighting the nonhighway use of this revenue for several years. The decision, approved in the Hayden-Cartwright Act of 1934, to penalize states for diversion by withholding federal-aid funds, aided their efforts.

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[5]Carr, William H. A., *The du Ponts of Delaware*, Dodd, Mead, and Company, 1964, pages 226-230, 266-268, 277-283. Some information is from Rae, John B., "Coleman du Pont and his Road," *Delaware History*, Spring-Summer 1975.

> The favored procedure was a state constitutional amendment that earmarked all fuel taxes and occasionally automobile registration and other fees for road construction.[6]

With income tax revenue declining during the Depression, Fiscal Year (FY) 1931 ended with a deficit of $903 million; the country anticipated a deficit of $2.1 billion at the end of FY 1932. In early 1932, Congress took up the question of new taxes. President Herbert Hoover proposed many such taxes, but not a Federal excise tax on gasoline. During a hearing, Under Secretary of the Treasury Ogden L. Mills told the House Ways and Means Committee that the Administration had considered a gas tax, but "the only reason which led us at the last not to recommend it was the feeling that on the whole the States had looked upon the gasoline tax as one which more or less belonged to them, and on which they were relying to a very great extent."

Nevertheless, Congress included an initial gas tax of 1 cent a gallon in the Revenue Act of 1932, with the tax due to expire on June 30, 1933. President Hoover signed the bill on June 6, 1932. As noted, the tax was for deficit reduction; it was not linked to the Federal-aid highway program, which was funded out of the general Treasury. [7]

Automobile, highway, and oil groups opposed the tax because it imposed an additional expense on highway users without returning any benefit to them, while the Federal tax would affect the cost of a product the States already were taxing and considered within their own jurisdiction.

Regardless, Congress renewed the tax periodically, increasing it to 1.5 cents in 1933 and eliminating the increase in 1934. The Revenue Act of 1941 made the gas tax permanent and increased it to 1.5 cents a gallon, as one of many war-related excise tax changes. The tax was increased to 2 cents a gallon in 1951 to help fund the Korean War, with the new half a cent to be retired on April 1, 1954.

Although Congress, in 1934, had insisted that the States dedicate revenue from their gas taxes to highway improvement, transferring that policy to the Federal excise tax was, as Professor Seely put it, "a move that budgetary officials stoutly resisted."[8] By the 1940s, the Nation's Governors routinely urged the Federal Government to drop the Federal gas tax, with State highway officials in agreement. They argued that if the Federal tax ended, the States could pick up the same revenue by increasing the State tax and, as a bonus, use the revenue far more efficiently without Federal strings attached.

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[6]Seely, Bruce E., *Building the American Highway System: Engineers as Policy Makers*, Temple University Press, 1987, page 210. Through several name and mission changes, the National Highway Users Conference is now the American Highway Users Alliance.

[7]Davis, Jeff, "The History of the Gasoline Tax," Part 1, *Transportation Weekly*, Legislative Services Group, April 20, 2010, pages 9-11; Sweet, James Stouder, *The Federal Gasoline Tax at a Glance: A History*, Chronology, Bybee House, pages 5-6.

[8]Seely, page 210.

Alternatively, if the Federal gas tax was to continue, opponents of the tax argued that it should be linked, at least informally, to the level of revenue going into the Federal-aid highway program.

Pent-Up Demand

The Federal-Aid Highway Act of 1944 authorized funds that would become available after the official end of the World War II. (The European phase of World War II ended on May 8, 1945. Japan surrendered on August 14, 1945.) The 1944 Act also called on the Federal Works Agency, home of the Public Roads Administration (PRA, as BPR was called in the 1940s), to work with State highway officials to designate a 40,000-mile "National System of Interstate Highways."

PRA, after consulting with the States, followed up on August 2, 1947, by approving 37,681 miles of the Nation's principal rural highways as part of the Interstate System and 2,882 miles of urban thoroughfares to carry the routes through cities. The routes, mainly existing as U.S. numbered highways, were assigned neither names nor numbers; they were simply black lines linking the main cities depicted on a white map with black outlines of the States. To fill out the 40,000-mile Interstate System, PRA reserved 2,319 miles for additional urban circumferential and distributing routes that would be designated later after consultation with State highway officials and city governments.

When President Franklin D. Roosevelt signed the legislation on December 20, 1944, he saw it as a way of creating jobs for returning soldiers to prevent a return of the Depression. He issued a statement that said, in part:

> Adequate facilities for highway communication will be essential in the future as a part of an expanding, prosperous economy that will insure jobs. They will be essential also to the national defense, as well as to the safe and efficient transportation service which belong to America's way of living.

He added:

> This legislation makes possible the advance planning of the needed facilities on a sound basis. Now it becomes a challenge to the States, counties and cities which must originate the specific projects and get the program ready for construction after the war ends.

Very soon after the war, however, it became clear that fears of a new Depression were unfounded.

On April 12, 1945, Vice President Harry S. Truman became President following the death of President Roosevelt. President Roosevelt had been such a towering figure – a legend in his own right – that by comparison, his successor seemed a lightweight. But he would complete President Roosevelt fourth term in office and win reelection in 1948.

Perhaps more than any other Chief Executive, President Truman understood the value of good roads. He loved roads, loved driving, had been involved in road construction as a county official in Missouri, was a member of the American Road Builders' Association (ARBA), had been president for many years of the National Old Trails Road Association, which backed the transcontinental National Old Trails Road, and since becoming a United States Senator in 1935 had driven many times between Independence, Missouri, and Washington on the old trails road (the segment he used was part of U.S. 40).

But for all his love of automobiles, roads, and bridges, for all his knowledge of how roads are built, for all his travels around the country on the highways of the day, President Truman's primary impact on the National System of Interstate Highways was to delay its construction and to frustrate MacDonald's vision of expressways as the answer to the Nation's urban ills.[9]

So many other problems were a higher priority – of course, first and foremost, ending World War II and making a new peace. As the end became a reality in mid-1945, a housing shortage, labor strikes, and inflation were among the President's domestic diversions. As Truman told his mother in a letter on October 23, 1945, "The Congress are balking, labor has gone crazy and management isn't far from insane in selfishness."[10] Then the Cold War, the Marshall Plan, and the Berlin Crisis required his attention. Highways were not a major concern, especially since PRA would not designate most of the Interstate mileage until August 1947.

An unexpected economic boom not only defied expectations but created greater demands than ever on the Nation's worn out highways, as Professor Seely described:

> Auto makers could not convert from wartime production quickly enough to meet demand for its new civilian models, selling a record 3,909,270 units between 1945 and 1949. Every year from 1946 until 1952 produced a record number of vehicle-miles; just the increase of 87 billion between 1947 and 1950 was equal to the total number of vehicle-miles in 1923. In the 1951 annual report the BPR announced, "We are being overwhelmed by a flood of traffic."[11]

For the highway community, one statistic suggested it was a boom period. From 1946 through 1950, all highway expenditures at all levels of government equaled $8.4 billion, which Professor Mark H. Rose, in his history of Interstate highway politics, noted was more than any previous 5-year period in history. He added, however, that the achievement was misleading:

> [R]ising prices consumed a good part of the additional outlay. Costs for many construction items zoomed above prewar levels, and went even higher for the unusually expensive parts necessary for urban expressways. Heightened construction standards such as wider radius curves and thicker and wider pavements, all needed to provide safe highways for heavier and faster cars and trucks, added to costs.[12]

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[9]Weingroff, Richard F., "The Man Who Loved Roads," *Public Roads*, May-June 2002.

[10]McCullough, David, *Truman*, Simon and Schuster, 1992, page 470.

[11]Seely, page 193.

[12]Rose, Mark H., *Interstate Express Highway Politics 1939-1989*, Revised Edition, The University of Tennessee Press, 1990, page 31.

Further, the new Interstate program was stymied because Congress had not authorized funds specifically for its construction. The assumption was that the obvious importance of the new system would prompt State highway agencies to use apportioned Federal-aid primary funds to build the expressways. Instead, State highway officials generally used Federal-aid highway funds for in-State needs rather than using them for a national program that, they thought, would primarily benefit motorists from other States who were passing through on their way to somewhere else.

Progress on rural segments of the Interstate System was slow. PRA's annual report for 1948, the first following designation of the initial 37,700 miles, indicated that of the funds authorized in 1944 for use on the Federal-aid primary system, slightly more than 30 percent had been applied to routes on the Interstate System. Projects spanned 2,052 miles of highway, 704 bridges, and 95 structures for elimination of at-grade rail-highway crossings. The 1949 report indicated that 22 percent of the funds authorized in the 1944 Acts of 1944 and 1948 had been used for Interstate System improvements. Work included improvement of 2,917 miles of the Interstate System and 981 bridges, as well as elimination of 120 railroad grade crossings. As the report noted, the total of 2,917 miles was 8 percent of the total System mileage.

These activities, financed with Federal-aid primary funds, did not add up to building the Interstate System – a nationwide system of connected expressways. They mainly involved improving existing roads in the designated Interstate corridors.

Progress in urban areas was slower, and this must have been even more frustrating for MacDonald and Deputy Commissioner for Research Herbert S. Fairbank, the primary author of the two reports to Congress that prompted approval of the National System of Interstate Highways (*Toll Roads and Freeway Roads* (1939) and *Interregional Highways* (1944)). The rural routes serving interstate traffic were not congested, although they were deficient in safety and operational efficiency. It was in urban areas – itself a new legal concept that disregarded legal boundaries – where they thought the 1944 Act was most promising, as MacDonald explained in 1947:

> Into this situation the Federal-Aid Highway Act of 1944 comes as a new dispensation, radiant with promise, for the cities especially. Of the $500,000,000 total Federal appropriation authorized for each of the first three post-war years, 125,000,000 is earmarked exclusively for expenditure in "urban areas," defined as areas including and adjacent to municipalities of 5,000 population or more. These funds, representing an even 25 per cent of the total appropriations authorized, are made available for expenditure solely upon the Federal-aid highway system selected to serve the urban areas.[13]

City planners at this stage basically accepted PRA's theory that a carefully laid out network of urban expressways, coupled with off-street parking, could address not only traffic problems but the problems of urban blight. As discussed in the two reports to Congress, the well-to-do residents surrounding the central city had moved further out, leaving their former homes to

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[13]MacDonald, Thomas H., "The Federal Aid Highway Program and Its Relation to Cities," Business Men's Conference on Urban problems, Chamber of Commerce of the United States, September 11, 1947.

humbler citizens who could not afford to maintain the quality of the area. Their declining homes and neighborhoods were the perfect location for an inner circumferential that would allow motorists to bypass the congested downtown central business district if they were not found for it. Arterial expressways, like the spokes of a wheel, would carry motorists between the inner loop and the outer loop or, in the more populous areas, loops. Parking would be provided around the inner loop so motorists could leave their vehicles and walk or take transit to and from their destination.

Rose described the goal:

> Freeways would speed traffic to and around downtown and also divide neighborhoods from one another. New roads, where they did separate neighborhoods, would act as barriers to residents traveling crosstown but allow easy access to the central business district, thus promoting neighborhood social cohesion and downtown sales.

In the post-war period, planners included mass transit and rail lines in their plans, but as Rose noted, they still saw an expressway system as serving "the growth and proper social development of urban regions." In any event, the transit and urban rail lines, for the most part, were privately owned and operated – not modes the Federal Government had to develop an aid program to support.[14]

Although some doubts about the theory had begun to appear in the planning community, the Nation's cities were ready for the Interstate freeways that MacDonald wanted to provide. However, President Harry S. Truman and his advisors had other plans.

At the same time, the highway community had become splintered by special interests during the 1940's. Perhaps the problem was inevitable given the extent of the Nation's diverse road needs and perspectives. In November 1949, *Fortune* magazine summed up this aspect of the issue:

> Part of the trouble is that the U.S. has so much highway – 3,300,000 miles in all – that it is possible to point to a few roads, or indeed many thousand miles of road, and prove almost anything that strikes your fancy: that heavy trucks are raising hell with our highways, that they are doing no such thing, that the highways of America are an incomparable engineering achievement, that whole regiments of state highway engineers should be indicted for malfeasance in office.[15]

Ties within the highway community had been strained by the pressures of the post-war period – shortages of material and construction workers, construction price increases, and limited funding. At the same time, outside pressures were increasing demands on the highway network. In a December 1950 speech to the annual meeting of the American Association of State Highway Officials (AASHO), MacDonald cited five developments that were contributing to unmet pressures for improved highway transportation: decentralization of industry, decentralization of

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[14]Rose, pages 56-57.

[15]"Enter the Road Builders," *Fortune*, November 1949, page 107.

parts manufacture, decentralization of central cities, decentralization of population to the west coast, and growth of the population of automobiles.[16]

This latter was especially devastating. Traffic volumes increased substantially, while automobile weights and speeds continued to climb. Trucking continued to grow even though pavements were not built to match the demand.[17]

In short, instead of needing highway projects to fight off a post-war Depression, the post-war economic boom had held back highway projects.

In the late 1940's and early 1950's, motorists and the highway community were eager for PRA/BPR[18] and the Congress to figure out how to keep up with the economic boom. But with the Federal Government unable to meet the demands, the prosperity of the times and the increase in driving made a boom in toll superhighways possible. Most of the turnpikes of this new era were in the heavily traveled Interstate corridors that *Toll Roads and Free Roads* had predicted would be most likely to support toll facilities. But the boom was beyond anything imagined in BPR's report.

The first section of the Pennsylvania Turnpike, the "magic carpet" of the pre-war era, had opened in October 1940 and was an immediate financial success. The war interrupted expansion of the turnpike and the spread of the concept to other States, but it was a financial wonder of the post-war boom, with revenue pouring in from increasing post-war traffic. According to turnpike historian Dan Cupper:

> As extensions made the highway more accessible and postwar prosperity put a car within the reach of millions more Americans than ever before, traffic volume increased geometrically. The total in 1947, 2.5 million vehicles, doubled by 1951, then doubled again by 1953 and again by 1957, when the volume hit 22.7 million vehicles. By the following year, traffic had grown to 10 times what it had been in 1947.[19]

This success inspired other States to build or at least consider building similar turnpikes. The Pennsylvania Turnpike had demonstrated that a modern turnpike could overcome the primary problem faced by promoters of toll facilities: ensuring that traffic will generate enough toll revenue to pay bond holders with interest and cover operation and maintenance expenses. If investors did not think traffic would generate sufficient revenue, they would not buy the bonds.

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[16]MacDonald, Thomas H., "Relation of the Highway Program to the National Economy," Annual Meeting of AASHO, Miami, Florida, December 4, 1950.

[17]Testifying on May 31, 1950, before the Senate Committee on Public Roads' Subcommittee on Roads, MacDonald put it this way: "I think the startling fact that we barely completed enough highways in the Federal-State program last year to provide parking spaces for the new cars, is self-indicative."

[18]On July 1, 1949, PRA had been renamed the Bureau of Public Roads. After a 7-week stay in the new General Services Administration, BPR became part of the Department of Commerce on August 20, 1949.

[19]Cupper, Dan, *The Pennsylvania Turnpike: A History*, Applied Arts Publishers, 1990, page 32.

If they bought the bonds, but traffic failed to generate the revenue needed to retire the debt, the toll authority faced bankruptcy and lawsuits, not to mention voter wrath.

The danger had been illustrated during the Nation's first toll boom (inspired by the success of the Lancaster Turnpike from Philadelphia to Lancaster, Pennsylvania, during the 1790's). Thousands of miles of toll roads had been built in the United States during the first third of the 19th century, but while they provided much needed transportation service at a time when national and State governments had little revenue for the purpose, few had proven profitable for investors.

The Good Roads Movement expanded in the early 20th century, spurred by the advent of the bicycle and then the automobile. The deteriorated remnants of the toll boom of the previous century were reminders of the perils of toll roads and the merits of public construction of toll-free roads. In the early 20th century, States bought most of the surviving 19th century turnpikes and converting them to toll-free operation.

However, the success of the Merritt Parkway[20] and the Pennsylvania Turnpike, coupled with the traffic boom of the 1940's convinced State officials that the formerly discredited toll concept could safely be revived, despite BPR's reservations. The new boom was aided by the fact that State officials, who were reluctant to raise taxes, could allow the highway's users to pay for their highways through tolls. If a high percentage of the users happened to be from other States, so much the better.

The heavily populated States in the Northeast were especially active. As the Pennsylvania Turnpike continued to add mileage, Maine authorized the Maine Turnpike. When it opened in 1947, traffic exceeded estimates. Connecticut, Massachusetts, New Hampshire, New Jersey, and New York were among the Northeastern States that followed with their own turnpike plans. Elsewhere, Delaware, Florida, Illinois, Indiana, Kansas, Maryland Ohio, Oklahoma, Virginia, and West Virginia followed suit.

Although many of the turnpikes preempted the corridors of designated but unbuilt Interstate routes, the turnpikes had some advantages for the Interstate Highway Program. As explained in the Federal Highway Administration's Bicentennial history, *America's Highways 1776-1976*:

> It is not an exaggeration to say that most of the motoring public first learned the safety and comfort of driving on access controlled roads on the turnpikes. [The] toll roads, as a class, set a high standard of excellence that was hard for the State highway departments with their limited budgets to match.[21]

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[20]The first section of the Merritt Parkway opened in June 1938 as a toll-free parkway. The bonds used to finance construction were expected to be retired with tax revenue. Instead, the State imposed a 10-cent toll on the parkway in 1939 to finance an extension. Rather than switch to the parallel toll-free Boston Post Road (U.S. 1), motorists preferred to pay a dime for the advantages of parkway travel. Radde, Bruce, *The Merritt Parkway*, Yale University Press, 1993, pages 85-86.

[21]*America's Highways 1776-1976: A History of the Federal-Aid Program*, Federal Highway Administration, 1976, page 168.

The turnpikes of the 1940's and early 1950's demonstrated the inadequacy of the Nation's main roads while providing an alternative concept that was clearly superior. In addition, the new turnpike concept was feasible here and now, when it was needed.

The turnpikes also were a laboratory for the design concepts that would be considered in the 1950's for the Interstate System. Features such as full control of access, divided lanes, interchanges, and landscaping were being experienced for the first time not only by motorists but highway engineers.

Truman and his advisors, like Roosevelt and his advisors, saw construction programs as a tool for managing the economy through the initial dislocation of the post-war years and the later post-war boom. While giving priority to housing programs, the Truman Administration reduced other public works projects to fight inflation. In 1948, for example, as Congress considered reauthorization of the Federal-aid highway program, Truman sided with his economic advisors who considered the program inflationary and wanted to constrain it. The surplus in Federal-aid highway accounts – accumulated because the States' Federal-aid highway programs had not been able to keep pace with the funding – prompted him to ask for only $300 million a year. In the Federal-Aid Highway Act of 1948, Congress did not provide funds for FY 1949, but authorized $450 million a year for FYs 1950 and 1951, compared with the $500 million a year authorized by the Federal-Aid Highway Act of 1944.

By 1950, the highway community finally appeared ready to address the deficiencies of the Nation's highway network. Material shortages had lessened. Labor was available. The economy continued to boom. The Nation's motorists were ready.

And the Congress had a new report on the Interstate System in which PRA laid out a new program for advancing the work. As tensions built in other parts of the world, Congress had become concerned about the growing inadequacy of the Nation's highways to sustain defense mobility. Section 2 of the Federal-Aid Highway Act of 1948, therefore, directed the Commissioner of Public Roads to cooperate with the State highway agencies in a study of the status of improvement of the National System of Interstate Highways.

The study, *Highway Needs of the National Defense*, began with a detailed inventory of the Interstate System and a measure of the traffic using each section. The assumption was that the Interstate System consisted of the existing roads, mostly U.S. numbered highways, in the designated corridors shown on the 1947 map and that they were to be upgraded to the Interstate standards developed by AASHO and approved by PRA in 1945.

The most serious deficiency uncovered by the study was the lack of capacity, increased by the absence of full access control, on the designated Interstate routes for the ever-increasing number of motor vehicles. Further, the surveys demonstrated that many sections would have to be completely relocated to meet the design speed, sight distance, and gradient requirements.

Based on the surveys, PRA estimated that an investment of $11.3 billion, at 1948 prices, would be needed to bring the Interstate System up to an acceptable standard – to handle 1948 traffic. Approximately $5.3 billion of this amount (47 percent) was for improvement of urban segments. This need could be met over a 20-year period with an annual investment of at least $500 million for the Interstate System alone. A substantially more rapid improvement would be needed to meet the needs of national defense.

The estimate was flawed in several ways. It did not cover the 2,300 miles of urban auxiliary routes that had not yet been designated. Further, PRA believed that needs should be based on service to the traffic of the future, but making such forecasts “has been impracticable,” so the estimate was based on serving existing traffic, which could be measured, rather than the increasing traffic volumes sure to come.

Another major flaw was PRA’s assumption that a large part of the Interstate System could be built by reconstructing or widening existing highways. This assumption reduced the estimated cost, but proved unrealistic in practice because development along existing highways made the cost (financial and social) of upgrading the routes to Interstate standards prohibitive.

Highway Needs of the National Defense recommended several steps to accelerate the Interstate program. An increase in the Federal share beyond the normal 50 percent "would seem appropriate." In addition:

> Funds so authorized should be apportioned among the States in such proportions as to permit substantially equal progress in the correction of existing deficiencies in all States. Consideration should be given to authorizing funds specifically for the Interstate System.

Innovative financing could also help accelerate construction. The report suggested that Congress allow the States to borrow capital to complete their sections of the Interstate System and use future Federal-aid apportionments to repay the borrowed amounts.

President Truman transmitted the report to Congress on June 30, 1949. If Truman’s experience gave him any sense of the vision that his predecessor and his successor felt when they contemplated the Interstate System, this transmittal bore no evidence of it. It was a perfunctory four-paragraph letter, ending with a lukewarm endorsement:

> This report is a useful document. I recommend it to the consideration of the Congress in connection with such further provision as may be made for the continuance of Federal-aid for highway construction.[22]

The President was a bit more enthusiastic in his budget message to Congress early in 1950:

> [Major] development of our highway system is required to overcome obsolescence and to handle safely and efficiently the steadily increasing traffic loads . . . . Increased emphasis . . . should be placed upon the Interstate Highway System, a limited network of routes which is of greatest national importance to peacetime traffic needs as well as to our national defense.

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[22]*Highway Needs of the National Defense*, Message from the President of the United States, U.S. House of Representatives, 81st Congress, 1st Session, House Document No. 249, June 30, 1949, page iii.

When Congress opened consideration of the Federal-Aid Highway Act of 1950, the House began with a modified version of a bill developed by AASHO in November 1949. The AASHO bill proposed an increase in spending on every Federal-aid system, with $210 million earmarked for the Interstate System and a Federal share of 75 percent for Interstate projects.

But Congress also received opposing views. Even the State highway agencies were not uniformly behind AASHO's bill. Under the leadership of Pennsylvania, the Association of Highway Officials of the North Atlantic States adopted a resolution opposing an increase in Federal-aid, earmarking of funds for particular Federal-aid systems, and raising the Federal share. Such an increase was seen as a step toward more Federal control and intervention in State affairs.

The National Highway Users Conference, which represented trucking, manufacturing, and oil companies, and the U.S. Chamber of Commerce also opposed an increase in the Federal share and for the same reason. A shift in Federal share, the conference claimed, would move the road program toward "the left fork . . . of nationalized highways." Pretty soon, projects would be chosen at the national level based on "political pressures" instead of "local needs."[23]

The House approved a bill on May 19 that authorized $1.140 billion over 2 years, including $225 million for Federal-aid primary projects, $150 million for secondary projects, all on the traditional 50-50 Federal-State matching share, and $70 million for the Interstate System on a 75-25 matching ratio. The bill also included a provision, based on the proposal in *Highway Needs of the National Defense*, that would allow the States to use future Interstate apportionments to repay loans incurred to finance toll-free Interstate projects.

With the Senate receptive to the House bill, an enlarged Federal-aid highway program, including special funding for the Interstate System, appeared close to reality at last. However, while the Senate was considering the highway bill, international events were unfolding that would again put the Interstate System on hold.

On June 24, 1950, while spending a weekend at home in Independence, President Truman received word that North Korea had invaded South Korea. Within a month, the northern Communists had occupied most of the Korean peninsula. President Truman ordered American troops to join with forces the United Nations Security Council had sent to the Korean Peninsula. An advance battalion under Major General William F. Dean landed in Pusan on July 1.

On August 17, as the Senate considered amendments to the Federal-aid bill, President Truman wrote to Senator Dennis Chavez (D-NM), chairman of the Committee on Public Works. The bill, in its present form, was “inconsistent with the effort to hold down non-defense spending” in view of “demands for supplies and services in competition with defense needs.” The President urged Congress to reduce the funding “at least to the level of $500 million originally recommended in my Budget message.” He also opposed the use of Federal-aid highway funds to retire bonds

[23]Rose, page 37.

because it would encourage road construction at a time "when we are attempting to conserve manpower and materials for our defense effort."

Professor Rose summarized the response in the Senate:

> On August 22, members of the Senate, for whatever reason, voted to lower spending in every category of road aid. Elimination of the special authorization for the Interstate, on the grounds that funding for it was available from other network funds, produced much of the savings.[24]

Given the emergency situation, even this shift by the Senate was not enough for some observers. An editorial in Washington's *The Evening Star* the next day commented:

> The Federal-aid Highway Bill was the first big authorization measure to come before the Senate after the start of the war in Korea. It thus provided something of a test of willingness to cut domestic, non-defense expenditures – cuts which in part would offset the huge new defense budget requested by the President.
>
> The Senate did not measure up to the test.[25]

House-Senate conferees agreed to the $500 million spending level requested by the President, but with no funds earmarked for the Interstate System. Of the amount authorized for the Federal-aid highway program, 45 percent was for the Federal-aid primary system, 30 percent was for the secondary system, and 25 percent was for the urban system. Conferees retained the 50-50 matching share for the entire program, including Federal-aid primary projects on the Interstate System. The final bill retained the provision allowing the States to apply future Federal-aid apportionments to retirement of the principal of bonds used to improve Federal-aid primary routes, including the Interstate System.[26]

President Truman signed the Federal-Aid Highway Act of 1950 on September 7.

The Federal Role

As reflected in the bond provision of the Federal-Aid Highway Act of 1950, BPR was intrigued by bond financing as a way of providing needed highway facilities. States and counties had been using bonds to provide needed roads, bridges, and tunnels for decades. However, BPR's vision involved the use of dedicated gas tax revenue, not tolls, to repay bondholders. In theory, this idea had several advantages. It would accelerate construction of the Interstate System, particularly in urban areas where the need was greatest. It would strengthen the State highway agencies in their

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[24]Rose, pages 38-39.

[25]"The Senate Fails in a Test," *The Evening Star*, August 23, 1950.

[26]The provision proved ineffective. The States generally preferred to reserve future Federal-aid funds to meet future construction needs, rather than retire previously incurred debt.

role as partners with BPR in the Federal-aid highway program – to the detriment of toll authorities that were outside the partnership. And it would reduce the spread of toll roads.[27]

But the tax on gasoline remained controversial. Opponents argued that if the Federal gas tax were to continue, it should be linked, at least informally, to the level of revenue going into the Federal-aid highway program. When Congress was considering the Federal-Aid Highway Act of 1948, Professor Seely explained, "this logic reappeared in a federal-aid proposal that argued it was unfair to punish states for diversion when the federal government had failed to use all of its $800 million in gas tax revenue for roads":

> But the state highway officials and the BPR deliberately avoided *directly* linking tax revenues and federal aid, for they remembered that state highway departments had been crippled when gas tax collections plummeted after rationing was imposed in World War II. Instead, they [argued] that gas tax receipts were a perfect *indicator* of highway funding needs.[28]

After all, Federal-aid highway funds were made available directly to the State highway agencies. Linkage, as Professor Rose pointed out, "offered financial security and vastly expanded opportunities to build roads."[29]

Tax and allocation issues continued to fragment the highway community. The Governors' Conference adopted resolutions each year calling for the Federal Government to defer to the States by ending the Federal gas tax. If that could not be accomplished, they favored linking the gas tax revenues to the Federal-aid highway program. During the 1948 meeting of the Governors' Conference, Governor Alfred Driscoll of New Jersey pointed out:

> For example, over a nine-year period, the federal government has collected in gasoline taxes a total of $3,215,000,000 . . . during that same period there have been authorizations for grants-in-aid to the states totaling $1,982,000,000.

With those figures in mind, the Governors adopted a resolution introduced by Governor Frank Carlson stating"

> Until such time as the federal government may withdraw from taxation of gasoline and highway users, the Governors' Conference is convinced that all revenue from these sources should be used for the purpose of expanding and improving the highway system of the nation.[30]

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[27]Seely, pages 208-211.

[28]Seely, pages 210-211. Italics in original.

[29]Rose, page 46.

[30]Davis, Jeff, "Highways of the Federal Gasoline Tax," Part III, *Transportation Weekly*, June 9, 2010, page 10.

Many State highway officials had supported the Governors, but as power shifted to the toll authorities, many State highway officials who had gone on record through AASHO as favoring repeal began to wonder if their own State, after the Federal Government ended its gas tax, would have the political will to increase its own tax an equivalent amount.

The National Highway Users Conference endorsed the Interstate System, but rejected a direct link between highway user taxes and the System's construction. The benefits of the Interstate System – for example, to national defense, general welfare, delivery of mail, and interstate commerce – accrued to all Americans, not just highway users. Therefore, the conference believed the Federal Government should use revenue from the general Treasury to fund Federal-aid highway construction (i.e., not taxes on products sold by conference members). Truckers and long-distance road advocates such as AAA firmly opposed toll financing and taxes on highway users.

Rural interests viewed the Interstate System as contrary to their interests; many thought that design standards calling for all-weather designs for rural roads were a typical example of Federal intrusion into local concerns. However, the State highway agencies, not just the Federal Government, generally saw the farm-to-market roads as a lower priority. When Congress considered legislation creating a $100 million farm road program, AASHO Executive Secretary Hal H. Hale commented in 1949 that the issue came down to a choice between "embracing some 600,000 . . . miles carrying about 83 percent of all the traffic . . . or better than 2 million miles of local roads and streets carrying approximately 17 percent."[31]

Professor Rose summed up the situation by stating:

> Farm leaders, interstate and regional truckers, and state road engineers sought revenue for added rural, urban, or expressway mileage, which ever served their commercial and professional needs best, by stripping others.[32]

Some elements of the highway community sought a solution to the impasse in 1951:

> But by 1951, so menacing was the prospect of intervention by bureaucrats and by railroaders and so terrible were traffic delays and rising costs and taxes, highway users determined to eliminate obstacles to smooth traffic by remodeling political structures to serve scientific highway development. What was needed, User Conference Director [Arthur C.] Butler argued, was a program to "get us . . . out of this muddle."[33]

The new program, called Project Adequate Roads (PAR), was launched on November 1, 1951, at the Mayflower Hotel in Washington. Professor Rose described PAR's members as including "highway users, manufacturers, public officials, and traffic research men in the Highway

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[31]Letter to Senator George W. Malone (R-Nv.), May 24, 1949. Quoted in Rose, page 36.

[32]Rose, pages 39-40.

[33]Rose, pages 42. The following discussion of Project Adequate Roads is based on Rose's chapter 4, "Project Adequate Roads: Traffic Jams, Business, and Government, 1951-1954."

Research Board and Automotive Safety Foundation." PAR would, Butler said, become "a national committee for highway improvement."

Chaired by Greyhound president Arthur M. Hill, PAR set such goals as construction of additional highway mileage in urban areas, legislation prohibiting the States from diverting highway user tax revenues from highway purposes, and lower taxes. A systematic rating of highways should be adopted to establish "sufficiency ratings" that could provide the basis for "impartial, unbiased" allocation of funds.

The one major piece of highway legislation during PAR's existence was the Federal-Aid Highway Act of 1952. With the Korean War underway, President Truman asked Congress for a $400 million ceiling on highway spending. Professor Rose explained:

> During the early months of 1952, Truman still worried more about inflation than speeding the flow of traffic. Even the arguments of his secretary of the army in favor of greater federal assistance for construction of high-volume Interstate system roads failed to turn Truman's attention from the national economic picture.[34]

When MacDonald testified in support of the President's request before the House Subcommittee on Roads, Chairman George H. Fallon (D-Md.) and Representative J. Harry McGregor (R-Oh.), the ranking member, engaged in this dialogue:

> Mr. MCGREGOR. Mr. MacDonald, I think most of the members of this committee have a high regard for your views. Speaking as an individual I feel a little sorry for you when you are in here defending this particular bill that is before us which reduces the miles of roads that can be constructed in the United States because in your testimony you, in my opinion, express the viewpoint that we here have to have more money for more roads, but nevertheless you have to defend this administration bill. There are some questions that I would like to ask you.
> Mr. MACDONALD. That is, you do not feel very sorry for me.
> Mr. FALLON. Mr. McGregor, if you will yield to me at this point I would say I do not know of any other Department head who comes up on the Hill who gets more money than he asks for.

In response to questions, MacDonald was able to lay out the scope of highway needs, which far exceeded the meager presidential request.[35]

Both the House and Senate approved higher funding levels than the White House had requested.

The conference committee approved higher amounts than either House: $550 million a year for the primary, secondary, and urban systems in FY 1954 and 1955, plus a token $25 million for the

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[34] Rose, pages 44-45.

[35] Federal-Aid Highway Act of 1952, Hearings before the Subcommittee on Roads, Committee on Public Works, U.S. House of Representatives, 82nd Congress, 2d Session, No. 82-11, page 44.

Interstate System in each year. This was the first Federal funding specifically for the Interstate System. The matching share remained 50-50. Additional authorizations, such as funding for the Inter-American Highway, brought the bill to a total of $1,386,000.

In approving more funding than the White House had proposed, the Public Works Committees cited the much higher revenue coming into the general Treasury from highway user taxes on gasoline, diesel, and automobile taxes. With the country at war, the committees implied that much higher authorizations were justified by an informal linkage with revenue levels.[36]

This view that more funds were needed became clear when Chairman Fallon urged the House to approve the conference report:

> Of course, all of you know the importance of the Federal highway system today. We are a Nation on wheels, and the number of automobiles continues to increase each day. When this bill was before the House just about a week ago, the matter of the increase in traffic in the United States was brought out. It was shown that we have increased the number of vehicles by 12,000,000 in the past 10 years. With the seriousness of the road conditions today, it is absolutely necessary that we have all the funds possible to put our roads in a condition where they are not only safe but where we can move commerce. It is estimated that in the next 2 years, and I think the estimate might be low, that the Federal Government will collect from the automobile and truck users $4,000,000,000 in taxes. Mr. Speaker, on behalf of the conferees, who unanimously agreed to this conference report, I wholeheartedly urge this body to adopt this report.[37]

Representative George A. Dondero (R-Mi.), ranking member of the Committee on Public Works and member of the conference committee, supported the report, but pointed out that during the 2 years covered by the bill, the general Treasury would take in about $2 billion a year from highway user taxes:

> Or in other words all that we are giving back from the gas tax and the oil tax to put on the roads of this country, which the motorists use, is about one-third of the money that they pay in.[38]

President Truman signed the Federal-Aid Highway Act of 1952 on June 25 (P.L. 82-413).

With the exception of the Interstate funds, the 1952 Act was a continuation of past policies, despite PAR's campaign of boosterish literature, conferences, and public relations activities. Ultimately, PAR was ineffective and unable to hold its broad coalition together in the face of conflicting interests.

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[36]Davis, Jeff, "History of the Federal Gasoline Tax," Part III, *Transportation Weekly*, June 9, 2010, page 10.

[37]Federal-Aid Highway Act of 1952, *Congressional Record-House*, June 11, 1952, page 7057.

[38]Ibid., page 7058.

A New President

On June 30, a few days after President Truman signed the 1952 Act, the 44th Annual Governors Conference opened at the Shamrock Hotel in Houston, Texas. The big news was the presidential race, as Democratic and Republican candidates maneuvered to gain the nomination at the national conventions. President Truman, who been a surprise winner in 1948, had chosen not to run for reelection.

The day before the conference began, western Republican Governors who favored retired General Dwight D. Eisenhower launched what *The New York Times'* William S. White called "a psychological offensive" against his opponent, Senator Robert A. Taft of Ohio. (Taft, the son of former President William Howard Taft, was a leading conservative whose nickname was "Mr. Republican.") Governors Dan Thornton of Colorado, a friend of General Eisenhower, and Douglas McKay of Oregon tried to convince uncommitted party leaders that Senator Taft would be weak in the west and that only General Eisenhower had a hope of winning the election.

Two other Republican Governors, Driscoll of New Jersey and Walter Kohler, Jr., of Wisconsin, quickly joined in, noting that Senator Taft would have a hard time in their States. Governor Kohler thought any Republican would have "an uphill fight" to win the Presidency, while Governor Driscoll warned that Taft's supporters were "in a never-never land of hopes for easy victory."[39]

Whatever the disagreement on who should be the next President, the 45 Governors in attendance pulled no punches in expressing their resentment of "Big Washington." They approved a resolution demanding that Washington get out of the road building business and relinquish Federal taxes on automotive equipment and fuels. Governor Kohler introduced the proposal, saying:

> In its tax philosophy, the Federal Government has become a voracious monster, overlooking nothing in its insatiable hunger for greater revenue. We in Wisconsin are, frankly, sick to death of Federal interference in the administration of programs which should be, and have traditionally been, the responsibility of the States.

Governor Kohler stated that under his plan, the States would experience a resurgence of sovereignty because the Federal controls that went along with the Federal revenue would be eliminated.

Governor Allan Shivers (D) of Texas announced his support of Governor Kohler's proposal:

> Get the Federal Government out of the road mess business. We would not only build a road more efficiently, but we'd get out of being caught by the ducts and deducts on the way up and back.

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[39]White, William S., "4 Governors Call Taft Chances Slim," *The New York Times*, June 30, 1952.

For the Governors, the whole concept of Federal-aid – for highways, airports, maternal and child health, hospital construction, and for the aged, blind, and children – had become a source of frustration. As Governor Val Peterson (R) of Nebraska, the Conference Chairman, said in his opening address:

> It seems perfectly fair to say that the States lost much of their sovereignty (and there are degrees of sovereignty) when each took the first dollar of Federal Aid. Employing this technique, the national government has entered into nearly every phase of state activity . . . . The power will never be returned to the States if we continue always to approach Washington with our hands out.

Later, during debate on Governor Kohler's proposal, Governor Peterson agreed that Federal-aid to highways was a good place to start the revolt:

> How many Governors would oppose a resolution telling the Federal Government to get the hell out of the road-building business?

Utah's Governor J. Bracken Lee (R) agreed, even though Utah was one of the States that would receive less revenue from State highway user taxes than it would lose in Federal revenue. "I, for one, am willing to take a loss on that."

Several Governors agreed with Governor Driscoll when he expressed the view that their State highway engineers were well qualified to build highways without Federal oversight, thereby saving a great deal of money without sacrificing the quality of highways.

Perhaps Governor Arthur B. Linglie (R) of Washington provided the best explanation of why the Governors were so frustrated with the Federal-aid highway program:

> Everyone is aware today of the traffic jam all over the country. The question facing us is – What can be done about it? Highway building is a community undertaking of and for the benefit of all the people. There are more units of automobiles than homes in America today and the inability of our state highway departments to meet the rising demands for roads has caused much delay, which the people will not take.[40]

In October 1952, a new voice stepped in to the battle to raise the public's consciousness of highway needs. During that month, the Nation's newspaper readers saw the beginning of a major good roads campaign by one of the leading newspaper chains, the Hearst Newspapers. The idea had begun in the spring, when William Randolph Hearst, Jr., Chairman of the editorial board, visited Detroit and found that auto manufacturers were concerned about urban congestion. Returning to his headquarters in New York, Hearst decided that his newspapers should do something about the problem.

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[40]Description of the Governors' Conference is primarily from "Governors Demand Federal Surrender of Road Building Job, *Transport Topics*, July 7, 1952, page 1. Governor Linglie's quote is from "State Governors Urge Federal Govt. To Withdraw From Gasoline Tax Field," *Highway Builder*, July 1952, page 8.

It was a natural for Hearst, who, like Francis V. du Pont, was the son of a wealthy father who had long supported national road legislation. Born on January 27, 1908, William Randolph Hearst, Jr., was a self-professed “car nut.” He was given his first car, a Saxon, at the age of 12; he drove it all over his grandmother’s property. While attending the University of California at Berkeley, young Hearst relied on his wealthy father to buy the cars. In his autobiography, Hearst recalled “a sporty Packard with bucket seats and later a twelve-cylinder convertible Packard couple.” He wanted a foreign sports car because “the girls loved those,” but Hearst, Sr., refused, “saying America built the world’s best cars.”[41]

He left the university and went to work for his father at the *New York American*. After a career as reporter and publisher, young Hearst became publisher of the Hearst Newspapers in September 1955. His father had died in 1951, his grip on his one-time empire long since weakened by profligate spending. Now, the son was in charge. “I said at the time that I felt like Harry Truman when President Roosevelt passed away – that the stars, moon, and all the planets had fallen on me.”[42]

The Hearst Newspapers' Campaign for Better Roads was guided by William S. Lampe, editor of *The Detroit Times*, but Hearst took a direct interest in it. Hearst later said that, "We saw it as our job to explain the problem to our readers and to get them to demand and support an adequate highway construction program, nationally and locally." His organization began a tireless drumbeat of news on the Nation's road situation – page 1 stories, editorials, cartoons, interviews, photographs, charts, and graphs. "We missed no opportunity to keep the story in front of our readers."[43]

Between October 1952 and the end of 1955, the Hearst Newspapers printed nearly 3 million lines on the highway problem. This was enough to fill an average-size metropolitan daily newspaper of that era for 76 straight days. The campaign was so extensive that it even resulted in nicknames for the two leaders. Hearst's notes to Lampe were signed "Bumpy" and Lampe's notes to Hearst were signed "Dusty."

In a pre-election statement issued at the request of Hearst Newspapers, candidate Eisenhower explained his views on highways:

> The obsolescence of the nation's highways presents an appalling problem of waste, death and danger.
>
> Next to the manufacture of the most modern implements of war as a guarantee of peace through strength, a network of modern roads is as necessary to defense as it is to our

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[41]Hearst, William Randolph, Jr., with Casserly, Jack, *The Hearsts: Father and Son*, Roberts Rinehart Publishers, 1991, pages 28-30.

[42]Hearst, pages 256.

[43]Hearst, William Randolph, Jr., “Remarks,” Annual American Road Builders’ Association Luncheon, New Orleans, Louisiana, January 12, 1955.

national economy and personal safety. We have fallen far behind in this task – until today there is hardly a city of any size without almost hopeless congestion within its boundaries, and stalled traffic blocking roads leading beyond those boundaries.

A solution can and will be found through the joint planning of the Federal, state and local governments. In this, the national government can supply leadership of the kind that is lacking today. It must provide an intelligent leadership to band all units of government in an efficient and honest attempt to build America into the great and prosperous nation it can become.

New roads to meet the requirements of today and the foreseeable future, instead of the era when automobiles were a luxury and roads were minor shipping lanes, will be a foundation for the progress ahead. But, the Federal Government must not tackle this problem in the position of a boss, directing the local governments how and when tax dollars can be spent. We have had too much of a Government manned by power-hungry people attempting to tell each community what is good for it and how it should be controlled.

An aim of the crusade in which I am engaged is to give to the people themselves the right to develop their nation without dictation by bureaucrats.

There were 37,500 men, woman and children killed in traffic accidents last year, and those injured totaled another 1,300,000. This awful total presents a real crisis to America. As a humane nation, we must end this unnecessary toll. Property losses have reached a staggering total, and insurance costs have become a real burden.

Added to that is the terrific waste resulting from unnecessary wear and loss of time due to congestion. As has been pointed out by the Hearst Newspapers in tackling the alarming problem, there are now 53,000,000 passenger cars, trucks and buses on our streets and highways. This is an increase of about 23,000,000 vehicles since the end of World War II.

We had a traffic jam back in those days. It is not surprising, then, that congestion today is no longer a jam. In and near most industrial areas, traffic amounts practically to a blockade.

Throughout the nation, we have state highway departments, county road commissions and municipal street and traffic departments. We have in Washington the Federal Bureau of Roads. By intelligent leadership and wise planning, an integrated program can be devised within the ability of the people to pay the cost.

More than at any time in history, modern roads are necessary to defense, and traffic is an interstate problem of concern to the Federal Government. Once a determined and honest effort is made, this crisis, too, will be solved by the ingenuity of America.

> Any newspaper which undertakes to aid and encourage the progress, prosperity and safety of the future is to be commended for its vision and its public spirit.

On election day, November 4, 1952, the American people went for Eisenhower – 33.9 million votes to Illinois Governor Adlai Stevenson's 27.3 million. The electoral vote was even more lopsided – 442 to 89. Eisenhower won all but nine States.

In addition, the Republicans gained control of both Houses of Congress. In the 83rd Congress, the Republicans held 48 seats in the Senate, the Democrats held 47, and one seat was held by Senator Wayne L. Morse of Oregon, an independent; ties would be broken by the President of the Senate, Vice President Richard M. Nixon. Republicans held 221 seats in the House, compared with 213 seats occupied by Democrats. Although the margins were slim, Republicans took control of all Senate and House committees and subcommittees.

President Truman, in his farewell address on January 15, 1953, concluded:

> When Franklin Roosevelt died, I felt there must be a million men better qualified than I, to take up the Presidential task. But the work was mine to do, and I had to do it. And I have tried to give it everything that was in me.
>
> Good night and God bless you all.

Long ago, in July 1945, on the autobahn in Germany, President Truman had told Eisenhower, "General, there is nothing you may want that I won't try to help you get." That included the Presidency in 1948. Since then, relations between the two had become embittered by political and other differences.

By Inauguration Day, January 20, 1953, President-elect Eisenhower had lost his normally sunny disposition when the subject of President Truman came up. Contemplating the ride the two would make from the White House to the Capitol, Eisenhower wondered aloud "if I can *stand* sitting next to that guy."

Eisenhower even seemed to be going out of his way to irritate the outgoing President. There was, for example, the hat crisis. Without consulting Truman, General Eisenhower had decided to wear a homburg instead of a top hat. Truman, not wanting to quarrel over a hat, decided to wear a homburg as well. Then there was the matter of the customary visit to the outgoing President on the day before the Inauguration. President Truman invited the Eisenhowers to lunch, but the President-elect declined.

On Inauguration Day, at 11:30, the Eisenhowers arrived at the White House for the ride to the Capitol. They not only refused to enter for a cup of coffee with the Trumans, but stayed in the vehicle until Truman came outside. CBS correspondent Eric Sevareid, who observed the incident, wrote, "It was a shocking moment. Truman was gracious and he had just been snubbed.

He showed his superiority by what he did." Head usher J. B. West put it this way: "I was glad I wasn't in that car."[44]

The current and the future Presidents' journey to the Capitol was a chilly one. Both, however, would later recall one bit of conversation. Eisenhower asked who had ordered his son John back from service in Korea for the occasion. Truman acknowledged that he had done so, later recalling that he said, "The President thought it was right and proper for your son to witness the swearing-in of his father to the Presidency."

Following inauguration of the new President, Harry S. Truman went to Union Station for the train ride home to Independence, Missouri. Margaret Truman, in a biography of her father, described the scene:

> At least 5,000 people were in the concourse, shouting and cheering. It was like the 1944 and 1948 conventions. The police had to form a flying wedge to get us to the [train]. Inside, the party started all over again. Newspaper men and women who had spent eight years tearing Dad apart came in to mumble apologies and swear they never meant a word of it.

Truman shook hands with and said goodbye to his Secret Service escort – once he left Washington, he would no longer have government protection.[45]

Seeking Linkage

In the 1950s, highway officials around the country were considering ways to finance the major upgrades needed. Many States relied on State highway user taxes, but bonds backed by tax revenue were an option as well as toll financing (bonds to be retired from toll revenue). As it became clear that Federal highway user taxes were not going to end, those opposed to the taxes began to argue that they should be reserved for work that benefited those paying the tax. The merits of these options were debated extensively for general purposes and for construction of the Interstate System.

In 1952, during AASHO's annual meeting, December 10-12, AASHO president Bertram D. Tallamy of New York had addressed the issue in the president's traditional outgoing message to the members. As Superintendent of Public Works for New York and chairman of the New York State Thruway Authority, Tallamy was in a unique position to understand the concerns of State highway officials and toll authorities vying for the opportunity to meet the Nation's highway needs. He conceded that Federal activity in "the financing field" is vital for certain highway systems, but noted that "the Federal Government is not now paying its share of the highway

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[44]Account based on McCullough, page 921, and Brendon, Piers, *Ike: His Life and Times*, Harper and Row, 1986, page 237.

[45]Truman, Margaret, *Harry S. Truman*, William Morrow and Company, 1973, page 558.

costs on those systems, particularly when their activities in this field are viewed in relation to the $2 billion that flow into the national treasury each year from road use taxes."

Despite this Federal role, the basic responsibility for highway financing, Tallamy said, "is a local one." He reported that New York had established a commission to study new financing methods for a long-range, expanded highway program. Tallamy recommended that every State establish such a commission and that Congress initiate a survey at the Federal level:

> To correct the deficiencies in our highway system will require not only money, but a high degree of cooperation among all levels of government. One thing that such a Congressional study should consider is the amount of highway use tax they are now collecting and returning to the States for highway construction.

Just the year before, he noted, the Federal Government had added half a cent to the gas tax to help finance the Korean War, prompting him to ask, "Where shall the line be drawn?"

Imposition of highway user taxes, Tallamy said, falls within the proper jurisdiction of the States. He did not, however, go so far as to call for abolition of the Federal tax:

> There is strong support for the argument that the Federal Government should abandon this tax field, at least in major part, to the States. The proposal merits careful study. In the meanwhile, I believe this Association should oppose vigorously any further increase in the imposition of Federal highway use taxes. In the critical years ahead the States will have urgent need of their full taxing powers. Any further intrusion by the Federal Government into this field would have the practical effect of circumscribing these powers. Whatever solutions we propose for the highway problem at the State level, might well founder on the shoals of inadequate finances.[46]

Financing, whether toll or otherwise, was on AASHO's mind, as well as linkage between revenue from Federal excise taxes on highway users and the size of the Federal-aid highway program. As an editorial in the January 1953 issue of *Better Roads* explained, some observers took a historical perspective: "the automotive taxes are excise taxes, and the source of federal highway aid is found somewhere else." That was fine a decade or two earlier, but now that highway user tax revenue "has grown into the billions, and as new justification for the expansion of federal-aid highway programs has been sought," a "growing uneasiness about this view" had become evident:

> The solution for most tax specialists is simple, at least in theory. It is to take the federal government out of the field of special automotive taxation, leaving it for exploitation by the states. This proposed revision of policy has had the support of conferences of governors and of the Council of State Governments, of farm organizations and of many other groups.

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[46]Tallamy, B. D. "President's Annual Address," *American Highways*, January 1953, page 28.

AASHO, during its annual meeting, took a different approach. Its members adopted a resolution asking Congress to increase Federal-aid authorizations to "not less than the full amount collected by the federal government as a federal tax on gasoline." The resolution did not mention the Federal excise taxes on other highway user products.

The arrival of the new President on January 20, 1953, left many uncertainties, a *Better Roads* editorial explained:

> Will the new administration and the new congress, pledged to tax reduction and to economy in governmental spending, be hospitable to the proposal of the state highway officials?

For this and related questions, the answers would be known "before many more months have passed." [47]

Some Members of Congress were beginning to see linkage between Federal highway user tax revenue and Federal highway expenditures as a good idea. Bills were introduced to create a highway trust fund, similar to those established at the State level, to ensure a direct linkage between gas tax revenue and highway construction.

For example, Senator Warren Magnuson (D-Wa.), a member of the Committee on Appropriations, introduced S. 216 on January 7, 1953, to set aside revenue from excise taxes on automobiles, tires and tubes, gasoline, and lubricating oil for the Federal-aid highway program. All revenue collected from these sources would be "appropriated" to the "Federal-Aid Highway Trust Fund" and reserved for highway projects. Under S. 216, the funds would be apportioned among the primary system (45 percent), the secondary system (30 percent), and the urban system (25 percent), as in the Federal-Aid Highway Act of 1944. In a brief statement, he said:

> The American Association of State Highway Officials at its thirty-eighth annual meeting in Kansas City, Mo., December 12, adopted a resolution urging that Federal-aid for highway authorizations be increased to the full amount of the Federal revenues from gasoline taxes. I am today introducing a bill embodying this plan and designed to carry out that objective. Senator [Henry M.] JACKSON [D-Wa.] and Senator [Harley M.] KILGORE [D-WV] have joined me in sponsoring this proposal. [48]

On March 3, 1953, Representative John C. Kluczynski (D-Il.), a member of the Committee on Public Works, introduced an identical bill as H.R. 3637. After listing the highway user taxes, he said:

> Under the present law the tax money collected from these sources goes into the Treasury for general purposes.

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[47] "Federal Aid and Federal Taxes," Editorial, *Better Roads*, January 1953, page 3.

[48] Reservation of Certain Excise Taxes to Aid Federal-Aid Road Program, *Congressional Record-Senate*, January 7, 1953, pages 159-160.

> There are not enough roads to hold the output of motorized traffic, truck, passenger and bus. In 1941 we began running out of roads when we had 32 million motor vehicles registered. Our main highways were bursting at the seams. To the present time roadbuilding and maintenance have been interrupted and so today with 52 million vehicles using the highways our whole economy has and is being built around motorized transportation of both people and property.
>
> The future demands and the future will bring about an expansion of the use of motor vehicles. Main highways and secondary highways are badly congested, being too narrow, too winding, and antiquated.
>
> Our national defense and safety require a quick and full movement of motorized traffic from one end of the Nation to the other.
>
> It demands a uniform and unified system of four- and six-lane highways.
>
> Why should not the public that pays the tax from motorized traffic then have the full benefit and assistance that that tax can provide. No one can deny that the proper source to look to to solve our muddled traffic problems should be the manufacturers' excise taxes on automobile accessories and the kindred products.
>
> We need a solution to our road problem. We need a unified traffic system throughout the entire country. We must have Federal aid to all the States.
>
> This bill grants the needs supplied by the agencies that require the needs.
>
> Our whole economy and Federal defense must have this aid.
>
> It is the only way we can keep America on the move. Speed up and reduce bottlenecks.[49]

In February 1953, the Hearst Newspaper campaign moved to a new level with announcement of the Hearst Plan for better roads. As Hearst would later explain, the plan could be stated quite simply:

> We suggested that the Federal government assume complete financial responsibility for the improvement of the Inter-State Highway System throughout its length to standards set by the Bureau of Public Roads, the states to do the work and own the roads.

The plan called for the government to use receipts from the gas tax and excise taxes on new cars to finance the work. The Federal share should be 100 percent. In a speech 2 years later, Hearst described the reaction:

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[49]"Automobile Excise Tax To Aid Federal-Aid Road Program," *Congressional Record-House*, March 3, 1953, page 1569.

> [Such] an idea is commonplace now, but at the time we advanced it, it was greeted with a great silence.
>
> It cut through too many policies, many of which were traditional. It assumed retention of the Federal gasoline tax. It assumed retention of the excise tax on new cars, if the receipts went for better roads.
>
> It was a sort of bull in a china shop idea.[50]

What The Governors Wanted – 1953

From March 4, 1933, when President Franklin D. Roosevelt took his oath of office, to January 20, 1953, when President Truman left office, the country had been headed by a Democrat. As of January 20, 1953, the country had a Republican President who might be expected to share the Republican view that his two predecessors had expanded Federal responsibilities into many areas that should have been left to State and local governments.

With that idea in mind, President Eisenhower met on January 21 with Governors Thornton and Kohler for lunch at the White House. In addition to their lunch of fried chicken, the President gave the Governors a White House tour. During the visit, the Governors discussed several topics with the President, including mining, reclamation, and other natural resources problems affecting the West. The Governors also discussed the general question of conflicts between Federal and State taxes on the same products, including gasoline, incomes, and automobiles. Governor Thornton suggested that the Federal Government get out of these fields of taxation, which he said traditionally belonged to the States.[51]

That same day, the Governors' Conference Committee on Intergovernmental Relations and Tax and Fiscal Policy met at the Mayflower Hotel in Washington. In addition to Governors Kohler, Thornton, and Lee, the committee included Chairman Driscoll; James F. Byrnes of South Carolina; John D. Lodge of Connecticut; G. Mennen Williams of Michigan; and William S. Beardsley of Iowa.

The committee had been convened because the Governors' Conference had concluded that, "The tax policies of the federal government have made it virtually impossible for the state and local governments to obtain the revenues which they require." The Governors were particularly concerned about the "levying of taxes upon identical products by both state and federal governments" and wanted the committee to explore the proposition that:

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[50]Hearst, William Randolph, Jr., "Remarks," Annual American Road Builders' Association Luncheon, New Orleans, Louisiana, January 12, 1955.

[51]"President's First Day: Up at 7:30, He's Busy," *The New York Times*, January 22, 1953; "Ike Displays Interest in Proposal to Return User Taxing to States," *Transport Topics*, January 26, 1953.

> . . . more efficient service to the citizens could be rendered at lower cost if certain of the taxes now levied by the federal government were abandoned to the states in lieu of federal grants-in-aid.[52]

The committee decided that first it would review Federal grants for highways and the present 2-cent Federal gas tax. It directed the Council of State Governments to review the issue and provide a report for further consideration.

The Council's report, completed on February 20, 1953, proposed:

> It is proposed that the Congress reduce federal expenditures by discontinuing the grant-in-aid program for highways, making special provision, however, for those states with large public lands and sparse populations. It is further proposed that at the same time legislation be enacted repealing the federal gasoline tax, thereby permitting the adoption of the two-cent tax in the several States.[53]

This change, if enacted, would result in a short-term loss of Federal revenue. The Council calculated the initial loss this way:

> If this were accomplished it would mean, using United States Bureau of the Budget estimates for fiscal 1954, that the national government could save $575,000,000 while losing in gasoline tax revenues approximately $920 million – a net loss in federal revenue of some $345,000,000, less than one-half of one per cent of estimated national revenue in fiscal 1954 . . . . As an immediate effect, the re-enactment of the two-cent tax by the states would provide about $345 million in additional revenue for roads based on state gasoline tax collections in fiscal 1952.[54]

Part of the Federal Government's loss would be made up by the efficiency of eliminating "the administrative duplication which now is part of the Federal Highway Act." Also counter-balancing the loss, in philosophy if not dollars, would be the reaffirmation of the States' responsibilities:

> Every state now has a highway department with engineering and construction talent of a professional nature . . . . Competent professional people are . . . being attracted and are increasingly being paid salary schedules to insure their retention in the states. With these conditions, many Governors, expert consultants and state legislators are convinced that

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[52]Resume of Meeting, Governors Conference Committee on Intergovernmental Relations and Tax and Fiscal Policy, Mayflower Hotel, Washington, D.C., January 21, 1953, page 1.

[53]Memorandum Proposing the Discontinuance of Federal Highway Grants and the Repeal of the Federal Gasoline Tax, Council of State Governments, February 20, 1953, page 1.

[54]Ibid., pages 1-2

> standards and specifications for road construction and maintenance will be kept at a high level.[55]

That would be "the primary gain to the nation," according to the Council's report.

Further, the Federal and State duplication of effort was "often a waste of engineering personnel":

> Countless hours of conference between state personnel and federal officials in approving highway construction and maintenance result in a waste of time on matters which state administrators are capable of deciding for themselves.[56]

BPR would, of course, be weakened by the proposal, and this was recognized as a potential problem, especially for the Interstate System that Congress had authorized in 1944 and that the States were still collaborating with BPR to designate the urban segments:

> This raises the issue whether the states, acting jointly, cannot themselves supply the necessary coordinating mechanism. Consideration could be given to forming compacts among neighboring states to consult and plan highway programs affecting their regions. A further possibility is the proposal for a compact among all forty-eight states in the highway field.[57]

Another acknowledged concern was that pressure might be brought on the State legislatures to build local and rural roads, rather than the important, heavily traveled roads:

> This, however, is a matter for the individual state legislatures to decide responsibly and responsively. No gains to democratic state government can be achieved by irresponsible appeal to high levels of government in order to avoid making necessary local decisions.
>
> The solution to these problems can be found in the determination by the states, acting singly and in concert, to modernize and maintain a system of highways adequate to support present and emerging highway needs.[58]

The Governor's Conference ultimately adopted the proposal that the Federal Government relinquish the gas tax in favor of the States.

On February 26, Governor Kohler returned to the White House for a conference with the President on Federal-State relations and reducing or eliminating costly programs and duplicate taxation. Former Governor Sherman Adams of New Hampshire (1949-1953), President Eisenhower equivalent of today's chief of staff, had arranged the meeting. Congressional leaders

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[55]Ibid., page 8.

[56]Ibid., page 9.

[57]Ibid., page 14.

[58]Ibid., page 15.

and members of the new Administration attended along with Governor Allen Shivers of Texas, president of the Governors' Conference, and Governors Driscoll and Byrnes. The President participated in the conference from its start at 10 a.m., through a luncheon he held for participants before departing for a golfing holiday in Augusta, Georgia, at 1:45 p.m.

The President agreed to establish a tripartite commission consisting of members representing the President, the Congress, and the Governors. According to Senate Majority Leader Taft, the commission would survey health, welfare, education, and roadbuilding programs, with the Social Security System as a primary target. The Governors, indicating that the States were generally in better financial condition than the Federal Government, offered to contribute $50,000 as well as staff members to get the commission started.

Reporting on the conference, *The New York Times* stated that privately, some of the conferees conceded that many of the programs in question were here to stay:

> They saw, however, a prospect of at least achieving substantial economies by ending federal participation in some programs. Such a result not only would cut operational costs but also would save the cost of a bureaucratic unit in Washington that allocates the money used by the counterpart bureau at the state level.[59]

The President, according to a White House statement after the conference, favored a bipartisan commission that would propose legislation "to eliminate hodge-podge duplication and waste in existing Federal-state relations affecting governmental functions and taxation." The President outlined the purpose of the meeting:

> For a long time I have thought that there must be a clarification of the responsibilities of the state and federal governments in many fields of public activity. The federal government has assumed an increasing variety of functions, many of which originated or are duplicated in state government.
>
> Another phase of this problem relates to taxation. The existing systems of taxation, both at the federal and state level, contain many gross inequalities insofar as the tax burden between citizens of different states is concerned. There is often a pyramiding of taxation, state taxes being super-imposed upon federal taxes in the same field.

The goal of the commission, the President said, was "to safeguard the objectives" of joint Federal-State programs "from the threat imposed by existing confusion and inefficiency."

By the end of March, the President was ready to act on the proposed commission. On March 30, he sent a message to Congress on Federal Grants-in-Aid. He was seeking, he said, a way "of achieving a sounder relationship" among Federal, State, and local governments. The present division of activities had developed over "a century and a half of piecemeal and often haphazard growth." In recent decades, this growth had "proceeded at a speed defying order and efficiency."

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[59]Leviero Anthony, "Eisenhower Starts Wide Study to End U.S.-State Conflict," *The New York Times*, February 27, 1953.

Reacting to emergencies and expanding public needs, the Federal Government had launched one program after another, without ever taking time to consider the effects of these actions on "the basic structure of our Federal-State system of government."

The Federal Government had entered fields that the President felt are primarily the constitutional responsibility of local governments. More than 30 Federal grant-in-aid programs now existed, involving Federal expenditures well over $2 billion a year. The result was "duplication and waste." The impact of Federal grant-in-aid programs on the States, he believed, had been especially profound. Whatever good they accomplished, they also complicated State finances and made it difficult for the States to provide funds for other important services.

The President believed that "strong, well-ordered State and local governments" are essential to the Federal system of governments. "Lines of authority must be clean and clear, the right areas of action for Federal and State government plainly defined."

While concerned about this "major national problem," he did not want there to be any confusion about the purpose:

> To reallocate certain of these activities between Federal and State governments, including their local subdivisions, is in no sense to lessen our concern for the objectives of these programs. On the contrary, these programs can be made more effective instruments serving the security and welfare of our citizens.

To address these issues, the President recommended that Congress pass legislation to establish a Commission on Governmental Functions and Fiscal Resources. The message explained the purpose:

> The Commission should study and investigate all the activities in which Federal aid is extended to State and local governments, whether there is justification for Federal aid in all these fields, whether there is need for such aid in other fields. The whole question of Federal control of activities to which the Federal Government contributes must be thoroughly examined.
>
> The matter of the adequacy of fiscal resources available to the various levels of government to discharge their proper functions must be carefully explored.[60]

The President asked Congress to take prompt action so the commission could complete its report in time for consideration by the next session of the Congress, in 1954.

Transport Topics, a weekly journal for the trucking industry, speculated that the President's decision to call for a commission was "in line with White House policy not to seek the reduction or elimination of any federal taxes until the budget is balanced." The newspaper added:

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[60]"Federal Grants-In-Aid – Message from the President of the United States, *Congressional Record*, March 30, 1953, vol. 99, no. 54, page 2560.

> Presumably it will take some time for the Congress to act on the proposal and then it will be necessary for the advisory group to make a study of the entire fiscal relationship between the federal and state governments.[61]

Another journal, *Engineering News-Record*, was even more explicit:

> The President this week took action to forestall the demand of state governors for federal withdrawal from the use of gasoline taxes and other revenue sources where national and state governments are in competition . . . . The move is designed to stall off any hasty action in the present session of Congress.[62]

The President's message did not mention the Federal gas tax, or the Federal-aid highway program, but both fell within the purpose of the message. Indeed, the Federal-aid highway program was the Federal Government's largest grant-in-aid program. Moreover, the gas tax had long been eyed by the Governors as falling under their responsibility.

The National Highway Users Conference had reported earlier in the month on "an avalanche of renewed opposition to Federal Automotive Excises." The conference newsletter indicated

that dozens of State legislatures had acted on or were about to act on proposals to "memorialize" Congress to get the Federal Government out of the highway tax field. Members of Nebraska's legislature, which had memorialized Congress several years in a row on the subject, were this year signing a petition asking for immediate repeal of Federal automotive excises.[63]

The newsletter reported that other groups also had recently gone on record favoring Federal withdrawal from automotive excise taxes: the American Automobile Association ("The Federal Government should retire immediately from the field of automotive taxation"); the Truck-Trailer Manufacturers Association; the National Automobile Dealers Association (the group's president, J. Saxton Lloyd, denounced "excessively high Federal excise taxes on the essential automobile"); the American Farm Bureau; and the National Grange.

At the same time, State highway officials were beginning to reach the opposite conclusion. Many had wanted the Federal Government to drop the gas tax, but now they saw advantages in retaining it and linking Federal-aid highway expenditures to the amount collected. There was, after all, no guarantee that any State would increase its own tax by 2 cents if the Federal Government stopped collecting the tax. If a State's income declined, tollway officials would benefit because they would be the only source of revenue to build the expressways the Nation needed.

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[61]"Eisenhower to Seek Study of Proposal to End U.S. User Taxes," *Transport Topics*, March 30, 1953.

[62]"Federal Grants," *Engineering News-Record*, April 2, 1943, page 22.

[63]"Fresh Opposition to U.S. Automotive Taxes May Flood Congress," *Highway Highlights*, February-March 1953.

The alternative to abandoning the Federal tax was to link it to expenditures for the Federal-aid highway program. After all, Federal-aid highway funds were made available directly to the State highway agencies. Linkage, as Rose points out, "offered financial security and vastly expanded opportunities to build roads."[64]

President Eisenhower on Roads

As President Eisenhower began his first term, the National System of Interstate Highways was struggling along. BPR's annual report for FY 1953 summarized the status:

> There has been a progressive increase in the mileage completed each year. At the close of the fiscal year [June 30, 1953] a total of 6,417 miles of system improvements had been completed with Federal funds made available since World War II. Total cost of these improvements was $954,756,415, including $489,364,199 of Federal funds . . . . In a survey of the condition of rural portions of the interstate system it was found that only 24 percent of the mileage was adequate for present traffic and 76 percent was in need of improvement or reconstruction. On 16 percent of the mileage the need was considered critical.

The report added the obvious:

> A much more rapid rate of construction is required if the 37,800-mile system is to be made adequate within a reasonable period of years.[65]

(As noted earlier, Congress had authorized a 40,000-mile Interstate System in 1944, but BPR had not yet designated urban mileage to supplement the mileage designated in August 1947.)

The increasing need for highway improvement had prompted the General Motors (GM) Corporation to announce, on November 20, 1952, a Better Highway Award for the best essay on "How to plan and pay for the safe and adequate highways we need." Prize money totaled $194,000 for 161 awards, with the grand prize being $25,000. Anyone, including GM employees, could submit an entry except the panel of judges and their families. If a GM employee's essay was a winner, a duplicate award would be made to keep the amount for outsiders intact. The judges were:

Ned H. Dearborn, President National Safety Council.
Thomas H. MacDonald, Commissioner, Bureau of Public Roads.
Curtis W. McGraw, Chairman of the Board, The McGraw-Hill Publishing Company.
Dr. Robert Sproul, President, University of California
Bertram D. Tallamy, Superintendent, New York State Department of Public Works and President of AASHO.

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[64] Rose, page 46.

[65] Annual Report, Bureau of Public Roads, FY 1953, pages 5-6.

Entries had to be postmarked by midnight, March 1, 1953, and received by March 14, 1953. The judges, who would review numbered, unsigned submissions, would evaluate the essays on originality, sincerity, and practical adaptability.

GM's president, Charles E. Wilson, soon to be Secretary of Defense, announced that the contest was designed to energize "a great national education program." To generate interest, General Motors Corporation's advertising budget for the contest far exceeded the amount of prize money. The announcement of the campaign included a technicolor film, dinners in key cities, and advertisements in hundreds of newspapers and magazines. As ARBA's magazine, *Road Builders' News*, put it, "This announcement made on November 12 caused hundreds of thousands of Americans to grab their lead pencils and start studying up on roads and streets."[66]

But while GM was seeking ideas on improving the Nation's roads, President-elect Eisenhower was preparing to take the oath of office on January 20, 1953. Roads were among his interests. He had learned the value of good roads in 1919 when he participated in the 2-month journey of the U.S. Army's first transcontinental motor convoy from Washington, D.C., to San Francisco, California. In Germany's autobahn freeway network, he had seen the importance of a network of freeways. In a memoir, he wrote, "The old convoy had started me thinking about good, two-lane highways, but Germany had made me see the wisdom of broader ribbons across the land.[67]

As for those broader ribbons, he was not aware of the planning reports that prompted Congress to include designation of a National System of Interstate Highways in the Federal-Aid Highway Act of 1944, the August 1947 map of the designated rural mileage, BPR's ongoing work with State highway and local officials to designate the urban segments, or the work already done. He would be, in essence, starting from scratch.

Before taking office, the President-elect asked securities broker Walker G. Buckner of New York, a friend and golfing partner, for his thoughts on a highway program. On February 4, 1953, Buckner met with President Eisenhower to deliver the report. Earl Swift described the report:

> Buckner's thirteen-page response . . . roughly outlined a new grid of self-liquidating turnpikes that would augment those already open or contemplated in the various states: one from Washington, D.C., to Jacksonville; another from Chicago to New Orleans; a third from Chicago "to the neighborhood of San Francisco by Springfield, Kansas City, Salt Lake City." Buckner appended a gas station map marked with those and other routes he favored; San Diego to Seattle, Kansas City to Houston, and an extension of the West

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[66]"GM's Highway Awards," Editorial, *Road Builders' News*, November-December 1952, page 2. Eisenhower chose Wilson, the highest paid executive in the world, for the $22,500-a-year post of Secretary of Defense. To gain Senate confirmation, Wilson had to sell $2.5 million in GM stock (GM was the Nation's largest defense contractor). As Secretary of Defense, Wilson soon "was reducing Ike to paroxysms of rage by his rambling discourses in the White House and his appalling gaffes outside it." Brendon, page 231.

[67]Eisenhower, Dwight David, "Through Darkest America with Truck and Tank," *At Ease: Stories I Tell to Friends*, Doubleday and Company, Inc., 1967, pages 155-167.

> Virginia Turnpike north to Cleveland and south to a junction with the Washington-Jacksonville route near Charleston, South Carolina.
>
> Most bore little resemblance to the interstate routes already mapped out by the Bureau of Public Roads. In fact, though the report opened by noting Buckner had consulted “men who have participated in at least seventy percent of all existing toll bridges, roads, parking facilities and arterial highways,” it offered no evidence that its author was any more aware of the existing interstate program than the new president.

The report prompted President Eisenhower to send a memorandum to his administrative assistant, Gabriel Hauge, to begin a more formal study of the highway needs “with interested departments of government.” The result should be part of a “construction program that will be designed to meet, in a well-rounded and imaginative way, the constantly increasing needs of a growing population”:

> Our cities still confirm too rigidly to the patterns, customs, and practices of fifty years ago. Each year we add hundreds of thousands of new automobiles to our vehicular population, but our road systems do not keep pace with the need. In the average city today, many of our streets become almost useless to traffic because of the necessity of home owners for using them for parking.
>
> While this entire subject of vehicular traffic is but a small segment of the great program that must attract our attention, there is nevertheless no reason why we should not proceed to its thorough study so as to have it ready for inclusion into a broad plan to be developed later.

The President wanted Hauge “to have plans crystallized and developed so that significant parts of it could be initiated without completion of the entire plan, but with the certainty that the part started will fit logically and efficiently into the whole.” Like President Franklin Roosevelt, Eisenhower wanted to have a construction program ready to go after the war that would provide jobs for returning soldiers.

He closed by saying, “From time to time, please give me an informal report of progress.”

Swift concluded his summary by adding, “Hauge passed Buckner’s paper on to the Commerce Department, where it apparently was filed away; nothing came of it.”[68]

Despite this early interest in a highway initiative, the new President's first priority was to end the war in Korea. From the start of the Eisenhower Administration to the end of the war in July 1953, the President and his staff did not formulate a policy on the highway program.

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[68]Swift, pages 158-159.

The New Commissioner

At the time of Thomas H. MacDonald's retirement, *Engineering News-Record* commented that, "The Bureau of Public Roads is a monument to MacDonald."[69]

The man who was to take control of that monument, Francis V. (Frank) du Pont, had been born in Johnstown, Pennsylvania, on May 28, 1894. Like his father, du Pont attended M.I.T., graduating in 1917. He had helped during the preliminary surveys for his father's Delaware highway. He also took up aviation. In 1916, he earned Pilot's License No. 585. After du Pont graduated, M.I.T. employed him to take charge of the Aeronautical Division of the U.S. School of Military Aeronautics.

After World War I, du Pont was employed in the Research Division of Cadillac Motors. (Starting in the 1920s, the du Pont family owned stock in General Motors and played a key role in its management.) In 1922, he became a member of the Delaware State Highway Commission and remained on the commission until 1949, serving as its chairman for 23 years. He was an active member of AASHO and ARBA. As commissioner, he converted his father's highway into a divided highway from Wilmington to Dover; historian John B. Rae called it "the first important arterial highway to adopt the dual roadway technique."[70] Du Pont also played a major role in planning the Delaware Memorial Bridge. When it opened in 1951, the bridge was the longest suspension span in the world.

In other fields, du Pont served as president of the Equitable Trust Company of Wilmington and the Equitable Office Building of New York City. He was treasurer of his father's hotels, and was active in Republican Party politics, serving as State chairman of the party in Delaware and a member of the Republican National Committee.

Comparisons to his father’s accomplishments aside, his wealthy son had certainly excelled. As Secretary Weeks said in announcing appointment of MacDonald’s successor on March 17, du Pont was "nationally recognized as one of the foremost administrators of public highways in America."[71]

Professor Tom Lewis discussed the choice of du Pont:

> By the time Eisenhower chose him to head the Bureau of Public Roads, Francis Victor du Pont enjoyed the reputation of being one of the ablest highway administrators in the nation.
>
> Du Pont had other qualities that attracted Eisenhower’s attention. Politically astute, he had headed Delaware’s Republican Party for many years. When combined with his

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[69]"The `Chief' Retires," *Engineering News-Record*, April 9, 1953, page 128.

[70]Rae, John B. "Coleman du Pont and his Road," *Delaware History*, Spring-Summer 1975, page 180.

[71]"Du Pont to Succeed MacDonald as Chief of U.S. Road Bureau," *Mississippi Highways*, April 1953, page 12.

> engineering experience, his political savvy would enable him to succeed. With no thought of personal gain, du Pont refused to take a salary or even to charge his travel expenses to the government. Unlike so many conservatives in his party, du Pont believed the federal government could stimulate economic growth through judicious spending on programs that would benefit all of society. Early on, du Pont presented Eisenhower with statistics that showed the positive impact federal spending on highway construction would have on the entire economy. In this du Pont departed from the conventional conservative wisdom of many in the administration, including Secretary of Commerce Sinclair Weeks, which held that the federal government should not embark on large-scale public works projects.[72]

One of the first things du Pont did after the announcement was to send a two-page telegram to MacDonald assuring him that his policies would be continued.[73]

Now, assuming his duties as Commissioner of Public Roads, the 58-year old du Pont faced the task of achieving the goal not only of a legend, Thomas H. MacDonald, but of a father, both of whom, in their time, had fought for a national highway system.

Actually, achieving that goal was not the original reason du Pont was offered the job. In view of the Governors' longstanding position as stated to the President at the start of his term, the White House offered the position of Commissioner of Public Roads to du Pont to oversee termination of BPR. As an AASHO history recalled:

> He advised that he would accept the office, but would not terminate the Bureau of Public Roads for the highway needs of this country were so critical that they could only be alleviated by accelerating the Federal-aid program, and the Bureau would have to play a prominent role in the highway future of the country.
>
> Mr. du Pont, a very progressive and active individual, decided to make it his personal project to get the Interstate program underway.[74]

Professor Seely discussed one of the features that would characterize du Pont service as Commissioner of Public Roads. He "assumed that engineers were nonpolitical rather than apolitical; they should stay out of politics completely and not attempt to replace politicians as policy makers." Further, "he considered experts not a replacement for, but as subservient to policy makers." They "stood above the political fray, ready to implement the policy decisions made by others." Experts, he believed "should provide Congress with unbiased information and objective advice."

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[72] Lewis, pages 100-101.

[73] Swift, page 161.

[74] "A History of the Interstate Program" by AASHO and BPR Staff, *The First Fifty Years 1914-1964*, American Association of State Highway officials, 1964, page 185

The contrast with MacDonald was evident in how they performed their tasks:

> Du Pont lacked MacDonald's enormous personal reputation and the contacts that came with thirty-four years in the same position. Therefore his circumspect dealings with Congress contrasted sharply with MacDonald's willingness to dispute views he considered unwise or dangerous. When the Senate Roads Committee asked du Pont to prepare language to remedy a problem in one 1953 bill, he demurred. Although MacDonald observed similar boundaries, he often provided such services. Du Pont, on the other hand, presented the BPR as a neutral source of statistical information and engineering advice that lawmakers could fashion into policy.

As will be seen, this apolitical stance did not prevent Commissioner du Pont from having a key role in the formulation of the policy of the Eisenhower Administration.[75]

In early interviews, du Pont commented on a variety of issues. He opposed "earmarking" of Federal highway user taxes for road purposes, quoting Governor Thomas E. Dewey of New York on the subject: "Would you use the revenue from alcoholic taxes for the benefit of alcoholics?" Du Pont also opposed the dissipation of large portions of the Federal highway budget for secondary roads. He favored the use of Federal revenue for the primary intercity highway system, particularly where local tax collections were insufficient for the purpose. However, he thought toll highways were satisfactory where traffic was heavy enough to support retirement of the bonds through toll revenue.

Overall, though, du Pont was hesitant to commit himself on the contentious issues of the day. He did not express any views on size and weight limits for trucks, but he indicated that he did not support a new highway user cost allocation study to determine how much of the cost of building, operating, and maintaining a highway can be attributed to the different types of vehicles, such as heavy trucks, using it:

> Asked if he thought a user tax study would help quell the controversy over whether commercial users pay a fair share of highway costs, Mr. du Pont said that that was a matter to be determined by legislators in individual states. He pointed out that a study of user costs would be a task of almost insurmountable complexity and expressed doubt as to whether its findings would be conclusive.[76]

In taking over BPR, he said, "I'm going to do an awful lot of looking." He promised to devote a large share of his time to building on BPR's relationship to the State highway agencies to obtain full support for national highway policy.

Asked by a reporter why he was coming out of retirement to return to public life, the wealthy du Pont did not reply directly but did say, "I can assure you I'm not in it to make a living."

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[75]"Pages 218-220.

[76]"Du Pont to Succeed MacDonald as Chief of U.S. Road Bureau," *Mississippi Highways*, April 1953, page 12.

Du Pont, who had served without pay as chief highway executive in Delaware, added, "I don't even know what the job pays." The annual salary was $16,000.

As his reply indicated, du Pont did not need the work. In fact, he often spoke of his work as if it were his hobby and, unlike most other highway officials in the country, expressed a disinterest in being paid for his efforts.

MacDonald's closest aides feared for their jobs, but Swift wrote:

> The new commissioner surprised everyone. He moved into his office without fanfare, He brought a lawyer with him [Henry J. Kaltenbach[77]], but no other staff, not even a secretary; he made it clear from his first day that he admired the bureau's past performance and could only hope to do as well, and that he knew he would need the agency's veterans to succeed.
>
> Du Pont instituted weekly staff meetings, something the Chief had always avoided, and solicited his deputies for their anonymous suggestions on how they would change the place. Then he convened a series of meetings to find, as he put it, "the common denominator of changes that were desirable." He kept the Chief posted on what he was doing. "I want to assure you," he wrote after six weeks on the job, "that all of your assistants have been most courteous and helpful in our effort to carry on the good name and good will which you created during your administration."
>
> In short, it was hard not to like the guy. It didn't hurt that du Pont was a solid engineer, that he knew highways as well as anyone in the building, and that he enjoyed friendships and influence in Congress, the executive branch, and industry. Even Herbert Fairbank [Deputy Commissioner for Research and MacDonald's right-hand man] was won over. "Don't worry about your Bureau or your friends in it," he wrote MacDonald. "Both it and they, I think, are coming through all right."[78]

Secretary Weeks, at the time Commissioner du Pont took his oath of office, may not have had strong or even clear views on the future of transportation. He was a conservative businessman from Massachusetts who had been, briefly, a member of the United States Senate, by

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[77]His predecessor, Lester E. Boykin, had been with the agency since 1908, much of that time as solicitor. Kaltenbach, after graduating from Princeton University and the Harvard Law School, had been an attorney in St. Louis specializing in corporate reorganizations and securities. He retired in 1946, but returned to service in 1951 as counsel with the National Production Authority, which was involved in defense mobilization. He joined BPR in August 1953, shortly before the authority was disbanded. He resigned on July 6, 1956, to return to private life, principally as a right-of-way consultant and author of *Just Compensation - A Practical Legal Service for the Right of Way Engineer, Appraiser, Attorney and Land Acquisition Agent* (1956, with updates). "Solicitor Returns to Private Practice," *The News in Public Roads*, July 1956.

[78]Swift, page 162.

appointment, in 1944.[79] A graduate of Harvard University, Weeks was chairman of the board of United Carr Fastener Company of Cambridge; president of Reed and Barton Company, silversmiths of Taunton; and a member of the Board of Overseers of Harvard. Weeks also was a director of the National Association of Manufacturers.

As Chairman of the Republican Party's Finance Committee, Weeks was known for his fund raising ability. He also had been one of the first of the upper echelon Republicans to break with Senator Taft in June 1952, urging him to step aside in favor of General Eisenhower for the Republican nomination "to save the country."

President-elect Eisenhower, who had not met Weeks prior to the appointment, was initially not impressed by him. Following one of their early meetings, Eisenhower wrote in his diary:

> [He] seems so completely conservative in his views that at times he seems to be illogical. I hope . . . that he will soon become a little bit more aware of the world as it is today.[80]

Weeks' initial concerns related to the budget. On February 3, Director Joseph M. Dodge of the Office of Budget had written to all department and agency heads to give them 24 days to submit budget estimates to replace the proposed budget submitted by President Truman for FY 1954. With the new budgets in hand, the President and Dodge would confirm whether sufficient cuts had been made. If not, the President and Budget Director would wield "the blue pencil." [81]

After only 3 weeks in office, Secretary Weeks told a Massachusetts audience that the "Washington mess is worse than the public thought" in ousting the Democrats. The size and complexity "staggered the imagination," but offered many opportunities for savings. After 20 years of Democratic Presidents, President Eisenhower was reintroducing the "'forgotten man' the business man" to service in Washington. He continued, "Some thumpers and pundits are sneering" because "a whole generation has been taught that knowledge of how to meet a payroll is a sign of a low I.Q., that honest profit is a wicked motive, and that nothing in business is needed by Government except its excess profits and corporation income taxes."

By contrast, the "best in politics, agriculture, labor, education, military and other fields" were joining the new Eisenhower Administration to support economy and efficiency in government.

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[79]Weeks' father, John W. Weeks, had been a Senator for a quarter of a century and served as Secretary of War under President Warren G. Harding. "Weeks Won Repute As a Fund Raiser," *The New York Times*, December 2, 1952, page 34.

[80]Ambrose, Stephen E., *Eisenhower: The President*, Simon and Schuster, 1984, page 23. By the time Eisenhower wrote his memoir, *Mandate for Change 1953-1956*, he had a different assessment: "This great highway system will stand in part as a monument to the man in my Cabinet who headed the department responsible for it, and who himself spent long hours mapping out the program and battling it through the Congress – Secretary of Commerce Sinclair Weeks." (Doubleday & Company, 1963, page 549).

[81]Crowther, Rodney, "Economy Plan Due in April," *The Baltimore Sun*, February 11, 1953.

In the future, businesses would "assume statesmanlike responsibilities in its new freedom from Government backseat driving." [82]

In response to Director Dodge's letter, Secretary Weeks sought a 15-percent cut in the proposed Truman budget of $1,078,000,000 for the Department of Commerce. The new budget request would be for $161,700,000 less. BPR's budget would be cut from the proposed $593.9 million by $15 million to $578.9 million, with the reductions involving $5 million cuts for each category of Forest Highways, the Inter-American Highway, and access roads to military or naval installations, defense industries, defense-military sites, and to sources of raw material for defense needs. [83]

(The Departments of State, Justice, and Commerce Appropriation Act, 1954, signed by President Eisenhower on August 5, 1953 (P.L. 83-195), appropriated $475 million for Federal-aid highways, as recommended by the Senate, plus separate appropriations for other accounts, such as Forest Highways and Access Roads. The amount for Federal-aid highways was below the $510 million approved by the House. The Senate report on the bill explained: "The committee has been informed that as of April 30, 1953, the payments to States will approximate $425,000,000; therefore, the committee believes that the amount provided will allow for the same schedule of payments to States in fiscal 1954 as in 1953." [84])

Although Weeks may not have had strong transportation views, he did have strong views on who would be setting policy within the Department of Commerce. It would not be bureau heads.

As a result, du Pont did not have the control that MacDonald, with his years of service and mammoth reputation, had enjoyed during his service to six Presidents. Departmental Order No. 128, signed by Secretary Weeks on February 13, 1953, created an "Under Secretary of Commerce for Transportation." The Under Secretary was to be "the principal adviser to the Secretary on all policy matters concerning transportation within the Department and on all matters concerning the transportation policies of the Government." He would also, "Exercise direction and supervision of" the transportation-related agencies within the Department, including BPR.[85] Moreover, all the authority and program functions vested in the head of BPR and the other agencies, "are hereby made subject to the supervision and coordination of the Under Secretary of Commerce for Transportation."

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[82]"Washington 'Mess" Is Bad, Weeks Says," *The New York Times*, February 13, 1953.

[83]"$9.7 Million in Wages Included in Proposed Commerce Fund Cut," *The Evening Star*, April 8, 1953; "Weeks Urges Cut In Commerce Fund," The New York Times, March 18, 1953.

[84]Departments of State, Justice, and Commerce Appropriation Bill, 1954, Committee on Appropriations, United States Senate, 83d Congress, 1st Session, Report No. 309, May 28, 1953, page 17.

[85]Weather Bureau, Coast and Geodetic Survey, Inland Waterways Corporation, BPR, Civil Aeronautics Administration, Maritime Administration, and the Federal Maritime Board.

As *Engineering News-Record* explained that with more than half of the Commerce Department's budget going to the Federal-aid highway program, "Secretary Weeks has no intention of letting that amount of money go out without supervision from the top."[86]

Secretary Weeks' choice for the new position was Robert B. Murray, a banker from Pennsylvania who had been president of the Pennsylvania Economy League for 7 years. The league had studied all phases of governmental operations related to highways "because of the seriousness to Pennsylvania of the highway situation." Murray believed in State-financed toll roads to meet traffic needs.

This change in BPR's role was acceptable to du Pont. Later in the year, in his first address to AASHO, he said:

> As you well know, Public Roads is purely an administrative agency. It has no policy making role or legislative responsibility. These are the joint responsibility of the Administration and the Congress.[87]

In April and May 1953, the Subcommittee on Roads of the House Committee on Public Roads held hearings on National highway needs. With Republicans in control, Representative McGregor was now chairman of the subcommittee. In inviting witnesses to testify, he asked each witness to be prepared to comment on 12 issues:

1. Proposal of governors' conference that the Federal Government relinquish the tax on motor fuel in favor of the States.
2. Proposal of governors' conference that the activities of the Bureau of Public Roads be curtailed.
3. Proposal that Federal motor-fuel taxes be deposited in a trust fund for highway purposes. Proposal for the extension of turnpikes and toll roads as well as transcontinental superhighways.
4. Proposal to increase funds for interstate system of highways.
5. Possible participation by the Federal Government in maintenance and repair costs.
6. Comparison of administrative and engineering expenditures for highway purposes in the various States.
7. Direct local effects of constructing highways which bypass urban areas--benefits or detriments?
8. Proper allocation methods with respect to access roads. (Defense plants--timber access-mineral resources and the like.)
9. The relationship of existing highways to military and civilian defense requirements necessary to meet an emergency.

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[86]"MacDonald retires as Commission of Public Roads; F. V. du Pont takes over," *Engineering News-Record*, April 2, 1953, page 52.

[87]Du Pont, Francis V., "What's Going On In Public Roads," November 10, 1953, *American Highways*, January 1954, page 11.

10. Coordination by Federal agencies in the planning and construction of roads through national parks, forests, Indian reservations, and other Government-owned land.
11. The effect of heavy vehicle traffic on the highway specifications and construction costs. Present highway safety programs and means for increasing their effectiveness.
12. Miscellaneous legislative proposals to improve the Federal-aid highway program. [88]

Under Secretary of Commerce for Transportation Murray was the first witness. (Weeks had intended to testify on the first day but another commitment prevented him from doing so on this date.) Chairman McGregor asked Murray if the Department Order was a move, as rumored, to do away with BPR. Murray replied:

> I have no knowledge of such a movement and I think if there were such a movement, it would have no sympathy in the Department . . . . I can tell you, Mr. Chairman, that there is not even any consideration of it. I have not even heard the rumor. I thought I heard most of the rumors around Washington, but that is one that I have not heard.

He added that, "Mr. du Pont and I have known each other for a long time and I am sure that we are not going to have any trouble."[89]

Murray deferred to Commissioner du Pont on other issues. Du Pont, the second witness, indicated that while he was reviewing the organization, operations, and policies of BPR, "we are not prepared to make specific comment on the committee's inquiries so far as they relate to policy matters." He would restrict his statement to presenting "such facts as we have at hand."

Turning to the Chairman's questions, du Pont addressed the first two items, regarding the Governors' Conference recommendations that the Federal Government relinquish the gas tax and curtail BPR's activities:

> I doubt that there has been a time in the long life of the Bureau of Public Roads where there have been so many and divergent opinions voiced as to the role of the Federal Government in our highway program. These philosophies range all the way from complete return to the States of highway responsibility and withdrawal of the Federal Government from the gasoline tax picture, to continuance of the present plan, to linkage between the aid to States and the total gas tax collection, even to the view that all the excise taxes now collected in the area of transportation be allocated to the Federal-aid to highway program. The whole problem is so intricate and the effects of any ultimate choice of a plan will be so far-reaching that I feel it demands more time than we have had to arrive at a firm conclusion.

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[88]National Highway Study, Part 1, Hearings Before the Subcommittee on Roads of the Committee on Public Works, U.S. House of Representatives, 83rd Congress, 1st Session, No 83-1, page 2.

[89]Ibid., pages 3-9. Department Order No. 128 can be found on pages 4-6. Murray's biographical details on page 7. Views on toll roads, Rose, page 70.

Further, any plan finally adopted should be coordinated with the conclusions of the President's proposed Commission on Governmental Functions and Fiscal Resources, which President Eisenhower had proposed to Congress in March to consider devolution recommendations. Du Pont, therefore, declined to comment more specifically on the first two questions, although he indicated that BPR would carry on as in the past.

As for the Interstate System, du Pont stressed its importance:

> It is an important link in the production facilities of this country, forming as it does part of a grand-scale industrial assembly line. Uninterrupted highway transportation over this system is essential to our defense effort and to our peacetime economy.

He added that the "great importance of this system" would justify increased funding, which he thought should be distributed on a population basis. However, he also thought that any funds should be apportioned in a way that allowed each State to make "equal progress in its improvement."

Regarding the Magnuson/Kluczynski trust fund bills, The Senate Committee on Public Works had forwarded the Magnuson bill to the Department of Commerce for a report on the matter. Commissioner du Pont deferred comment pending the report. [90]

On April 27, Secretary Weeks appeared before the subcommittee. He did not have an opening statement. "I came at your courteous invitation to, I assume, answer such questions as I am able to answer. Not being an expert on roads I have with me some of my associates," including Commissioner du Pont and Under Secretary Murray.

The first question concerned Commerce Department Order No. 19. Chairman McGregor asked if the order "might be a move to close or hinder the activities of the Bureau of Public Roads." Secretary Weeks replied:

> No. There is nothing intended or implied, so far as I know, in that directive that in any way, shape, or manner tends toward any watering down, so to speak, of the Bureau of Public Roads. My conception is that they will go on operating as they have, carrying out the program which is placed before them by the Congress and by the President.
>
> That directive, in a general way, was intended to line up the Transportation Bureau of the Department of Commerce under one head in a somewhat slightly different manner than had been the case before. But certainly, so far as I visualize it, the Bureau of Public Roads will operate exactly as it has.

In response to a question from Chairman McGregor about the Governors' Conference position on Federal fuel taxes, Secretary Weeks said he had not studied the issue and did not have a position. The Commerce Department's function was to carry out the program set by Congress

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[90]Ibid, pages 9-17.

"as efficiently and as economically as possible." If any change were to occur, it would be because Congress changed policy.

Although department officials were new to their jobs, Chairman McGregor hoped they would submit any recommendations or suggestions. The subcommittee would "receive them with open arms." Secretary Weeks explained:

> Well, Mr. Chairman, about 64 percent of the Commerce budget is in the realm of subsidies or aids, or what not; and they involve 3 programs – maritime, civil aeronautics, and roads. Some of the programs, the maritime program for example, were established years ago, and conditions change, and it has seemed to me in these 3 areas that it was really time to take a good look and see whether we are going in the right direction or whether changed conditions indicate the wisdom of taking a different direction.

Representative Dempsey said the three programs were different in that "there is no subsidy to the States where it comes to the Bureau of Public Roads. We are returning to the States a portion of what the States have contributed. That does not occur with the other two":

> The taxpayers as a whole take care of the other two, but for this specific purpose of road building we are putting a tax on the people, and we believe there should be more returned to them than there is at this time. In each emergency that arises we find that there is a directive to stop building roads because the materials are needed for emergency war efforts, or whatever emergency it may be.

He did not object to such halts, but "appropriations are not properly restored when the emergency is over so that we can catch up" to meet needs. He estimated the country was 15 to 20 years behind on roads.

He praised BPR and said he did not agree with governors who want to stop the Federal tax on gasoline and abolish BPR. "I do not think we could get along without the Bureau of Public Roads and have what we now have in the form of a comprehensive system and with a uniformity of road building." He did not believe that if the Federal Government removed its fuel taxes "the States would have the courage to put it back on for collection by the States, because there is terrific pressure in the States against adding more taxes."

The problem, Representative Dempsey said, was that "we cannot catch up because we are getting less money than we had in previous years to do the job. So what we need is more money, and I do not think we can justify our taking it without giving some back to them."

Secretary Weeks did not have any comments on this speech.

He also did not have any views on toll roads when Representative James C. Auchincloss (R-NJ) asked whether the policy against using Federal-aid highway funds on toll roads should be changed. Secretary Weeks replied, "Without knowing too much about toll roads, my conception has been that if they are put in the right place that they normally are self-liquidating, so to speak, and that the financing is readily available from private sources." He asked du Pont if that answer was correct. Commissioner du Pont said, "I know a few that have had difficulty in financing them. Some of them have been a little shaky for a while, but I know some of them that have not."

Representative Charles G. Oakman (R-Mi.) wanted to discuss the Federal excise taxes on gasoline and lubricating oil and the excise taxes on automobiles, trucks, parts, accessories, tires and tubes. Only one quarter of the revenue from these taxes goes to the Federal-aid highway program, a "major reason that we lack the modern roadways of the Nation." But the taxes were "quite separate and distinct." The taxes on automobiles, initiated "as a revenue matter for the defense program," raised about $1.250 billion a year:

> We feel out in Michigan that that tax is terrifically discriminatory. We feel that the automobile is not a luxury, but a necessity, and the American economy is built upon the automobile industry to a very large extent.

If an excise tax was needed, it should be spread "over a larger base," not applied primarily to one manufactured product.

By contrast, the equivalent of 60 percent of revenue from the gas and oil tax went to the Federal-aid highway program, with the rest going into the general Treasury:

> We think it would be morally right since the Budget Director, Mr. Dodge, does not like the earmarking of funds, if we were to appropriate at the Federal level amounts approximately equivalent to the proceeds of federally collected gas and oil taxes, that that would permit a very substantial increase in Federal grants-in-aid to the road systems of the country, and we would go a long way toward doing the job.

Secretary Weeks agreed that if all the gas and oil tax revenue were spent on roads "you would build more roads." As for how much to tax and whether to earmark it for a specific purpose "is a matter of high level policy to determine and you get involved in the whole question of balancing budgets and where you get your revenue from."

Chairman McGregor pointed out that the recent authorization acts exceeded Bureau of the Budget recommendations. Congress had the duty to make such decisions. "I think many agree with the proposal that possibly the motorists or highway users are entitled to all the money, but I think in all honesty and sincerity Members of Congress are going to have to absorb that blame, because we are the ones at least that pass the authorizations." [91]

The more than 50 witnesses who addressed the committee represented every aspect of the highway transportation community. But as du Pont's comments suggested, they were sharply divided on the issues Chairman McGregor had asked them to discuss.

But for all the diversity of responses on the three key questions and the other issues that Chairman McGregor had raised, Professor Seely noted that what was most striking was "the emerging agreement on several key issues." He pointed out that:

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[91] Ibid, pages 81-89.

> Almost no one challenged the importance of the Interstate system, and discord on the traditionally divisive subject of rural roads was muted.[92]

Seely also observed three other areas of almost complete agreement:

> Every witness concurred that a larger federal highway program was needed. Moreover, most agreed that the Interstate system should become the focus of federal attention because of its transcontinental role and its ability to ease urban congestion . . . . Finally, there was almost complete agreement about maintaining the BPR as the guardian of the federal-aid program. Praise for the bureau came from both witnesses and congressmen.[93]

Seely speculated that the growing consensus on these and other key points was, itself, a tribute to BPR:

> Every statistic about highway needs, construction progress, or potential costs that surface at the hearing came from the BPR.[94]

He added that BPR was also partly responsible for a growing interest in linking Federal-aid highway funding levels to highway user tax revenue. BPR and Congress had long believed that the States should reserve State highway user taxes for highway improvements. Many members of the House Committee on Public Works had come to think of a similar link at the Federal level.

> [The] linkage was a tidy method of dealing with the rising tide of traffic, since it increased funds without appearing to increase taxes. Not only did critics find these arguments hard to refuse, but they also had no serious alternative to present.[95]

The interest in a loose "linkage," coupled with ambivalence toward the trust fund concept may, in hindsight, seem puzzling. However, the witnesses also had hindsight to guide them. Seely pointed out:

> But the state highway officials and the BPR deliberately avoided *directly* linking tax revenues and federal aid, for they remembered that state highway departments had been crippled when gas tax collections plummeted after rationing was imposed in World War II.[96]

The House hearings continued through July 14, allowing the committee to receive, and enter into the record, the award-winning essay in GM's Better Highways Awards Contest. On June 18, GM

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[92]Seely, page 208.

[93]Ibid., page 209.

[94]Ibid.

[95]Ibid., page 211.

[96]Ibid..

announced winners of its highway competition. GM had received 44,000 essays, but the winner of the $25,000 first place award was Robert Moses, who held many titles in New York, including New York City's Construction Coordinator and Commissioner of Parks.[97]
He called for a $50-billion, 10-year plan to provide the roads the country needed, or $5 billion a year. What was needed was:

> . . . a concerned, unremitting attack on established orthodox lines from many quarters, requiring the cooperation of innumerable public officials and industrial experts and laymen, technicians and administrators, drivers and builders, labor and capital, bankers and borrowers, advertisers and readers. Persistent, largely undramatic daily work directed toward agreed, recognizable limited objectives is what we need.

Moses explained how to raise the $50 billion:

> . . . we must have more federal aid for main and subsidiary routes, more state and local bond issues involving the general credit, and more special bond issues supported by capitalized auto revenues. Finally, we must float more bonds of regulated public regional, bistate, state and municipal authorities, dependent on the revenues they collect, and with the right to pledge the credit of the subdivision of government in which they function only where it is necessary in order to reduce interest rates.

Under the Moses proposal, Congress would increase Federal-aid highway funding to $1.250 billion a year, with the revenue coming from segregation of a 3-cent a gallon tax on gas, plus other current highway user taxes. He estimated that these taxes would raise $15 billion over the 10-year period. The funds would be apportioned among the Federal-aid primary system (40 percent), second system (25 percent), and urban routes (35 percent).

He discussed the Interstate System:

> Much has been written about the 40,000 miles of main arteries called the "Interstate System." The construction of this system, comprising about 1 percent of the road mileage of this country and estimated to carry 20 percent of the rural traffic, would cost at least $11 billion. Included are highways potentially wholly or partially self-liquidating.

"Self-liquidating" was a term often used to mean toll financing when bonds issued up front pay for construction, then are retired by revenue collecting from tolls. He questioned BPR's and Congress's prohibition of Federal-aid highway funding for toll roads. Citing the Pennsylvania Turnpike, "the first of the modern toll highways [that] could not have been financed without a 45 percent Public Works Administration grant and a loan from the Reconstruction Finance Corporation," he said:

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[97]Moses' reputation was at a peak in the 1950s – one of the great builders of his age. His reputation declined in later years before his forced retirement. It further declined following publication of Robert A. Caro's definitive, caustic biography: Caro, Robert A., *The Power Broker: Robert Moses and the Fall of New York*, Alfred A. Knopf, 1974.

> There are many projects on the interstate system other than those already proposed for toll financing that could be built if some federal and state subsidies were made available.

He understood the argument in support of all tax revenue, from whatever source, going into the general Treasury:

> Those who hold to this principle point out that segregation of revenues might also be claimed by users of parks, establishments that pay business taxes, people whose purchases include sales taxes, private carriers that are subject to franchise taxes and patrons of racetracks. This line of reasoning is taken seriously in several large states. The argument for gasoline-revenue segregation, perhaps including license-plate receipts, may be said therefore to be persuasive in many but by no means all states. It is not a sine qua non. There are too many paid secretaries of automobile associations who make a living by exaggerating the diversion argument, opposing all tolls, and generally holding back construction by insisting that it must be on their terms and no others.

Moses also supported BPR, which he said "has functioned well":

> It has not been bureaucratic at the top. It has generally been intelligent, persuasive, diplomatic, but incorruptible and reasonably firm with respect to standards. Without it we should have no national through routes uniting all sections of the country, few comprehensive long-range state programs, no uniformity of design, no progress in the less populous and prosperous states and municipalities, no official leadership, no continuing congressional support and no formula for federal aid. Nevertheless, the bureau has lacked adequate authorizations and appropriations, and the power to prevent the lag in roadbuilding. We must now make up for this. The federal machinery is there. It has public respect. It needs to be amplified and implemented.

In announcing the winners, GM said that all the top winners agreed that an easy solution to the highway problem did not exist. They were virtually unanimous on the need for intensified research into highways and the importance of keeping the public informed about the problem.[98]

In February 1953, the Hearst Newspaper campaign moved to a new level with announcement of the Hearst Plan for better roads. As Hearst would later explain, the plan could be stated quite simply:

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[98]The essay appears on pages 345-357 of the hearings, part 2. "Winners of General Motors Prizes Named," *Better Roads*, July 1953, pages 36-38; "Noted New York Road Authority Is Winner of GM Essay Contest," *Road Builders' News*, July-August 1953, page 5. Under the heading "Planning For Better Highways," Moses reprinted most of the essay in his book *Public Works: A Dangerous Trade*, McGraw-Hill Book Company, 1970, pages 280-292. He noted, "Readers are cautioned to remember that this report is dated 1953, when the recommendations since adopted were novel, disturbing, and controversial." He added that "most of the recommendations in this essay were subsequently adopted."

> We suggested that the Federal government assume complete financial responsibility for the improvement of the Inter-State Highway System throughout its length to standards set by the Bureau of Public Roads, the states to do the work and own the roads.

The plan called for the government to use receipts from the gas tax and excise taxes on new cars to finance the work. The Federal share should be 100 percent. In a speech 2 years later, Hearst described the reaction:

> [Such] an idea is commonplace now, but at the time we advanced it, it was greeted with a great silence.
>
> It cut through too many policies, many of which were traditional. It assumed retention of the Federal gasoline tax. It assumed retention of the excise tax on new cars, if the receipts went for better roads.
>
> It was a sort of bull in a china shop idea.[99]

Tolls on Federal-Aid Highways

The Federal Aid Road Act of 1916, signed by President Woodrow Wilson on July 11, 1916, established the Federal-aid highway program as a 50-50 partnership with State highway officials. The first section of the 1916 Act included this prohibition:

> *Provided*, That all roads constructed under the provisions of this act shall be free from tolls of all kinds.

The Federal Highway Act of 1921 re-launched the Federal-aid highway program by restricting funds to a designated system of primary or interstate highways and secondary or intercounty highways comprising not more than 7 percent of all rural public roads in each State. Three-sevenths of the overall system must consist of roads that were "interstate in character," and up to 60 percent of Federal-aid highway funds could be used on these primary roads.

Section 9 repeated the restriction on tolls:

> That all highways constructed or reconstructed under the provisions of this act shall be free from tolls of all kinds.

That prohibition remained in effect in 1953, but circumstances had changed. In 1916 and 1921, when legislators and highway officials thought of toll roads, they recalled the survivors of the 19th century toll boom, a collection of inadequate roads in poor condition, many bankrupt or near bankruptcy. Most of the toll roads had been built early in the 19th century, before the advent of the railroads; in general, they were not profitable although they provided a means of

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[99] Hearst, William Randolph, Jr., "Remarks," Annual American Road Builders' Association Luncheon, New Orleans, Louisiana, January 12, 1955.

transportation during a time when governments had little revenue for the purposes. In the early 20th century, States were buying the remaining turnpikes to improve them as toll-free roads.

Fifty years later, the States were involved in a toll boom. Although the rural Interstate corridors had been designated in August 1947, a funding program to build multi-lane access controlled toll-free expressways was absent. Toll turnpikes offered States in need of expressways a way to provide them without raising taxes. The success of the early turnpikes prompted a toll bandwagon after World War II, as described in *America's Highway 1776-1976*:

> The Pennsylvania, Maine, New Hampshire and New Jersey Turnpikes showed rather conclusively that the public was impatient with obsolete, congested highways and was willing to pay handsomely for modern freeways. Other States, equally short of capital funds, began to consider credit financing schemes backed by tolls. Oklahoma in 1953 completed the 88-mile Turner Turnpike between Oklahoma City and Tulsa. New York, which had started its thruway as a free expressway, switched to toll financing in 1954 to accelerate construction. And West Virginia completed a 2-lane toll road from Charleston to Princeton in 1954. Colorado built the 17-mile Denver-Boulder Turnpike in 1952.
>
> Toll road authorities were created in Connecticut, Indiana, Illinois, Ohio, Kansas, Kentucky, Florida, Georgia, Rhode Island, Texas and Virginia. By the end of 1954, these authorities had 1,382 miles of toll roads under construction at costs estimated to total $2.3 billion, and they were making plans and studies for 3,314 additional miles estimated to cost $3.75 billion. The 1,239 miles of toll road already completed as of January 1955 represented an investment of $1.55 billion.
>
> With few exceptions, these toll roads followed the routes selected by PRA and the States for the Interstate System, and they represented the heaviest trafficked portions of that System outside the cities. At the height of the toll road boom, the turnpike authorities were investing their funds in interstate highways at about three times the rate of the State highway departments.[100]

As the Eisenhower Administration and Congress considered how to advance the National System of Interstate Highways, the toll option had several appeals. First, taxes would not have to be raised. Second, the public clearly accepted the turnpikes. Finally, no one had come up with a better way to build the expensive expressways needed for a toll-free Interstate System.

On June 26, 1953, Chairman Francis H. Case (R-SD) of the Senate Subcommittee on Roads opened a hearing on Tolls on Federal-Aid Highways. The purpose was to consider S. 796, a bill to permit BPR to:

> . . . extend, on the same basis and in the same manner as in the construction of free highways, Federal-aid under such Acts in the construction of any toll highway by any State or instrumentality thereof, upon condition that (1) such toll highway is a part of the Federal-aid highway system and constitutes or is a part of a superhighway system

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[100] *America's Highways 1776-1976*, pages 167-168.

> constructed or to be constructed by such State or instrumentality thereof, (2) such toll highway is owned and operated by such State or an instrumentality thereof, (3) amounts received as tolls from the operation of such toll highway, less the actual cost of operation and maintenance thereof, will be applied to the repayment of the cost of its construction or of the construction of another highway constituting a part of such superhighway system, (4) after the costs of construction of such system shall have been repaid in full, such tolls shall not exceed amounts necessary to provide for the actual cost of operation and maintenance of such toll highway.

In addition, S. 796 authorized the Secretary of Commerce to permit any State or instrumentality thereof to charge tolls "on any highway within such State which has heretofore been constructed or reconstructed under the provisions" of Federal-aid highway law.

The final section of the bill defined "superhighways" as "any divided, arterial highway to which access may be allowed only at interchanges."

S. 796 had been introduced by a member of the subcommittee, Senator Prescott S. Bush (R-Ct.), best known today as the father of President George H. W. Bush and the grandfather of President George W. Bush. In his own time, however, Senator Bush was an imposing figure. He stood 6 feet, 4 inches tall and had a well-muscled physique. He had a handsome, craggy face and thick charcoal black hair. After graduating from Yale, he was employed by several nationally known industries before joining the investment banking house owned by W. A. Harriman; at the age of 31, Bush was the youngest man to join the firm up to that point. George Herbert Walker, the father of Bush's wife Dorothy, was president of the firm. In 1931, the firm merged with Brown Brothers to form Brown Brothers, Harriman, and Company, where Bush emerged as one of the "favored few."

Through his hard work, Bush earned a fortune. But he believed that the more advantages a man has, the greater his obligation to do public service. During World War II, he headed the U.S.O. (United Service Organization), which provided recreation for soldiers and sailors, and chaired the National War Fund campaign of 600 war relief groups. After the war, he chaired the Republic Party's Connecticut State finance committee.

In 1950, at the age of 55, Prescott Bush became a candidate for the United States Senate from Connecticut. Although Bush adopted moderate, conservative views, he was defeated after journalist Drew Pearson alleged that Bush was promoting birth control. Bush denied the charge, but with the election only a few days off, he could not shake it. He lost by 1,000 votes to the Democratic incumbent, Senator William Benton.

Two years later, when Democratic Senator Brien McMahon died, Bush won a special election to fill the unexpired term. He took office in 1953, winning reelection to a full term in 1956. Senator Bush served until retiring in 1962, citing poor health.[101]

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[101]The biographical sketch presented here is based primarily on Green, Fitzhugh, *George Bush: An Intimate Portrait*, Hippocrene Books, 1989, pages 1-5. Former Senator Bush died on October 8, 1972, from lung cancer.

Senator Bush had made a fortune trading in bonds during his business career and knew them better than most Members of Congress. When President Eisenhower's 1955 plan for financing the Interstate System involved bonds, Senator Bush would step easily into the role of chief Senator backer of the proposal. Bush would later explain his view in these terms:

> The importance of the Interstate Highway System is so great that it has to be provided for now. It must be completed within 10 years and must be put in effect as a whole, and not piecemeal . . . . Nobody who has been in business would say that it is not good business to borrow money to build productive assets. That is the only purpose of borrowing money in the field of commerce and industry. It should be likewise in government.

He was described by the contemporary journalist, Theodore H. White, as "an able and distinguished man making his mark for the first time upon the Senate and nation in an issue of national significance."[102]

As the hearing opened, Senator Case introduced a letter, dated June 26, 1953, from Assistant Director Rowland Hughes of the Bureau of the Budget commenting on the bill. Hughes declined to "make definite recommendations" on the bill, pending the findings of the Commission on Intergovernmental Relations. Until the commission's results were known, "it appears undesirable to reach any final decision regarding a significant broadening of the scope of the Federal highway aid, such as would be involved in a toll-road program."

As a general consideration, he said the toll authorities were not having any trouble selling bonds for planned turnpikes. "In view of this record, and in view of the deficiencies still to be overcome in free highways already included in the Federal-aid system, it is not clear whether there would be justification in the present fiscal situation for the extension of Federal aid to toll projects." Moreover, the promise of Federal-aid "might encourage the undertaking of projects of marginal justification." If such projects were unprofitable, "strong pressure would no doubt develop for increased Federal aid to assist in bond retirement." Further, adapting the Federal-aid highway program "to the specialized characteristics of toll-road financing and administration" might result in other problems that Hughes did not specify.[103]

The subcommittee had invited Under Secretary Murray to testify, but he was unavailable at the time of the hearing. Instead, Commissioner du Pont appeared to present Murray's statement and testify as Commissioner of Public Roads. He began by discussing his background, prompting this dialogue:

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[102]Bush quoted in White, Theodore H., "Where Are Those New Roads?" *Collier's*, January 6, 1956, page 48. White is best known today for his *Making of the President* series of books that began with the 1960 election.

[103]Tolls on Federal-Aid Highways, Hearings on S. 796 before a Subcommittee of the Committee on Public Works, United States Senate, 83rd Congress, 1st Session, June 26 and July 21, pages 2-3.

> Senator Bush. Is it true, Mr. du Pont, you for 23 years were chairman of the [Delaware] highway commission?
> Mr. du Pont. It is; 23 out of 27.
> Senator [Robert S.] Kerr [D-Ok.]. And served without compensation?
> Mr. du Pont. Well as a matter of fact, it was quite expensive but compensating.
> Senator Kerr. But insofar as any official salary was concerned –
> Mr. du Pont. Never.[104]

Murray's statement, read by du Pont, deferred comment on S. 796 in view of the Commission on Intergovernmental Relations. Another factor in deferring comment was concern about stimulating the economy in a recession:

> Another aspect of the uses of Federal aid for toll roads relates to the application of such means to provide a certain amount of economic stability during a recession. In this connection, the President has requested a major study of the possible use of self-liquidating projects in a counter cyclical program. Dr. Burns, Economic Advisor to the President, has overall responsibility for the study. My office is developing that portion involving the use of highway toll projects.
>
> The resources of the Bureau of Public Roads are being employed to make an objective study of the economic potential for toll-road development and to determine the relationship of toll roads to orderly highway development. This study will include an appraisal of the use of Federal-aid highway funds for highway-toll facilities. It is expected that the findings of this study will be available by the next session of Congress.

In view of the two studies, Murray's statement continued, "it is the policy of the Department of Commerce that the Federal Government should not further extend its activities into fields which can more appropriately be occupied by private interests and by State and local governments":

> Experience has clearly demonstrated that when toll facilities can pay their own costs, private capital is forthcoming. When these facilities can't pay for themselves private capital is naturally not available. These are the uneconomic facilities that perhaps should not be constructed in the first place. In this fashion, the normal play of the financial market place weeds out those uneconomic proposals which would be conducive to construction of a disjointed collection of toll facilities.[105]

Beginning his own statement, du Pont raised a practical concern about the provision allowing the use of Federal-aid for toll roads initiated by any instrumentality of the State. Federal-aid highway funds were made available to the State highway agencies. The bill would make Federal-aid funds available to counties, cities, other political subdivisions, and to many types of toll authorities and commissions:

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[104]Ibid., page 18.

[105]Ibid., pages 19-20.

> This could possibly mean that the Bureau of Public Roads would be involved in dealing with various types of autonomous agencies within a State over which the State highway department may have no control and which may not be subject to the normal State laws, requirements, and safeguards pertaining to highway construction and administration, which are applicable to the State highway department.

Senator Kerr raised his concern that when turnpike authorities were deficient in retiring bonds, the bondholders would acquire title to the turnpike, taking it beyond the sovereignty of the State or its subdivision.

Du Pont agreed with the concern, but Senator Bush pointed out that, "There must be some provision in those indentures under which they issued those bonds which would give the answer to your question." It was not like a mortgage on a home.

Although he was not certain about the issue, Senator Kerr indicated "I have been assured such is the case."

Senator Bush asked Commissioner du Pont if the problem would be eliminated if the bill restricted the funds to the State. Du Pont replied, "I believe, sir, it is imperative for the Bureau of Public Roads, if it is to operate efficiently, to deal with only one agency, namely, the State Highway Department."

He pointed out another problem with the bill, namely its restriction of Federal-aid highway funds to turnpikes on the Federal-aid highway system and that were part of the Interstate System:

> This condition would not appear to be administratively workable unless the toll highway has been designated by the State highway department and approved by the Bureau of Public Roads for inclusion in the Federal-aid highway system. Toll highways are not now a part of the federal-aid highway system and cannot be under existing law.

The Senators, who knew little about turnpike financing, spent much of the hearing in a back-and-forth about the mortgage-type problem. One option was to give BPR a choice so that it would allow Federal-aid highway funding only in viable projects. Senator Bush asked if BPR had that authority now. No, Commissioner du Pont replied, "The State highway department initiates the request [for a Federal-aid project] to the Federal Government . . . "

Du Pont said another problem was that the bill allowed tolls to be collected indefinitely, with revenue available for construction of additional turnpikes as well as operation and maintenance of the initial turnpike. That was not an administrative problem, but he emphasized that "under existing law the States are charged with the duty of maintaining in proper condition any highway constructed with Federal aid and the Bureau of Public Roads is charged with the responsibility of enforcing such requirement." Current law provided a penalty for the States if they did not maintain the Federal-aid highway project, but S. 796 did not make clear how BPR could enforce the penalty on a turnpike.

The prohibition in existing law against toll collection, dating to Section 9 of the 1921 Act, would essentially be repealed by S. 796 "to the extent that it would permit the erection of tollgates and the charging of tolls at any point on the existing systems of Federal-aid highways."

Senator Bush commented on the bill's provision allowing tolls on roads built or rebuilt with Federal-aid highway funds. Connecticut would like to charge tolls on State Route 15 from the Massachusetts State line to Hartford "but we can't do it because of the Federal assistance in that road." He asked if Commissioner du Pont objected to that provision.

Du Pont replied with a question: "If you do enact this part of the bill, why fool with the rest of it?" Senator Bush explained that the State did not want to be "foreclosed from any cooperation from the Federal Government in connection with a superhighway." But du Pont pointed out, "This simply permits you to put a tollgate anywhere." As far as he was concerned, other provisions of the bill could be eliminated and just add "or future" to the provision.

Senator Bush, seeming exasperated, asked Commissioner du Pont to draft a bill that would satisfy the intent of S. 796 while resolving his concerns. Du Pont declined the offer. He said, "Mr. Murray . . . I would infer was opposed to that sort of thing." Senator Bush asked du Pont to talk with Murray and let him know the subcommittee had asked him to draft the language. Du Pont said, "I feel quite certain he would not until the President's program is drawn up."

With that, Commissioner du Pont's testimony came to an end.[106]

Formulating a Highway Policy

As 1953 came to an end, the Administration had not formulated a highway policy. However, du Pont had begun gradually reshaping BPR, as he told AASHO in a speech during the association's annual convention in Pittsburgh. Speaking on November 10, he said he had known Thomas H. MacDonald during "the majority of the years he served as Commissioner." His administration of BPR had "been a unique one, the progress made during those years outstanding, and the integrity and honesty of his administration has never been questioned":

> While I obviously cannot parallel Mr. MacDonald's administration, nor dictate or control what may be ahead of us, I can guarantee you need have no concern as to the honesty and integrity of Public Roads.

He took office, he said, on April 1. He hoped "there is no significance in the date I assumed the responsibility of administering Public Roads." He had not brought in his own people, except for the new solicitor. "I came to the Department without any preconceived ideas of reorganization and only the conviction that changes would be made in the interest of economy, efficiency, and maximum cooperation and latitude in dealing with each State consistent with our responsibility as directed by the Congress." He had brought in the management consultant firm of Booz, Allen, and Hamilton to review operations. The firm had submitted its report, which he was reviewing.

Although he did not say so explicitly, he found that BPR had been organized around MacDonald, who basically made all the decisions, including on personnel matters. Even the Deputy Commissioners did not share in the responsibilities of management:

[106]Ibid., pages 18-30.

> While this type of organization is highly desirable in some instances, I felt the staff type of organization superior and immediately arranged for weekly meetings with the deputies and solicitor who, together with myself, are responsible for the formulation of policies, making decisions, etc.

Du Pont also ended the practice of waiving the mandatory retirement age of 70 for BPR employees "who should have retired . . . but who by special extension of the retirement age were continuing to serve." This policy of waiving the retirement age "adversely affected the promotion of younger men, and has been discontinued." He was developing plans for a logical promotion and retirement policy to avoid "a concentration of any age group in important positions or levels."

He had established "a committee of outstanding men" to evaluate Public Roads' research work. "These men are contributing their services in reviewing our current program, and will also consider any possible changes in making our future research more effective."

BPR's overhead expenses had been increasing by about $400,000 a year; he had reversed that trend. Operating expenses for FY 1954 would be $400,000 less than for FY 1953.

Beyond that, he could not predict "what our ultimate overhead and organization set-up will be . . . until we know the nature and extent of our responsibilities as may be given us by the next Congress":

> Regardless of what our responsibilities may be, our objective will be the same, namely, to create a Bureau which will administer its responsibilities with the maximum recognition of individual State problems and the minimum of red tape, review and delay, to the end that Public Roads shall attain a continuing higher position of competency, understanding and respect of all the States and Territories.

That brought him to a key issue:

> And now for the $64 question: What is in store for Public Roads and what will be the Federal highway program? This I cannot answer.[107]
>
> As you well know, Public Roads is purely an administrative agency. It has no policy making or legislative responsibility. These are the joint responsibility of the Administration and the Congress.

Whatever the policy, BPR would provide factual and statistical data to the White House and Congress:

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[107]The phrase "$64 question" was from a popular 1940s radio show, *Take It or Leave It*, where contestants who answered a series of questions reached the final, hardest question – the $64 question. The format was adapted in 1955 for television as *The $64,000 Question*, a phrase that is sometimes used today to reflect the hardest question or issue.

> We have cataloged for the Subcommittee on Roads of the House, all of the testimony given at the hearings last spring. In addition, we will make recommendations for the consideration of the Congress for certain changes in future legislation, which is enacted would simplify those administrative problems which currently cause the majority of our difficulties in administration.
>
> Regardless of what may be said at this and subsequent meetings during this convention, the Congress and only the Congress, with Presidential approval or over the veto, can tell the future Federal highway program.[108]

Chairman Dondero of the House Committee on Public Works, in his speech, told AASHO that repealing the Federal gas tax or abolishing BPR would be "a tragic mistake":

> We could not expect the 48 states to add 2c. per gal. to their taxes to obtain more money for building roads. Some states might do so, but others would reject the idea. A substantial increase in the amount of federal funds apportioned among the states would at least be a partial solution of the problem. I have introduced legislation for that purpose without increasing the federal tax.

Abolishing BPR "would result in chaos and confusion. There would be no coordinating agency to integrate the highway programs of the states."

Chairman McGregor of the Subcommittee on Road declared in his speech that highway users paying 2 cents a gallon for gas were entitled to the benefit of the full amount for Federal-aid highways. Whatever the program's faults, it "has given us a system of surface transportation unequaled, or even approached, anywhere else in the world":

> A cooperative program that has worked as effectively as our road program is not one that should be radically tampered with, cast aside or destroyed without adequate proof that whatever could be substituted therefor would be better.
>
> Thus far I have seen no evidence to convince me that this proved and effective process should be obliterated, to be replaced by some short-lived procedures whose attributes and siren qualities have not been proved. Let us not suddenly abandon the known for the unknown. Let us not be deluded by wishful or even selfish thinking until something more concrete and understandable seems attainable.

Among the States, Pennsylvania was one of the leaders in getting the Federal Government out of the gas tax and abolishing BPR. Governor John S. Fine explained that he supported the Governors' Conference policy resolution affirmed in the summer:

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[108]Du Pont, F. V., "What's Going On In Public Roads," American Highways, January 1959, page 11.

> Millions of dollars now collected by the federal government for gasoline used in cars traveling state highways have been siphoned out to Washington without any commensurate return in federal aid for state highway construction.

The Governors' Conference did not dispute the Federal Government's right to participate in nationwide highway planning, but the members agreed, unanimously, that the States were primarily responsible for construction, maintenance, and supervision of the Nation's highways systems. As a result, the States should be able devote all revenue from taxation of gasoline for these purposes.

Senator Edward Martin (R-Pa.), chairman of the Senate Committee on Public Works, agreed with Governor Fine that the Federal Government should withdraw from taxation of gasoline. He thought the Federal-aid highway program should be cut back, with tolls imposed on appropriate free highways.

He calculated that bringing the highway system up to 1953 needs would cost $40 billion, without regard to future needs. All highway user taxes in the country resulted in $7.5 billion a year, an amount that could be supplemented with toll revenue and real-estate taxes now spent on highways to bring the total to more than $8 billion a year. "If half of these revenues were devoted to highway purposes, our road system would be brought up to present requirements in 10 years, and the cost would be paid by those getting the benefit."

In 1952, AASHO had adopted a policy statement calling Federal-aid expenditures to at least equal receipts from the Federal excise tax on gasoline. For 1953, AASHO did not link the program to a specific tax. The policy statement noted that AASHO had long called for abandonment of the Federal gas tax, leaving it to the States, but Congress had not done so. AASHO recognized "without question that under our constitutional procedures it is the prerogative of the congress to levy taxes and control their disbursement as an exercise of congressional responsibilities."

Now, in 1953, AASHO declared that "federal financial responsibility in the field of highways should not be evaluated on the source or method of deriving revenues that it sees fit to apply in the discharge of its responsibility in the highway field, and that the congress should legislate on highway matters in the light of its own good judgment and the economic and defense needs of the country."

AASHO also upheld the existing Federal-State relationship with BPR. The State highway agencies and BPR sometimes had sharp differences on policies and procedures, but "all such differences can be harmonized amicably by adequate discussion by competent and intelligent representatives" of the State and Federal agencies. AASHO recommended retaining current apportionment formulas and the 50-50 Federal-State matching ratio for Federal-aid highway funds except for the Interstate System. For the Interstate System, funds should be apportioned based on population, with no State receiving less than three-fourth of 1 percent of the total. The Federal-State matching ratio should be 75-25.[109]

President Eisenhower Turns to Highways

From the start of the Administration until July 1953, when an armistice ended the Korean War, President Eisenhower and his staff did not formulate a policy on the highway program. With Federal-aid highway reauthorization on a 2-year cycle, the Eisenhower Administration had little incentive for a public position during the gap between the Federal-Aid Highway Act of 1952, signed by President Truman, and the Federal-Aid Highway Act of 1954, which President Eisenhower would sign.

At the start of 1954, President Eisenhower was ready to think about highways. In a radio and television address on January 4, 1954, he discussed the Administration's purposes and accomplishments. In it, he hinted at his intention to begin focusing on the Nation's highway problems.

> This administration believes that no American – no one group of Americans – can truly prosper unless all Americans prosper . . . . We believe that the slum, the out-dated highway, the poor school system, deficiencies in health protection, the loss of a job, and the fear of poverty in old age – in fact, any real injustice in the business of living – penalizes us all. And this administration is committed to help you prevent them.

This speech, unbeknownst to those who heard it, would be the start of a sustained presidential initiative that would continue through 1956 and continue in his second term in office.

Three days later, he returned to the theme in his State of the Union Address. "Much for which we may be thankful," he said, "has happened during the past year," including the armistice in the war in Korea. Beyond that:

> The nation has just completed the most prosperous year in its history. The damaging effect of inflation on the wages, pensions, salaries and savings of us all has been brought under control. Taxes have begun to go down. The cost of our government has been reduced and its work proceeds with some 183,000 fewer employees; thus the discouraging trend of modern governments toward their own limitless expansion has in our case been reversed . . . . Segregation in the armed forces and other Federal activities is on the way out.

Amidst these and other positive trends, his goal was "the building of a stronger America." He described what he had in mind:

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[109]"State Highway Officials Draw Federal-Aid Policy," *Better Roads*, December 1953, pages 15-17.

> A nation whose every citizen has good reason for bold hope; where effort is rewarded and prosperity is shared; where freedom expands and peace is secure – that is what I mean by a stronger America . . . . We mean to build a better future for this nation.[110]

He outlined the Administration's plans to sustain a strong economy, which included "public-works plans laid well in advance." On the subject of national highways, the President said:

> To protect the vital interest of every citizen in a safe and adequate highway system, the Federal Government is continuing its central role in the Federal Aid Highway Program. So that maximum progress can be made to overcome present inadequacies in the Interstate Highway System, we must continue the Federal gasoline tax at two cents per gallon. This will require cancellation of the ½ cent decrease which otherwise will become effective April 1st, and will maintain revenues so that an expanded highway program can be undertaken.
>
> When the Commission on Intergovernmental Relations completes its study of the present system of financing highway construction, I shall promptly submit it for consideration by the Congress and the governors of the states.[111]

The President followed up on his highway comments in his annual budget message, submitted on January 21. "Efficient transportation and communication services," he said, "are essential to the national economy and the national security." Again referring to the presidential commission, he indicated that an intensive reappraisal of Federal responsibilities was underway:

> The general principles guiding this reappraisal are that the national interest will usually be served best by a privately owned and operated industry, which is supported by a minimum of Federal funds or Federal basic facilities and services operated at the lowest feasible cost and financed, where possible, by charges levied on the users of the services.

The President said that expenditures for Federal-aid highway projects in FY 1955 would be the highest in history:

> Emphasis in the selection of new projects will be given to the national system of interstate highways, which comprises the most important routes for interstate commerce and national defense . . . . We should give increased attention to eliminating the existing inadequacies of the national system of interstate highways. Pending development and review of detailed proposals for extension of the Federal-aid highway program, I am

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[110]Eisenhower, President Dwight D., "Radio and Television Address to the American People on the Administration's Purposes and Accomplishments" (January 4, 1954), *Public Papers of the Presidents of the United States*, U.S. Government Printing Office, 1954, page 3.

[111]"Annual Message to the Congress on the State of the Union" (January 7, 1954), *Public Papers*, page 18.

> including under proposed legislation the 575-million-dollar level of the existing authorization.[112]

(He was referring to the Federal-aid highway funds authorized by the Federal-Aid Highway Act of 1952 for each of FYs 1954 and 1955. Under standard Federal-aid highway laws, the funds were available to the State highway agencies for expenditure during the fiscal year for which the sum was authorized and the next 2 years. As mentioned, Congress appropriated a lower amount to be obligated in FY 1954, although the funds authorized for but not obligated during FY 1954 would remain available to that State for another 2 years.)

On January 28, the President submitted his annual economic report to the Congress. He noted that the present military and economic situation gave the American people a "great opportunity" for "a sustained improvement of national living standards." The government must play a role in making this opportunity a reality:

> It is Government's responsibility in a free society to create an environment in which individual enterprise can work constructively to serve the ends of economic progress; to encourage thrift; and to extend and strengthen economic ties with the rest of the world.

Funding for public works was among the arsenal of weapons available to the Federal Government for maintaining economic stability. He predicted an increase in expenditures by State and local governments, which faced "a vast backlog of needed schools, highways, hospitals, and sewer, water and other facilities." But the Federal Government had a role to play, too. Strengthening the highway system was among the steps the Federal Government could take to "stimulate the expansive power of individual enterprise."[113]

The President raised the issue yet again at his news conference of February 10, 1954. His opening statement discussed his request that the Federal Government retain the half-cent of the gas tax that was scheduled to expire. His plan was to use the revenue "to push the good roads program throughout the United States." He added:

> In the past, not all of this money has been put out on road construction in matching funds with the States. We hope to do it with all of it, and if we are successful, it will increase the Federal participation, I think, by some $225 million on a matching basis with the States.[114]

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[112] "Annual Budget Message to the Congress: Fiscal year 1955" (January 21, 1954), *Public Papers*, page 176.

[113] "Annual Message Transmitting the Economic Report to the Congress" (January 28, 1954), *Public Papers*, pages 215-218.

[114] "The President's News Conference of February 10, 1954," *Public Papers*, page 245.

Although he was not supporting a "Highway Trust Fund" mechanism, he was offering his support of a linkage between gas tax revenue and highway expenditures. As the questioning made clear, he was uncertain about the details beyond retaining the gas tax at 2 cents a gallon.

Glenn Thompson of the *Cincinnati Enquirer* tried to clarify the dollar amount:

> Q. Glenn Thompson, Cincinnati Enquirer: Yesterday Congressman McGregor introduced a bill in the House which would increase the Federal contribution to highway building not by $225 million but by $289 million. He described his bill as introduced for the administration. I wondered if your statement of $225 million is an intentional change from that bill?
>
> THE PRESIDENT: Well, the figure that they gave me this morning was 250, and I was merely trying to be conservative. [Laughter] I don't know exactly what the amount is.
>
> Q. Mr. Thompson: Mr. President, may I ask what the administration's position is – 225, 250, or 289?
>
> THE PRESIDENT: Well, as a matter of fact, I came in here to talk to you about a principle based on a 2-cent tax; I don't know exactly what the figure is, and I can't be expected to know.[115]

The President returned to the subject of the Nation's highway needs on February 17, when he addressed the 2,500 delegates to the White House Conference on Highway Safety, organized after the President met with industry officials the previous July. Although safety was essentially a local or community issue, he said that "when any particular activity in the United States takes 38,000 American lives in one year, it becomes a national problem of the first importance." He explained:

> I was struck by a statistic that seemed to me shocking. In the last 50 years, the automobile has killed more people in the United States than we have had fatalities in all our wars: on all the battlefields of all the wars of the United States since its founding 177 years ago.

He acknowledged that this was a problem that "by its nature has no easy solution." He did not intend to get into the technicalities because "you know much more than I do." However, he felt that the key was public opinion. If, he said, "we can mobilize a sufficient public opinion, this problem, like all of those to which free men fall heir can be solved."

Looking to the future, he saw a continuing problem:

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[115]Ibid., pages 252-253. Although the additional tax was to be repealed on April 1, 1954, the Excise Tax Reduction Act of 1954 extended the tax for a year. President Eisenhower signed the legislation on March 31, 1954 (P.L. 83-324).

> The same list of statistics that I saw said that in 1975 – I don't know why I should be bothered about that year, except I have grandchildren – there are going to be 80 million automobiles on our streets and roads and highways.[116]
>
> Now, the Federal Government is going to do its part in helping to build more highways and many other facilities to take care of those cars. But 80 million cars on our highways! I wonder how people will get to highway conferences to consider the control of highway traffic. It is going to be a job.
>
> But that figure does mean this: we don't want to try to stop that many automobiles coming . . . we want them. They mean progress for our country. They mean greater convenience for a greater number of people, greater happiness, and greater standards of living.

Even as President Eisenhower was focusing on highways, Congress was again turning its attention to the need for a Federal-aid act. At ARBA's annual conference, held in Atlantic City, New Jersey, the leaders of the House Committee on Public Works made clear that they were ready to advance the legislation, many repeating arguments from their AASHO speeches. Chairman Dondero made a comment that was carried across the Nation by press and radio: "I believe the American people would applaud the suggestion that we reduce foreign aid a billion dollars and spend it on the highways of the United States."[117]

Chairman McGregor also rejected elimination of the gas tax and a reduction in the Federal role exercised by BPR. The problem of the gas tax, he thought, resulted from the fact that only about 50 percent of the Federal gasoline tax revenue was being used for highway purposes. He seconded Chairman Dondero's view: "Let's stop sending our excise tax money to foreign countries and use it to build roads, and for other worthy purposes here at home."

As for the Federal-aid highway program, which he said had helped create the world's greatest road network, he rejected the idea of abandoning it:

> This success has been achieved through a State-Federal partnership which has preserved completely the sovereignty of each State and, at the same time, has provided for Federal participation in meeting Constitutional obligations and needs . . . . In a Nation as big and growing as rapidly as America, continuation of this long-range, large-scale highway program is essential to the well-being of our country and its citizenry.

Representative Fallon, the former subcommittee chairman, now the ranking Democrat on the subcommittee, shared the view of the Republican leaders. "The Federal-aid highway program [is] vital to the national welfare and economy." He added, "There has never been, to this day,

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[116]Total motor vehicle registrations in 1975 actually totaled 133 million vehicles, including 107 million automobiles. *Highway Statistics--Summary to 1985*, FHWA (HPM-10/4-87(4M)P), 1985, page 25.

[117]Quotes and account of the ARBA conference from "ARBA Annual Meeting a Significant Event," *Road Builders' News*, January-February 1954, page 5.

any favoritism or partisan politics involved in Federal assistance to the States in highway matters."

Urban expressways, he believed, deserve a high priority:

> We must realize that if our motor vehicle transportation is strangled in the congestion of our urban centers, in a larger sense we may be strangling our whole economy. It would be very poor government, on any level, that would pinch pennies for streets and roads, and particularly urban transportation, and thus paralyze the most effective gear in our economic machine.

As these comments reflected, they remained as supportive of the Federal-aid highway program, BPR, and increased Federal investment in highways, despite any contrary testimony during the 1953 hearings.

Commissioner du Pont also addressed the meeting. He repeated some of his comments to AASHO about his perspective on the role of BPR. He said the division of responsibility between the Federal and State governments was an issue to be decided by the Administration and the Congress. That was not BPR's job. But he made clear that any thought that the Nation could not solve its problem of inadequate highways – that it did not have "the engineers, the contractors, the manpower, the equipment and the wherewithal" – is "juvenile, pessimistic, and unrealistic."

Given the extensive hearings in 1953, the hearings on the pending Federal-Aid Highway Act of 1954 were brief – 3 days in the House and 6 in the Senate. The House hearing began on February 15 with introduction of bills amending Federal-aid laws dating to 1916. The committee also posted several letters regarding H.R. 7818, which Chairman McGregor had prepared after consultation with representatives of the Department of Commerce.

He introduced letters he had requested from department heads on the bill. Deputy Director Hughes of the Bureau of the Budget wrote on February 14 in support of the bill. Citing the President's statements in support of highway improvement, Hughes wrote, "H.R. 7818 would accomplish the highway objectives of the administration through the fiscal year 1957." In addition to providing funds for the traditional Federal-aid program, the bill would "also encourage a rapid acceleration in highway construction on the national system of interstate highways." In view of the bill's increase in funds, to $200 million a year for the Interstate System, it was "vitally important . . . that the Federal gasoline tax be continued at its present level of 2 cents per gallon." The bill, Hughes noted, provided that the increased authorization would not become available unless the tax remained at 2 cents a gallon.

Hughes was pleased that H.R. 7818 retained the 50-50 Federal-State matching share for the Interstate System. He acknowledged proposals to increase the Federal share but "the effect of these proposals would be less highway construction than is possible under the traditional 50-50 matching ratio." It ensured that the Federal Government and State highway agencies would "continue as equal partners in progress for the improvement of our highway systems."

H.R. 7818 included a provision stating that the Secretary of Commerce "shall be deemed to have discharged his responsibility relative to the plans, design, inspection, and construction of" Federal-aid second projects upon receipt of a certified statement from the State highway agency that the project was developed in accord with Federal-aid requirements." Hughes agreed with a communication from Chairman McGregor that the wording would be changed to read "may discharge."

He also wanted to address questions about why H.R. 7818 assigned authorities to the Secretary of Commerce rather than to the Commissioner of Public Roads as in past legislation:

> The language follows one of the most important findings of the first Commission on Organization of the Executive Branch of the Government, namely, that executive accountability is defeated when statutory authorities are vested in the subordinates of the heads of the executive departments.

The committee also introduced a February 24 letter from Secretary Weeks. He noted the change in language regarding the Federal-aid secondary projects, but enclosed a detailed statement by Commissioner du Pont who went through each section of H.R. 7818 and provided comments as warranted. For example, regarding the increased funding for the Interstate System, du Pont wrote:

> The substantially increased authorizations proposed for the national system of interstate highways are considered essential in order to overcome the steadily growing deficiencies and to accelerate urgently needed improvements on that system . . . .

H.R. 7818 provided that authorizations for the Interstate System "may be used for the construction, reconstruction, and improvement of such system, inclusive of necessary bridges and tunnels." Du Pont agreed with the change, but pointed out that the current definitions of "highway" did not include "tunnels. He recommended modifying the definition accordingly.

His statement concluded:

> The Bureau of Public Roads favors the enactment of H.R. 7818 subject to the amendments recommended above.[118]

Commissioner du Pont testified on the first day of the House hearings, February 15. He began by going through his statement, leaving out some details in the interest of brevity.

Representative John C. Watts (R-Ky.) asked about a provision calling for Interstate construction funds to be available for 6 months after the close of the fiscal year for which they were authorized, instead of the usual 2 years. Du Pont replied, "I think it is merely as an inducement to spend this money more rapidly on the interstate system."

Representative George was concerned that States with limited matching funds might be forced to use what they did have on Interstate projects, rather than State needs. Du Pont told him, "That is the theory of it. How effective it will be I am frank to admit I do not know."

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[118]Federal-Aid Highway Act of 1954, Hearings Before the Committee on Public Works, U.S. House of Representatives, 83rd congress, 2d Session, Report No. 83-13, pages 14-17.

Representative Watts also asked about a provision in H.R. 7818 that allowed State to switch up to 25 percent of funds apportioned for each Federal-aid system (primary, secondary, and primary extensions into urban areas) to another category. He wondered if BPR would object to including Interstate funds among funds that could be partially switched. Du Pont told him, “I think it would be quite all right to switch up to that interstate, but not downward from the interstate.”

Representative Watts was concerned about a situation where a State has completed its Interstate mileage and wanted to use the funds for other purposes, adding, “I doubt that is true.” Du Pont replied:

> I do not believe it is possible. The interstate system is the most deficient and most important strategically, and for those reasons I think it would be desirable to shift up, but not, let us say, to dilute this fund by shifting down.

Representative Frank E. Smith (R-Ms.) pointed out that the States, which know their situation better than BPR does, might want to make just such a switch, but du Pond told him:

> I am sure they know their States better than I do. I have a report here all of them and they state that the interstate system is very deficient.

Chairman McGregor pointed out to his colleagues that there has been “a tremendous drive in some places in opposition to the interstate system.” If Congress gave the States the authority to transfer Interstate funds to other funding categories, “we would not get the interstate system started and put into effect, because in some States they had taken their interstate money and put it on some other system.”[119]

Most witnesses endorsed the need for urban highways, with the Interstate System as the best approach for providing them. Only rural road advocates were concerned about the emphasis on the Interstate System. Witnesses also advocated the gas tax as the best way to finance the expanded program. As Professor Seely noted, "Even truckers renounced their previously vociferous opposition to federal gas taxes and endorsed the AASHO's plan."[120]

The bill that emerged from the House Public Works Committee addressed the variety of needs by increasing funds for all of them. Authorizations for the program totaled $800 million in each of the two fiscal years. The bill authorized $200 million a year for the Interstate System on a 60-40 matching basis plus increased funding for primary, secondary, and urban roads in FY's 1956 and 1957. It gave increased weight to population as an apportionment factor for the Interstate System, but also made Interstate funding contingent on continuation of the 2-cent gas tax. This implicit endorsement of linkage between gas tax revenue and Interstate construction expenditures was part of the bill the House approved on March 8 without amendment.

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[119]Federal-Aid Highway Act of 1954, pages 30-53.

[120]Seely, page 212.

As the Senate began its consideration of the 1954 legislation, Senator Case, chairman of the Subcommittee on Roads, introduced his bill, S. 2859. It authorized a total of $800 million for each of FYs 1956 and 1957, including $600 million for the Federal-aid highway systems. Section 2 referred to the Interstate System designated by the Federal-Aid Highway Act of 1944 "and extended to a total of about fifty thousand miles" and authorized the additional sum each year of $35 million for "the purpose of expediting" the Interstate System. The bill included a 60-40 Federal-State matching share for projects on the Interstate System, whether the funds came from the authorization for the Federal-aid primary system or specifically for the Interstate System.

As hearings began on February 19, the first witness was Alfred E. (Alf) Johnson, chief engineer of the Arkansas State Highway Department and the 41st president of AASHO. Before he began speaking, however, Chairman Case pointed out that Commissioner du Pont was in attendance. "I didn't know you were going to be present, but you are certainly welcome, Mr. du Pont." He added that "if there is time this morning and he cares to say anything, we will be glad to do that."

Commissioner du Pont thanked him for the invitation, but said, "I have a great deal of respect for Mr. Johnson. I am here merely because of my interest in this program."

Johnson's prepared statement commented on a variety of topics in the bill. On behalf of AASHO, he objected to the reference to a 50,000-mile Interstate System:

> We of this association believe that it is imperative that the 40,000 miles originally established as the limitation on the interstate system be maintained as the top limit, certainly until such a time as we can see some indication of the possibility of the early completion of the interstate system.

AASHO favored an increased Federal share for Interstate projects:

> We believe that circumstances are such as to make necessary the "buying of a priority" for funds for this system. We believe further that the national defense aspects of the system fully justify a more favorable matching ratio on the part of the Federal Government than that provided in existing legislation. We have recommended to you that that matching ratio be on the basis of 75 percent Federal and 25 percent State, with the public land sliding scale still to be applicable.

Johnson also explained AASHO's concerns about the provision in the House bill linking the Interstate funds to the 2-cent a gallon gas tax:

> This association has always taken the position that the Federal participation in the highway program should be predicated upon the highway needs of the country rather than upon any specific tax . . . . To sum up the interstate question, if it be needed in the national defense, and we believe that it is, it may be needed much more rapidly than any of us would like to contemplate, and it should be financed in a manner to provide it

quickly and uniformly in each of our States. That should be the criteria determining your ultimate decision.[121]

On February 19, Senator Martin, chairman of the Committee on Public Works, introduced his version of the bill, S. 2982. It tracked the Case bill but authorized $200 million for the Interstate System, did not suggest expanding the network, and called for the standard 50-50 matching ratio to be applied to Interstate projects. The Martin bill also retained the condition that the funds for the Interstate System would not become available unless the 2-cent a gallon gas tax remained in effect.[122]

Under Secretary Murray, accompanied by du Pont, testified on February 26. Chairman Martin asked Murray for the Commerce Department's view on the condition regarding the 2-cent gas tax. Some States, Senator Martin said, had indicated that retaining that provision would make it difficult for them to plan for Interstate projects.

Murray said, "my instructions are this is the bill which the administration will support." He did not think any State highway agency would be inconvenienced. However, in view of the budgetary problem, if the temporary half-cent gas tax were not going to be made permanent, "we should then rearrange our thinking on the overall amounts."

The questioning covered many topics but at one point, Senator Bush asked about continuation of the 2-cent gas tax:

> Senator Bush. Does the Secretary care to comment on this 2-cent gas tax? Is there any consideration of recommending the abolition of this 2-cent Federal gas tax at the present time?
> Secretary Murray. That is not contemplated in this bill. The bill contemplates continuation of the 2-cent gasoline tax.
> Senator Bush. I understand the matter is under consideration by the Study Commission on Intergovernmental Relationships.
> Secretary Murray. That is correct. That committee has had working a subcommittee on highways as one of their projects, and the subcommittee, as you know, has reported to the full committee.
> Senator Bush. Did they ask you to testify on that subject?
> Senator Murray. Yes, sir.
> Senator Bush. And you recommended the continuation of the 2-cent gas tax?
> Secretary Murray. The position of the Bureau of Public Roads and the Department was simply to supply information which was requested by the committee. It is my understanding that the study of the subcommittee is now before the full committee for whatever action they desire to take.

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[121]Federal-Aid Highway Act of 1954, Hearings Before a Subcommittee of the Committee on Public Works, United States Senate, 83rd Congress, 2d Session, pages 5-10. Johnson's testimony continued through page 34.

[122]Federal-Aid Highway Act of 1954, pages 35-38.

Senator Spessard L. Holland (R-Fl.) pointed out that since the inception of the gas tax in 1932 as a deficit reduction measure, "there has never been heretofore any willingness of the Federal Government to consider the gasoline tax as creating a specific fund for road construction under the Federal-aid system." He was "encouraged" that the Interstate funds were linked directly to continuation of the 2-cent gas tax. He wanted to know if the Eisenhower Administrator saw the gas tax "as creating a specific fund for the construction or the assistance in constructing the interstate highway system."

Under Secretary Murray replied:

> Senator, it is my understanding that it does not; that this represents purely a budgetary problem at a time of great budgetary stress; that we have a serious highway deficiency on the one hand and we have a serious budgetary deficiency on the other hand.
>
> If the general fund does not suffer the loss of a half cent for gasoline, it would then meet with the approval of the administration to have from the general fund a larger amount spent on highways, namely, this $200 million on the interstate system.

The administration wanted to retain the traditional split for authorizations for the primary, secondary, and urban extensions (45-30-25), but wanted to add funds for the Interstate System:

> Whether we can afford to do so somewhat depends on the revenues which are taken in; and, therefore, the two go hand in hand, without any intimation that there is any linkage involved between the half cent on the gasoline tax and the expenditures on the interstate system.

But, Senator Holland suggested, the linkage was there as a practical matter. Murray replied:

> As a practical matter, if we can afford to do this expenditure on the interstate system, we would like to do so. Whether we can or not depends upon the amount of gasoline tax.

He would have to "send a telegram" to the department about linking all revenue from the half-cent gas tax to the Interstate System. At Senator Holland's request, Murray promised to do so, adding that the Treasury Department traditionally opposed linking expenditures to a specific tax. Subcommittee members continued to debate the question at length.

The Bureau of the Budget addressed the issue in a March 3 letter to Chairman Martin commenting on the two Senate bills. The letter covered several subjects, but on the issue of the gas tax, Assistant Director Donald R. Belcher said the authorization of $200 million for the Interstate System was "clearly required":

> At the same time, this increase over the existing level represents a substantial additional fiscal commitment. It is vitally important, therefore, that the Federal gasoline tax be continued at its present level of 2 cents per gallon. The bill recognizes this necessity by providing that the increased authorization for the interstate system shall not become available unless the 2-cent Federal gasoline tax is in effect.

Regarding the issue of earmarking the half-cent tax for the Interstate System, Belcher wrote:

> The administration has opposed this kind of specific earmarking of Federal revenues in the highway program as well as in a number of other programs. It is our belief that such earmarking limits the ability of both the Congress and the executive agencies to adjust Federal programs to meet changing needs and fiscal conditions. In proposing that the increased interstate highway program be made conditional on the continuation of the present 2-cent gas tax, S. 2982 simply reflects the fact that, in view of the present budgetary situation, the Federal Government cannot afford to expand its activities in this field without at the same time having assurance that sufficient revenues will be available to cover the additional costs.

Belcher also objected to the increased Federal share for Interstate projects:

> In our judgment, the effect of these proposals would be less highway construction than is possible under the traditional 50-50 matching ratio. In addition, since the national system of interstate highways is wholly included within the regular Federal-aid highway systems, we believe that the Federal Government and the States should continue as equal partners in programs for the improvement of our highway systems.[123]

Commissioner du Pont was scheduled to testify immediately after Murray, but yielded his spot to a witness, AAA's Clinton S. Reynolds, who could not appear any other day.

Du Pont returned for direct testimony on March 3, accompanied by Charles D. (Cap) Curtiss, Deputy Commissioner for Finance and Business Management. The discussion covered many issues, but on the subject of the Interstate System, Senator Case asked for du Pont's views on the proposed Federal-State matching split of 60-40. He replied:

> Well, it obviously is done as an inducement. It is contrary to the policy of the administration, which is definitely in favor of a 50-50 split on all the Federal funds.
>
> It is not my prerogative to question their philosophy.
>
> It is self-evident, in my judgment, that any inducement that one offers, whatever it be – a hundred percent would be a greater inducement; 75 is less; 60 is less. One cannot deny the fact that it would stimulate the States to spend their money.
>
> I can't conceive of them giving up that percentage.
>
> It might, of course, detract from the expansion or improvement of the other system, because in the aggregate the total amount of money would be less spent by a given State. In other words, they might take advantage of the 60-40 and that, of course, would make a less total than would be the case on the 50-50, or it could make a less total.

[123]Federal-Aid Highway Act of 1954, pages 38-60. Assistant Director Belcher's letter is on pages 326-327.

Senator Case explained that he included 60-40 in his bill because he thought it would "encourage the States to use primary money on segments of the interstate system." Du Pont told him, "I don't think anybody can effectively refute that philosophy."[124]

Although Commissioner du Pont had finished his direct testimony, he remained in the hearing room that afternoon to hear later witnesses, occasionally being invited to comment. For example, after Secretary E. L. Schmidt of the Pennsylvania Department of Highways finished his testimony, Senator Bush asked du Pont to return to the witness table. Schmidt had endorsed an end to the Federal gas tax, but recognized that in reality, the tax would be continued. He objected to increased authorizations for the Federal-aid program because States would have to provide additional funds for the 50-percent match. At the same time, Schmidt objected to any change in the 50-50 matching share for Federal-aid highway projects:

> It is a recognized fact that when the Federal Government pays a larger percentage than the State, the sovereign State then becomes a junior partner in the transaction. This, in our opinion, would be a catastrophe.

He added that Pennsylvania had "always objected strenuously to allocating Federal funds to specific system[s] of Federal-aid highways." He thought the new legislation should allow State highway officials to shift funds from the Federal-aid secondary system to the primary, urban, and Interstate systems at the State's request and with BPR approval:

> Federal-aid secondary funds have been offered to the townships with very little response, which has resulted in matching Federal-aid secondary funds by the State and utilizing the money in reconstructing the most important roads on the State highway secondary system. These funds can be expended in Pennsylvania to the great benefit of traffic on the primary, urban and interstate systems . . . .

After Schmidt's testimony, Senator Bush asked du Pont for his views on the idea of giving States "a good deal more discretion in how to use these Federal grants." Du Pont acknowledged, from many years of personal experience, that the Pennsylvania Department of Highways was highly efficient. As for counties not being able or willing to shift their funds to match Federal-aid secondary funds, du Pont suggested:

> My answer to Mr. Schmidt is: Why doesn't he put all of the highways under his department, and then he wouldn't have that problem?
>
> In other words, they should do it like they do in Virginia, West Virginia, and North Carolina, and they wouldn't have any trouble at all. In those States, they just have one highway department and they use that latitude.

He was referring to a provision in Section 3 of the Federal-Aid Highway Act of 1944 allowing that:

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[124]Federal-Aid Highway Act of 1954, pages 167-186.

> That any of such funds for secondary and feeder roads which are apportioned to a State in which all public roads and highways are under the control and supervision of the State highway department may, if the State highway department and the Commissioner of Public Roads jointly agree that such funds are not needed for secondary and feeder roads, be expended for projects in such State on the Federal-aid highway system.

He added that States in position to take advantage of the provision "don't get into these wrangles in the counties and jurisdictions." He qualified his suggestion:

> Of course, I think you can appreciate the tendency is in the State that has a lot of secondary roads, that are not improved to shift downward instead of upwards, and far be it for me to evaluate that to any extent; and your theory and mine is a desire to shift upwards.

Although Schmidt did not acknowledge du Pont's suggestion that Pennsylvania take control of all roads in the State, he did agree that Pennsylvania would be inclined to shift secondary funds upwards.[125]

Several utility company officials testified during the afternoon, including Clifford L. Sampson of Northwestern Bell Telephone Company. He was representing all 21 operating companies of the Bell System, but he said his company owned 50,000 miles of pole line on public rights-of-way. As other utility company representatives had argued, forcing utility companies to pay for project-related relocations contrasted with the treatment of railroads:

> The equitable approach to this problem would . . . seem to be that when relocations are required by projects of this type they should be considered as part of normal highway construction costs and the burden should be borne from Federal highway funds which come from the taxpayers of the Nation. It should not be placed upon the local utility user who receives no benefit from it.
>
> Under the terms of the present Federal-Aid Highway Act railroads are reimbursed out of Federal funds for the cost incident to the elimination of railway-highway crossings . . . .
>
> We believe that the reimbursement of railroads for the relocation costs incurred in connection with these Federal-aid projects is justified. However, we feel that other utilities should be accorded equal treatment.
>
> The unfairness of not according similar treatment to other utilities is emphasized by the fact that railroad facilities create a hazard to the traveling public, but the facilities of nonrailroad utilities do not present a hazard.

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[125]Federal-Aid Highway Act of 1954, pages 207-213.

Greater care by the States in selecting highway routes might reduce the problem. Making utility relocations eligible for Federal-aid highway funds "would greatly encourage such a result as engineering of highway routes would be based on achieving maximum overall costs."

The problem, Sampson said, was increasing:

> It is a problem which has become increasingly serious as the result of the primary and interstate highways becoming involved in the construction of clover leaves, multiple lanes and other features requiring greatly widened rights-of-way.

He also objected to provisions in pending bills calling for a study of the issue. "With all due respect to those who make this suggestion, we do not believe anything could be accomplished by such a study and that such a provision would serve to delay action for possibly 2 years or more that is needed today."

At the end of Sampson's testimony, Senator Bush asked Commissioner du Pont about the different treatment of railroads and utilities. Du Pont offered several reasons for the difference:

> I think the real basis for that is, generally speaking, the railroads acquired and purchased the majority of their rights-of-way at investments of tremendous capital. It is true some of the western railroads were given grants in the development of the West, but the fact is it wasn't their property.
>
> Most of these utilities companies were given the right as a means of expanding the company at lower expense to put their poles – in the majority of States with which I am familiar, they have a franchise – the consideration[,] sometimes a nominal consideration, a dollar, $5 – the consideration of moving at the will of the State highway department or the governing body and they do not pay a fee for the use of it.
>
> I think that is the fundamental point. Then you have a third factor, as far as the railroads, in my judgment. The railways are competitive with the highways. Here you have a situation where they are certainly not competitive, and you do not have any accident record primarily from utilities, other than on occasion; but you had tremendous pressures against eliminating these hazards on the highway.
>
> And there is another factor which, incidentally, is one of the reasons they [the utilities] do not like these private rights-of-way and would prefer to be on the highways, and that is the servicing of the facility. Obviously it would be far more expensive without the highway.

Sampson pointed out that in "States that recognize proprietary right, or whatever you want to call it, the Federal Government recognizes that and does participate with the State in reimbursing the utility company."

Du Pont confirmed that in some cases where State law did not require utilities to move at their own expense, Federal-aid highway funds could reimburse the State on a 50-50 basis for utility relocations. "If the State has the statute, we do it now."

(The Federal-Aid Highway Act of 1944 had broadened the statutory definition of "construction" to include preliminary engineering, right-of-way acquisition, and construction in urban areas. Expansion of the program meant increased need for utility relocations. On May 1, Commissioner MacDonald issued General Administrative Memorandum (G.A.M.) 300 on "Reimbursement of costs of changes to utility facilities":

> Where a utility company is not obligated to move or to change its facilities at its own expense, reimbursement will be made from Federal funds for the costs without surcharge, except as hereinafter provided, of labor, materials, equipment and other services incurred by a utility company in making or incident to making changes to its properties required in connection with the construction of a highway project.

(Reimbursement would be possible if a written agreement existed between the State and utility company regarding the separate responsibilities of each properly supported by a detailed cost estimate and plans.[126])

With Commissioner du Pont still at the witness table, Senator Albert Gore (D-Tn.) changed the subject:

> I want to say, a few months ago I rode on the Appian Way, and then I came home and rode on some cracked-up concrete highways only a few years of age.
>
> I don't propose to be even conversant with engineering technicalities and highway construction, but just as a layman observer it made me wonder if we weren't using too much concrete and not enough cobblestones in the building of highways.

Du Pont seemed a bit surprised by the comment, but explained that the foundation of the Appian Way was the key:

> It is about 5 feet deep, and it starts with large blocks, and then there are smaller blocks that come up, and it is the foundation that makes the Appian Wat what it is today, and you can put any surface on that foundation, asphalt, concrete.
>
> The Appian Way, you may be interested to know, per mile, if built in 1926 would have cost about $200,000. I would hate to venture the amount today.
>
> Our great shortcoming in the building of highways today, in my opinion, has been twofold: Inadequate rights-of-way as to width, inadequate judgment as to grade and, finally, inadequate foundations, which has caused the breaking up of our highways on the loads they carry today.

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[126]Federal-Aid Highway Act of 1954, pages 228-235 (Commissioner du Pont's comments are streamlined to eliminate interjections by Senator Bush; Kirk, James E., *Utility Relocation and Accommodation: A History of Federal Policy Under the Federal-Aid Highway Program*, Federal Highway Administration, June 1980, pages 2-3. General Administrative Memorandum 300 can be found on pages A-6 through A-13.

Senator Gore asked which is more easily repaired:

> Commissioner du Pont. Well, if you have the foundation there, it is merely a surface treatment. It is like an old house. You can always replaster.
> Senator Gore. Does the Bureau of Public Roads have any authority with respect to the choice of material used?
> Commissioner du Pont. The Association of State Highway Officials, which is an organization made up of the engineers of the 48 States, have set standards for the construction of highways, which have been adopted by all the 48 States. Those are the standards we use, and they do not specify specifically asphalt or . . . .
> Senator Gore. Where our highways are breaking up, the standards must not be adequate.
> Commissioner du Pont. They are not adequate for the vehicles that now traverse them.
> Senator Gore. They never have been.
> Commissioner du Pont. Only at the time they were built.
> Senator Gore. Then the number or the size of the vehicles must change very rapidly because . . . .
> Commissioner du Pont. Well, the number has about doubled in the last 15 years.
> Senator Gore. You don't think we could build any Appian Ways in this country?
> Commissioner du Pont. Oh, yes. We could build one, but we can't build an Appian Way for, let's say, a 50,000-pound vehicle and let that vehicle run everywhere else in the country.

Senator Bush and Commissioner du Pont engaged in a brief colloquy on foundations, leading to a brief dialogue with Senator Gore:

> Senator Gore. When did our engineers get the idea as our traffic became heavier and loads heavier we could depend more and more upon a crust?
> Commissioner du Pont. I don't think the engineers ever had that idea. It is simply the demand for some kind of a hard surface – and what happens – as soon as you put that type of facility in a rural community, then you generate traffic that wasn't formerly there, and you can understand . . . .
> Senator Gore. Well, I don't wish to pursue the question. I have no interest in the kind of material that is used, but I was greatly impressed to go over there and find a highway that was thousands of years old still better than I find in my own country built 20 years ago.

Commissioner du Pont agreed it was impressive, but added, "Of course, it is not subjected to the traffic that our roads are subjected to here either."[127]

As the hearings resumed the following day, March 4, du Pont was the first witness. He was called to the witness stand to discuss the testimony on March 3 from utilities industry officials about the cost of utility relocation.

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[127]Federal-Aid Highway Act of 1954, pages 236-237. Commissioner du Pont's estimate of the cost of reproducing the Appian Way in 1926 was from: Rose, Albert C., *When All Roads Led to Rome*, Bureau of Public Roads, 1934, page 42.

The first question involved how much Federal-aid funds had been expended for utility relocations. Commissioner du Pont replied:

> Now, under the present laws in those States that recognize this as part of the cost of construction it is a 50-50 basis because we do reimburse utilities in those States where the State considers it a part of the construction cost.

He agreed to provide a table of the total expenditures for utility relocations.

The information submitted covered 29 States in FY 1953. Out of projects costing a total of $713,373,704 million (Federal share: $357,296,618), the total cost of utility relocation was $513,964.

Second, Chairman Case pointed out that the House bill increased funding for the Interstate System from $25 million, to $200 million, and a bill was being introduced that called for $900 million:

> If the committee is going to give an intelligent answer to the questions that arise with that kind of a proposal before us, we ought to have, I should think, a map, chart, which show us the approximate routes of the interstate system, and its development on a current basis as nearly as you can.

He also wanted to know the amounts expended on the Interstate System.

Commissioner du Pont submitted a copy of the map issued on August 2, 1947, showing the initial designations of Interstate routes. He also submitted two tables. The first showed all expenditures on the Interstate System from primary and urban funds as of February 1, 1954. For all projects completed or programed, the total was: $804,663,685. The second table covered expenditure of the $25 million that the Federal-Aid Highway Act of 1952 had authorized for the Interstate System: $1,752,822.

Chairman Case mentioned the idea of expanding the Interstate System to 50,000 miles. When Chairman Case did not seem to understand the current designations, du Pont explained that BPR was authorized to designate up to 40,000 miles. Thus far, designations totaled 37,800 miles. "I believe for the present time the leeway provided, namely 2,200 miles, is adequate, certainly until we get many of the present deficiencies rectified:

> Senate Case. If you got $900 million, as I understand, that is proposed in the bill that is being introduced today, would that call for an extension of the designations?
> Commissioner du Pont. Not in my judgment, in view of the fact there are existing deficiencies of over $12 billion [as estimated in the 1949 report on *Highway Needs of the National Defense*].

(The bill was S. 3069, introduced by Senator Homer S. Ferguson (R-Mi.). The bill authorized $900 million a year for the Interstate System in FYs 1956 and 1957, with the Federal share of eligible project costs being 75 percent.)

Chairman Case also wanted to ask du Pont about testimony by Representative Charles E. Bennett (D-Fl.) the day before on utility relocation. Representative Bennett had introduced H.R. 7897, which stated that its purpose was:

> . . . to provide for equality of treatment of railroads and other public utilities with respect to the cost of relocation of utility facilities necessitated by the construction of such highways by defining the term "construction" to include relocation and readjustment of utility facilities necessitated by the construction or reconstruction of such highways and by prescribing the extent to which Federal funds may be used for the relocation and readjustment of such utility facilities.

It amended the Federal-Aid Highway Act of 1944 to include utility relocations in the definition of "construction." It also put utility relocations on an equal basis with railroads for purposes of Federal-aid highway funds. H.R. 7897 specified that it applied only to Federal-aid highway projects, not projects entirely funded by the State.

Representative Bennett had explained that further study, as proposed in pending bills, was unnecessary. He urged amending those bills to include the language from H.R. 7887.

To illustrate the problem, he cited a project in Jacksonville:

> It is not a small matter. In my hometown, it amounts to two or three million dollars in a project right now under way, in Jacksonville, Fla.
>
> Furthermore the city would never have chosen the route which has been chosen by the State and Federal Government in conjunction. The city would never have chosen the route if it had any option. They just told the city they had to plunk out two or three million dollars without being consulted at all. That is certainly highly unfair, and I hope the committee will consider this matter when they go into final deliberations on the bill . . . .
>
> The utilities, ultimately the taxpayers, are paying because they own them. They are paying close to $3 million because a Federal highway was located in conjunction by the Federal Government and State Government, which they are not asked about at all.[128]

Commissioner du Pont had heard Representative Bennett's testimony, but did not comment on them because he was not aware of the details of the Jacksonville project. Now, Chairman Case asked about the cost to the utility for the Federal-State routing that the city had not approved.

After hearing the testimony, BPR had looked into the situation:

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[128]Federal-Aid Highway Act of 1954, pages 186-188.

> I find that insofar as that particular route is concerned, there was appointed by the city of Jacksonville a group of some 20 individuals representing industry and Government and all phases.
>
> You gentlemen must understand there must, of necessity, be cooperation between the State and the city in order to effect any arrangements, because we can deal only with the State.
>
> Therefore, that group of representatives, together with the State highway department and one of our representatives sitting in, did develop this route.
>
> Also, in this particular instance, in view of the unusual financing by the county involving toll bridges, and so forth, the county was involved, so that there were, in addition to public roads, these other local agencies, and we concurred in their findings.

Neither Representative Bennett nor Commissioner du Pont identified the expressway, but it appears to involve the routing of U.S. 17 south of the Trout River (future I-95).

Du Pont submitted a report for the record:

> In a report entitled "Interstate Highway Plan for Jacksonville, Florida," dated 1945-46, it is indicated on the title page that the traffic survey and Interstate-highway plan were jointly developed by the State Road Department, the Bureau of Public Roads, and the city of Jacksonville. In the introduction of this report there is a description of the establishment of a local Interstate Highway Committee made up of 20 citizens and civil leaders representing not only the businesses and industries in the area but also all planning groups. This committee studied the data assembled by the State and made several suggestions which were embodied in the final report. The expressway plan later developed in greater detail is essentially the same as that shown in this report.

In March 1950, BPR approved a Federal-aid urban system for the city, including the proposed expressway routes. The Jacksonville City Commission adopted a resolution approving the system on January 5, 1950:

> As part of the P.S. & E submitted for Project U-503 (1), which was completed January 1954, there is a copy of an agreement dated April 28, 1952, between the State road department and the city of Jacksonville covering the adjustment of municipally owned utilities – power, sanitary sewers, and water. This certainly furnishes evidence that the city officials had occasion to review and approve project phases.

[The P.S.&E, or Plans, Specifications, and Estimates, is the document that is put out for bids from construction contractors.][129]

[129]Federal-Aid Highway Act of 1954, pages 270-271.

In these and other ways, Commissioner du Pont participated in the hearings on the Federal-Aid Highway Act of 1954.

Becoming a Law

When the Senate bill reached the floor on April 7, it generated little controversy. It proposed to authorize $910 million for the Federal-aid highway systems for each of the two years covered by the bill. In addition to funds for the primary, second, and urban systems, the bill authorized $150 million for the Interstate System with a 60-40 matching ratio. The Interstate funding was not contingent on continuation of the Federal gas tax at its present level.

On April 13, House and Senate conferees agreed on resolution of differences between the two bills. They agreed on $875 million for the federal-aid system in each of FYs 1956 and 1957. They agreed to set aside $175 million for the Interstate program at a 60-40 matching ratio, subject to sliding scale increases in public lands States, and $700 million for the remaining programs. States were allowed to transfer up to 10 percent of funds authorized for projects on the primary, secondary, and urban extensions of the primary, subject to approval by the Governor. Conferees dropped the reliance on the 2-cent gas tax for Interstate construction funds that had been in the House bill. Congress approved the bill on April 14 and sent it to the President.

The bill called for studies of public utilities issues and the progress and the feasibility of toll roads, authorized State certification for Federal-aid secondary projects,[130] and amended the definition of "Highway" to include "tunnels."

The provision linking or earmarking the Interstate funds to continuation of the 2-cent a gallon gas tax had become moot. Enactment of the Excise Tax Reduction Act of 1954 on March 31 (P.L. 83-324) extended the Federal tax on gas and diesel, as well as the manufacturers' tax on automobiles to April 1, 1955. In signing the bill, President Eisenhower admitted he was concerned about the overall impact on the deficit, but he told reporters that the revenue returned to taxpayers from other parts of the legislation would increase their spending and thus reduce government revenue losses. He was pleased by the extension of the fuel and other taxes that his estimate of the FY 1955 deficit had taken into account.[131]

During debate on the conference report on the Federal-Aid Highway Act of 1954, Chairman McGregor explained that because the Excise Tax Reduction Act of 1954 had extended the tax,

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[130]For the Federal-aid second system funds authorized by the Federal-Aid Highway Act of 1954, "the Secretary of Commerce may, upon the request of any State, discharge his responsibility relative to the plans, specifications, estimates, surveys, contract awards, design, inspection, and construction of such secondary road projects by his receiving and approving a certified statement by the State highway department setting forth that the plans, design, and construction for such projects are in accord with the standards and procedures of such State applicable to projects in this category approved by him."

[131]Morris, John D., "Eisenhower Signs Tax Cut Measure," *The New York Times*, April 1, 1954. The deficit for FY 1955 was $274,374,222,802.62.

“the linkage provision [was] no longer necessary.” However, Representative Dempsey told his colleagues about the importance of the issue:

> For the first time since Federal aid to highways became one of our established policies through congressional action there has been general agreement that the funds derived from the Federal tax on gasoline and diesel fuel should be utilized for highway development. While this is not specifically spelled out in the law and is not a legal obligation it certainly has become a moral obligation that we must recognize.

Jeff Davis, in his history of the Federal gas tax, summarized:

> For the first time, the thought that federal highway spending levels should somehow be linked (formally or informally) to federal gasoline and diesel tax receipts had been publicly expressed and had gained traction.

This suggested linkage would prove critical during debates leading to the Federal-Aid Highway Act of 1956.[132]

On May 6 at the White House, surrounded by the Members of Congress who had crafted the bill, the President signed the Federal-Aid Highway Act of 1954. Secretary Weeks, Under Secretary Murray, and Commissioner du Pont attended the event. *The New York Times* reported that presidential pens were at a premium during the ceremony:

> It was an occasion when members of Congress look for souvenir pens used in the signing, and the President used a handful. He picked up pen after pen to write a portion of his signature.
>
> "By golly," he exclaimed, "that's about all the pens I can use unless I use one for a period."
>
> He had used six pens up to this point and sure enough he used another to make a period. He handed the seven pens to the Congressional delegation.[133]

The President was, he said, gratified that this legislation would allow the Nation to increase the pace of efforts to make up highway deficiencies:

> In recent years the nation has accumulated tremendous highway needs which are becoming increasingly acute. Our highways badly need modernization and expansion to accommodate today's vastly increased motor traffic . . . . This legislation is one effective forward step in meeting these accumulated needs.

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[132]Federal-Aid Highway Act of 1954, *Congressional Record-House*, April 14, 1954, page 5149; Davis, Jeff, Part III, *Transportation Weekly*, June 9, 2010, pages 10-12.

[133]"Eisenhower Signs Highway Aid Bill,” *The New York Times*, May 7, 1954.

He was pleased, too, that it retained the Federal-State partnership, with the States having primary responsibility for highway construction:

> At the same time, it recognizes the responsible relationship of the Federal Government to the development of a sound, nationwide highway system.

Noting that the $2 billion authorized by the new law was the largest 2-year sum ever provided for the Federal-aid highway program, he added that, "the needs are so great that continued efforts to modernize and improve our obsolescent highway system are mandatory."

In addition, he took time to mention one other important point, the symbolic linkage of Federal-aid highway funds to highway user tax revenue:

> The public will welcome, I am sure, the fact that funds equivalent to revenue from Federal gasoline taxes will now be used entirely for the improvement of the nation's highways.[134]

Although FY 1956 would not begin until July 1, 1955, Secretary Weeks apportioned $875 million in FY 1956 funds on July 1, 1954, 6 months ahead of the usual time of apportionment, to accelerate highway improvement. He predicted that thanks to the President's program:

> One immediate result will be the letting by the States in the next 90 days of approximately an additional $100 million worth of contracts over and above the amount of contracts that otherwise would be let . . . .
>
> Our highways urgently need modernization and expansion in order to cure deficiencies and to accommodate the users of the Nation's 56 million motor vehicles. As a result of the President's program, all across the country we are going to have the greatest surge in highway construction in the history of America. That means better roads, safer driving, fewer traffic jams, strong national defense, more jobs and stimulation of business along the improved and expanded highways.
>
> A gratifying feature of the nearly two billion-dollar program is that Federal funds approximately equivalent to the revenue from Federal gasoline taxes will now be used entirely for the improvement and expansion of the Nation's highways.[135]

The Federal-Aid Highway Act of 1954 was widely hailed. It appeared to finally set the Nation on course to build the National System of Interstate Highways first described by BPR in 1939 and authorized by Congress in 1944 for designation. BPR's internal newsletter said of the legislation:

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[134]"Statement by the President Upon Signing the Federal-Aid Highway Act of 1954," Public Papers, May 6, 1954, pages 459-460.

[135]"Secretary Weeks Orders Speed-Up In Apportioning New F-A Funds," *Road Builders' News*, May-June 1954, pages 1, 3.

> The largest Federal-aid program in history for improvement of the Nation's highways has been authorized in the recently enacted Federal-Aid Highway Act of 1954. President Eisenhower signed the record-breaking measure on May 6 at a White House ceremony attended by congressional and other key officials, including Commissioner du Pont . . . . The President hailed the new act as a major step to relieve the large scale deficiencies of our highways. He expressed the view that continued efforts to modernize our highway systems are mandatory . . . . The legislation lays particular stress on the National System of Interstate Highways, $175 million being provided for that system by the 1954 act for each of 2 fiscal years, as compared to $25 million authorized by the 1952 act.[136]

However, the amount of funding authorized was small compared with the need. Regular authorizations would be needed beyond the 2 years covered by the Act. Further, the funding came from a temporary source. The difficult and unresolved issues had been deferred by calling for studies of such questions as the problems associated with utility relocation and the progress and feasibility of toll roads.

In short, the Federal-Aid Highway Act of 1954 lacked some of the key elements of the future Interstate Highway Program. Two features were in place, namely a designated system of major highways and a design standard suitable for safe, efficient travel at high speeds. Two other critical elements were missing: a Federal commitment to complete construction of the network within a specified time frame and a permanent funding mechanism for doing so. Moreover, the design standards adopted in 1945 were out-of-date and the designation process had not yet been completed.

As a result, although some participants in enactment of the Federal-Aid Highway Act of 1954 thought they were getting the Interstate Highway Program underway, the program had not really begun. For that reason, the anniversary of the Interstate Highway Program is not celebrated on May 6 of each year.

The President Runs Out of Patience

Even as he hailed the legislation in public, President Eisenhower was running out of patience with the pace of highway planning by his Administration. The Interstate System would provide economic stimulus during economic downturns. He told his staff that he did not want to "get tagged like [former President Herbert] Hoover did, unjustly, of not doing anything to help in economic bad times."[137] Moreover, as illustrated by his experiences on the 1919 U.S. Army convoy and with the autobahn during World War II, the defense benefits were clear to him in the Cold War atmosphere of the times.

Within the Eisenhower Administration, officials were divided on financing. Under Secretary Murray favored State-financed toll roads. Commissioner du Pont supported 100-percent Federal funding for the Interstate System. Meanwhile, BPR officials were promoting creation of an

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[136]"Federal-Aid Highway Act of 1954," *The News in Public Roads*, June 1954, page 1.

[137]Ambrose, page 158.

Under Secretary of Commerce for Highways to promote development of a national highway system.[138]

The President's frustration had become clear 2 days before Congress completed work on the Federal-Aid Highway Act of 1954. He held a meeting on April 12 to begin reorganizing his Administration's process for making a decision on highway financing. He directed his chief assistant, Governor Adams, and Arthur F. Burns of the Council of Economic Advisors to work with other officials to find a way to accelerate the highway program. According to notes of the meeting, he made clear what he wanted. Professor Rose summarized the guidance:

> Since at least mid-February, 1954, Eisenhower had believed that the federal government should boost road spending in order to accommodate traffic. More automobiles, he thought, meant "greater convenience . . ., greater happiness, and greater standards of living" . . . . Eisenhower himself was seeking a "'dramatic' plan to get 50 billion dollars worth of self-liquidating highways under construction." In terms of construction priorities, he thought the federal government ought to devote greater attention to the Interstate system, to roads from airports into downtown areas, and to access roads near defense installations. While he would condone federal loan guarantees, an expanded road program could not be allowed to upset the federal budget.[139]

With this pep talk, his staff understood what he wanted, but remained divided on how to accomplish it. Rose reported that each official "chose to interpret Eisenhower's instructions differently."

One of those officials was a West Point classmate of the President's, General John H. Bragdon (U.S. Army, retired), who now headed the Public Works Planning Unit in the Council of Economic Advisors. The day of the meeting with the President, General Bragdon had lunch with Commissioner du Pont. In a memorandum for the record that same day, the General wrote that the Commissioner believed the Federal Government had a peculiar interest in the Interstate System, which would accomplish three purposes, "namely, defense; affords maximum contribution to product distribution; and is the central core of the entire highway system."

The Commissioner, General Bragdon wrote, considered toll roads "a necessary evil":

> Mr. du Pont felt that many of these toll roads, instead of being self-liquidating are really self-perpetuating and that as soon as they build up a surplus, they at once extend their system and/or remain in the maintenance business; that they tend to build up small autonomous empires of many employees; that often their economy was fallacious in that if one adds the cost of the toll per mile to the usual transportation cost of operation and maintenance, there would result a ridiculously high cost per mile, often of the magnitude of around 20 cents.

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[138]Rose, page 70.

[139]Ibid., page 71.

Moreover, du Pont did not think the Interstate System could receive the priority it deserved under the present Federal-aid program. He favored the “radical” solution of creating a national highway authority to build the Interstate System with revenue from 1 cent of the Federal gasoline tax. The authority would issue Federal bonds, purchase existing toll facilities for inclusion in the toll-free network, and construct circumferential routes around large cities as well as access highways to the center of cities. Du Pont also favored an end to Federal-aid for the secondary and primary systems, with gasoline taxes reduced accordingly.[140]

Two days later, General Bragdon met with the Herbert Fairbank, who had done the statistical groundwork for the Interstate System through statewide traffic surveys in the 1930's, developed the “masterplan” for interregional highways in 1939, and was the primary author of *Interregional Highways* in 1944. Like du Pont, Fairbank informed the General that toll roads were uneconomical on a long-term economic basis. However, toll financing had the advantage of permitting construction to be completed in a short span, rather than piecemeal – section by section – as was the case with Federal-aid roads built on a pay-as-you-go basis. Fairbank supported the Interstate System, and believed that legislation authorizing its construction, at a cost of about $15 billion over 15 years, should permit the purchase of toll roads. General Bragdon summarized Fairbank’s views on funding the Interstate System:

> Believes an hypothecation of gas taxes could take care of the financing of a national defense highway; national toll highways not necessary; federal highway bonds based on sinking funds from gas taxes but with full faith to credit guarantees. This would allow one-half percent less interest rate.[141]

The General believed highway construction was a national responsibility, despite the President's statement that he favored a continued State role. Despite the cautions suggested by du Pont and Fairbank, General Bragdon would become the chief advocate within the Eisenhower Administration for a toll superhighway network. He favored creation of a National Highway Authority, composed of the Secretaries of Commerce, Defense, and Treasury, to assume responsibility for Federal road construction. It would finance and build a limited network of three east-west superhighways and five north-south roads.[142]

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[140]Bragdon, General J. S., "Discussion with Mr. Francis V. du Pont, Commissioner, Bureau of Public Roads,” Memorandum for the Record, April 12, 1954.

[141]Bragdon, General J. S., “Conference with Mr. Fairbank of Public Roads and Mr. Newcomb,” Memorandum, April 14, 1954. "Hypothecation” means “to pledge without delivery of title or possession.” A common example is a home mortgage, where the buyer owns the home, but the home is collateral for the loan. To what extent General Bragdon’s summary of his discussions with Commissioner du Pont or Fairbank accurately reflects their views, as opposed to his leading questions, cannot be stated.

[142]Lewis, page 102. On page 101, Professor Lewis said that “Bragdon soon established a reputation as a bull who brought his own china shop with him.” Professor Gary T. Schwartz, in his study of the urban Interstates, wrote that of all those involved in highway affairs under President Eisenhower, General Bragdon was probably the least effective. He was involved in the debates right up to the last weeks of the President's second term, but in his study of Interstate highway legislation, "Bragdon was handicapped by an ineptness at bureaucratic maneuverings. Beginning with his inability to establish a good working relationship with Sherman Adams, Bragdon’s entire White

Governor Adams, by contrast, championed the traditional Federal-State approach, although he also thought a national authority would be needed to finance the effort. Eisenhower biographer Piers Brendon described Adams as "brusque, sarcastic, impatient, and ungracious." He worked so hard he had no time for such courtesies as "please" and "thank you":

> When he finished talking on the telephone he simply hung up – doing so once on Ike himself . . . . James Hagerty described Adams as "the official son-of-a-bitch" . . . who said no "a thousand times a day." Some called him "the Abominable No-Man." Others joked that it would be a tragedy if Adams died and Ike became President . . . . Hostile newspapers ran stories [calling] Adams, "a harsh little buzz-saw from the woodlands of New England" . . . .[143]

In contrast with General Bragdon, Adams favored a traditional approach that, not surprisingly in view of his former position as a Governor, retained a strong role for the States. As Rose explained:

> He too figured that executives of a national road authority would finance construction, allowing a small subsidy for toll roads not fully solvent. But Adams entertained few plans for revising federal road-building arrangements.[144]

In April, he asked Robert Moses, New York's super builder and winner of GM's contest, and Bertram Tallamy, the former AASHO president who was serving simultaneously as Chairman of the New York State Thruway Commission and Superintendent of the State Department of Public Works, to suggest a plan for financing the road program. Rose summarized their report to Adams:

> Around May 1, they turned in a report which adhered to the outlines of Adams' views, created a device to raise funds for their own use, and insured local and state authority in the highway construction field. The secretary of the treasury would head a Continental Highway Finance Corporation with the secretaries of defense and commerce serving alongside him as a board of directors. They would look after financial matters. Daily operations would remain under the direction of bureau and state road engineers.

Moses and Tallamy also called for a moratorium on highway legislation until 1955, by which time a report on traffic conditions and finance could be prepared.

General Bragdon disagreed with the Moses-Tallamy approach:

> By May 24, Bragdon had prepared a critique for Burns of the Moses-Tallamy Plan. Use of bureau officials, and especially the bureau head as operating chief, would constrain

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House career was marked by frustrations and failures." (Schwartz, Professor Gary T., "Urban Interstates and the Interstate System," *Southern California Law Review*, March 1976, page 432.)

[143]Brendon, page 234.

[144]Rose, pages 71-72.

> efforts; he also objected to continued involvement of local officials in construction. Even a request by Moses and Tallamy for a moratorium on highway legislation until early 1955, pending a report on traffic conditions and finance, appeared undesirable; it would consist of just "more words."
>
> Throughout May and June, as men in other government offices gathered to discuss road and traffic problems, the same sort of conflicts took place.

President Eisenhower had anticipated that the Commission on Intergovernmental Relations, chaired by Meyer Kestnbaum, a Chicago businessman who would later become an unpaid assistant to the President, would prepare recommendations for the Federal highway program. With the internal deadlock in mind, Governor Adams thought that "power plays" would be needed to convince the commission to approve the Moses-Tallamy plan:

> Kestnbaum's approach disturbed Burns, too . . . . After reading Kestnbaum's views in a memo from Bragdon, Burns inquired: "Where do we go next?" [145]

The Grand Plan

On Monday, July 12, with the internal deadlock showing no signs of abatement any time soon,

President Eisenhower went public. The site was Bolton Landing at Lake George, New York, on Monday, July 12. The event was the Governors' Conference, which opened that same day.

In the opening sessions that morning, Governor William G. Stratton (R) of Illinois expressed impatience that the Governors had not been able to attain their objective of getting the Federal Government to drop the Federal gas tax and Federal grants-in-aid to the States. He was annoyed at the Governors' failure to influence the Congress. Governor Robert B. Crosby (R) of Nebraska urged the Governors' Conference to "double and triple and quadruple its efforts in the next Congress" to achieve these objectives.[146]

Governor Byrnes of South Carolina indicated he had been surprised to read of passage of the Federal-Aid Highway Act of 1954 "at a time when the Governors seemed to be in accord that the grants should be reduced." Governor Howard H. Pyle (R) of Arizona added that the increased Federal-aid funding was "an act of appeasement" to deter the Governors from pressing their campaign. Pennsylvania's Governor Fine was also disturbed by the increase. Moreover, he was not impressed by the reasons given for increasing Federal-aid highway grants instead of terminating them.[147]

The President had planned to address the Governors that evening. However, he instead went to State College, Pennsylvania, to attend the funeral of his sister-in-law, Mrs. Milton S.

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[145] Rose, page 72.

[146] Quoted from the proceedings in Brooks, page 79.

[147] Egan, Leo, "Eisenhower Bids State Join U.S. in Vast Road Plan," *The New York Times*, July 13, 1954.

Eisenhower, who had died of a blood clot that Saturday. Before going, the President gave his notes for the speech to Vice President Nixon to deliver to the Governors.[148]

On the way to New York in the President's plane, the Columbine, the Vice President, Governor Adams (who had voted for the conference's unanimous resolutions in past years calling on the Federal Government to get out of the gas tax business), and Press Secretary Jim Hagerty (who had attended many Governors' Conference meetings as press secretary to New York's Governor Dewey) were apparently unaware of the fiery discussion that morning.

That evening, Vice President Nixon began his address to the Governors by noting that the President's speech had been advertised as "informal," but judging from the notes, "I can tell you that the President follows the rule that the best informal speech is the one that is very well prepared."

The President's notes began by observing that each State is "great in potential achievement, because joined with 47 others, they form the mightiest of temporal teams – the United States of America." The Nation's purposes, to build a cooperative peace and the strengthening of America and her friends, can be achieved only on "a sound economic base." To assure such a base, America must be "an example of national progress in its standard of living," must maintain "a military dike on our defense perimeter," and "achieve the fullest possible productive strength, exploiting every asset, correcting every deficiency in our economic situation." He added:

> We don't want a blueprint for a regimented economy, but we must have vision, comprehensive plans, and cooperation between the States and Federal Government.

On the positive side, the President noted that "we live in a dramatic age of technical revolution through atomic power." The Nation had seen "a revolutionary increase in opportunity, comfort, leisure and productivity of the individual." On the dark side, the Nation was experiencing a shortage of classrooms and hospital beds, as well as economic dislocations "requiring undesirable government intervention." But also on the dark side was the Nation's transportation system. Although the transportation system was the best in the world, it was "far from the best that America can do for itself in an era when defensive and productive strength require the absolute best that we can have."

Nixon reported that because "top priority in our planning must be given to transportation," the President had established a Cabinet committee, headed by Secretary Weeks, to formulate a comprehensive transportation policy, taking into consideration the needs of carriers, shippers, the States, communities, and the public. (This committee was separate from the Commission on Intergovernmental Relations.[149])

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[148] Eisenhower biographer Stephen E. Ambrose notes that during this period, the President was trying to "build up" Nixon as a possible successor in 1956. The unfortunate circumstance that prevented the President from attending the Governors' Conference offered just such an opportunity. Ambrose, page 251.

[149] On Monday, July 12, the President asked Secretary Weeks to head a Presidential Advisory Committee on Transport Policy and Organization to explore and formulate "policy and organizational recommendations covering the whole field of transportation require a broad perspective which comprehends the over-all needs of the Nation

"But more specifically, our highway net is inadequate locally, and obsolete as a national system." The increased funding authorized by the 1954 Act seemed like a substantial sum, but it was only "a good start." Nixon then summed up the goal:

> a 50 billion dollar highway program in ten years is a goal toward which we can – and we should – look.

The President, Nixon said, had intended to illustrate the need for good roads with a personal anecdote, as follows:

> 35 years ago this month, the Secretary of War initiated a transcontinental truck convoy to prove that the gas engine had displaced the mule, even on our relatively primitive roads. A Second Lieutenant named Dwight Eisenhower went along as an observer. All-weather roads in the United States at that time totaled 300 thousand miles. The autos and trucks numbered 7 million, 600 thousand. That truck convoy left Washington on July the 7th. It arrived in San Francisco on September 5th, sixty days and 6000 breakdowns later.

Given the haphazard way the Nation's highways had evolved and their deteriorating condition, the President saw five "penalties of this obsolete net."

> Our first most apparent [is] an annual death toll comparable to the casualties of a bloody war, beyond calculation in dollar terms. It approaches 40 thousand killed and exceeds one and three-tenths million injured annually.
>
> And second, the annual wastage of billions of hours in detours, traffic jams, and so on, measurable by any traffic engineer and amounting to billions of dollars in productive time.
>
> Third, all the civil suits that clog up our courts. It has been estimated that more than half have their origins on highways, roads and streets.
>
> Nullification of efficiency in the production of goods by inefficiency in the transport of goods, is another result of this obsolete net that we have today.
>
> And finally, the appalling inadequacies to meet the demands of catastrophe or defense, should an atomic war come.
>
> These penalties warrant the expenditure of billions to correct them.

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and understands the special problems and capabilities of all forms a transportation." The resulting report, *Modern Transport Policy* (June 1956), focused on (1) greater reliance on competitive forces in transportation pricing and (2) assuring a modernized, financially strong system of common carrier transportation that is adequate for the needs of the modern economy. These issues were focused more on the Interstate Commerce Commission than BPR's Federal-aid highway program.

Nixon then sketched the broad outline of the President's vision for creating “the highway net as it should be”:

> [First,] a grand plan for a properly articulated system that solves the problems of speedy, safe, transcontinental traffic – intercity communication – access highways – and farm-to-market movement – metropolitan area congestion – bottlenecks – and parking.
>
> Second, a financing proposal based on self-liquidation of each project, wherever that is possible, through tolls or the assured increase in gas tax revenue, and on Federal help where the national interest demands it.
>
> And third – and I would emphasize this, particularly at this Conference, because I know how deeply the President believes in this principle: a cooperative alliance between the Federal government and the States so that local government and the most efficient sort of government in the administration of funds, will be the manager of its own area.
>
> And the fourth, very probably, a program initiated by the Federal government, with State cooperation, for the planning and construction of a modern State highway system, with the Federal government functions, for example, being to advance funds or guarantee the obligations of localities or States which undertake to construct new, or modernize existing highways.

Then, Nixon read the last sentence of the President's notes, exactly as he wrote it:

> Quote, “I hope that you will study the matter, and recommend to me the cooperative action you think the Federal government and the 48 States should take to meet these requirements, so that I can submit positive proposals to the next session of the Congress.”[150]

The President's proposal surprised the audience – electrified it, really, and not necessarily in a positive way. The impact was all the more stunning because the Governors, expecting a friendly, informal speech in praise of the Governors’ Conference and the important work the Governors did, had no warning that the President intended to challenge them on a subject they were on record, time and again, as opposing. As columnist Doris Fleeson, a long-time journalist who was the first woman to write a nationally syndicated column, noted a couple days later:

> Though they were dealing with their closest friends, they [the President and his aides] sprang the huge project as a surprise . . . . Apparently nobody read the newspapers which were put aboard the President’s plush plane, the Columbine, before it took off from Washington with the Vice President for the conference here. Nor, apparently, did any one bother to case the joint after arrival here in the early afternoon.

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[150]"Address of Vice President Richard Nixon to the Governors Conference,” Lake George, New York, July 12, 1954. The speech is not included in President Eisenhower’s public papers, but is available at https://www.fhwa.dot.gov/infrastructure/rw96m.cfm.

The Chairman of the conference, Governor Dan Thornton of Colorado, whom Fleeson described as "the President's backer and golfing companion," was surprised:

> He was also upset, viewing the program as offered with no preparation, as seemingly extravagant, hazy and embarrassing to the President's friends in the light of conference history.[151]

Governor Thornton immediately spoke with Governor Adams, who had lingered at the Sagamore Hotel after sensing something was wrong, seeking clarification of the President's proposal. The following morning, Governor Adams called Governor Thornton from Washington with further clarification. On that basis, Governor Thornton told the Governors during the morning session:

> Governor Adams told me personally to tell this group of Governors that the President's entire idea is to improve our highway system with the full cooperation of the States, regardless of the final plan adopted.
>
> It seems impossible to take away the revenue coming from the gasoline tax without some plan to replace that amount by the states or Federal Government. There must be a specific plan developed so that we do not leave the problem unsolved.
>
> In other words, we must continue to improve our highway system because it is essential to the well being and health of our country. This can be done by the Federal Government, or by a cooperative plan between both levels of Government.
>
> In effect, he [the President] is asking the Governors of this conference what they want. The problem has been given us. The President would like to know our solution.

The Governors also were confused about the total amount of funding the President had mentioned. Governor Thornton's view was that the $50 billion over the next 10 years was in addition to the $40 billion that State and local governments normally would spend. Some of the Governors interpreted the figures differently.

Despite Governor Thornton's attempts to minimize the damage done by the President's shocking proposal, many of the Governors were frustrated. After Governor Thornton had clarified the proposal, Governor Fine denounced it. The plan placed "a cloud on the forty-eight-state highway system," he said, "because of the assertion that our [highway] systems are obsolete." He pointed out that Pennsylvania, with 41,000 miles of improved highways, had spent $537 million of State funds for highways over the past 4 years and had pioneered the turnpike system with the opening of the Pennsylvania Turnpike in October 1940:

> We want to continue to build our own roads unimpeded by any Federal system. We have our program for the next 12 years.

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[151] Fleeson, Doris, "$50 Billion More for Highways," *The Evening Star*, July 14, 1954.

Governor Fine warned the Governors not to be "lulled asleep by any sedatives, such as we will be managers of our own areas, nor by flattering remarks." His view was clear:

> We want the Federal Government to get out of the gas tax and fuel oil fields once and for all and now is the time to do it before we embark on any new Federal aid program.

At the same time, he urged the Governors to accept the President's invitation to submit their recommendations. "An invitation has been extended to us to meet with someone, and I believe we should accept it." Governor Fine thought a special session of the Governors' Conference should be convened in Washington after the fall elections to discuss the issue.

Accordingly, he introduced a two-part resolution:

1. The Governors' Conference urges the Federal Government to relinquish any claims to revenues raised by the system of gasoline and motor fuel taxation and return such sources of taxation exclusively to the states.

2. A special Governors' conference be convened in Washington, D.C., by the chairman of the conference during November or December, 1954, to discuss and counsel with the National Administration and explore the prospects of the integration of the proposed Federal highway program into the respective state highway programs with subsequent supervision of any program lodged with the respective state highway departments.

Governor Dewey and Governor G. Mennen Williams (D) of Michigan joined in Governor Fine's resolution. Governor Dewey added that he thought the Governors should appoint a committee of Governors not up for reelection to go into the details of the highway plan.

The resolution had broad support, but would not be voted on until the following day. As this day of revolt against the President's proposal ended, Governor Thornton talked informally with reporters. The highway program was, he said, considerably more complex than the Governors seemed to think. To get the Federal Government out of the gas tax business, the Governors would have to convince their congressional delegations to approve the change and convince the State legislatures to enact standby programs to take over all highway construction. He thought a commission should be established to bring about Federal-State cooperation in the building of transcontinental highways.

He added that in the event of a recession, the President's program "would be a sound stimulant for employment." He scoffed when a reporter jokingly asked if such a program might be called a "boondoggle," a term that had been applied to some of the make-work programs of the 1930's.[152]

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[152]Folliard, Edward T., "D.C. Road Parley of Governors Seen," *The Washington Post and Times Herald*, July 14, 1954; Egan, Leo, "Governors Oppose U.S. Aid For Modernizing Highways," *The New York Times*, July 14, 1954.

By July 14, the Governors' opposition to the President's proposal had begun to abate. Observers attributed the change to additional "clarification" of the President's proposal. Governor Frank J. Lausche (D) of Ohio, who had remained silent during the attacks on the President's proposal the previous day, Governor Charley E. Johns (D) of Florida, and Maryland's Governor Theodore R. McKeldin (R) explained that they thought the President's proposal had been misconstrued. In their view, the proposal meant no interference with State functions, but rather a willingness to use Federal credit to help build toll roads if necessary. Governor Lausche, whose State had embarked on an extensive toll program, said he would welcome such help.

Governor McKeldin accused the Governors of "buck fever" in contemplating the proposal. He reminded them that on June 11, the Council of State Governments had issued a statement on highway needs:

> One month and two days later President Eisenhower adopted our council's report in a speech to us. Is that a cause for the jumping jitters that swept these tables yesterday?
>
> Let us not plunge into panic just because the President notes his approval of the very program we have been advocating. Rebuilding the highway systems of the states and the joint system of highways among the states is a job that must be done.

With the tide of opinion turning, Governor Fine's resolution of the day before was significantly altered before it was unanimously approved. The demand that the Federal Government abandon the gas tax was eliminated at the insistence of the sparsely populated States with a large highway mileage. These States received more in Federal-aid than their populations paid in Federal gas taxes.

The approved resolution declared that the Governors' Conference was "highly pleased by the President's willingness and determination to work with the states on this important problem." The resolution directed the Executive Committee to work with AASHO to study the status of road problems and the position of the States on highways. In addition, the resolution suggested a meeting of the Governors later in the year to discuss the subject with appropriate officials.

Political observers saw the reversal as an indication that the President's supporters were in control of the conference. They cited the fact that Governor Robert F. Kennon (D) of Louisiana, known as "an Eisenhower Democrat," had succeeded Republican Governor Thornton as Conference President.[153]

A historian of the Governors' Conference, Glenn E. Brooks, explained that the change in attitude was at least in part because "the figure of $50 billion over a period of ten years stirred the

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[153]By tradition, the presidency of the conference alternated between Democratic and Republican Governors.

thinking of every governor present." He added that, "the sturdy principles of states' primacy had been visibly shaken by the proposal."[154]

That same morning, the President held a news conference in Washington. Glenn Thompson of *The Cincinnati Enquirer* asked the President for his ideas on how the $50 billion in highway building could be financed. The President responded:

> Well, I don't think there is any one way. As a matter of fact, all I made was a proposition. I believe we are at least $50 billion behind in our road networks. We are suffering from it in losses of life; we are suffering from it every day in terms of inefficient operation of all of our transportation throughout the country.
>
> Every city – even down [sic] – I had a report from a city yesterday of 22,000, and it said "Our No. 1 problem is parking." The parking space, the thruways, the great networks that we need, all of these must be done. Now, in the great part of these I very much favor these self-liquidating projects.
>
> The Government has made the proposition that we are ready to do our part in going forward with this planning and exploring a way. I have no definite plan, although we have been studying it for a year with people from the outside because, of all people, we must have the Governors and legislatures in with us. Until they come to me and show me their proposition and something that we can get together on, it is really idle to say how any single project will be financed.
>
> I think there could be certain cases in which the Federal Government would have to do it all, possibly, because of some particular Federal use; but, by and large, it should be local and, I would say, exploit the self-liquidating idea as far as is possible.
>
> This, I should point out, that I am talking about has nothing to do with the normal road building that is going on now, in which the gasoline taxes and all that were involved. This is entirely over and above that.

Raymond P. Brandy of *The St. Louis Post-Dispatch* asked the President for his view on letting the States have some of the gasoline taxes. The President responded:

> As I recall, what was at issue this year was one-half a cent, and for the moment, we thought until this whole thing could be worked out and studied, we should continue as we had been rather than trying to make a change from which we couldn't retreat.
>
> I don't believe that there is a final decision made, except this: that everybody to whom I have talked believes that we should put the maximum authority and responsibility in the

[154]Brooks, Glenn E., *When Governors Convene: The Governors' Conference and National Politics*, The Johns Hopkins Press, 1961, page 80.

> States that they are capable of taking. If you put responsibilities there, you have got to let them have the money to do it.[155]

Outside the Governors' Conference, the reaction to the President's proposal was generally positive. On July 13, the day after the Vice President's speech, the bold headline in *The Washington Post and Times Herald* put it simply:

$50 BILLION ROADS PLANNED

Editorially, the newspaper commented that the plan was anything but extravagant. "On the contrary, it reflects economy in the best sense of the word."[156]

Washington's most prestigious newspaper of the day, *The Evening Star*, commented in an editorial:

> As numerous Governors have been quick to indicate, the President's "grand plan" for a vast program of highway improvement and expansion is more than a little bit controversial in terms of how the States are to figure in it. But what is not controversial about it is the fact that some such program – regardless of conflicting views as to methods of financing and directing it – is imperative for the future well-being of the Nation . . . .
>
> More than a few of the Governors have taken a rather dim view of all this because of a fear that it would seriously impinge on States' rights. Nevertheless, although it lends itself to debate in that respect, there can be no doubt – in view of our expanding economy and fast-growing population – that something like the President's proposal needs to [be] put into effect in one way or another, and the sooner the better.[157]

The American Municipal Association's president, Mayor William E. Keep of Kansas City, Missouri, applauded the President "boldness, vision, and faith."

The Wall Street Journal took the opposite view:

> We don't think the Federal Government has got to draw up 20-year plans and appropriate billions to get roads built.

As might be expected, highway groups were delighted. Ralph Thomas, president of AAA, called the proposal "one of the most important, far-reaching and forward looking steps that has been initiated by a President in many years." ARBA could not see how "a Nation that travels on wheels and depends on the industry of the Machine Age for its economy and its very

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[155] *Public Papers*, No. 165, 1954, pages 635-634.

[156] "Roads for the Future," *The Washington Post and Times Herald*, July 16, 1954.

[157] "Our Highways and the Future," *The Evening Star*, July 14, 1954.

preservation" would not embark on the plan, however the funding and other details may be worked out.[158]

AASHO noted that the President "really dropped a bombshell, figuratively speaking," with a plan that had been variously described as "a grand plan" and "an earthquake."

> In our humble opinion, however, the greatest contribution growing out of the President's remarks was the powerful manner in which he drew the public and press attention not necessarily to the drastic situation we face now, but to the much more drastic situation we will face 10 and 20 years hence.

Adding that the magnitude of present problems "becomes infinitesimal in anticipation of our future situation," AASHO stated that:

> An answer can be found, and an answer will be found, but it will require the utilization of the best thinking and talent, both technical and financial, and legislative, available to us in America.[159]

Because of the pivotal role the President's proposal played in focusing attention on the Nation's highways, historians have wondered what prompted him to raise this proposal at this time in this way? Several historians have drawn the same conclusion. Professor Gary T. Schwartz, in his history of urban freeways and the Interstate System, pointed out that how the President "was persuaded" to accept the views he expressed remains "somewhat unclear," but commented:

> One possible explanation concerns Francis du Pont . . . . Within the Administration, du Pont apparently exerted a large influence on Eisenhower, who tended to be impressed by blue-ribbon businessmen of the du Pont sort.[160]

Seely drew the same conclusion about du Pont:

> As commissioner of the BPR, he was a leading participant in the 1954 White House discussions that led Dwight Eisenhower to enter the fray over highways. His primary policy aim never varied, for . . . he argued that the Interstate system was important enough to justify even 100 percent federal funding . . . . As always, du Pont's ability to provide statistical data, estimates, and the supporting opinions of state highway engineers

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[158]From "Reaction to President Eisenhower's Plan," *Road Builders' News*, July-August 1954, page 2.

[159]"A New Era in Highways," *American Highways*, October 1954, page 2. (Unsigned editorial in AASHO's magazine.)

[160]Schwartz, pages 427-428 (footnote, citing interviews with Francis C. (Frank) Turner of BPR/FHWA and Alfred E. Johnson of AASHO).

> strengthened his position . . . . In short, the nonpolitical engineer Francis du Pont was following in MacDonald's footsteps.[161]

William L. "Lee" Mertz, a long-time BPR employee who studied development of the Interstate System while acting as the Federal Highway Administration's unofficial historian, agreed. In his monograph on "Origins of the Interstate," he wrote:

> It is not exactly clear what all of Eisenhower's motives were but some of the following factors were at work. The fear of the country lapsing back into economic depression after the Korean War was perceived as a real threat and memories of the Great Depression were still strong. Recession had begun to set in strongly in 1949, but the Korean war pulled the country out of it. Certainly the President's awareness of the criticality of highways to the national defense gained during his military experiences were a factor, including the famous trip west with the Army trucks after World War I. It is clear that a strong and real demand for better highways was rolling in high gear and any president would have had to pay attention to that. Lastly, I think that with the stage set with all of the above factors, Francis du Pont counseled the President that the time was right.
>
> Du Pont occupied a unique and critical position in regard to the highway program at a critical time in its history. He was a solid member of the highway department community having been a Commissioner and Chairman of the Delaware Highway Commission for many years. He was politically influential and a key member of the Eisenhower Administration. He was well accepted and respected on Capitol Hill and he was equally respected and influential in the business community. I believe that he was the principal architect of Eisenhower's highway policy.[162]

Whatever the cause, the President did not want to lose the momentum he had established. On August 10, he met at the White House with the Special Committee on Highway Problems of the Governors' Conference to discuss his road building proposal. The committee, which was headed by Wisconsin Governor Kohler, included Governors Kennon, Lausche, Pyle, Lawrence Wetherby (D-Ky.), and Paul Patterson (R-Or.).[163] Joining in the discussions over lunch were Secretary Weeks, Under Secretary Murray, Commissioner du Pont, Governor Adams, Secretary

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[161]Seely, page 220.

[162]Mertz, William L., "Origins of the Interstate," https://www.fhwa.dot.gov/infrastructure/origins.cfm. (Order of paragraphs reversed.) Mertz was a friend of Francis C. "Frank" Turner, a BPR career employee who was involved in many exchanges with the White House and Congress during these formative years. In my one brief undocumented conversation with Turner, I asked him where Eisenhower's ideas came from. Turner immediately replied that du Pont was the answer, adding as I recall that du Pont was always going to the White House.

[163]The members who had not been able to attend the White House meeting were John Lodge and Allan Shivers. Governor Kennon, as Chairman of the Governors' Conference, served as an *ex officio* member of the highway committee.

of the Treasury George M. Humphrey, Chairman Burns of the Council of Economic Advisors, and Press Secretary Hagerty.

Following the meeting, Governor Kohler told reporters that "an erroneous impression" had been left at the Governors' Conference that the Governors were hostile to the President's program. He said there was general agreement on the "compelling necessity of increasing highway building" and "the sooner the better." He turned to the other Governors and asked, "Isn't that right, Governors?" They nodded in agreement.

There was, he said, a "compelling necessity for increasing highway construction." He added that one of the Governors had described the situation as: "we have to run like hell just to stand still."

As for the $50 billion over 10 years, Governor Kohler indicated that this was not a hard and fast estimate. The final total might be higher or lower, with the majority of roads built as toll-free rather than toll roads. He denied that the plan involved self-liquidating toll roads. He added that the meeting didn't address such details as whether the Federal Government should get out of the gasoline tax field.

The next move, he said, was up to the Governors who hoped to report on their recommendations in November.[164]

While in Washington, the Governors also met with AASHO President Johnson and Executive Secretary Hale. The meeting, according to an editorial in AASHO's *American Highways* magazine, was "one of the most cooperative, serious, and determined sessions that one can imagine."

(According to a 1972 retirement speech by Johnson, Governor Kohler was particularly concerned about construction time – he could get a State project underway in less than a year, while it took an additional year for a Federal-aid project. Governor Kennon invited Johnson to meet with the highway committee at the Governor's mansion in Baton Rouge, where he helped overcome the Governors' objections to the President's program.)[165]

Although Governor Kohler had asked the Governors for their ideas on how to accelerate the highway program, the President was not about to wait for the Governors. He simultaneously launched his own initiatives to review the options. On August 20, at the suggestion of Burns, the President established two committees to explore the issues. First was an Interagency Committee of representatives from the Departments of Commerce, Defense, and the Treasury as well as the Budget Bureau and the Council of Economic Advisors. Commissioner du Pont was the chair. The Interagency Committee would consider the economic requirements for a national road program and submit recommendations to the second committee established on that date.

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[164] Baker, Russell W., "U.S. Highways Parley Held," *The Baltimore Sun*, August 11, 1954; Associated Press, "Group of Governors Backs Highway Plan Urged by Eisenhower," *The Evening Star*, August 11, 1954.

[165] "A New Era in Highways," *American Highways*, October 1954, page 2; Johnson, Alfred E., "A Commentary on My Years in Washington," *American Highways*, October 1972, page 4.

The second committee, known formally as the President's Advisory Committee on a National Highway Program, was to work with the Governors and the Interagency Committee to develop a plan for submission to Congress. When Adams asked who should serve on the committee, the President said, "Call General Clay."[166]

General Lucius D. Clay was the youngest of the six children of Senator Alexander S. Clay, who represented Georgia in the United States Senate from 1896 until his death in 1910. His youngest son, after graduating as an Engineer from West Point in 1918 (first in academics, last in discipline, according to one account), missed World War I, but married Marjorie McKeown, wealthy daughter of the president of the New England Button Company. Throughout his military career, Clay would serve with distinction – and live well – in the U.S. Army Corps of Engineers.

Beginning in 1933, Clay spent four years in Washington organizing and managing New Deal public works projects. In his childhood, Clay had spent considerable time in Washington, where his father was a friend of President Theodore Roosevelt. As a result, this assignment proved congenial, with Clay easily working with New Dealers and Members of Congress. In 1937, he was transferred to the Philippines, where he worked with General Douglas MacArthur and his chief of Staff, Dwight D. Eisenhower.

At the start of World War II, Clay was transferred to Washington to manage crash construction of 500 airfields. His work earned him a promotion to Brigadier General and a new assignment, chief of procurement for the U.S. Army. Given General Clay's ability to manage resources, workers, and industrial production, General Eisenhower chose Clay to serve as Deputy Governor (1945-1947) of the U.S. Zone in West Germany. General Clay served as Governor from 1947 to 1949, during which time he directed the airlift of food and fuel to Berlin that broke the Soviet blockade of the western sector of the city.[167]

Returning to the United States, Clay became Chairman of the Board of the Continental Can Company, which experienced a tripling of sales under his leadership, and a member of GM's board. He also became one of Dwight D. Eisenhower's most trusted unofficial advisors. Clay was influential in convincing Eisenhower to seek the presidency in 1952 and, after the election, shared the main responsibility for picking the Cabinet with Herbert Brownell, who would become Eisenhower's Attorney General.[168] In addition, Clay provided advice and assistance as desired.

Given this background – training as an engineer, administrative and political skills, and trusted adviser – General Clay was a logical choice to oversee development of a program that President Eisenhower considered one of his highest priorities.

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[166]Smith, Jean Edward, *Lucius D. Clay: An American Life*, Henry Holt and Company, 1990, page 618.

[167]Blair, Clay, "Our Man in Germany," *The Washington Post*, August 19, 1990 (review of Jean Edward Smith's biography of General Clay).

[168]Brendon, page 229.

On the other hand, there was his personality, as Earl Swift discussed:

> Lucius Clay . . . was both supremely self-confident and, thanks to a long career in the officer corps, accustomed to getting his way. Colleagues mockingly compared him to a distant forebear, the nineteenth-century senator and diplomat Henry Clay, who'd won renown as "the Great Compromiser." General Clay was "the Great Uncompromiser" or, alternatively, "the Kaiser." Even Eisenhower found him overbearing at times, writing in his diary that Clay's "usual tactics" were "aimed at overpowering all opposition and at settling the matter without further question."[169]

In a biography of Clay, Jean Edward Smith quoted an interview in which General Clay recalled how he became involved in the President's Advisory Committee:

> Sherman Adams called me down. This was in August 1954. We had lunch with the President, and they were concerned about the economy. We were facing a possible recession, and he wanted to have something on the books that would enable us to move quickly if we had to go into public works. He felt that a highway program was very important.[170]

General Clay's meeting with the President was a breakfast at 8 a.m. on Monday, August 30, that included Governor Adams, Governor Kohler, and Gabriel Hauge, Administrative Assistant to the President and a member of the Advisory Board on Economic Growth and Stability, Council of Economic Advisors. According to the President's schedule for the day on the Dwight D. Eisenhower Library Web site, the meeting lasted about 45 minutes. (With Congress in recess, the President had been vacationing in Denver, Colorado, before leaving in the evening of August 29 on the Columbine. With a stop in Salina, Kansas, he arrived at Washington National Airport at 6:45 a.m., before motoring to the White House.)

Press Secretary Hagerty announced that General Clay would head a presidential advisory committee. According to an Associated Press report:

> Presidential Press Secretary James Hagerty said the committee would have five or six members drawn from the ranks of organized labor, banking, and the construction field.
>
> In addition, Mr. Hagerty said, consultants will work with the group from other fields. Federal personnel, such as employes [sic] of the Budget Bureau and the Bureau of Public Roads, will be made available to the committee.

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[169]Swift, page 165.

[170]Smith, page 618.

> The committee, Mr. Hagerty said, will work closely with the Governors' Conference Committee on Roads, headed by Gov. Walter Kohler of Wisconsin, who attended today's meeting.[171]

In selecting members of the committee, General Clay's idea was that, "If we were going to build highways, I wanted people who knew something about it." He chose Steve Bechtel of Bechtel Corporation, Sloan Colt of Bankers' Trust Company, Bill Roberts of Allis-Chalmers Manufacturing Company, and Dave Beck of the International Brotherhood of Teamsters. He chose them because, he said, "They knew what the highway system was all about":

> Steve Bechtel had more experience in the construction field than anyone in America. He wasn't involved in road building, but had a comprehensive knowledge of the construction industry. Bill Roberts built construction equipment; he knew what the problems were there. Mr. Colt was experienced in finance. We had to determine how we wanted to finance this, and so his experience was invaluable. And Dave Beck of the Teamsters certainly had an interest in highways, and he gave us labor representation.

All of them, Clay added, were easily recruited. "They recognized that this was an important undertaking and they wanted to be part of it."[172] The committee, however, would quickly become known simply as "the Clay Committee."

Although these men "knew what highways were about and how important they were," as Clay put it, none of them was directly involved in the business of road building. To serve as the Advisory Committee's Executive Secretary, Commissioner du Pont chose BPR's Francis C. (Frank) Turner who would have access to data from BPR experts. Unlike the members of the Clay Committee, Turner was an expert in highway construction, efficiency, and finance after a career spent in the field.

Turner, a native of Dallas, Texas, had joined BPR as a Junior Highway Engineer in 1929 immediately after graduating from Texas Agricultural and Mechanical College (now Texas A&M). His first assignment was to conduct time and motion studies to find ways of reducing highway construction costs, a typical assignment for trainees. From 1933 to 1940, he was an area engineer in BPR's office in Little Rock, Arkansas, responsible for overseeing Federal-aid projects in a portion of the State. While in Little Rock, he wrote his graduate thesis on how highway maintenance was affected by the type and physical characteristics of base and subgrade soil.

His experience proved invaluable when he was assigned in 1943 to expedite completion of the Alaska Highway, then being built through Canada as a defense effort to provide a land link from the 48 States to the U.S. territory of Alaska. In 1942, PRA and the U.S. Army Corps of Engineers had opened a pioneer military trail through the wilderness. Now, in 1943, the Corps

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[171] Associated Press, "Eisenhower Creates Group to Advise Him On Highway Program," *The Evening Star*, August 30, 1954.

[172] Smith, pages 618-619.

was gone and PRA's job was to build a permanent highway on sound location to replace the pioneer trail. Turner helped build the permanent highway, and then worked with the Canadian and province governments to organize their forces for the maintenance activities they would be responsible for after the war. In 1946, Turner was the last American to leave the completed Alaska Highway project.[173]

If the Alaska Highway had been a physical challenge, Turner's next assignment was a personnel nightmare. He was placed in charge of a program to restore the war-damaged roads and bridges of the Philippines at a time when the engineers he needed were just being discharged from the military and had little interest in service outside the United States. Nevertheless, he pulled together sufficient staff to launch the program, all the while training Philippines citizens to take over the work.

In 1950, Turner returned to Washington, where he became an assistant to Commissioner MacDonald. Serving in a similar capacity with Commissioner du Pont, Turner was a logical choice to work with the Clay Committee.[174]

The two committees were to work independently, although the general idea was that the Clay Committee would receive the Interagency Committee's recommendations along with the proposals of other groups and individuals before crafting a program for the President to announce in January.

President Eisenhower's decision to appoint two committees, as well as Secretary Weeks' Advisory Committee on Transport Policy and Organization, was not unusual. Fred I. Greenstein, author of *The Hidden-Hand Presidency: Eisenhower as Leader*, has pointed out that President Eisenhower often relied on "multiplace advocacy" groups to advise him on policy:

> He regularly put people together in ad hoc or standing groups, seeking reports from them, encouraging them to develop the personal ties necessary for successful cooperation, and making creative use of a proposition social psychologists of organizations have repeatedly found persuasive – decisions are likely to be of better quality if they have been reflected upon by more than one mind.

Greenstein quoted a 1967 oral history in which the former President explained the idea in these terms:

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[173]Weingroff, Richard F., "America's Glory Road," *Public Roads*, Autumn 2017, pages 10-19.

[174]Beginning in 1956, Turner would play a key role in development of the Interstate System under four Federal Highway Administrators. In 1969, President Nixon appointed Turner the Administrator, a position he held until he retired in June 1972, the only person to rise through the ranks to head what is now the Federal Highway Administration. During his tenure as Administrator, he would push Interstate construction aggressively and tried to block diversion of Federal-aid highway funds for rapid rail transit. At the same time, he would give renewed attention to the environment, accelerate the focus on highway safety, and increase emphasis on the quality of life for people affected by highway construction. [*America's Highways 1776-1976*, pages 185-187]

> You must get courageous men, men of strong views, and let them debate and argue with each other. You listen, and you see if there's anything being brought up, an idea that changes your own view or enriches your view or adds to it.[175]

Clearly, in appointing two committees to study his "Grand Plan," President Eisenhower had chosen "courageous men, men of strong views." And he let them debate and argue with each other.

Committees Go To Work

Both committees quickly found themselves enmeshed in the same divisive issues that had surfaced repeatedly since World War II.

Before creation of the Interagency Committee, du Pont had asked several State highway officials, including New York's Tallamy, to provide a detailed plan for a national highway authority. The plan followed the lines of the Moses/Tallamy proposal submitted earlier that year to Sherman Adams. A highway authority would be created to issue bonds to finance construction of the Interstate System. The bonds would be repaid by a dedicated gasoline tax. All aspects of construction, however, would be handled under the existing partnership between BPR and the State highway agencies.

When the Interagency Committee held its first meeting on September 9, du Pont submitted the proposal, but General Bragdon strongly objected. The linkage between bonds and gasoline tax revenues would, in his view, reduce the Federal Government's ability to react to economic conditions, one of President Eisenhower's key concerns. In a counter-proposal, he suggested disregarding the current designated mileage – around 37,700 miles designated in August 1947, with the urban mileage in the planned 40,000-mile Interstate System not yet identified – in favor of a 26,000-mile express toll highway network of rural routes. The cities would be responsible for providing connections to the network.

Du Pont argued that only a limited amount of the Interstate System could be self-supporting as toll facilities; that this toll mileage had been built or was planned or under construction. He believed the plan proposed by the Interagency Committee should stress construction in urban areas; that's where the congestion was. "In brief," as Professor Rose summarized, "the interagency meeting offered only a fresh forum into which government men extended their deadlock."

As the year progressed, the members debated a variety of plans. By October, some members were in support of a Budget Bureau proposal that was acceptable to Bragdon, the Council of Economic Advisers, and Secretary Humphrey. The plan called for a National Road Authority to organize and direct construction, which would be funded by bond sales. Bonds would be retired with revenue from toll charges and possibly supplementary gas tax revenue. The Treasury Secretary would set the date of bond sales to coordinate the program with economic swings. In

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[175]Greenstein, Fred I., *The Hidden-Hand Presidency: Eisenhower as Leader*, Basic Books, Inc., 1982, pages 246-247.

addition, the authority's debts would be excluded from calculation of the national budget, thus avoiding an increase in the national debt.

Professor Rose, in his analysis of the Interagency Committee's work, pointed out that while the three organizations and General Bragdon agreed on the plan, broader issues divided the members.

> Disagreements went beyond finance and control, though they were vitally important, to a more fundamental conflict. Essentially, du Pont and other engineers such as Tallamy to whom he turned for advice were opting for a traffic-count version of highway construction.

They were highway engineers who had spent their career developing highways based on traffic loads, standards, and the latest information on pavements, bridges, and tunnels. The other members had a different perspective:

> Bragdon and members of his small group defined road policy as part of grander plans for economic improvement and social control. Recent federal highway legislation was "only a start," according to Bragdon. He anticipated greatly increased employment opportunities, especially in the automobile industry, and acceleration of economic growth along new expressways. But all of this development, he added, would serve "as a continuous stabilizing force." Burns saw highway construction in much the same way. Accelerated road building, he believed, was a useful antirecessionary measure and would foster more efficient road transportation. Secretary Humphrey took an even wider view of a road program, stressing not only economic growth but perpetuation of the existing stratification system. Highways, he believed, were a "physical asset," and additional mileage would "create more and more" wealth for Americans. Rather than subdividing the fruits of production, he had told an audience of governors in April, 1954, it was preferable to make another pie and everybody has a bigger piece."

By November, members were privately sending unsolicited memoranda to General Clay, hoping to ensure their views were received outside whatever compromise proposal the Interagency Committee might agree on.[176]

As for General Clay, he had little interest in the Interagency Committee's recommendations. He would develop his own plan after hearing what everyone else, including the Governors, had to say. He and the members of his committee soon found themselves confronted with the usual array of alternative plans and conflicting goals that had bedeviled debates on the National System of Interstate Highways from the start.

On October 7, in room 474 of the Executive Office Building in Washington, General Clay opened the first public session of the President's Advisory Committee on a National Highway

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[176]The summary of committee action presented here is based on Rose's account (pages 74-75).

Program. Before receiving testimony from the many groups awaiting their turn, General Clay summarized the Clay Committee's purpose.

The President had launched the current public debate by suggesting a 10-year, $50-billion program, "over and above our present capital outlay," to bring the highway network up-to-date and meet population growth. Since then, Clay reported, BPR had worked with State, county, and local officials, including AASHO and the Governors' Conference, to develop the 10-year estimate of highway needs called for by Section 13 of the Federal-Aid Highway Act of 1954. Preliminary results indicated that a total expenditure of about $101 billion would be needed over the next 10 years "to bring our highways in line with the anticipated traffic." Under current programs, the revenues available over the next 10 years would be approximately $47 billion, leaving a deficit of about $54 billion:

> Now, it is the reduction of this deficit with sensible financing that is the goal of this Committee.

The committee was not going to question the need for the program:

> We accept as a starting premise the fact that the penalties of an obsolete road system are large, and that the price in efficiency is paid not only in dollars, but in lives lost through lack of safety, and also in national insecurity.

Rather, the Committee would concentrate on organizing, financing, and executing the President's program. As Clay saw it:

> The question really is not whether or not we need highway improvements. It is, rather, how we may get them quickly, economically, and how they may be financed sensibly and within reason.

Transcripts of the hearings on October 7 and 8 occupy several volumes and cover testimony from 22 organizations that Professor Rose summarized:

> Farm leaders sought more mileage at less expense to their constituents, all without diminution of their own influence in local road-building affairs. Auto Club leaders argued for more attention to packed Interstate roads in urban areas, preferably by chopping farm-market construction from the federal payroll. Truckers, as always, wanted more roads built, provided only that taxes remained low. By October, then, the euphoria reported a few months earlier . . . had degenerated into the usual bickering. According to one observer, "hearings which the [Clay] . . . Committee held . . . did not reveal any . . . consensus with respect to . . . finance." What it came down to was that "suggestions reflected . . . the interests of the group which the speaker represented."[177]

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[177]Rose, pages 75-76. On October 11, 1954, BPR prepared a summary of the presentations. A copy can be found in the chapter on "Public Hearings on a National Highway Program," in: Davies, Richard O., *The Age of Asphalt: The Automobile, the Freeway, and the Condition of Metropolitan America*, J. B. Lippincott Company, 1976, pages 56-59.

On November 9, Commissioner du Pont addressed AASHO's annual meeting, held in Seattle, Washington. He began by telling the State highway officials "it is always pleasant to be with those whose vocation has been my life hobby." He wanted to review the 12 months since his first speech to AASHO, including the Grand Plan speech at the Governors' Conference and the subsequent activity. "I refer to the Conferees of the Committee of Governors . . . who are meeting again in Chicago today, and the forthcoming report of President Eisenhower's special highway committee of which the famous and outstanding General Lucius Clay is Chairman."

He hoped AASHO agreed that BPR had "increased our efficiency by simplifying procedures and transferring responsibilities in varying degrees in the several States to the district level." These efforts would continue "insofar as our personnel is concerned, as attrition depletes our personnel, responsibilities are being placed on younger men more than was formerly the case." The work load per employe [sic] had increased from $906,000 to $1,300,000, "or more than 30 per cent, which I am sure you will agree is a substantial increase."

At the end of 1953, "the $64 question was – what is the future of Public Roads? This year there seem to be three $64 questions." First were the problems associated with the secondary road plans (the procedure instituted by the 1954 Act that allows States to assume project review functions that traditionally had been BPR's responsibility). The solution rested with the States, not BPR. If the States did well, Congress would give them more latitude. If not, Congress would tighten up on the laws.

Second, du Pont recalled the history of development of the Federal-aid primary network of interstate roads in the 1920s and 1930s, authorization in 1944 to designate a National System of Interstate Highways, and the provisions in the 1954 Act, in which "Congress increased the authorization many fold, namely, to 175 million and changed the matching basis to 60-40 in order to emphasize the importance and stimulate the construction of an interstate system":

> Under the 1954 act we are for the first time confronted with converting the old, inadequate primary highway system and bringing it up to the most modern standards commensurate with the needs of not only the present, but future traffic. It is a tough assignment for those of us who are familiar with the existing location and design of much of the interstate system.

However, the expenditure of $175 million a year would "not take care of the existing deficiencies in the interstate system if continued for half a century." That brought him to the third $64 question, namely, what did the future hold for the Interstate System? He challenged them to accept the challenge of this unique moment in transportation history:

> How then can we discharge our responsibilities during this period of transition? That is the question. Can you highway engineers with your superior knowledge, at this critical time, direct your actions and deeds in such a manner that we can get the support of Congress for a system of highways that could qualify as an interstate and urban highway system which can carry to the load to which our expending economy will subject it? Can we be realistic in the challenge we have received? Can we capitalize on the opportunity, or are we going to muff the ball and make the same mistakes that we made 10, 20 or more years ago?

> Gentlemen, the answer to this question is up to you – and the Bureau of Public Roads. It is my conviction there never was a more opportune time to tackle this vital problem – there never has been a more cooperative Administration.
>
> Having been born in the United States and witnessed the changes brought about by scientists and engineers through the development of electricity – internal combustion engines – radio. I am unwilling to believe the civil engineers who make up this Association are unable or unwilling to accept this challenge. Gentlemen, never sell America short and in my judgement there is no single group who together with the support of Congress can contribute more to our country's economic future and security than those who are responsible for our highways. I entrust that future, and the future of Public Roads, to the Members of Congress and you gentlemen.[178]

Meanwhile, the Governors' Conference Special Highway Committee, headed by Governor Kohler, was completing its study of the issue as requested at Bolton Landing and during their August 10 meeting in the White House. The Executive Committee of the Governors' Conference approved the report by the Special Committee on Highways on November 30, 1954. Governor Kennon presented the report to President Eisenhower, General Clay, Governor Adams, and White House assistant Jack Martin in a White House meeting on December 3.

The Governors agreed that an adequate highway construction program was needed for the coming 20 years at approximately double the current rate of expenditures. To accomplish such a program, the Nation's highways should be divided into three systems – the Interstate System, other Federal-aid systems, and State and local systems. The Governors used the same estimate as General Clay of $101 billion for the cost of needs on all highway systems, based on BPR's draft report. Of this total, the Governors estimated that the Federal responsibility totaled about $30 billion over 10 years, including the cost of the Interstate System. Based on the preliminary BPR survey of the cost of constructing the Interstate System by 1964 to meet 1974 traffic needs, the Governors estimated the cost to be $24 billion, of which about $13 billion would be expended in rural areas and the remainder in urban areas.[179]

The Governors suggested several options for financing the Interstate System, including general tax revenue, issuance of bonds, or establishment of a national road financing authority. They made clear that in their view, the overriding Federal interest in the Interstate System meant that the Federal Government should assume primary responsibility, with State participation, for financing its construction. More specifically, the Governors wanted to limit the States' share of costs to about $140 million a year, the amount the States were contributing, collectively, as their share of the cost of the Interstate System under the Federal-Aid Highway Act of 1954. On this

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[178] Du Pont, F. V., Commissioner's Annual Address, *American Highways*, January 1955, pages 5, 26-27.

[179] Executive Committee of the Governors' Conference, *A Cooperative Program for Highway Construction*, December 1954, page 14.

basis, the Federal share of the $24 billion would be $22.5 billion, with the States contributing $1.4 billion over the 10-year construction period.[180]

In addition, the States should, the Governors believed, be given "due credit" for the funds expended, either from tax or toll road revenues, for construction of satisfactory sections of the Interstate System. The States or their political subdivisions would be responsible for construction, maintenance, administration, and policing of the Interstate System.[181]

What was absent from the Governors' report was a demand that the Federal Government stop collecting revenue from excise taxes on gasoline and other highway user products, a consistent demand of the Governors' Conference for many years. Instead, the report indicated that because the States and localities would have primary responsibility for construction of all other systems other than the Interstate System, the Governors "strongly recommended that the present federal excise tax rates on motor fuels and lubricating oils not be increased and that no other federal highway user taxes be levied":

> [So] long as the national government levies excise taxes on motor fuels, lubricants and motor vehicles, it will continue to make allocations to the states for highway construction on the above other federal-aid systems, at least at the rate obtaining under the Federal-Aid Highway Act . . . and in accordance with existing formulas.[182]

This turnabout would not go unnoticed. On May 4, 1955, during testimony on the National Highway Program before the House Subcommittee on Roads, Governor Kohler would be asked about this change in position. Representative Fred Schwengel (R-Ia.) pointed out that for the past 10 years, the Governors had asked the Federal Government to yield the gasoline tax to the States. He continued:

> I believe 2 years ago it was the unanimous opinion of the governors that that obtain . . . . Now, I think I see a complete flip-flop in this whole philosophy, where you are saying let the Federal Government stay in it. Do you realize when you are taking this position on this bill that you are committing the Federal Government to this gasoline tax for 30 years?

Governor Kohler responded:

> Mr. Schwengel, we realize that this is the case . . . . I would like to point out that, so far as I know, the governors still, if polled, would adhere to their position as adopted at the Houston Governors' Conference in 1952, that the Federal Government should get out of the gas-tax field and leave that to the States.

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[180]Ibid., page 27.

[181]Ibid., page 26.

[182]Ibid., page ii.

> The approach here is simply a realization of the practical political facts of life that the Government is not going to get out of that gas-tax field. So it is a question of relaxing and enjoying it, I think, rather than changing our minds.

Representative Myron V. George (R-Ks.), a publisher who had been a member of the Kansas State Highway Commission (1939-1950), interrupted to ask if the Governors' change of position was based on the fact that under the proposed program, all of the gas-tax revenue would be returned to the States for highway improvements, whereas before half the revenue went to the general treasury. Governor Kohler responded:

> That is correct, Congressman George. That is correct.[183]

Glenn E. Brooks addressed the turnabout in his history of the Governors' Conference. He observed that some of "the staunchest advocates of states' primacy" had left office by the time of the report, but even the remaining old guard Governors supported the increased Federal role in road building:

> One conservative former governor, who was a key member of the special governors' highway committee, explained the reversal in an interview. Congress, he noted, was under heavy pressure to enact the highway bill with federal financing. The governors knew that the national government would not, indeed could not, get out of the gasoline tax field without wrecking the highway program. State legislatures were not strong enough to withstand the pressures that would be exerted by the oil and gas interests to cut the gasoline tax if the national government withdrew. In other words, all parties concerned – the president, the Congress, and the governors, knew that the national government was the only government politically and financially capable of levying the necessary taxes for the highway program.

Brooks added, that "Frank Bane, the Governors' Conference Secretary-Treasurer, when asked why the governors decided to support national leadership, smiled knowingly and quoted James Russell Lowell:

> New occasions teach new duties;
> Time makes ancient good uncouth;
> They must upward still, and onward
> Who would keep abreast of Truth."[184]

According to a news release issued on December 3 by presidential Press Secretary Hagerty after Governor Kennon's visit to the White House, the President referred the Governors' recommendations to General Clay for study.

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[183]Hearings, "National Highway Program," Committee on Public Works, U.S. House of Representatives, 84th Congress, 1st session, part 1, April 18-June 1, 1955, page 371.

[184]Brooks, pages 81-82.

The Clay Committee's Plan

By then, however, General Clay had already developed his plan for financing highway development. He had heard from General Bragdon regarding his toll proposal, but informed him:

> I am afraid that our Committee does not believe toll roads to be the answer, nor do we think a national network of toll roads desirable.

He also heard from the White House and Commissioner du Pont and Frank Turner, but as Professor Lewis explained:

> Disregarding these various proposals from the White House and Bureau of Public Roads, Clay decided instead to consult the chief executives of the nation's leading banking and brokerage houses, including Smith Barney, Drexel, Chase, and National City Bank of New York, for their "views on financing a highway program." It is likely that he took direction from Sloan Colt, the head of Banker's Trust. After hearing from the bankers and brokers, the committee decided upon a radically different plan.[185]

Two days before Governor Kennon presented the Governors' plan to President Eisenhower, General Clay had described the plan on December 1 at the 31st annual conference of the American Municipal Association in Philadelphia. After briefly describing his committee, General Clay stressed the importance of its work:

> I would like to say first of all that we are fully cognizant of the fact that the entire economy of the United States is built on transportation and that we cannot visualize this economy continuing without transportation in all fields; rail, air, water and highway.

The Nation, he explained, had some 3.5 million miles of roads, over a million miles of which were still unpaved. Approximately 670,000 miles were eligible for Federal-aid under the current program. The existing interstate system, which carries approximately 30 percent of all the traffic mainly on U.S. numbered highways, "does provide the key network for intercity and interstate transportation."

Although he felt the Nation was keeping up with roadway needs prior to World War II, that was no longer the case:

> We had not anticipated a growth from 33 million registered cars and trucks in 1942 to 53 million registered cars and trucks in 1954 to an estimated 80 million cars and trucks in 1965 . . . . It seems without a shadow of doubt that we must have an accelerated road

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[185] Lewis, pages 111-112.

> program to bring our road facilities in line with the growth of vehicles and vehicular ton mileage, estimated at approximately 800 billion vehicular miles per year by 1965.[186]

Like the Governors' Special Committee, General Clay relied on BPR's pending survey to describe needs and costs as requested by the 1954 Act. Based on appropriate standards for the Interstate System, the Federal-aid primary and secondary systems, and other roads, BPR "developed a total cost for road construction to meet these standards of $101 billion, which is of course a lot of money." The current Federal-aid, State, county, and municipal programs assured the Nation of a $47 billion construction program during the next 10 years. That left a balance of $53 billion if all the country's roads were to be brought up to these standards. "Mind you," General Clay pointed out, "this includes rural roads of all types and kinds as well as your primary and secondary and the city streets of all types and kinds."

Given the adequacy of Federal-aid and State funding for the primary and secondary systems under current programs, the real "missing link" was funding to complete the 40,000-mile Interstate System that had been authorized by the Federal-Aid Highway Act of 1944 without a specific funding program. He used BPR's estimate of the cost of building the Interstate System ($23 billion plus $3 billion for "urban area feeder roads connecting the expressways"). That was the amount, $26 billion, that constituted "the immediate and positive need."

Discussing whether a program of this magnitude is necessary, he offered three reasons. First, he cited national defense.

> I don't like to blame everything on national defense because we have had a tendency in this country whenever we wanted to spend money to say it is a desirable thing from the national defense viewpoint; however, we cannot avoid the fact that this 40,000-mile system has been designated by the Defense Department as essential to national defense for the movement of both troops and supplies if war should come. We also know that in these days of atomic and hydrogen bomb warfare, if such warfare does develop, the problem of evacuation from centers of population . . . cannot be solved with the existing network of roads in the congested areas . . . .

General Clay's second reason was highway safety. Experience had shown that properly designed highways cut the accident rate, by as much as one-fourth, over poorly designed and inadequate highways. Therefore, he said, "safety alone is a very convincing argument for an adequate road program."

Finally, he cited the economy. With the population expected to increase to 185 to 190 million people by 1965, when the Interstate System would be completed, the vehicle population would be approximately 80 million cars and trucks. We must admit, he said, "that our present road system is inadequate to meet such demand."

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[186]The actual figures proved to be 90,357,667 registered motor vehicles operated by 98,502,152 licensed drivers who traveled an annual vehicle distance of 887,812,000,000 miles. *Highway Statistics Summary to 1995*, Federal Highway Administration, FHWA-PL-97-009, 1997, page II-5.

In determining how to finance the $26 billion, the Clay Committee faced certain constraints. The Administration was committed to balancing the budget, so an increase in annual appropriations was out of the question. The Administration was reluctant to approve an increase in the national debt for a bond issue. Further, the Federal Government had embarked on a program of decreasing, not increasing taxes, so "we could not look to an increase in tax rates for the money to support this program."

With that background, the committee had only one option, and that is the one adopted. Estimating that the present Federal tax on gasoline and lubricating oil raised about a billion dollars a year, with the amount likely to increase over time, the committee developed this concept:

> Our tables indicate that a federal commission, authorized to issue bonds in its own name and promised a revenue equivalent to that which the government will receive from the gasoline and lubricating oil tax, with $550 million of that amount still appropriated for federal aid to primary and secondary roads, would support over the ten years a bond issue in the neighborhood of $23 to $24 billion, to be paid for over a 30-year period. And remember, these roads are being designed to meet the traffic of 1974 and with at least a 30-year life. In point of fact, with proper maintenance their life is indefinite.

Under this plan, the Federal commission's bonds would be outside the general Treasury, thus keeping the indebtedness beyond calculation of the national debt that President Eisenhower thought should be balanced.

As for the States, their share of the cost of the Interstate System should remain at current levels. To match the current annual Federal authorization of $175 million a year for the Interstate System, the States were expected to contribute $140 million, "and in this enlarged program we think they should continue that contribution." He also thought the cities, which "would take advantage of the $3 billion program," should be required to spend at least as much money as they had contemplated spending for road construction during the 10-year period.

The problem presented by the toll roads – existing, under construction, and planned – also had been considered. The committee believed that where toll roads have been or are constructed, the State should be given credit for the funds so expended, with the Federal credit reimbursement funds used to improve other types and kinds of roads. He felt the same idea should be applied where the States have already constructed sections of the Interstate System to desirable standards.

General Clay acknowledged that his committee's financing proposal was unusual. "I doubt if such a proposal has been presented to the Congress before."

But he added:

> There is one thing certain, we are not going to get an adequate highway program through the normal approach. If we are going to have an adequate highway program, we have got to have the courage to take bold measures now so that it will be available when the traffic growth reaches us.

To develop the Interstate System, General Clay would establish a five-man commission, headed by BPR's Commissioner, to issue bonds, allocate funds, and work out "programs with the states based upon programs worked out in the states, between the states, the cities and the counties." No change would occur in the existing Federal-State partnership for the Federal-aid primary and secondary systems:

> In such a way we believe a coordinated program would develop and for the first time we would have ten years to work on a program as a whole, the individual parts of which would fit into a real national highway system.

He summed up the Interstate portion of the committee's recommendations:

> So perhaps we may say that we are recommending, rather than a pay-as-you-go policy, a pay-as-you-use policy, capitalizing the revenue of thirty years over and above the money required for primary and secondary roads so that we may have in ten years a really and truly national system of highways feeding our principal cities throughout the country.[187]

On December 2, General Clay again outlined the proposal in Chicago, this time during a panel discussion of highway construction and financing, before the 12th biennial conference of the Council of State Governments. Just before the 3-day conference, the Executive Committee of the Governors' Conference had met to approve the special committee's highway financing report. The Governors' plan was presented to the conference during the panel discussion. The following day, the assembly voted to support the proposal. The Associated Press reported that, "Gov. Pyle of Arizona, chairman of the assembly, estimated that the show of hands was 10 to 1 in favor of the stepped up road building."[188]

And on December 3, General Clay reported on the program to the Conference of Mayors at the State Department Auditorium in Washington at 9:15 a.m. He began by acknowledging that in view of his speech before the American Municipal Association, "I'm afraid some of you have already heard the developments in this highway program."

Thus, as President Eisenhower accepted the Governors' proposal later that day at the White House and passed it on the General Clay for consideration, General Clay and his committee had already adopted the plan they would propose for the Interstate System.

As mentioned, the Clay Committee and the governors relied on BPR's draft summary of highway needs based on a canvass of the State highway agencies. The estimates reflected several misconceptions, including one mentioned previously – that construction would consist of upgrading existing U.S. numbered highways in their current alignment.

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[187]Clay, General Lucius D., "A New National Highway Program," American Municipal Association, 31st annual conference, December 1, 1954.

[188]Associated Press, "State Officials Back U.S. Aid Boost for Highways Program," *The Evening Star*, December 3, 1954.

Another misconception was that the design standards developed by AASHO and approved by PRA in 1945 would apply to the post-1956 program. The goal of the 1945 plan was to design Interstate highways "to allow for the subsequent provision of facilities capable of serving safely and efficiently a mixed traffic of passenger automobiles, motorbuses, and motortrucks and tractor-trailer and semi-trailer combinations" under conditions "which will exist 20 years from the date of construction." The standards called for:

- Full control of access would be provided where State law permitted it. If permitted, full control would be provided on new locations and on old locations wherever economically possible. If not permitted, additional right-of-way would be obtained to provide for construction of frontage roads to provide the required access from abutting properties.
- In most cases, railroad crossings of the Interstate System would be on structures. However, where the railroad operated five or less regular train movements at a crossing, separation of grades would be provided only if justified by an economic analysis. Where separation was not justified, adequate warning devices would be installed.
- Similarly, on Interstate routes carrying 3,000 or more vehicles a day, every effort would be made to separate cross traffic. For Interstate routes with lower traffic density, grade separation would be provided when justified by an economic analysis. When grade separation is not provided at a cross road, traffic signal control installations, channelized intersections, or stop control on the cross road would be provided.
- Design speed varied based on location. In flat topography, rural segments would have a minimum design speed of 60 and a desirable design speed of 70; in rolling topography, 50 and 60, respectively; and in mountainous topography, 40 and 50. All urban sections would have a minimum design speed of 40, with a desirable design speed of 50.
- On sections carrying less than 200 vehicles per lane, the lanes would be 11 feet wide; on sections carrying a higher volume, lanes would be 12 feet wide. All lanes in urban areas would be 12 feet wide.
- The width of median strip would vary. In rural areas, the minimum width would be 15 feet and the desirable width, 40 feet. In urban areas, the width would be 4 feet and 12 feet, respectively.
- The standards did not recommend specific right-of-way widths for urban sections "because of the widely variable conditions but provision should be made for the acquisition of sufficient right-of-way for the ultimate design."[189]

The standards were criticized by some observers because they were not comparable to the standards used on existing parkways and turnpikes – and nothing like the idealistic visions favored by some "superhighway" advocates. In 1955, Joseph Barnett, who in 1945 was PRA's Chief of the Urban Roads Division and Secretary of the AASHO committee that prepared the standards, explained the assumption behind AASHO's design standards:

> Except for the fact that interstate highways constitute links in a national system and are given priority due to their importance for long-distance transportation and the national

[189]Design Standards for the National System of Interstate Highways of the American Association of State Highway Officials Adopted August 1, 1945.

> defense, their design should not be materially different from that of any other road carrying a comparable volume and kind of traffic.[190]

Behind the Scenes

Earl Swift, for his book on the men who created the Nation's road network, interviewed one of those men, former Federal Highway Administrator Frank Turner, who had worked with the Clay Committee at the direction of Commissioner du Pont. In the interview, a typically modest Turner described his role as "developing the papers, the numbers and all of the mechanics – what do we want to do, how do we do it, how do we find it – and converting all of those into proposals which the president would then transmit to the Congress."

Swift explained Turner's activities:

> He was the chief source of statistics and technical background for the committee, the explainer of why things were as they were and what had been tried, successfully and otherwise, in years past – the font to which the members turned again and again to check their assumptions and ideas. He was the recorder of meetings, the writer of letters, and the author of every draft of every paper the group produced. He was the chief of the committee's staff, which was drawn from the bureau's ranks. He also served as liaison with an advisory panel of industry experts, who brainstormed ideas the main committee might consider. Turner also described himself as "kind of a glorified gofer" but admitted that in this "very 'hey you' type of organization, very informal,' it was the "gofers doing the actual work."

As the plan evolved, General Clay favored the bond financing plan for a toll-free network of Interstate highways. Turner was among those who warned Clay that the plan would almost certainly fail to get past Senator Harry F. Byrd (D-Va.), ranking Democrat on the Finance Committee. Senator Byrd "was known to be pathologically opposed to bonded debt." As Swift put it, "'The Great Uncompromiser' paid the counsel little heed."

Once the final decisions were made, Turner was responsible for putting them in writing:

> By late December, Turner had taken the report through at least three drafts, each written in longhand, augmented by scribbles on White House scratch pads, and typed late at night at home in Arlington. Successive drafts were mimeographed, distributed to the membership, edited, and returned to Turner, who would consult with Clay on any changes.

Finally, the job was done:

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[190]Barnett, Joseph, "Our Interstate Highway System," *Civil Engineering*, July 1955, page 40.

> Francis du Pont, vacationing in Europe, dropped Turner a line from Rome to thank him for "the outstanding job you have done for Lucius Clay and I hope posterity."[191]

Reaction to the Plan

Newspaper reports reacted to the plan, based on the Philadelphia speech, which had caused some confusion about the cost of the Interstate System compared with the cost of improving other federally designated systems and State and local roads. As reported in Hearst's *The Detroit Times*, "Press dispatches state that Gen. Clay said the President's $50,000,000 program was being reduced about one-half because while the whole program was desirable, it was not feasible." Some listeners saw "a great reduction in the scope of the program."

Attempting to clarify the proposal, Clay told the Hearst Newspapers:

> It was never intended that the cost of the entire highway program would be borne by the federal government. I said in Philadelphia that while that might be desirable, it was not feasible. Obviously, there will have to be state participation in the President's program.[192]

The Clay Committee's plan was not only consistent with the Governors' proposal, but satisfied the President's demand that the plan be "self-liquidating," although the President seems to have meant that phrase to refer to toll financing. It also met his condition that the funding not add to the national debt; the debt incurred by the five-man commission would be outside the Federal Government's accounts. Because the proposal was in addition to the regular Federal-aid program, it would also provide the economic stimulus the President thought necessary to avoid what he called the "'peak and valley' experience" of the economy.

The plan also reached out to many of the competing interest groups. The Governors would find that the plan paralleled their own. (Seely points out that, "This was not a coincidence, because du Pont had worked with both groups," the Clay Committee and the Governor's Special Committee.) Truckers found that Federal excise taxes that they paid would not have to be increased – revenue would increase automatically as traffic grew. For rural interests, the elements of the Federal-aid highway program would continue, so they would continue to receive funds for secondary roads.[193]

So the theory went. The reality would prove quite different in 1955.

Interrupting the Plan

In the meantime, several developments were occurring that would affect the deliberations over the coming 2 years.

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[191] Swift, pages 177-180.

[192] "Clay Clarifies Road Finances," Special to *The Detroit Times*, December 3, 1954.

[193] Seely, page 215.

One development was the off-year elections held in November, with the Republicans hoping to retain the slim majority that entitled them to control of Congress. President Eisenhower believed that if the Republican candidates supported what he thought of as his middle-of-the-road program, they would retain control. However, the President did not think it fitting or appropriate for him to campaign for Republican candidates. Previous Presidents had tried to influence off-year elections, without much success, and he doubted he would be any more successful. He believed the President should be seen as President of all the people, not one party.

When Governor Dewey put pressure on the President to “campaign on an intensive basis,” Eisenhower responded, “Nothing that Mr. Truman did so shocked my sense of the fitting and the appropriate as did his barnstorming activities while he was actually President of the United States.” Further, at 64 years old, the President had to consider his health ("the Presidency is a job that would tax the intellectual and physical energies of a far younger man").[194]

By October, with polls indicating the Democratic Party's prospects were improving, the President changed his mind. Not only would a shift of power in Congress jeopardize his programs, but would give the extreme right wing an opportunity to take control of the Republican Party. He was convinced that "if the right wing really recaptures the Republican Party, there simply isn't going to be any Republican influence in this country within a matter of a few brief years."[195]

The President traveled more than 10,000 miles in October and delivered nearly 40 speeches to try to salvage Republican control of Congress. As he traveled the country, he often referred to the need for "a vast new highway program," as he called it on October 8 at a Republican Precinct Rally in Denver.[196] On October 29, in remarks at New Castle County Airport in Wilmington, Delaware, he cited the "worlds of useful work that this Nation has to do," including "great highway programs to build."[197] That same day, in Detroit, he commented on the growth of the auto industry, then added:

> We are pushing ahead with a great road program, a road program that will take this Nation out of its antiquated shackles of secondary roads all over this country and give us the types of highways that we need for this great mass of motor vehicles.[198]

He also cited the highway program during this period in non-campaign remarks. For example, in an October 25 address at the Forestal Memorial Award Dinner, he discussed what must be accomplished to keep the economy productive. He listed expanding international trade, reducing the cost of government, improving our farm program, converting the atom to peaceful service,

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[194]Ambrose, page 218.

[195]Ibid.

[196]*Public Papers*, 1954, page 897.

[197]Ibid., page 1003.

[198]Ibid., page 995.

improving schools and homes, and developing water, power, and soil resources, as well as the following:

> [We] must give America a modern highway system. In addition to easing the Nation's traffic problems, we will, by this great program, powerfully stimulate healthy economic growth and strengthen the Nation's security.[199]

Throughout his October speeches, he periodically returned to a traffic image to explain the importance of Republican control of the Congress. For example, he included this theme in an address at the Eisenhower Day Dinner in Washington on October 28:

> [I foresee] innumerable obstacles to steady progress if your government team is made up of a Congress controlled by one party and the Executive Branch by the other.
>
> For the good of America, our governmental traffic must be efficiently handled. We won't get anywhere with red lights at all the governmental crossroads. Add to this, two drivers at every governmental steering wheel, each trying to go in a different direction, and we shall certainly end up in a hopeless traffic jam.[200]

Despite the President's efforts, the Nation's voters favored the traffic jam he had warned them against. The Republicans lost 17 seats in the House and 2 in the Senate, giving the Democrats control of both chambers. For the President's Grand Plan, this meant the public works committees and their roads subcommittees, as well as the tax writing committees (the House Ways and Means Committee and the Senate Finance Committee) would be chaired by Democratic leaders who might have their own ideas about the shape of the future highway program.

Another development was that Commissioner du Pont announced that he would be leaving BPR to become a Special Assistant to the Secretary of Commerce (his resignation was effective January 14, 1955). From this position, he would devote his time to the President's highway program.

During testimony in 1955 before the Senate Subcommittee on Roads, du Pont explained why he had resigned as Commissioner of Public Roads:

> The responsibilities of the Commissioner of Public Roads have been increased continually since 1916. There are many prescribed responsibilities as you well know. His time is pretty well filled with discharging those duties and adjusting problems that come up in the States through delegations calling, and so forth.
>
> With the Nixon speech the interest in the highway picture grew tremendously. There were a great many inquiries from all over the country. In fact from foreign countries.

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[199]Ibid., page 957.

[200]Ibid., page 985.

> Of course there was no specific program announced at that conference. But it did stimulate and trigger questions beyond your imagination . . . . It became our responsibility of course to reply, to the extent of our ability. Shortly after this announcement we had the formation of a committee by Governor Kennon known as the Governors Advisory Committee on Highways.
>
> That was followed by the appointment of the President's committee which is chaired by Gen. Lucius Clay. Both committees immediately, individually and jointly, commenced to ask for factual data. We were directed to staff the President's committee under General Clay, and we did assign one of my assistants, Mr. Turner, to fill in that capacity and supplement his work by other members of the staff. Those men had to come primarily from the research organization who were collecting the data . . . .
>
> It became evident to me in the latter part of the fall that it would be physically impossible for me to discharge the prescribed duties of the Commissioner of Public Roads, and at the same time give the maximum assistance to the extent that I am able to assist the Members of Congress in evaluating such highway problems as might be presented to the Congress . . . .
>
> It seems to me the maximum contribution that I could supply would be through making myself available to the members of Congress, knowing full well I could not do this and also discharge the other responsibilities as Commissioner. I discussed this matter with the Secretary of Commerce in October and announced at the meeting of the Association of State Highway Officials in early November that soon after the first of the year I would resign as Commissioner, and coincidentally announced that my deputy, Mr. C. D. Curtiss, who had been in charge of the administration and finance work of the Bureau for many years, would succeed me, and that I would be assigned to Secretary's Office.

The transition in a bureaucracy was not simple:

> That action was not finally completed until about a month ago. It was understood that I was to be an Assistant to the Secretary of Commerce. Frankly, I did not know until last week, when I went over to get my commission, that I am a Consultant to the Secretary of Commerce. The reason for that, I believe, was that I refused to accept any compensation acting in a capacity which is not a prescribed one, and there is some question as to whether one can act as a special assistant to the Secretary without compensation.
>
> I therefore am officially a consultant to the Secretary of Commerce without compensation, in which position I am very happy to continue to serve so long as I can be helpful in solving this very vital problem to our future . . . . It is a privilege to continue one's hobby.[201]

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[201] National Highway Program, Hearings before a Subcommittee of the Committee on Public Works, United States Senate, 84th Congress, 1st Session, 1955, pages 36-39.

He intended to remain in his BPR office for an "indeterminate time" while Congress considered the legislation. His "responsibilities will be predicated on the outcome of this Congressional session."

Seely commented that this change signaled that "road policy had become a creature of politics":

> Du Pont's change of title seemed a clear signal that the control of highway policy had passed from the hands of the engineers to the politicians.[202]

During the Seattle meeting, AASHO's leadership also changed hands, as it did every year. President Alf Johnson, at the end of his 1-year term, handed over the leadership to George T. McCoy, California's State Highway Engineer. In addition, Executive Secretary Hale, after serving in that post for 11 years, resigned unexpectedly to assume the position of Highway Consultant to the Association of American Railroads. AASHO quickly convened a search committee to find a new Executive Secretary. The committee, consisting of John A. Volpe of Massachusetts, Bertram D. Tallamy of New York, and Rex M. Whitton of Missouri, chose Johnson who was endorsed unanimously by AASHO's membership.[203]

In the President's annual address, Johnson reminded AASHO of its 40-year history. During those 40 years, the Nation had witnessed "the unprecedented and unbelievable growth of motor transportation to the degree that our entire economy is based on motor transportation and we do not have enough of the right kind of roads to adequately and safety accommodate the demand." Indeed, over those same 40 years, the Nation had developed "the world's largest and best, although ailing and far from desirably adequate, road system." Now, the inadequacies of the network are evident to all. He commended the Presidents "dynamic interest in the matter."

With a new program under debate, Johnson cautioned his colleagues to avoid the mistake of providing "too little for the demand," as had been the case all too often over AASHO's first 40 years:

> But the people responsible for those examples cannot be criticized for they had absolutely nothing to gauge the unprecedented growth of the motor vehicle and the heavy demands it would make on the highway system. The same does not hold true for us, however, and if we continue to make the same mistakes then we can be criticized severely and for reason.

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[202]"Roads Chief To Become Weeks Aide," *The Washington Post and Times Herald*, November 17, 1954; "Commissioner to Devote Time to President's Program," *The News in Public Roads*, December 1954, page 2; Seely, page 214. Du Pont informally replaced Under Secretary Murray, who resigned because he opposed the Administration's highway plan. A supporter of construction by the toll mechanism, Murray favored returning gas tax revenues and responsibility for highway construction to the States. *Engineering News-Record*, August 12, 1954.

[203]Johnson, Alfred E., "A Commentary on My Years in Washington," *American Highways*, October 1972, page 5. Each member of the search committee would later be appointed to the position of Federal Highway Administrator (Volpe in 1956, Tallamy in 1957, and Whitton in 1961).

Given the interest aroused by the President's proposal – an expanded highway program, focused on the "nationwide ultramodern Interstate System" – is "a certainty." He believed the program should be carried out through the traditional State/BPR relationship that "has proved its worth and efficiency over the years." He left AASHO's presidency with these words:

> Without doubt the opportunity we have been awaiting is upon us, and as soon as it is, let us be ready, let us have vision, let us be equal to the task, let us do the job with distinction and honor and above all let us design and build adequacy for the future. Think big, have confidence, and start your planning for this program from this very moment.[204]

To present the congressional view, AASHO had invited Chairmen Dondero and McGregor. As Republicans, both would lose their chairmanships in the next Congress.

Dondero praised the Federal-Aid Highway Act of 1954:

> That Act was, without doubt, the best piece of road legislation ever placed on the statute books by the Congress of the United States. And yet, the President's recent public statement on highways foreshadows even greater things to come.

His speech focused on the need for improvements in the Nation's metropolitan areas.

> It is easy to say: "The city dweller has the money. Let him take care of himself."

But the cities, he pointed out, were having trouble finding the money for all their needs, "not only highways, but slum clearance, housing, sanitation, schools, recreational facilities, airport development, public safety, civil defense and so forth." And yet:

> Let's remember that possibly half of our important highway revenues are generated in the urban areas, and that in the past the cities' share has not always evidenced this fact . . . . But beyond that, we must keep in mind that the highway systems of the cities, counties and states are interdependent. One system cannot function without the others.

What was needed was "cooperative thinking and planning – for a close working partnership between all levels of government."

In closing, Dondero pledged that "the cause of better and safer highways for the people of our country shall have my wholehearted support."[205]

McGregor, in his presentation, addressed the call for the Federal Government to get out of the highway business:

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[204]Johnson, A. E., "President's Annual Address," November 9, 1954, published in *American Highways*, January 1955, pages 4, 24-26.

[205]Address, Dondero, Representative George A., *American Highways*, January 1955, pages 6, 27.

> Now, I am a believer in "States Rights" as well as the next man, but I am not willing to "buy" that philosophy "whole hog." I know we have fine Highway Departments in all our States . . . but – our highway problem today is not only one of taking care of our "own" or State road needs, but of the needs of a great Nation as well. Our motor traffic does not stop at the State line today.

Although some States were undoubtedly financially able to take care of their "State needs," he doubted that many would build the Interstate mileage to the desired standards, or care for national defense needs or the national economy, "nor do I believe they should be expected to do that." The Federal Government "has an important financial and technical responsibility." He added:

> I just doubt very much if the Congress is going to rush out of the Federal gas tax field in the near future, anyway, and I personally like the idea of putting that money back in needed road improvement, as long as we're getting it from the road user to start with.

After discussing the Federal-Aid Highway Act of 1954 and the hearings earlier that year on highway needs, McGregor commented on the President's Grand Plan announcement as read by Vice President Nixon. It was, McGregor said, "an inspiring challenge" to everyone concerned with highway transportation. He would rely heavily on AASHO to help Congress find "the ways and means of bringing our highway systems up to par":

> The goal which we seek is neither utopian nor far distant. It is well within the reach of our productive and engineering capacities. And it is strictly in keeping with our philosophy of Federal, State and local government.

He added:

> We'll get it done, as Americans always do – maybe with a few skinned heads, a few delays, and few headaches, and a few casualties, but all of us working together will get it done. [206]

Francis V. du Pont as Commissioner

After Commissioner du Pont took office on April 1, 1953, he began to evaluate many aspects of BPR, big and small. Some of the key changes he made were discussed earlier.

One area he addressed was how BPR communicated within the agency. Beginning in 1936, headquarters had communicated to officials in Washington and around the country by G.A.M.s that covered all aspects of BPR's work, including technical issues, legislative updates, leave policy, travel approvals, and funding. On February 1, 1954, BPR issued an index of the G.A.M.s., with the goal of replacing them with a new series of Circular Memoranda covering updated information over a similar range of subjects.

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[206] McGregor, Representative A. Harry, "Address," *American Highways*, January 1955.

In the first Circular Memorandum, dated February 11, 1954, Commissioner du Pont launched an effort to “develop a new condensed codified series of memoranda which will clearly and concisely set forth Bureau policies and procedures as they pertain to Federal-State relationships and our own internal activities.” He asked officials to review the index of G.A.M.s to identify those “directly related to your activities, with the objective of preparing a new memorandum which will supersede all previous memoranda listed” in the G.A.M. index. Solicitor Kaltenbach would be responsible for converting the old memoranda to the new form.

The Circular Memoranda would be color coded:

> Memoranda . . . which are for distribution only within the Bureau will be mimeographed on green paper, while those for distribution to outside agencies as well will be on white paper.[207]

On August 9, 1954, Commissioner du Pont issued the first "Cherry Memorandum." It indicated that to ensure uniform interpretations nationwide, whenever a ruling or interpretation of general importance was made in Washington, copies would be sent to all field offices on cherry-colored paper. "I trust," du Pont said, "that every effort will be made in the Divisions to see that they use Bureau policies, as distinguished from Division policies." Cherry Memorandum No. 2, issued on August 16, concerned Section 17 of the Federal-Aid Highway Act of 1954, which required that projects "shall be performed by contract awarded by competitive bidding . . . unless the Secretary of Commerce shall affirmatively find that, under the circumstances relating to a given project, some other method is in the public interest."

In addition, Commissioner du Pont began issuing Program and Procedure Memoranda – widely known throughout the agency as PPMs. The PPMs remained a key part of the agency’s activities until the 1970s when they were replaced by the Federal-Aid Highway Program Manual (known to all employees as the “Orange Books” based on the color of the binders in which they were collected).

Commissioner du Pont also initiated an internal newsletter titled *The News in Public Roads*. A Circular Memorandum to employees dated June 14, 1954, from Herbert S. Fairbank, Deputy Commissioner for Research, outlined the Scope and Contents of the newsletter:

> The publication is to be serious in nature, excluding items such as bowling scores, dances, and low grade humor, but including assignments, retirements, and deaths of people known beyond their immediate office, and happenings to any employee when in good taste and of real news value.
>
> Among the items suggested for inclusion are new research projects, program progress, new equipment, news of trainee and other in-service training programs, incentive awards, progress on foreign work, matters of general interest discussed at annual meetings of

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[207]DuPont, F. V., “Issuance of Administrative and Policy and Procedure Memoranda, Circular Memoranda, February 11, 1954.

> division engineers, organization changes, unusual projects, important decisions of the Comptroller General and of courts, and legislative developments of particular interest.

The first issue, dated June 1954, contained a message from Commissioner du Pont, who explained that the goal of the newsletter was "a serious one – to enable our employees to know our organization better and convince them that it is doing a work of great public benefit":

> The employee who knows only what goes on in his own room may not think well, or otherwise, of the operations of the organization because he does not know what they are. His own work at times may not fulfill its need simply for lack of understanding of the facts and policies that influence the thinking of his superiors. Knowledge of the Bureau's operations, and why and how it is performing them, should not be confined to the top-level administrators. We want all of our people to know . . . .
>
> Frequently there are events and news items not covered by official statements that we want to tell our people about. We believe that they will be interested in such things as highway legislation, retirement benefits, leave privileges, personal items concerning people they know, and new activities of the Bureau.

The message concluded:

> If the publication succeeds in some degree in bringing us closer together with a common understanding and purpose, it will be worth the effort in producing it.

(After BPR joined the U.S. Department of Transportation on April 1, 1967, as a bureau within the new Federal Highway Administration, the newsletter continued as *Federal Highway Administration News*, eventually shortened to *FHWA News*. Today, copies of each issue are circulated electronically to all employees, with a limited number of copies printed for distribution to retirees.)[208]

Travel, often on his own airplane, was part of Commissioner du Pont's work. He told the Senate Subcommittee on Public Roads:

> I have visited 40 of the 48 States in the last 15 months. I have met every chief engineer of every State. I visited every highway commission. I do not profess to know all of their problems, but I do state that within 15 months I have visited every State and discussed with those men their problems.
>
> I happen to have been a member of the Association of State Highway Officials for over 30 years, so that it is not a new contact.[209]

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[208] Fairbank Herbert S, "Employee Publication – THE NEWS in Public Roads," Circular Memoranda, June 14, 1954; "From the Commissioner," *The News in Public Roads*, June 1954, page 1.

[209] National Highway Program, Hearings before a Subcommittee of the Committee on Public Works, United States Senate, 84th Congress, 1st Session, 1955, page 38.

Fairly typical of Commissioner du Pont's many field trips was his visit to the South Dakota District Office and the State Highway Department in August 1954, as described in *The News in Public Roads*:

> He explained to State highway personnel the Federal-aid secondary road plan and the benefits thereof. At a meeting with the District Office employees, he discussed some of the recent and future changes in Public Roads, particularly the increased emphasis on the interstate system. Mrs. Sigard Anderson, wife of South Dakota's Governor, entertained Mrs. du Pont at an informal coffee party attended by wives of the Bureau's District employees.[210]

In addition, he made a number of improvements in the economy and efficiency of BPR operations, as documented in BPR's annual report for FY 1954. As mentioned earlier, he had ended the practice of extending the service of long-time employees who reached the retirement age of 70.

As *America's Highway 1776-1976* pointed out, Commissioner du Pont was concerned from the start about BPR's research program:

> Shortly after Francis V. duPont [sic] succeeded Thomas H. MacDonald as Commissioner of Public Roads in 1953, he called on Deputy Commissioner for Research Fairbank to describe the Bureau's research program. Fairbank assembled his Division Chiefs to meet the new Commissioner and to permit each to explain his part in the research effort. Each Division Chief, having grown up in the Bureau during the 34-year tenure of Mr. MacDonald, must have approached this meeting with the new Commissioner with considerable trepidation, and so perhaps did Fairbank. But the tension initially felt in the atmosphere as the meeting convened was soon broken when duPont asked "Mr. Fairbank, does the Bureau engage in fundamental or practical research?" and Fairbank replied, "Oh, practical research – by all means, practical research," and duPont responded, "That's good to hear, for there's no point in doing research if the results can't be applied."[211]

After receiving the recommendations of the committee he had appointed to review BPR's research work, Commissioner du Pont made changes:

> Near the end of the year a new system of control over research projects was installed, its purpose being to select for prosecution those projects for which there is the greatest need, to limit the program to a size suitable for accomplishment with available funds and personnel, and to keep a close check on progress of projects with a view to abandonment of those that do not promise useful results within a reasonable period of time.[212]

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[210]"Commissioner Visits South Dakota," *The News in Public Roads*, October 1954, page 3.

[211]Annual Report of the Bureau of Public Roads, FY 1954, page *4*.

[212]"Reorganization," *The News in Public Roads*, October 1954, page 8.

He also made an "important change" by consolidating the Division of Programs and Design with the Division of Construction to form a new Division of Engineering. He consolidated the Training and Education Branch and the Personnel Branch (formerly in the Division of Finance) as the Personnel and Training Office. The new office was under Turner's supervision in the Commissioner's office. "Commissioner du Pont indicated that the step was taken to give a centralized position to this activity consistent with the importance he attaches to the personnel and training functions."

The changes were not confined to headquarters. To increase effectiveness and efficiency, Commissioner du Pont reorganized Division 7, a regional office that oversaw district offices in Arizona, California, Nevada, and Hawaii:

> Under the new plan the Division Office will control directly all survey, plans, specifications, and estimate work on direct construction project. The District Offices will handle directly all construction work on these projects subsequent to the award of contract. The latter will also have immediate supervision over direct maintenance projects. [213]

Further, to accommodate "the largest Federal-aid highway program in history," BPR streamlined procedures "to handle the work without any material increase in personnel." In fact, the number of permanent employees was reduced by 128 during FY 1954:

> A review was made of reporting practices, forms used, and approvals required. Some were eliminated and other consolidated, with a resulting reduction in paper work.
>
> Much greater authority was centered in the district offices of the Bureau, in each State. Federal-aid system revisions and programs of projects proposed by the States for improvement with Federal aid must be sent to Washington for approval. The district engineer of the Bureau [the head of the office in each State] may now approve most steps taken thereafter, without waiting to hear from the division [regional office overseeing several State district offices] or headquarters offices. This change greatly reduced the time necessary to get construction under way.

State highway officials still consulted division and headquarters specialists "on the design of large and complex projects such as expressways and major bridges, but they did this, in general, because they desired consultation rather than to meet a requirement":

> Despite the considerable growth in size of the Federal-aid program during the year . . . economies effected permitted handling the additional workload with a reduction in administrative expenditures of $438,000 below the figure for the previous year."[214]

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[213]"Reorganization," *The News in Public Roads*, October 1954, page 8.

[214]Annual Report of the Bureau of Public Roads, FY 1954, pages 4-5.

The December 1954 issue of the newsletter featured a greeting from Commissioner du Pont. The past year had been one of "highly satisfactory accomplishment by the Bureau of Public Roads." BPR's work had been "on a broader front and on a larger scale than at any time in our history":

> To appreciate the full scope and benefits of our work one would have to travel widely throughout the United States, visiting highway projects in both the largest cities and most remote areas. One would have to attend the meetings of committees of technical societies and associations and of legislative bodies to appreciate the impact of data developed by the Bureau. One would even have to visit countries such as Turkey, Ethiopia, and the Philippines to see the results of assistance given in carrying out certain foreign policies of the United States.
>
> I came to the Bureau with a high regard for its past accomplishments and place in national affairs. The organization has continued its competent performance of public service in 1954.
>
> During the year there has been widespread discussion of a greatly enlarged highway program. It has been most gratifying to me to observe the extent to which the Bureau is asked to assist in studying the problem and the general assumption that it will play a key role in effecting a solution. The position of the Bureau in national affairs is not the result of brilliant achievement by a few individuals but rather that of efficient and competent performance throughout the entire organization. I wish to thank each employee of Public Roads for his or her contribution to our success in 1954. The new year begins with far greater opportunities for improvement of highway transportation than ever before and I am confident that we will continue our high standard of performance in this field.[215]

He did not mention his departure, which was covered on page 2 of the same issue:

> Commissioner du Pont announced that he will resign his present position early in January and become a special assistant to the Secretary of Commerce, in order to devote his time more completely to the President's highway program. The announcement was made at the meeting of the American Association of State Highway Officials at Seattle in November.
>
> The Commissioner told highway officials that the organizational structure of the Bureau imposes such a heavy burden of administrative detail that it is difficult for him to find the time that he would like to give toward advancement of the President's highway program. . . .
>
> Upon his return to Washington, Mr. du Pont gave assurance that there would be no lessening of his interest in the work of the Bureau, and that he would continue to occupy his present office space with the Bureau. He indicated that the arrangement is one for the

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[215]"Greetings From The Commissioner, *The News in Public Roads*, December 1954, page 1.

> transition period while legislation is being considered and that his "responsibilities thereafter will be predicated on the outcome of this (the next) Congressional session."[216]

Du Pont's successor would be 67-year old Charles D. "Cap" Curtiss. A native of Camden, Michigan, he had attended Michigan State College, received a master's degree from Columbia University, and earned a degree in civil engineering from Iowa State College. While in Iowa, he had worked from 1915 to 1917 as an assistant engineer for Iowa State Highway Commissioner Thomas H. MacDonald. During World War I, Curtiss served in France with the U.S. Army Corps of Engineers in charge of all road work in the Angers district, rising to the rank of Captain (resulting in his lifelong nickname of "Cap").

Following the war, Curtiss contacted MacDonald about returning to Iowa. MacDonald replied that he had no openings – the open jobs were being held for returning servicemen who had left the Iowa agency – but he was going to Washington to head BPR and invited Curtiss to join him as Special Assistant. Curtiss accepted the offer, joining BPR on July 30, 1919, a post he held for 8 years before becoming chief of the controls division. He was in charge of finance and management activities in 1943 when MacDonald appointed Curtiss to be Deputy Commissioner for Finance and Management, the post he held at the time of his selection to be the new Commissioner. ARBA's magazine, *Road Builders' News* described Curtiss at the time:

> Soft-spoken and amiable, Captain Curtiss is nationally known and respected as an outstanding expert on highway policy and administration.

Curtiss served as Commissioner of Public Roads until the first Federal Highway Administrator, John A. Volpe, took office on October 22, 1956. Curtiss remained with BPR as Commissioner until retiring in December 1957 after reaching the age of 70.[217]

President Eisenhower and the Clay Proposal

President Eisenhower appeared before a joint session of Congress on January 6, 1955, to deliver his annual message on the State of the Union. He began by discussing "the true nature of the struggle now taking place in the world." He explained:

> It is not a struggle merely of economic theories, or of forms of government, or of military power . . . . [It is] a struggle which goes to the roots of the human spirit, and its shadow falls across the long sweep of man's destiny. This prize, so precious, so fraught with ultimate meaning, is the true object of the contending forces in the world.

When he turned to discussion of the economic outlook, he found promising signs. The previous year, 1954, had been one of the most prosperous years in American history, and the outlook for

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[216]"Commissioner to Devote Time to President's Program," *The News in Public Roads*, December 1954, page 2.

[217]"Mr. du Pont Ends Close Association With Bureau," *The News in Public Roads*, February 1962, page 1; "George S. Bartlett Award Presented to Charles Dwight Curtiss," *American Highways*, January 1958, pages 9, 28.

1955 was good. He planned to issue several special messages setting forth the major programs he thought necessary to foster economic growth and protect the integrity of the people's money.

To meet these goals, “a modern, efficient highway system is essential to meet the needs of our growing population, our expanding economy, and our national security.” Highway construction and other public works activities, he said, can be a valuable sustaining force in times of threatening economic contraction.

> To this end, efficient planning and execution of the nation's public works require both the coordination of Federal activities and effective cooperation with State and local governments.

The President promised to submit detailed recommendations for meeting the Nation's most pressing national highway needs on January 27, based on the recommendations of the Conference of State Governors and his Advisory Committee on a National Highway Program.[218]

He repeated the promise in his annual budget message on January 17. The Nation had not kept pace with the growing need for “highways adequate to economic development and national security”:

> I plan to send a special message to the Congress in the near future recommending a program of coordinated action by Federal, State, and local governments, to overcome major highway deficiencies.[219]

Despite these assurances, officials in the White House were divided. As Professor Rose put it, “Few in the federal government besides Clay himself, Eisenhower, and Adams approved each feature of Clay’s plan.” The Council of Economic Advisors wanted greater control of tax, toll, and bond rates to allow for management of the economy. Treasury Secretary Humphrey wanted a clear link between gas tax receipts and the finance corporation, while the Bureau of the Budget wanted profits from any tolls to go to the Treasury Department.

The Interagency Committee, its members divided as always, were uncertain about Clay’s plan. He urged them to endorse the plan without modifications that, he thought, would prove to be bad politics. His program had, he explained, sufficient incentives to guarantee support. Any plan to use Federal-aid to construct toll roads would be “whipped before it got started.” And charging tolls on previously free roads would lead to a “revolution” in the West. In fact, if the committee did not approve his plan without modifications, he would prefer that his plan not be forwarded.[220]

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[218]Eisenhower, Dwight D., “Annual Message to the Congress on the State of the Union,” *Public Papers of the Presidents*, 1955, page 19.

[219] “Annual Budget Message to the Congress: Fiscal Year 1956,” *Public Papers of the Presidents*, 1955, page 167.

[220]Rose, pages 76-77.

Even the President had one reservation. In a January 11 meeting with the Clay Committee, the President expressed "tremendous enthusiasm," but asked why the committee had recommended gas taxes to repay the bonds instead of tolls, which the President personally favored. When Clay explained that tolls would work only in the heavily populated sections of the East and West Coasts, Eisenhower accepted the explanation.[221] Overall, though, he thought the plan was consistent with his own interest in being able to regulate the economy. He wrote to Clay on January 26: "Our whole industrial activity [had to be] geared to a purpose of steady and stable expansion." Having the ability to avoid the "peak and valley experience" would allow the Nation to avoid "many serious and even unnecessary difficulties."[222]

The controversy was not limited to the Administration. The Clay Committee's recommendations had gained "broad approval," according to the *Engineering News-Record*, but "there were barbed criticisms of specific details." Members of Congress expressed concerns about the financing plan, which would create a "hidden debt" beyond the national debt. Senator Gore, now chairman Gore of the Subcommittee on Public Roads, said, "It's a screwy plan which could lead the country into inflationary ruin." Highway officials objected to the recommendation that the five-man Federal Highway Corporation would have a veto over the Commissioner of Public Roads. They were concerned the change not only would diminish the status of the Commissioner but "also serve as an invitation to play politics with the interstate highway program."

Highway user groups objected to the Clay Committee's proposal to repay States for construction of turnpikes or toll-free roads. As *Engineering News-Record* summarized the objection, "Highway users charged this would amount to making their membership pay twice for the roads they use most."[223]

Editorial cartoonists had their say as well. On January 16, 1955, *The Washington Post*'s Herblock depicted President Eisenhower and Uncle Sam talking. The President, holding a paper labeled "Administration Road Program," points off in the distance as Uncle Sam, looking behind him at a dilapidated "School" labeled "U.S. Number 1 Construction Need." Uncle Sam mutters, "Yeah, Uh Huh, Sounds Fine ---"

Talburt, the editorial cartoonist for the Scripps-Howard Newspapers, drew a talking roll of dollars carrying a hod of gold bricks labeled "Juggled Bookkeeping." He explains, "It won't be a debt – we'll just OWE it!" The cartoon is titled "Paved With Goldbricks."

Shoemaker, for the John F. Dille Syndicate, showed Uncle Sam driving a car labeled "Road Building Plan," while men race to jump in labeled "Employment," "Highway Safety," "Industry," and "National Defense." The cartoon is titled "Room For All."

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[221]Ambrose, page 251.

[222]Quoted in Rose, page 76.

[223]"Highway Plan Draws Both Cheers, Criticism," *Engineering News-Record*, January 20, 1955, page 23.

Then there was Senator Byrd, the chairman of the Finance Committee who had a lifelong opposition to debt, personal and governmental. Even before the plan was formally released, Senator Byrd reacted to early reports of the details by indicating his opposition to the financing concept, which he thought was "thoroughly unsound" and an attempt "to defy budgetary control and evade federal debt law."

He objected to creation of a Federal Highway Corporation to enter into a debt that would be outside the lawful national debt limit – guaranteed not by the full faith of the Federal Government but by the Department of the Treasury – and beyond congressional budget control. Despite the Treasury Department's guarantee, the corporation would have neither assets nor income to repay the debt. Instead, the hands of Congress would be tied for 30 years of gas tax that could be used only to retire on long-ago highway construction. Moreover, he pointed out that the proposed $20 billion, 30-year bond issue would require an interest cost of $11.5 billion (at the 3-percent interest rate anticipated by the Clay Committee). Interest payments, therefore, would amount to 55 cents on every dollar borrowed. And it would be, he said, "a very violent assumption to predict these bonds will be paid off at maturity."

Aside from viewing the Clay Committee's proposal as a poor way to finance roads, Senator Byrd saw it as an unfortunate precedent:

> If the government can borrow money in this fashion, without regarding it as debt and without budgetary controls, it may be expected that similar proposals will be made for financing endless outlays.

In short, he emphasized, "the bonds still would be debt," noting "you cannot avoid financial responsibility by legerdemain."

As a counter-proposal, Senator Byrd suggested cutting a half cent from the present Federal excise tax on gasoline and allow the States to raise their gasoline tax rates. The Federal Government would continue matching State funds on a 60-40 basis for the Interstate System. His plan would save $11.5 billion in interest payments, retain State control over their highways as in the past, and allow for even distribution of road revenue to keep highways modern.[224]

In view of the nonexistent chance that Senator Byrd would support the financing proposal, General Clay counted on taking advantage of the fact that the House initiated tax measures. If the Senate rejected the plan but the House approved it, the House might prevail in a conference committee to create a final bill.

The Administration, recognizing the problem it faced with Senator Byrd, offered an "economy" that it hoped would prove enticing to him – cutting the non-Interstate Federal-aid program back to the $575-million level it was before the Federal-Aid Highway Act of 1954. This would limit the Clay Committee's program to the amount of estimated revenue from the Federal gasoline tax.

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[224] "Byrd Would Reduce U.S. Gas Tax and Allow States to Hike Theirs," *Transport Topics*, January 24, 1955.

As the *Engineering News-Record* summarized the results, “There’s no sign publicly that Sen. Harry Byrd, the chief economy man in Congress, has even bitten at this bait.”[225]

As late as February 1, the Administration was still debating the merits of the Clay plan and alternatives to it. On that day, however, the debates came to an end (although participants such as General Bragdon continued to favor their own concepts). During a February 1 meeting attended by Sherman Adams, Secretaries Humphrey and Weeks, and General Clay, among others, Bragdon again raised the issue of using tolls to finance the program. Schwartz summarized the meeting:

> The discussion dealt partly with the political fact that a toll proposal predictably would arouse the ire of the AAA, state highway officials, and the state governors, particularly in the West; with these enemies, it was argued, the proposal would stand little chance of succeeding in Congress.[226]

In the end, Adams, representing the President, agreed with General Clay, and the matter was resolved.[227]

The participants also worked on the President’s transmittal message. Like so much involving the Grand Plan, members of the Administration had been divided on what approach to take. Should it be a general transmittal of the Clay Committee’s plan or a discussion of the plan in detail? Should the report be transmitted as the President’s views or merely as informative. Perhaps the report should not be forwarded at all – the message would outline major points that were thought to be acceptable, with other points presented as alternatives.[228] The issues were resolved and the message drafted.

During this period, the President was preoccupied with the Formosa Straits crisis that erupted when communist China appeared to be planning to cross the straits and attack the Chinese Nationalists on Formosa (now called Taiwan). Even so, the President took time from the foreign crisis to seek support from Members of Congress for his highway plan. In his mind, the two were linked, as Ambrose explained:

> Throughout the Formosa Straits crisis, [the President] had worried about how to evacuate Washington in the event of a nuclear attack on the capital, and on other cities too. Four-

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[225]"Washington Observer,” *Engineering News-Record*, February 17, 1955.

[226]Schwartz, page 431.

[227]Schwartz reports that Bragdon returned to his office and wrote "a forlorn memorandum" that ended: "So this ends the matter as far as the toll roads are concerned. In other words, the American people will have a $27 billion bill for something which they could have gotten for nothing, all because of (a) political feasibility, and (b) the horse-and-buggy anti-toll road sentiment in the Bureau of Public Roads," pages 431-432 (note 183).

[228]Bragdon, General J. S., Memoranda to the Council of Economic Advisors, January 20 and January 24, 1955.

> lane highways leading out of the cities would make evacuation possible; they would also facilitate the movement of military traffic in the event of war.[229]

On February 16, the President invited Clay to the White House to brief several senior Republican Members of Congress: Senators William F. Knowland (Ca.), H. Styles Bridges (NH), and Eugene D. Millikan (Co.), and Representatives Charles A. Halleck (In.), Joseph W. Martin (Ma.), and Leslie C. Arends (Il.). Although Clay conducted the briefing, the President fed him questions to direct the dialogue. In addition, the President stressed what he considered to be the important points: "With our roads inadequate to handle an expanding industry, the result will be inflation and a disrupted economy." He noted that recently built airports were already obsolete and "we cannot let that happen on our roads." Senator Bridges, however, warned the President and Clay that he was already hearing complaints from other Members about one element of the Clay Committee's plan, namely "windfalls" from reimbursements to States for roads already built.[230]

Even before the Clay Committee's report had been transmitted to Congress, Senator Gore had introduced an alternative on February 11. S. 1048, the Federal-Aid Highway Act of 1955 proposed to continue the existing Federal-aid highway program at a level of $1.6 billion a year over a 5-year period, with $500 million authorized for the Interstate System annually through FY 1960. The funds would be apportioned one-half on the basis of population and one-half on the basis of the formula for apportioning Federal-aid primary funds. For the Interstate System, the Federal share would be 66.3 percent, with an increased share in States with large amounts of public lands and nontaxable Indian lands. For other categories, the bill retained the traditional 50-50 Federal-State share. As had always been the case with the Federal-aid highway program, the bill called for expenditures to be included within the Federal debt limit.

Because the Constitution specified that revenue legislation must originate in the House of Representatives, the Gore Bill was silent on the origins of the revenue it would authorize. His subcommittee suggested, however, that the Public Works Committee recommend in its report to the Senate that the Federal excise tax on gasoline be increased by 1 cent. The House Ways and Means Committee would have to consider this or any other revenue proposal.

Engineering News-Record summarized the appeal of Senator Gore's bill:

> Democratic leaders will not be won over easily to support of the White House program. With an eye on next year's elections, they still demand that funds for federal expenditure be voted by Congress and show up in the budget. They stick with the Gore bill as the time-tested method of meeting a big program.

Administration leaders countered that Senator Gore's approach provided "too little and too late." In contrast with the President's 10-year plan, they said, completing the Interstate System under

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[229]Ambrose, page 251.

[230]Rose, pages 77-79.

the Democratic alternative would take 32 years. Although what would happen in Congress "is anybody's guess," *Engineering News-Record* felt safe in making one prediction:

> The politics of the 1956 elections loom large in the picture; and they dim the chances for the bipartisan approach that Eisenhower had hoped to gain.[231]

Public Works leaders were to meet with the President on the afternoon of February 21. That morning, Senator Gore's subcommittee began its hearings on S. 1048. He would later describe the hearings as "the most exhaustive hearings ever conducted on highway legislation."[232] They lasted 21 days over 3 months, included testimony or statements from over 100 people and organizations, and occupied 1,072 pages in a committee compilation.

In addition, the hearings were the first to be chaired by Gore in the Senate. He indicated:

> The committee meeting was called for the purpose of considering S. 1048 and such other Federal-aid highway bills as might be pending before the committee at this time. At the time I announced the hearing I fully expected that the administration proposal would be before the committee at this time. It has not yet been presented but I understand it will be shortly.
>
> This is the first time I have been privileged to preside over a Senate subcommittee. I particularly solicit the help of each one of you in the conduct of this hearing and in arriving at sound highway legislation to meet the challenge of transportation problems.
>
> Heretofore the Federal-aid highway bills have never been regarded as political. I surely hope that they never will be so regarded. The committee will accept and desires all of the assistance possible in arriving at the best possible highway legislation for which the country is able to pay.[233]

In scheduling the hearings to begin on this date, Senator Gore had fully expected the Administration's bill to be ready for consideration. He had, therefore, invited Secretary Weeks to be the first witness, although the Secretary had to decline because of a prior commitment. Just before the hearings began, the Administration announced the President's message would be delayed (until the following day, February 22, as it turned out).

The hearings began on a sour note, with the members discussing the fact that the Department of Commerce had not submitted all the reports requested by the Federal-Aid Highway Act of 1954. Missing were the reports on the cost of relocating and reconstructing utilities services resulting from highway improvements (Section 11), a draft of legislation consolidating the welter of accumulated highway law into a single code (Section 12) and a comprehensive study of all

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[231]"Battle Joined Over Rival Highway Plans," *Engineering News-Record*, February 24, 1955, page 23.

[232]Gore, Senator Albert, "Address," *American Highways*, January 1956, page 6.

[233]*National Highway Program*, Hearings Before a Subcommittee of the Committee on Public Works, United States Senate, February 21 through April 15, 1955, page 25.

phases of highway financing, including tolls (Section 13). They had been due February 1, 1955. On January 31, the Department had asked Congress for a 60-day extension to complete the reports. As Secretary Weeks explained in a February 16 letter to Senator Gore:

> These latter reports required the collection of extensive data from State highway departments, public utilities, and utility regulatory agencies in all parts of the country, and the preparation of numerous statistical analyses, maps, charts, and diagrams. Completion of the reports has also been delayed by the demands made by the President's Advisory Committee on a National Highway Program and the Governor's Conference on the staff of the Research Department of the Bureau of Public Roads.[234]

Senator Case, the former Chairman of the subcommittee, raised the issue because of his concern that politics had become a part of the subcommittee's work:

> Mr. Chairman, my reason, frankly, for raising this question is that the chairman said, very properly, at the outset of this hearing that in the consideration of highway legislation we should try to avoid the development of politics or political considerations. It has been said to me that the delay in these reports has been followed by the introduction of a bill [the Gore Bill] which tended to throw the whole question of highway development into politics. I think that is an unfair charge.
>
> I know the chairman of this subcommittee. I have worked with him a great many years and I do not think he wants highways thrown into politics. But you do have a situation where the delay in the presentation of these reports, for whatever reason it may have been, has made it possible in introduce another bill here. We are starting hearings on that bill before we have hearings on the recommendations which the President may make, whatever they may be.
>
> Unfortunately in some quarters it is getting a political interpretation. I thought if we could find out why there was a delay in the presentation of the reports . . . it would perhaps tend to answer these suggestions.[235]

With the issue of the delayed reports and the absent Administration bill put aside, the Senators returned to the subject of politics:

> Senator McNamara. I want to comment on the business of politics in the road program. I think it is a little late to talk about keeping politics out of it. I know that in my campaign the chairman of the Republican Policy Committee, who happened to be my opponent, made this his No. 1 point in the campaign. I do not know how you can make it nonpolitical at this point.

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[234]Ibid., page 26.

[235]Ibid., page 34.

Senator Gore. I hope this committee can make it nonpolitical. Last year the committee received all the help and suggestions that it could obtain. I believe I am correct in saying that after receiving all the help possible from all sources possible we closed the door and the committee wrote the bill, and when it was introduced on the floor, I believe it bore the signatures of every member of the committee, Republican and Democrat. It would be my hope that we would follow that same pattern this time. I, too, deplore any move to make our highway program political. I think it should be noted that the report of General Clay makes reference to having had available the studies of the Department of Commerce for its benefit. That was one reason that prompted me to ask that they be forwarded on to this committee promptly. I thought we deserved the benefit of those studies and I am sure we will soon have the benefit of those studies.

Senator Case**.** My understanding is that you are eminently correct, that the studies which the Bureau was directed to make and did make through the State highway departments provided the facts and the figures upon which the Clay report was largely based.

Senator Gore. I am sure that they will soon be furnished. Senator Martin?

Senator Martin. I would like to make this suggestion. With the exception of Senator Chavez, I am the senior member of this committee, and I guess I am about as partisan as anybody on the committee, but I have never known politics in any of our work, rivers and harbors, roadbuilding, and so on. It has always been on its merits. In the bill which we had last year, which was the largest road bill in the history of America, everyone on the committee sponsored the bill with the proviso that the formula for the distribution you would have a right to debate on the floor, which we did. When we got it on the floor one of the strongest advocates of the formula, as it was finally enacted into law, was the present chairman of the Appropriations Committee, the senior Senator from Arizona, and his State probably got less out of it than any other State in the Union; but I think it was entirely nonpartisan. While this committee has been presided over by both Democrats and Republicans, I think we have been nonpartisan. I wanted to bring that up. I know of course that we all use these things. Anything that is good, each party wants to claim that that is its project.

The members debated the issue at length, even wondering what remedies the subcommittee might have when a report is not delivered on time. Throughout the discussion, Senator Gore several times made a simple point, as when he said:

I seem to be in the unusual role of being Secretary Weeks' defender. I think that Mr. du Pont will have an explanation that will be satisfactory to the committee.[236]

[236]Ibid, page 34.

Du Pont, now a consultant to the Secretary of Commerce, was the first witness. Senator Gore asked du Pont to begin by responding to Senator Case's concerns about the delay in providing the report and an inquiry from the same Senator regarding the new Special Assistant position.

Regarding the missing reports, du Pont indicated they had been delayed by two circumstances that were unforeseen when the Federal-Aid Highway Act of 1954 was enacted. First had been the unexpected demands for information by the Governors' Committee and the Clay Committee.

The second circumstance was the illness of the Deputy Commissioner for Research, Herbert S. Fairbank, the lifelong Baltimorean and bachelor who had played major roles in developing all the important reports of the Interstate gestation period: *Toll Roads and Free Roads* (1939), *Interregional Highways* (1944), and *Highway Needs of the National Defense* (1949). The reports being prepared by Fairbank's office were the highway needs report, a report on relocation and reconstruction of public utilities services resulting from highway improvements, and a study on the progress and feasibility of toll roads.

Du Pont explained:

> Mr. Fairbank has been in the Bureau many years. He is highly regarded I think by all segments of highway construction research. He has not been too well. He went abroad about a month ago and came back and got into this problem . . . . Regrettably, Mr. Fairbank has not recovered completely and he has not been able to spend more than about half his time, in my judgment, since last summer on this work, which handicapped the bringing together of the factual data and completing the report.[237]
>
> It was just physically impossible, gentlemen, in view of those circumstances, lack of control and other circumstances, illness on the part of the Director, and the demands by the governors committee and the Clay committee, it was physically impossible to comply with the direction of Congress.

As for when the studies would be submitted:

> I discussed that matter at length with Mr. Fairbank, who now comes to the office [from his home in Baltimore] about half the time, and, while we have asked for a 60-day extension, I should be quite disappointed if it is not available within half that time.[238]

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[237]While on vacation with his sister in Italy, he had contracted an illness that was never diagnosed and from which he never fully recovered, leading to his retirement in April 1955. *America's Highways 1776-1976*, page 184.

[238]*National Highway Program*, page 37.

The other delayed report covered a consolidated highway act that was assigned to the legal division of the Bureau.[239]

Du Pont's brief formal statement simply recounted developments since Vice President Nixon had delivered the President's Grand Plan speech. With the Clay Committee report pending and the President planning to meet with Public Works leaders, including Senator Gore, in the afternoon, du Pont indicated, "it would be premature for me to comment at this time, on any specific legislative proposals."

Although the Senators tried to get his comments on details already known about the Clay Committee's plan or about the Gore Bill, du Pont declined each opportunity to respond.

Several Senators asked about the idea of credits to the States that had built turnpikes in Interstate corridors. Commissioner du Pont's testimony ended with this exchange:

> Mr. du Pont. I do not feel that this is the opportune time because this section may not even be in the bill.
> Senator Gore. We are not talking about the bill. We are talking about the Clay report. I have a few questions that I want to submit to you with respect to the Clay report. But if you take the position that you do not wish to discuss the Clay report, then of course you will not be pressed.
> Mr. du Pont. I appreciate it. I will be very glad to discuss anything in the Clay report at what I consider the opportune time – in other words, after it is a matter reduced to legislation – because I feel that a number of recommendations there will not be in the legislation.
> Senator Gore. You do not think it is proper for this committee to take cognizance of the Clay report until it has been approved or not approved by higher authorities?
> Mr. du Pont. I think it is entirely proper to discuss any of the factual data. I do not think it is proper to discuss the policies that may be included in the legislation that may be presented.
> Senator Gore. Thank you, Mr. du Pont.

Reporters observing the exchange agreed that, as *The New York Times* put it, "Mr. Gore curtly dismissed him from the stand."[240]

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[239]Each Federal-Aid Highway Act was an amendment to the Federal Aid Road Act of 1916. Many provisions of the 40 or so enactments overlapped, were contradictory, or were obsolete. Section 12 of the Federal-Aid Highway Act of 1954 called on the Department of Commerce to recommend a draft consolidation law. On August 27, 1958, President Eisenhower signed Public Law 85-767, codifying all pertinent portions of existing Federal highway legislation as "Highways," "Other Highways," and "General Provisions" at Title 23, United States Code.

[240]Loftus, Joseph A., "President Fails to Impress Democrats With Road Plan," *The New York Times*, February 22, 1955.

The only other witness to testify on the opening day, Commissioner of Public Roads Curtiss, also was unable to comment directly on either the President's bill or the Gore bill.[241]

On the recommendation of General Clay, Governor Adams, and others, President Eisenhower had invited the chairman and ranking members of the Senate and House Committees on Public Works and their Subcommittees on Public Roads/Roads to the White House for a meeting that afternoon on the highway program. Participants included General Clay, Governor Adams, Director Hughes of the Bureau of the Budget, Assistant Jack Martin, Press Secretary Hagerty, and Senators Chavez (Committee Chairman), Edward Martin (Committee and Subcommittee Ranking Member), Albert Gore (Subcommittee Chairman) and Representatives Charles A. Buckley (Committee Chairman, D-NY) George Dondero (Ranking Member), George Fallon (Subcommittee Chairman), and Myron George (in place of Ranking Member McGregor). It was the first time Democrats had been invited to the White House during the Eisenhower Administration to discuss domestic matters.

President Eisenhower explained that as Supreme Commander of the Allied Forces in Europe, he had been impressed by how quickly the Germans had moved military supplies and personnel over the autobahns. Returning to the United States, he had the "unpleasant experience" of traveling "on some of our roads" that compared poorly with the German network.

Hagerty told reporters that "Mr. Eisenhower emphasized that ever since then he has been very interested in establishing throughout the Nation an adequate interstate system of highways. (Sources are unclear about this reference, but President Eisenhower may have been referring to his experience during the U.S. Army transcontinental convoy in 1919 – the experience he often cited as the foundation of his views. He did not cite his post-World War II experience on America's roads.)

The President stressed that with 60 million vehicles soon jamming the Nation's roads, "we will have to build up our highways to meet that traffic." He wanted a sound highway plan that could "stand on its own feet," based on the concept that highway users would provide the funds for its construction. The Interstate System was the top priority. Clay's 10-year plan was "vitally essential for national defense," would "help the steel and auto spare parts industry," and was, in short, "good for America."[242]

According to Hagerty, the President advised the bipartisan group that there was "nothing partisan in building roads. They were intended for all the people to use. President Eisenhower wanted the best highway system the country can devise."

The Members raised concerns. Senator Gore, acknowledging that "there are certain appealing features in the Clay program," criticized the spending of $11 billion for interest on the bonds. He

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[241]National Highway Program, pages 46-66.

[242]Quoted in Rose, page 78.

argued, simply, "That money should be spent on roads."[243] After the meeting, the Senator told reporters that he had questioned the President on how the Administration could spend the money as proposed and still maintain that it would not increase the national debt. The President, according to Gore, smiled, then agreed it would be a debt, but it would not be part of the national debt.

Senator Chavez also expressed reservations to reporters. Before the meeting, he had said the Clay plan was "so full of holes it would sink," and came out feeling "the same way." The Clay recommendations were "subject to serious doubts as to whether they could be effective." He indicated that the Committees on Public Works would "pay attention conscientiously to their suggestions," but "then close the doors and write the best bill possible . . . that will build roads."

Counting payments on the bonds, the Interstate System would cost $31.7 billion, he said, adding:

> We are going to try to get out a road bill that will build roads. Personally, I'd like to build roads with the interest money instead of giving it to coupon clippers.[244]

The President Transmits the Report

Whatever the concerns about prospects for the proposal, President Eisenhower forwarded the Clay Committee's report, *A 10-Year National Highway Program*, to Congress the next day, February 22. The transmittal letter, drafted on February 1, began with a passage that has often been quoted as a summary of the President's views and a timeless statement about the role of highways specifically and transportation generally in the Nation's life:

> Our unity as a nation is sustained by free communication of thought and by easy transportation of people and goods. The ceaseless flow of information throughout the Republic is matched by individual and commercial movement over a vast system of interconnected highways crisscrossing the country and joining at our national borders with friendly neighbors to the north and south.
>
> Together, the united forces of our communication and transportation systems are dynamic elements in the very name we bear – United States. Without them, we would be a mere alliance of many separate parts.

The Nation's highway system, he said, is "a gigantic enterprise" but "is inadequate for the nation's growing needs." The need for action was inescapable. He cited safety (more than 36,000 killed and a million injured each year on the highways at a cost of more than $4.3 billion a year),

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[243]Ibid., page 79.

[244]Horner, Garnett D., "President Shifts to Congress Job of Mapping U.S. Aid Plan For Highways in Next Decade," *The Evening Star*, February 22, 1955; Knighton, William, Jr., "Big Road Plan Slated Today," *The Baltimore Sun*, February 22, 1955; Folliard, Edward T., "Ike Details Roads Plan to Foes," *The Washington Post and Times Herald*, February 22, 1955; Loftus, Joseph A., "President Fails to Impress Democrats With Road Plan," *The New York Times*, February 22, 1955; Odlin, William S., Jr., "Opinions Split on U.S. Road Bills," *Transport Topics*, February 28, 1955.

the poor physical condition of the roads (translating into higher shipping costs of about $5 billion a year that are passed on to consumers), the need to evacuate cities in the event of an atomic attack (the present system would be "the breeder of a deadly congestion within hours of an attack"), and the inevitable increase in traffic as the population and the gross national product increase ("existing traffic jams only faintly foreshadow those of 10 years hence").

The President described the Nation's highway systems, including the National System of Interstate Highways, the primary system, and the secondary system, as well as the Federal responsibility for roads on federally owned land:

> Of all these, the interstate system must be given top priority in construction planning. But at the current rate of development, the interstate network would not reach even a reasonable level of extent and efficiency in half a century.

Referring to BPR's needs report, prepared in response to Section 13 of the Federal-Aid Highway Act of 1954, as "the most comprehensive of its kind ever undertaken," he summarized the preliminary 10-year needs by road system:

SYSTEM	BILLIONS
Interstate (urban $11, rural $12 billion)	$23
Primary (urban $10, rural $20 billion)	30
Secondary (entirely rural)	15
Other roads and streets (urban $16, rural $17 billion)	33
TOTAL (urban $37, rural $64 billion)	$101

Not all this funding was a Federal responsibility. The President observed that the Governors' Conference and the Clay Committee agreed that the Federal share of total needs should be about 30 percent, with the rest the responsibility of State and local governments. This point was often lost in the ensuing debate; many people thought the President was proposing a $101 billion Federal program and were surprised to discover that the Administration's bill was far short of that amount.[245]

Overall, the President's transmittal letter stated, the Clay Committee recommended that the Federal Government assume principal responsibility for the Interstate System, to be completed by 1964, along with the most essential urban arterial connections, at an annual cost of $2.5 billion for 10 years (10-year total: $25 billion). Federal funds for the primary and secondary systems would continue at the rate authorized by the 1954 Act, approximately

[245]Senator Gore commented on this point in a speech to AASHO on December 6, 1955: "Of course, in the beginning, there was a good deal of radio and newspaper talk about the 'Grand Plan' of 101 billion dollars. Well, no such plan was ever submitted to Congress, whether by design or inadvertence I do not know . . . ." *American Highways*, January 1956, page 27.

$525 million a year (10-year total: $5.25 billion). Federal funds for non-Interstate portions of the Federal-aid system in urban areas would be continued at $75 million a year (10-year total: $750 million). Forest Highway funding would remain at the present $22.5 million annual rate (10-year total: $225 million).

In short, the Clay Committee's plan accounted for $31.225 billion, approximately 30 percent of total needs BPR had identified.

The President stated that a "sound Federal highway program, I believe, can and should stand on its own feet, with highway users providing the total dollars necessary for improvement and new construction." Financing of Interstate and other Federal-aid roads, therefore, should be financed by highway user excise taxes, "augmented in limited instances with tolls." All in all, though:

> I am inclined to the view that it is sounder to finance this program by special bond issues, to be paid off by the above-mentioned revenues which will be collected during the useful life of the roads and pledged to this purpose, rather than by an increase in general revenue obligations.

Referring to the Clay Committee's report and BPR's pending report on highway needs, the President concluded:

> Inescapably, the vastness of the highway enterprise fosters varieties of proposals which must be resolved into a national highway pattern. The two reports, however, should generate recognition of the urgency that presses upon us; approval of a general program that will give us a modern safe highway system; realization of the rewards for prompt and comprehensive action. They provide a solid foundation for a sound program.[246]

The President's phrase, "inclined to the view," would quickly suggest to critics that he was not committed to the financial aspects of the proposal – the linchpin of the program.

The transmitted 54-page report by the Clay Committee concluded with a strong endorsement of the need for the President's Grand Plan.

> We are indeed a nation on wheels and we cannot permit these wheels to slow down . . . . We have been able to disperse our factories, our stores, our people; in short, to create a revolution in living habits. Our cities have spread into suburbs, dependent on the automobile for their existence. The automobile has restored a way of life in which the individual may live in a friendly neighborhood, it has brought city and country closer together, it has made us one country and a united people.
>
> But, America continues to grow. Our highway plant must similarly grow if we are to maintain and increase our standard of living . . . . In fact, we face a challenge today and

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[246] Eisenhower, Dwight D., *National Highway Program (Message from the President of the United States Relative to A National Highway Program)*, 84th Congress, 1st Session, House Document No. 93, February 22, 1955, pages III-VI.

> America has ever evidenced its readiness to meet a challenge head on with practical bold measures . . . . Thus, we will accomplish the objective sought by the President for a "a grand plan for a properly articulated highway system that solves the problems of speedy, safe, transcontinental travel – intercity transportation – access highways – and farm-to-market movement – paying off in economic growth –" and making "a good start on the highways the country will need for a population of 200 million people."[247]

If reaction to the Clay Committee's plan within the President's Administration was mixed, the reaction was even more divided among those who were seeing it for the first time. As Professor Seely pointed out, the Clay Committee's plan "launched the most overtly political policy struggle in the history of the Federal-aid road program."[248] Professor Rose summarized the reaction:

> If those who stood to enhance their professional skills and reputations or fill their pocketbooks could live with most of Clay's package, others who would benefit little opposed it.[249]

Journalist Theodore White put it differently. The Clay Committee's proposals were born "out of the amateur ruminations of a number of civic-minded gentlemen enthusiastically exploring our needs over a period of a few weeks." What these gentlemen were about to find out, White observed, was a simple truism about roads:

> For the politics of American highways has always been dominated by one overwhelming truth: everyone loves roads, but no one wants to pay for them.[250]

Senators Case, Chavez, and Martin introduced the Administration bill in the Senate but only as a courtesy to the Administration. Neither Chavez nor Martin would champion the bill. Case indicated he planned to introduce his own bill.

By March 3, *Engineering News-Record* could report that Eisenhower's highway program was "in trouble – bad trouble." The financing mechanism, with its $11 billion in interest payments, was the chief problem. Critics considered the Administration bill a "bankers bill" that would provide too much benefit to bankers and investors at the public's expense. Further, the Administration "lacks a crusader" for the program "in a quickly developing political fight."[251]

The Administration, represented by Secretary Weeks and former Commissioner du Pont, testified on March 10 in support of the Clay Committee's proposals. Secretary Weeks began by

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[247]Ibid., pages 26-27.

[248]Seely, page 215.

[249]Rose, page 78.

[250]White, Theodore H., "Where Are Those New Roads?" *Collier's*, January 6, 1956.

[251]"President Eisenhower Gets Little Support," *Engineering News-Record*, March 3, 1955, page 17.

criticizing the Gore Bill. He objected to several features, noting that among other problems, it would “either require the levy of additional taxes or would increase the national deficit.” But one of “the greatest deficiencies” was the bill’s emphasis on improving the existing Federal-aid systems in advance of the Interstate System:

> I feel sure no one could dispute that the 40,000 miles of Interstate highways are essential to our economic well-being and defense. This network is the backbone of our highway system, and without question of greatest national and Federal concern. It should therefore receive the greatest national and Federal concern . . . . Assuming S. 1048 [the Gore Bill] is enacted and similar bills are reenacted every 5 years, it is estimated the 10-year needs of the primary and urban systems would not be satisfied before 1975, the secondary system before 1980, and the Interstate System before 1987, not to mention such additional needs as would accrue after 1965.[252]

He stated that the Administration Bill, including creation of a Federal Highway Corporation to issue 30-year bonds, “provides a constructive and realistic foundation for a sound program.”[253]

There had been much talk of a $101 billion program. Senator Gore asked if the Secretary considered the Administration’s bill to cover a program of that size. Secretary Weeks replied:

> No; I do not, Mr. Chairman. I regard it as a $21 billion program . . . . [The] amount in the bill, it is $21 billion, but it is a $27 billion program, as I personally visualize it. The Clay report indicates what ought to be done to get our roads in good shape, but the Federal part of the program is covered by S. 1160, the administration’s viewpoint, which takes satisfactory care of the Interstate System and then continues the Federal-aid program for secondary and other roads on the same basis as provided in the 1954 act, which, incidentally, is the highest on record . . .
>
> The $101 billion program covers a lot of roads that are not and never were involved in the Federal-aid program. They have always been done locally by the States.

He asked du Pont to discuss a chart “that I think in a sense displays what I’m talking about.”

Du Pont explained that the chart was “the first time, gentlemen, we have endeavored to indicate graphically the relationship between the several road systems and those in which the Federal Government has an interest or subsidizes.”

First, he pointed to a fringe area representing business on roads that were eligible for Federal-aid highway funds. These businesses – “fisheries, timber, farms, mines, livestock, oil, coal, oil wells, and natural resources” – sent their products to Federal-aid secondary roads that led to the Federal-aid primary system, which includes the highways designated for the Interstate System.

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[252]National Highway Program, page 317.

[253]Ibid., page 370.

> The Interstate System is 40,000 miles; the primary system is 240,000, but after deducting the Interstate, you get actually 197,000 miles in this area. Those, of course, as you know, are one of the highways that do participate in the Federal aid.
>
> Then we move out to the secondary system, which is 483,000 square miles, where again, we do have Federal aid, and that represents this band [indicating], either on the coming in or in the consumption side.
>
> Finally, we get to the local roads and streets in which the Federal Government has never participated and that amounts to 646,000 miles and is this large fringe area.
>
> Now, the relation of those systems to each other, if you take the 40,000 as 1, then the primary system represents 5 times as much as the secondary system and the ratio is 12 and the outer area, the rural and local roads, represents 64.
>
> Now that, I think, gives us, for the first time, the relative areas in which the Federal Government participates and their importance, shall we say, to our economy.

Under the Administration bill, the Interstate System would be completed (100 percent), but only about a quarter of needs would be met on the Federal-aid primary system (25 percent) and the Federal-aid secondary system (27 percent). Under the Gore bill, the comparable percentages would be: Interstate (31 percent), primary (49 percent), and secondary (41 percent). If the 1954 Act were extended, the percentages would be: Interstate (12 percent), primary (31 percent), and secondary (27 percent).[254]

Chairman Chavez interrupted the discussion to ask if du Pont "used to be the Commissioner of Highways." Thinking he was referring to his years in Delaware, du Pont replied, "I think I hold the long-distance record, sir." How long, Senator Chavez asked, had he been Commissioner of Public Roads. Du Pont said he had served for about 2 years before resigning several weeks earlier. He was now a consultant to the Secretary of Commerce.

The Senator asked if du Pont was being paid. Du Pont said he was contributing his services free of any payment. Was he sworn in as a Federal employee? "Yes, sir; I am . . . . I do have office space and I have transportation and if I go to New York, I am permitted to use Government travel." Did he know of any other employees who were not compensated? "I do not, but I am not very well informed on the many agencies of the Government":

> The Chairman. But anyway, you do not get a penny for your work?
> Mr. du Pont. No, sir.
> The Chairman. And you consider yourself a consultant to the road setup of the Federal Government?
> Mr. du Pont. I have that official designation.

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[254]The table, which was based on the as-yet unreleased BPR study of highway needs requested by Section 13 of the Federal-Aid Highway Act of 1954, was not reprinted in the hearing record. Ibid., pages 364-365.

> The Chairman. And an office is furnished you?
> Mr. du Pont. Yes, sir.
> The Chairman. Whenever you go out on presumably official business, notwithstanding that you are not a regular official, you get paid for your transportation and your expenses?
> Mr. du Pont. I understand so. I have never so gone out but I understand I do.

In response to a suggestion from Chairman Gore, Secretary Weeks agreed to look into the legality of employees not being compensated, but did not see a conflict of interest.

> Senator Case. I think Mr. du Pont's services are invaluable and I think his counsel will be worth a great deal, but I think it would be well to avoid future trouble.
> Senator Martin. I would like to ask one question. Mr. du Pont, how long did you serve as head of the Highway Department in the State of Delaware?
> Mr. du Pont. 1922 to 1949, sir.
> Senator Martin. What was your compensation there?
> Mr. du Pont. Zero. [255]

Many of the questions concerned the terms of the bond issuances, with particular emphasis on the Secretary's statement that, "The bonds would not be directly guaranteed by the faith and credit of the United States." If not, upon what security, Senator Gore wanted to know, would they rest? The Secretary replied:

> On the pledging of the gas tax money. The owners of the bonds as security have a first call on the 2-cent gas tax, and they have additionally, what I would call, a temporary hedge, so to speak, in the $5 billion borrowing capacity that the Corporation would have from the Treasury.[256]

Senator Gore, after clarifying details of the two steps, stated, "If these are not obligations of the Government of the United States or the people of the United States, then whose obligations are they?"

Senator Bush tried to clarify by pointing out that the bonds were backed only by the gas tax revenue and a limited line of credit from the Treasury Department ($5 billion in any year). "Therefore, the full faith and credit is not involved."

Chairman Chavez agreed with Senator Bush but asked, "if the Government issues a bond or bonds to a certain limit, should not the Government be behind those bonds, like they would in any other bond?" He added, "I would hate to think that a Government bond is issued, and the Government is not behind it."[257]

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[255]Ibid., pages 366-367.

[256]Ibid., page 370.

[257]Ibid., page 373.

Secretary Weeks explained that normally, government bonds are backed by the full faith and credit of the government, but that would not be the case with the highway bonds: "this is a security that is sold to the purchaser whose eyes are opened wide to the fact that his security rests on the allocation of this 2-cent gas tax revenue."

Chairman Chavez also raised the common concern about debt service:

> A lot of people are writing me from all over the country and saying why issue $20 billion worth of bonds and pay $11 billion worth of interest in 30 years; this $11 billion could build lots of roads.
>
> In other words, they feel that this is an investment bill and not a road bill.

Secretary Weeks replied, simply, "I do not think it is, sir."[258]

Having been unable to secure the Secretary's agreement that the bonds would be backed by the full faith and credit of the Federal Government, Senator Gore yielded to Senator Strom Thurmond (D-SC). As had been the case with previous witnesses, Senator Thurmond had one main issue:

> State whether or not a system of tolls might be provided on such a system and if inadvisable why, in order to make this self-liquidating project from the tolls and the revenues from the gasoline taxes without paying such tremendous amounts of interest.

The Secretary replied that he did not think the Federal Government should get into the toll business, but he deferred to du Pont, who stated:

> There are other things to be considered in the construction of a toll road as compared to a free road. First of all, the total number of miles that might be self-liquidating or have a sizable ratio of traffic to make the construction feasible, is quite limited.
>
> It is impossible to state, of course, precisely how many miles there currently are. Our loose figure is 1,000 in operation, another 1,000 under construction, and possibly another 6,000 to 7,000 miles might be feasible without subsidization of the toll road.
>
> Such a facility does not serve the community locally, because a toll road only has access where it is profitable. Consequently, you may not have access to that facility for many miles, and, therefore, in my judgment it is not the type of facility, certainly not profitable, insofar as serving the needs of any given area.

Senator Thurmond asked if tolls would be practical for Interstate-type roads. Du Pont replied:

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[258]Ibid., pages 375-376.

> Limited sections; yes, sir, and very definitely on bridges, all that type of structure, which lends itself admirably because you have a very high cost per mile as compared to the road itself.

The Senator asked if the new roads would be built "through a virgin territory or to follow the present system mostly." Du Pont answered for Secretary Weeks:

> It has not been estimated how much would be required as relocation as compared to the improvement of the existing facilities. I think this is generally true in the congested areas: the cost of securing sufficient rights-of-way are such, and the interruption to business and that sort of thing are such, that it would be preferable to have relocation in those areas where the congestion of population is go great.
>
> It is feasible in many instances to use the existing roads, possibly with some modification for curves and that sort of thing, but that could not be determined without an exact evaluation in each State.

Who, Senator Thurmond asked, would decide the exact location? Du Pont explained that the State highway agencies would make the determination, subject to review by the Secretary of Commerce through BPR. In terms of dollars, he estimated that "more than half of it . . . would be new, because most of your dollars are rights-of-way in congested areas." In terms of miles, "more of it would be on the existing location. In other words, you have a lot of mileage in uncongested areas. Those are cheap dollarwise as compared to congested areas."

Would construction of the Interstate System interfere with expanding the present road systems:

> I cannot see that it would other than by virtue of the fact that this new facility might preclude the necessity of expanding existing roads other than the improvements from time to time.

But if the current gas tax was dedicated to the Interstate System, what would be the source of revenue for the other systems? In asking the question, Senator Thurmond apparently did not realize that the Federal-aid highway program was financed out of the general Treasury, with the overall amount linked to gas tax revenue under the Federal-Aid Highway Act of 1954. Du Pont's reply was not clear on this point. "There is the \$662½ million that is first taken out, and it is the amount in excess of \$662½ million per annum that is used to finance this."[259]

Because of other Senate business, the subcommittee adjourned without completing the questioning of Secretary Weeks and former Commissioner du Pont.

At the next session, on March 11, General Clay was the much-anticipated witness. Senator Gore expressed his "personal appreciation" to the General "for the devoted and patriotic service you rendered your country" in devoting time without compensation to the Nation's highway

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[259]Ibid., pages 379-381.

problems. "Whether this committee or individual members of it will agree in all details with your recommendations is beside the point."[260]

Speaking without notes, General Clay summarized how the President had called for creation of the committee, explained the selection of the members, and described its findings. On the subject of bond financing, he explained:

> To us this seemed a more conservative way of doing it than by adding to the national debt and doing it from general revenue, which might or might not be liquidated or reduced over the period, whereas under this particular type and kind of financing it would guarantee that the roads would be paid for and the bonds retired, during their useful life by the gasoline tax paid by those who would use these roads and highways.

In summary, he cited four "compelling reasons" for the proposed program:

> I believe that a total bearing of the cost by the Federal Government with the exception of the rather minor amount to be contributed by the States as they are now doing, was justified because these roads have been certified as necessary to national defense . . . . Second, they are extremely urgent to the civil-defense program for the evacuation of our cities. Third, they are an important factor to our total economic life . . . . Fourth, and most important though, I think to us was, if I may use the word, the social aspect of the automobile and its use, because it has become a very essential part of American family life.

Ending his statement, he commented that the Interstate System was justified as a Federal expenditure. Further, the Federal Government should underwrite completion of the System within a 10-year period with arterial connections to our important urban centers, while continuing the other road work that had been part of the national program for many years. Moreover, he had complete confidence in the market to absorb the bonds without interfering in the marketing of other government securities.

That was, he said, the basis for the Clay Committee's recommendations to the President, who had transmitted them to Congress "accompanied by his own message, in which he pointed out that he was inclined to the viewpoint that our way of financing was the sound way." However, in the final sentence of Clay's statement, he added, "He did not commit himself as to that being the only way of financing."[261]

The questioning of General Clay followed several themes. No one doubted the importance of the Interstate System, but some doubt existed as to how much construction rested on defense needs. Senator Thurmond, for example, suggested that "it might be better to call it a system of defense roads" to overcome concerns about construction of the network on new location. General Clay

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[260]Ibid., page 393.

[261]Ibid., pages 393-396.

noted that his committee's report referred to the Interstate System as vital to national defense and civil defense. He added:

> Personally, I go much stronger than that. I think they are roads for survival. I think not only are they necessary for our defense needs, but for our whole economic future. I do not separate the two . . . . I think we have got to have adequate highway systems if we are really to survive as a people with a viable, growing economy.[262]

A related issue was the value of urban freeways in evacuating cities threatened by atomic attack. Senator McNamara, who was from Detroit, Michigan, doubted the freeways would be much help in evacuation. He had observed that when one crash occurs on a freeway, 10 cars pile up. "This is just normal driving, and they are not running scared for their lives." He added:

> I cannot visualize it lasting for 10 minutes as a means of escape when people are running for their lives, and I do not believe that it is going to be worth a thing under those circumstances.

Senator McNamara, in fact, would "use the alleys rather than use the superhighway" if he were trying to escape the city in the face of a pending atomic attack. All in all, he would rather justify the Interstate System as necessary for economic reasons rather for evacuation.

General Clay responded that, "While I do think the convenience need is there, to my mind the economic need is so great that you really need nothing more than the economic advantages."[263]

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[262]Ibid., page 398.

[263]Ibid., pages 397-398.

The financing aspects of the Clay Committee's plan came in for scrutiny as well during the General's testimony. Senator Thurmond, noting that the finance charge would "be one of the greatest bones of contention," asked if the Clay Committee had considered other methods of financing. General Clay said the committee had considered financing based on annual income, but that this would increase the deficit, which would have to be financed by debt adding up to almost as high a total of interest as the committee's plan. Toll financing would be possible only for a very limited part of the network. Financing on a pay-as-you-go basis through a gas tax increase was also rejected:

> I think the figure was about 4 cents. It just about trebled the Federal gasoline tax to do it on a pay-as-you-go basis in the life of the project. The reason we didn't do that was because of the historic relationship of the Federal gasoline tax to the State gasoline tax and the fact that the State gasoline taxes are being raised constantly; that the States are looking for the gasoline tax from which to provide their share of the expenditures, and also, the well-known desire of the States to have the 2-cent Federal tax returned to them.

Increasing the tax would increase the number of Federal roads, but decrease the number of roads the States could afford to build.[264]

As when Secretary Weeks testified, the financing plan also came into question, including whether the plan relied on the "full faith and credit" of the United States. The bonds, Clay explained, would be backed by the gasoline tax revenues, with the Treasury Department able to borrow revenue from the general Treasury if Congress ever failed to make funds available.

In response to a question from Senator Case, General Clay added that the committee's recommendation on this point was not in the President's proposal. The committee had wanted Congress to express its intent to appropriate sums each year equivalent to gasoline tax receipt to cover interest payments. The Treasury Department, however, had "wanted to definitely pledge the gasoline tax revenue, thereby insuring its going into a special account in the Treasury where it would build up and be available to retire these obligations."[265]

Clay was confident the Treasury Department would advance funds to the corporation as needed, but not in excess of need. "No," he assured Senator Case, "not with their caution."

The assurance did not satisfy the Senator:

> General Clay, the record of the Secretaries of the Treasury varies somewhat, but few of them, regardless of what party they have represented, have been able to predict the deficit or the revenues wholly accurately, and the possibility certainly exists that he would overestimate.[266]

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[264]Ibid., pages 400-402.

[265]Ibid., page 412.

[266]Ibid., page 413.

Senator Richard L. Neuberger (D-Or.), who was in his first year as a Senator, addressed the issue of the $11 billion in interest by suggesting that if the Federal gas tax were raised to 3 cents, from the present 2 cents, the total interest required could be reduced to $4 billion. He questioned, therefore, General Clay's assertion that raising the Federal gas tax would decrease the ability of the States to finance road projects. As the Senator pointed out, the States did not appear to have been limited over the years when the present tax was increased to 2 cents.

Acknowledging the point was a difficult one to answer, General Clay explained the practical reason why his committee, which the President had directed to work with the Governors, reached its conclusion on the financing package:

> When we started on this road-construction program, we first conferred with the governors. Their first position was they did not even want the Federal Government to take this 2 cents. They wanted it all turned back, and the States would build the highways.
>
> There is a great question about that, and in many States it would not provide the revenues to build the highways. Therefore, when the executive committee of the governors accepted the application of the 2-cent tax to finance the road program, it was a complete reversal of their program.
>
> It was largely because of this controversy between State and Federal Government as to where this tax should be made, either as a Federal or a State tax; they felt we should content ourselves with the tax as it now stands, particularly if the tax is sufficient over the life of the roads to pay for the roads. We think it is.[267]

Because of continuing concerns about whether revenue bonds, as proposed by the Administration, could be issued without adding to the national debt, Senator Thomas H. Kuchel (R-Ca.) suggested the committee seek a legal opinion. Senator Gore agreed because the Congress "has seldom considered a bill involving such vast amounts of such wide importance . . . ." They decided to ask Attorney General Herbert Brownell for his views and to ask the new Comptroller General of the United States, Mr. Joseph Campbell, to testify on the issue.[268]

In response to a question from Senator Kuchel about the Federal-State matching ratio in the Administration's bill and what the States' $2 billion covered, Clay explained how the percentages came about:

> It could be right-of-way, engineering costs, or other things; but the purpose of our language and our recommendation was that we did not want to relieve the States of any responsibility that they now had; and now to get this $175 million a year [authorized in

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[267]Ibid., pages 415-416.

[268]Ibid., pages 417-418.

> 1954 for the Interstate System], they are requested to provide an amount, roughly, of 40 percent of the total, which is somewhere in the neighborhood of $108 million a year.
>
> Therefore, over this 10-year period the States, in accordance with the degrees they would have participated in the $175 million, would still provide $108 million a year towards costs of the Interstate System.
>
> Over the 10 years that is a little more than a billion.[269]

The States' 50-50 contribution for projects off the Interstate System raised their total contribution to the $2 billion level for the entire Federal-aid highway program.

Senator Gore questioned the Administration bill's proposal to give credits, on the basis of "equity," to States that have constructed Interstate segments to Interstate standards without Interstate funds. He saw this provision as a bad precedent that could be applied to other Federal programs, such as aid to schools and hospitals. To make his point, the Senator cited good advice he had received from his father: "Son, always start from where you are at." Going forward without credits for past work would, Senator Gore believed, be a good starting point.

General Clay responded by referring to the 1,400 to 1,500 miles of toll roads authorized to go to construction. If, he said, Congress indicated it would pay for Interstate highways in the corridors, but not reimburse debt if the States went ahead with the turnpikes, "you would have stopped all that construction, and you would have delayed that many miles of active highways coming into use in the United States":

> We believe that the need for highways was much greater than that, and it was much better to let them go ahead . . . . I must admit that starting from scratch is a very clean and healthy way to do things; but starting from scratch here, in our opinion, would have delayed the construction of very important highways.[270]

When Senator Gore commented that by establishing a precedent, the proposal "will create a grab bag without bottom," Clay put his response another way:

> [If] you were asking me would I rather have a highway program without reimbursement than no program at all, then I would tell you definitely I would rather have a highway program without reimbursement than have no program at all, but I am sure that the highway program with reimbursement will give you more highways in the long run, because the money which the States would get for these roads, they must spend for other roads.

Senator Gore pointed out that the Administration's bill would allow the credit to be used to retire debt. Clay agreed, but pointed out that the idea did not come from his committee, but was added

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[269] Ibid., page 419.

[270] Ibid., pages 420-421.

during drafting of the bill on the theory that "by and large, the Federal Government prefers free roads rather than toll roads to the full degree that it is practical and realistic." Asked his personal view, Clay said, "I would personally prefer to see all of the money spent on building new highways rather than on retirement of toll-road bonds."[271]

Near the end of the hearing, Senator Roman L. Hruska (R-Ne.) expressed concern about the idea of earmarking funds for the specific purpose of debt retirement, as proposed by the Administration. He cited the case of an unnamed State in which 80 percent of its revenues are earmarked, with only 20 percent for appropriation. He wondered if something similar could happen at the Federal level if the Administration's debt proposal were adopted.

Clay did not have a chance to reply. Senator Gore interjected that the Federal Government now had one straightjacket, namely the national debt. Soon, we could have many. He added that, "I would prefer one straightjacket to many."

Senator Case then said that in 1954, the Senate had deleted a "linkage" provision in the House version of the Federal-Aid Highway Act. The Senate, and the bill, provided that Federal-aid highway funds would be roughly equal to gas tax receipts, but without the mandatory linkage, to avoid unfairness to those, such as farmers, who used gasoline for nonhighway purposes:

> I think it is manifestly impossible to expect that the Congress, when it recognizes the situation, will ever approve a dedication of the Federal gasoline tax to the building of interstate roads.
>
> The only way the rural sections of the country would accept a dedication of the Federal gasoline tax would be if that dedication includes the servicing of construction of farm roads as well as the Interstate System.[272]

Before the committee adjourned for a Senate floor vote, Senator Thurmond had the final question for General Clay. He asked if Clay's committee is "bound or wed to" any particular financing proposal or toll reimbursement concept. Clay replied that the Interstate System "is vital and essential to the country":

> As far as our committee is concerned, Senator, we would like to have a highway program that would complete the Interstate System. We think that is vital and essential to the country. When it gets to the question of the toll-road reimbursement or the reimbursement of the States, our committee made that recommendation in full conscience. We would certainly not want to see you destroy the opportunity of having an Interstate System completed within the next 10 years, and as far as the financing is concerned, it was our view that the method which we recommended was the most conservative method in which this program could be built. There again we would not want, at least I would not want to see the question of how this road system was to be

[271]Ibid., page 422.

[272]Ibid., page 424.

> financed prevent us from having a completed Interstate System in the next 10 years. I think it is absolutely vital that we complete that system.[273]

In adjourning the session, Senator Gore asked General Clay if he would be available for further questions should the committee so desire. The General agreed, but was not called back.

The Senators had revealed no sympathy for the Administration's funding plan. The one supporter, Senator Bush, had not been able to attend the hearing. And by the time the subcommittee might have considered calling General Clay back, doing so would have been pointless – the bond financing plan was moribund, if not dead.

In some ways, General Clay's heavily publicized testimony was the high point for the Clay Committee's funding plan. General Clay did not think so. He knew the plan would fail in the Senate, but he was confident the House would pass it – and the end result of a House-Senate conference committee to resolve differences would be that his plan would prevail.

The questioning of General Clay had been skeptical but friendly. When Secretary Weeks and former Commissioner du Pont returned to testify on March 16, the subcommittee had more pointed questions.

Senator Gore, for example, had long been concerned that the emphasis on completing the Interstate System would prevent the States from addressing needs on the other Federal-aid systems. Secretary Weeks explained that the primary purpose of the Administration's bill was to complete the Interstate System in 10 years, "which is the most important interest of the National Government, as we see it," especially "in this atomic-hydrogen bomb age in which we live in evacuating cities."

At the subcommittee's request, the Secretary had brought a table showing the percentage of highway needs that would be met after 10 years under the Gore and Administration bills and under the Federal-Aid Highway Act of 1954 if funding levels were extended. After explaining that Federal-aid funding for the other systems would continue at 1954 levels, the Secretary stated:

> I just do not think you can get away from the fact that we are trying to build an Interstate Highway System with good access roads into the main communicating points, and main cities, and that we aim to continue at the same highest rate ever on the other primary and secondary systems, and if the proposal is adopted, as you go along, if you wanted to increase work on primary and secondary roads, it seems to me you could cross that bridge as you come to it and increase it, but in the meantime you will continue to do more than you have ever done.

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[273] Ibid., page 425.

Senator Gore replied, "Crossing the bridge if the bridge is still there. It might be difficult if the bridge has to be rebuilt."[274]

Senator Stuart Symington (D-Mo.), a businessman and former public servant, took up the questioning of the Secretary on financing issues.[275] He quickly turned to the proposed bond issue, asking the Secretary if the bonds would not be construed as being backed fully by the government. Weeks replied, "I certainly do not say so, sir." He explained that purchasers of bonds within the debt limit – in other words, backed by the full faith and credit of the United States – were entitled to repayment under the terms of the issuance. By contrast:

> . . . a purchaser of this bond knows that he is put on notice that all he has for security is the pledge of the Government to allocate this 2-cent-a-gallon tax on all gasoline that is sold to take care of the issue, and beyond that, he has this, I called it a hedge the other day, $5 billion borrowing authority on the Treasury to pay it with.[276]

Senator Symington suggested that since the government would own the corporation issuing the bonds, purchasers would perceive the government as defaulting on the issuance if the bonds were not retired on schedule, "regardless of the language of the section." The Secretary said that purchasers have only the gas tax and the borrowing authority to rely on. "I do not think they can look to anything else."

Given that the Government did not back the highway bonds, the Senator wondered if purchasers would prefer to buy regular bonds if interest rates were the same. Secretary Weeks conceded that the corporation's bonds might have to be issued at a slightly higher interest rate. He added, "we do not want to finance this thing by the sale of regular Government bonds," which would raise the national debt. Asked if selling the corporation's bonds at a higher rate would interfere with the sale of Government bonds, Weeks replied, "I do not think so, sir."

Senator Symington asked if the Administration bill covered what the corporation would do if gas tax revenue exceeded needs. The bill allowed the corporation to retire bonds early, but did not direct the corporation to take this or any other action. Secretary said, "If I were doing it, I would retire them . . . . I think that would be a matter you would decide from year to year in the program."

Senator Symington thought any excess might best be used by the States for their road systems, but the Secretary disagreed:

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[274]Ibid., pages 458-459.

[275]Since World War II, Senator Symington, a Democrat from Creve Coeur, had served as chairman of the Surplus Property Board, Assistant Secretary of War for Air, Secretary of the Air Force, Chairman of the National Security Resources Board, and Administrator of the Reconstruction Finance Corporation. His sons, Stuart and James, would follow him into government service.

[276]National Highway Program, page 461.

> We view this job, looking at it from a national standpoint, and building an Interstate System of highways as very important from a defense standpoint and it is very important from the urban access standpoint . . . . I do not think because it might be a little extra money – personally, I do not think it ought to be expended in any other way than to get the job done.[277]

The issue of reimbursement for existing or planned roads was raised. "Apparently we need additional highways," Senator Symington observed. "Why is it that in your bill there is provision presumably to pay States for highways already in existence or at least under construction?" The Secretary explained:

> The thought behind it is that this is a national system; and if a portion of this national system would be in State X and has already been built, and is set up and going, that it is fair to take the road into the system and pay back to the particular State the money that it has expended less the share that the . . . National Government might have put in under an apportionment basis, that would have been a primary road of the system – at a depreciated value and so on.[278]

Because the reimbursement would be voluntary, at the State's request, Secretary Weeks did not believe many roads would be involved. "I think it is to a degree academic, but it would happen, I guess in individual cases."

Finally, Senator Symington wondered about the concept of a corporation. Corporations had been used frequently under President Roosevelt, he said, but the Eisenhower Administration had gone about selling the corporations as quickly as possible:

> Now, all of a sudden, a whole new concept of how to avoid any direct liability against the national debt is to get back into the corporation business. Today I have seen the full 360-degree sweep in the last 2 years.

Secretary Weeks did not see a contradiction:

> I do not think we believe that the Government should be in business that private citizens can do just as well as or probably do better, but here is a case where the States, jointly or severally, cannot build roads, and the Government is in the road business . . . .
>
> There isn't any competition here in this activity with the citizens, actually.[279]

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[277]Ibid., pages 466-467.

[278]Ibid., pages 470-471.

[279]Ibid., pages 471-472. For example, the Eisenhower Administration wanted to sell the Tennessee Valley Authority, which considered an example of the New Deal's "creeping socialism." In August 1959, President Eisenhower signed legislation amending the Tennessee Valley Act of 1933 (P.L. 73-17) to make the authority self-financing (P.L. 86-137 and P.L. 86-157).

Senator Martin had some suggestions for Weeks and du Pont. His first idea was to dispose of Federal Government property and use the money for capital investment, such as schools, roads, and hospitals. The money could also be used to encourage construction of churches ("one of the most important things confronting our country right now, because we have got to have a religious revival"). When Secretary Weeks said that the Commerce Department had not considered the idea, Senator Martin explained that he was suggesting the Federal Government divest itself of Federal land that, by virtual of Federal ownership, was taken off of local tax rolls.

He also asked if the Secretary and du Pont had considered that the toll roads would never be free, and that after toll bonds had been retired, the revenue could be used for other roads, such as farm-to-market roads. Du Pont explained that the Commerce Department recognized that the original bonds for the Pennsylvania Turnpike and similar roads would be retired. However, he did not think the Federal Government's role should factor in those additional revenues for Federal programs. The toll authorities would probably use the continuing revenue for "the very expensive maintenance on the facilities."

Senator Martin had done some rough calculations. Suppose, he said, the gas tax were increased by 1 cent to raise a half billion dollars a year, then take tolls at the same rate that we are now using on the various turnpikes of the country:

> Say that we figure half that would make a total of revenues from those sources of about $1,700 million; and without counting interest, as I understand it, would have $23 billion to take care of this system. That would complete the system in 13½ years instead of 10.

Du Pont began to respond ("But we wrote those figures out –"), but Senator Martin interrupted him:

> You folks have got so much better facilities on that sort of thing. I do not believe I am for that principle, but we are having opposition to the Government of the United States financing it the way it is suggested, and I think it is so essential to build these roads.
>
> He complimented the Clay Committee, but brought these figures up so the "Bureau may give it some thought." He had been "giving this an enormous amount of thought," and just wanted the subcommittee to know what he was thinking. "I do not believe I am for a plan of that kind, but I want to give thought to it."[280]

Senator Case was the next questioner. He praised Secretary Weeks' presentation and marveled at how "one person can be expected to answer detailed questions about all the agencies that are in the modern Government department." Moreover, the presence of BPR in the Commerce Department "makes an added burden on the Department."

His focus was on the Clay Committee's financing plan. He saw a big difference between dedicating user funds to payment of services and setting it aside to retire revenue bonds. He proceed to cite a series of hypotheticals. What would Secretary Weeks say if gas tax revenue

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[280]National Highway Program, pages 473-474.

were dedicated to building airports? To improvement of harbors and harbor facilities? What about collecting the gas tax from farm equipment to build roads?

In those cases, Secretary Weeks would object. The States considered the gas tax to be within their jurisdiction. He did not think people would support invading States' rights further by increasing the 2-cent gas tax. The States generally, and the Federal Government to a lesser extent, consider "that the gas tax rightfully belonged to the road-construction program." State law followed that idea:

> My judgment, Senator, is that if the people of this country could have this Interstate Highway System available, they would readily agree to apply the gas tax for its construction.

Senator Case had been in the Atlantic coastal city of Wilmington, North Carolina, for a meeting:

> One man wanted to know why they were not going to put any money on this ocean road: What is the point of having the Federal gas tax dedicated to building the road to Raleigh?

At the time, the road that would become part of I-40 ended in the Raleigh area instead of going to the coast (as it does today, ending in Wilmington).

> It seems to me if we link the tax definitely to the Interstate System, we weaken the chances of getting the Interstate System accepted as a national responsibility.

He asked if Secretary Weeks thought it appropriate to dedicate the tax on distilled spirits "to something related to the alcoholic beverage industry?" When Secretary Weeks said he did not think so, Senator Case said that once the Federal Government started dedicating revenue, "we open up that whole field when we engage in definite linkage." He favored construction of the Interstate System "as speedily as we can," but was bothered by the financing plan.

He recalled the discussion with Senator Symington about avoiding competition with the private sector. Would the right-of-way acquired for the Interstate System be owned by the State, the Federal Government, or the Federal Corporation? Whatever method is used, did they anticipate "that we should issue a concession or go into the business of supplying food, gasoline, selling or other articles?"

The States would own the right-of-way acquired for the Interstate System. The Administration bill, du Pont replied, considered the issue, but "I know of no State which can acquire rights-of-way for purposes other than highway use." At present, the States would acquire the land that could not be used for purposes other than highways. Secretary Weeks added that he would oppose the Federal Government "letting out concessions all over the United States." If it were to be done, the States should do it.[281]

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[281]Ibid., pages 475-479.

Senator Neuberger, returning to a theme from Secretary Weeks' previous testimony, suggested that raising the gas tax to 3 cents would reduce the interest on the bonds from over $11 billion. Secretary Weeks pointed out that the taxing power was in the hands of Congress. If Congress decided to raise the tax, "that is all right":

> If you are going to do this program substantially as the administration presents it in this S. 1160, it is naturally going to be paid for somehow. You can pay for it out of revenue or general revenues or you can pay for it out of a highway tax on the gas or you can borrow the money and tax sufficiently to service and retire, amortize, the bonds.
>
> I think it might be presumptuous on my part to comment on whether or not you would increase the tax on gas.

Senator Neuberger commented on the disproportionate amount of revenue that was to be spent on interest payments instead of road construction. Secretary Weeks explained the plan by analogy with a mortgage on a house. The owner could save a lot of money by buying the house without a mortgage, but that is not always possible:

> I do not think over a 30 year period, if that is the program you adopt, you can effectively compare the amount of interest paid over the whole program with the cost of the project any more than you can with the automobile you buy on the installment plan or what not.
>
> Some of the people who buy on the installment plan often pay a disproportionate charge in interest rate to what they could buy if they put cash on the barrelhead.
>
> If the Congress wants the roads, they have got to pay for them. You can pay for them tomorrow or borrow and pay the way we suggest.[282]

Senator Gore asked about the provision in the bill giving the Federal corporation the authority of eminent domain for acquiring land for just compensation when a State did not the authority to acquire the land under its State constitution. It could pay 95 percent of the cost, leaving the remaining cost to, presumably, the State highway agency. If a State did not the authority to acquire land, would it have the authority to pay the 5 percent?

Du Pont answered:

> The Bureau of Public Roads in the case of access roads has already been given the power of eminent domain in order to expedite all roads to airports or defense plants or military installations, so presumably it could be given that power under this bill . . . .
>
> In other word, we have a project, and we would say when it comes to acquiring the right-of-way, we will condemn it and you are going to be responsible for 5 percent of the cost

[282]Ibid., pages 479-480.

> of this right-of-way, not cash on the barrelhead, but you deduct and take a greater participation in the actual road surfacing.

Senator Gore asked, "Mr. du Pont, you would not seriously advocate that you plan to evade the law before we pass it, would you?"

Du Pont did not consider the method he had outlined to be an evasion of the law:

> The intended purpose of this is to have the State have an interest in this complete project. Experience has demonstrated that if the Federal Government alone is participating in the cost, you are apt to have to pay a somewhat higher price, so that language is intended to be a sharing in the cost.

He conceded that the purpose of ensuring the States share in the cost may not have been clear in the bill.[283]

Senator Thurmond pointed out that the two main objections to the bill related to financing, namely the large amount of interest and the device used "to get around the debt limitation":

> A great many people [think] that this Government has gone far enough into debt and that it should not go any further into debt, and that although this is a corporation that would be organized to handle this matter and incur the obligation, that still it would be a debt of the Federal Government . . . .
>
> If an increase in the gasoline tax of 1 cent was made per gallon, and a toll placed on the roads, would that make the plan self-sustaining provided the States furnish 5 percent of the rights-of-way?

Secretary Weeks did not think that idea would get the job done over a 10-year period. Du Pont elaborated:

> An increase in the gasoline tax which is currently producing about $500 million per annum, naturally would increase ear year; at the present time there are in existence approximately 1,000 miles of toll roads in operation, and another thousand approximately are under construction.
>
> It might appear feasible to build between 5,000 and 6,000 additional miles, giving you a total of 8,000 miles which might be financed by tolls. That represents 20 percent of the cost, because a great deal of the cost of this Interstate System is in urban metropolitan areas, congested areas, where a toll road is not feasible.

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[283]Ibid., pages 480-482.

> In my opinion, without going through the mathematics, I do not believe through the construction of these roads that are now under consideration, plus 1 cent, would make it possible to build the Interstate System in 10 years.
>
> I should like to actually figure that, but that is my opinion. There is a possibility which I think we would all be opposed to. If you created a toll authority at the Federal level, you could build more toll roads, because you could then have it extend over some areas that would not be self-supporting, and depend on those higher density areas that would support it but having built those roads that will not serve the community or the Nation as will the Interstate System as conceived, because this system includes extension into the urban areas, and, secondly, you cannot do that on a toll basis.

Senator Thurmond again suggested the idea of increasing the gas tax by a penny to reduce the interest charges. Secretary Weeks pointed out that it would be "an invasion of a field which the States consider their domain." They had repeatedly urged the Federal government to "get out of the gasoline tax entirely and give it to the States, and I think there would be a great of objection."

With the Federal Government retaining the 2-cent gas tax, Senator Thurmond wondered if the States would really raise additional objections if the tax were increase to 3 cents. Secretary Weeks replied, as he had before, that "I think that is a matter for the Congress to decide, but I do know the State have felt that was their field."[284]

Senator Neuberger wondered why Secretary Weeks always deferred to Congress when an alternative financing plan was suggested.

Secretary Weeks explained that S. 1160 contained the Eisenhower Administration's plan. It was a good one. "Maybe you can devise a better one, but we have been through this thing a good deal, and think this is the way to do it, and suggest it":

> I think we have reached a point in this country where the increased population, the increased use of the roads, requires us to take a pretty broad view and do something about it before we get in a jam, and that is why we like to see this thing done and done in 10 years.
>
> Senator, I am not against the extra cent at all, and I do not intend to say that it should be used.

Senator Gore asked about du Pont's reference to a national toll road authority. Did he mean to say that profitable routes could pay for the unprofitable routes, thus keeping the overall system profitable? Du Pont provided specific examples:

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[284]Ibid., pages 482-484.

> If you attempted to construct a series of toll roads from New York to Miami, you would find the ones in Georgia and Alabama would not be self-supporting if those particular facilities were created under an authority created by those respective States.
>
> If on the other hand, you did it through a Federal toll road authority, the profitable areas would be sufficiently great to take care of those States where the traffic was not sufficient.

Counting present and planned toll road, he thought that about 10,000 miles of Interstate routes could be built profitably as toll roads.

With that, the testimony of Secretary Weeks and du Pont came to an end.[285]

Harbingers of Defeat

The questioning of Secretary Weeks and du Pont made clear that the Administration's proposal was not going to pass. An article the following week in *Engineering News-Record* began:

> The President's $101-billion highway plan is getting almost no whole-hearted support from either Republicans or Democrats in Congress.
>
> As things stand now, it seems clear that nothing like the President's recommendations can get through, certainly not this year. There is virtually no outstanding Republican or Democrat in either House or Senate who is willing to lead an all-out fight for the Eisenhower program.

Weeks and du Pont "underwent a barrage of critical questions" during their testimony. General Clay "made a good case for the Administration bill but found none of the senators fully sold on it."

The financing plan was the problem. Several Members of Congress preferred to finance the plan on a pay-as-you-go basis by increasing the gas tax to 3 or 4 cents a gallon. Senator Case did not think that Congress could support a plan that dedicated the tax revenue for Interstate highways unless the pledge included rural roads. Senator Gore "attacked the Administration program as open ended – that it could go on in perpetuity with no limit on time or amount of money disbursed by the proposed federal highway corporation or on what it could do with funds in excess of bond needs." Several Senators, including Chairman Chavez, "called the Administration measure an investment bill – or bankers' bill – and not a roads bill."[286]

As expected, Senator Byrd, the new Finance Committee chairman, proved to be the Administration bill's chief critic. Frank Turner and others involved with the Clay Committee had

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[285]Ibid., pages 484-486.

[286]"Rough Road Ahead," *Engineering News-Record*, March 17, 1955, page 23.

warned General Clay that Chairman Byrd would never agree to the proposal. His initial remarks, quoted earlier, demonstrated that the likelihood of his approval was nil.

Now, on March 18, he testified before the Senate Subcommittee on Roads. He began by emphasizing that throughout his career in Virginia (in the State Senate starting 1916, where he was chairman of the Roads Committee, and Governor from 1926 to 1930) and now in the Senate (beginning 1933), he had supported road improvements. "I am fully conscious of the need for a greatly accelerated road program to meet the new conditions of travel." Further, he would support "sound measures to modernize our road systems." No, his objection was "based on fundamental reasons why I am convinced that S. 1160 is unsound and unwise in its present form."

The Federal-aid highway program, begun in 1916, had proven the merits of the Federal-State partnership it established. Based on nearly 40 years of experience, "our present policy is capable of producing not only expansion, but also improvement in other aspects of the problem." The problem did not, in his opinion, "justify the violent departures from fiscal fundamentals and our traditional principles of government proposed in this administration bill."

S. 1160 would "destroy sound budgetary procedure and take the longest step yet taken toward concentrating power in the Federal Government." It not only would abolish the longstanding 50-50 matching ratio but give the Federal Government "control of 40,000 miles of our important roads heretofore under the control of the 48 States." Regarding toll credits, the plan would give "certain States large windfall refunds for existing roads which will be refunded to the States on a basis that will result in great injustice as between them."

Moreover, the bill was based on "the erroneous conclusion that the Interstate System . . . will meet the needs of traffic for a period of 32 years." It would dry up gas tax revenue through 1987 to retire the bonds, thus assuming "that no new road development on the Interstate System" would be needed during that period. That was a "fantastic" idea.

It would establish a government corporation to borrow $21 billion for 32 years "without declaring it as a debt, and by legerdemain excludes this debt from the debt limitation as fixed by Congress. The corporation would have "permanent indefinite appropriations, which removed the Corporation from annual appropriation control by Congress." It would be able to draw from the Treasury amounts up to $5 billion for 32 years "without going through any appropriation action by Congress. And it converts what was intended to be a temporary gas tax "into a permanent special tax, irrevocably dedicated to a single specified purpose."

It would set a precedent for "other proposals to finance endless outlays in a similar manner":

> If a dummy corporation can be established by Congress to borrow $21 billion for roads, and this corporation has neither assets nor income, then why cannot other corporations be established to feed on dedicated liquor taxes or the cigarette taxes and scores of other taxes now being levied by the Federal Government.

As far as Senator Byrd was concerned, "the proposal is incapable of honest Federal bookkeeping and accounting" because it contemplated "a dual set of books," one for "the ordinary operations of Government," and the other for "the extraordinary functions of the Government, as set forth in this legislation, with special privileges to evade sound financing requirements":

> In these days when we are continuously piling up debt to be paid by our children and grandchildren, the least we can do is to keep the books honest and make full disclosure of the obligations we are incurring.

Neither the corporation nor the Federal Government would "even own the rights-of-way or the roadbeds on which the money is to be spent."

The country could not "avoid financial responsibility by legerdemain, nor can we evade debt by definition." The plan to earmark taxes for such a long plan was "of very questionable legality and, in my judgment, even if legal, it is poor practice."

Then there was uncertainty about financial conditions 32 years in the future. The bonds supposedly were not backed by the full faith and credit of the Federal Government:

> Camouflage it all you please, the bonds issued by this Corporation will be a Federal debt, and general obligations of the Government. It would be absurd for this Corporation to attempt to issue bonds unless the Federal Government guarantees them for the simple reason that the bonds would be unsalable . . . . Those who buy the bonds by the billions of dollars in value do not do so unless their validity and security are assured.

He also discussed "one glaring inconsistency" in S. 1160. The bill provided that while the bonds were guaranteed by the Federal Government, another provision "provides for their sale to Government trust funds." He considered it "unthinkable" that Congress would allow trust funds, such as the Social Security Trust Fund, to acquire bonds that were not backed by the Federal Government. Considering that people paid into the fund for retirement benefits, that would be "a fantastic thing to do and, let me say, not an honorable thing to do."

He considered the toll credit provision to be "one of the more iniquitous parts of this bill." Funds to build the turnpikes did not come from the States, but from revenue bonds purchased by private citizens. Although the law would permit the States to use the credit to retire the debt, "I venture the assertion that in 100 percent of the cases the States will use the money on other roads." Thus, the States "would be reimbursed for money it hasn't put up. It is getting a windfall." His view might be different if the funds were used to retire the bonds, but that wasn't what S. 1160 required.

The provision also provided credits for non-toll Interstate roads the States built with tax revenue. He saw merit in credit for these roads. "I see no merit whatever in permitting the States to continue the tolls, make the traveling public pay for the roads, with the State getting a windfall for other roads."

Deducting the interest payments on the corporation's bonds and the credits for turnpikes and previously built roads, "I wonder how much money is going to be available then for real, new construction on the Interstate System."

Further, S. 1160 "invited a State to construct toll roads." The public would pay tolls to retire the bonds while the State "would get 90 percent of the cost in a refund," a windfall that could be "spent on other roads not in the Interstate System." The bill contained no limit on this windfall. It stated, "All roads that are constructed after January 1, 1955, will receive a 90 percent credit":

> I don't think we should start a great highway system by refunding to the States for roads already constructed and then permit the continuation of tolls on those roads.

This provision was "one of the more iniquitous provisions of this legislation," especially since those testifying in support of the bill could not estimate the amount of refunds.

In conclusion, Senator Byrd supported "a sound pay-as-you-go plan of road improvement." He acknowledged the States' desire for Federal repeal of the 2-cent gas tax, which amounted to about $525 million a year. If that were done, it would result in far more funds for highway construction than S. 1160. Every State, in his view, would increase their own gas tax by 2 cents, while a direct appropriation of $525 million from the general Treasury would bring in about $39 billion during the 32-year period covered by the bonds the Clay Committee preferred. He proposed that Congress drop the 2-cent Federal excise tax, continue the Federal-aid highway program on its longstanding matching basis, and continue the Federal excise tax on lubricating oil currently collected:

> Under such a plan States would retain as much control over their roads as they have had in the past; $11.5 billion interest would be saved for additional road construction; and road revenue would be evenly distributed over future years to keep highways modernized to meet changing conditions.[287]

Secretary of the Treasury Humphrey appeared before the Gore Subcommittee on March 22 in support of S. 1160. He explained that it proposed to set up "a self-sustaining Government Corporation to handle the expanded highway program." It would allow for completion of the program "with the speed required by the rapidly growing volume of automobile traffic." It would link "expenditures on roads and the income which can reasonably be drawn from the users of the roads, so that the operation is self-sustaining." In an economy move, the bonds issued to finance the program would be "taxable securities," not tax-exempt securities that involved "a serious loss of revenue to the Treasury." Overall, the plan would "hold down further increases in the mounting levels of Government obligations payable out of general revenues."

He did not need to supplement evidence others had presented about the need for the expanded program and its benefits. Instead, he focused on financing. "I would be the last man to advocate a program that simply added to our Federal budget and the charge on general Federal revenues." S. 1160 met the goal of cutting back on Federal expenditures.

He had high regard for Senator Byrd, and had carefully read his statement to the subcommittee. "It raised important questions of principle as well as questions of administrative practice and

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[287]National Highway Program, pages 495-510.

Government accounting." S. 1160 presented a sound, practical way for financing the expanded program, but Secretary Humphrey continued:

> I believe the principles involved in this bill are sound. My reasons are simple. There are real earning assets here – new highways vital to the future of our Nation. If the program could be paid for completely by tolls, there would be no question about its financial soundness. But "tolls" can be measured in a great many ways. You can base them on mileage traveled. You can levy a charge based on the weight of the vehicle, the number of passengers, or the number of axles. Or, you can carry that one step further and measure your tolls by consumption of motor vehicle fuel. This is a practical way of doing it.
>
> There is no doubt in my mind that this program should be handled on as close to a pay-as-you-go basis as possible. I would not object, therefore, if the Congress sees fit to increase the Federal gasoline tax in order to finance this program.
>
> If it cannot be on a pay-as-you-go basis and borrowing is necessary, then that borrowing should not involve a pledge of the general revenues of the United States Government. It should rely upon specific user taxes, in the last analysis, for serving bonds and for their security.[288]

Senator Gore questioned the term "self-sustaining Government corporation" because the bonds would be retired from appropriations to retire the bond since the corporation had no assets or other income. Secretary Humphrey suggested that "self-liquidating" might be a better phrase, but Senator Gore wondered how the corporation would be self-liquidating for the same reason it would not be self-sustaining. Secretary Humphrey pointed out that the gasoline taxes would be pledged to liquidating the bonds. But, Senator Gore said, that was "more than a pledge; it is an outright appropriation from the Treasury of the United States enacted by Congress." Secretary Humphrey told him:

> That is the same thing, is it not? As long as you have a pledge by an appropriate authority, whatever the appropriate authority may be, of monies coming in in a sufficient amount to liquidate the obligations to be paid off, you have a self-liquidating operation.

Senator Gore pointed out that there was nothing "self" about the corporation; it had to rely on actions by Congress in appropriating funds to retire the debt. That was why critics kept referring to the absence of assets. Despite a lengthy discussion of the term, they could not resolve their differences.

Senator Gore asked if Secretary Humphrey had any doubts about the financing plan proposed in S. 1160 before endorsing it. Secretary Humphrey and others had given it a great deal of thought to ensure it was the best way to pay for the desired road improvement:

> Of course I like to, insofar as possible, pay as you go. That is not at all times practical. There are times when it is desirable that you should not pay as you go, when you want to

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[288]National Highway Program, pages 539-541.

> go a little faster than you pay. And there are times when it is perfectly proper to do that. Under what circumstances and how would you accomplish that purpose? Each case has to be decided on its merits.
>
> I think in this particular case the probabilities are that because of the limitations on the States' ability to raise money and so forth, that it is desirable here to go somewhat faster than you pay. That rests finally in the judgment of this committee. But if you are going to go on this recognized good objective faster than you can currently pay for it, then I think this is as good a way of providing for the difference between the pay as you go and the borrowing as I know of.

During Senator Symington's question period, he asked about Senator Byrd's comment that the plan was designed to evade the debt limit. Secretary Humphrey replied:

> My thoughts are just this: I am not in any way interested in any trick to avoid the debt limit. I believe in the debt limit . . . .
>
> This bill does carry a debt limit in it. This is not a direct obligation of the United States Government. It is . . . something that the Government sponsors. The Government says it will take appropriate action to see that it is repaid, and it takes appropriate action in two ways to see that it is repaid. But it is not technically within the debt limit.

Senator Symington said he was worried by Senator Byrd's phrase "financial responsibility by legerdemain." Secretary Humphrey, who had talked to Senator Byrd about his testimony, thought he was exaggerating. "I don't think there is anything deceptive about this. I think it is right out in the open and everybody knows what it is and where it is and just why it is handled as it is."

Senator Case raised the issues he had discussed with other witnesses regarding dedicating the gas tax for a specific purpose. Secretary Humphrey replied:

> Here is the proposition as I see it. It is a very desirable thing to have an integrated highway system, Interstate Highway System in this country. That is a very desirable objective. Almost any way you proceed has objections to it that can be raised by this or that interest. This is the best scheme that I have seen.
>
> If there is a better means of doing it, let's get it out and see what it is. But this is the best that I have seen and there are objections to this. There are objections to any arbitrary division. But I don't know what other division you can make that hasn't got more objection than this . . . .
>
> If we are going to have the ability to go in the country from one State to another and in various parts of the country, we have to have better facilities than we have today.
>
> If does seem to me as though this group of people who are responsible for this Government ought to be able to figure out some way to accomplish that desirable objective.

Senator Thurmond asked if the corporation proposed in S. 1160 would set a bad precedent for financing other desirable goals, such as school buildings or irrigation projects. Secretary Humphrey did not think it was a bad precedent. The plan was a good way of paying for desirable things "if they were going to make earnings."

Senator McNamara quoted Secretary Humphrey's statement in support of the pay-as-you-go means of financing the program. "You almost advocated an increase of the Federal gasoline tax to cut down the $11½ billion we would have to pay in interest on this $21 billion total." He hoped the Secretary would eventually find a way to reduce the size of the interest payment, which "is the alarming part of this thing as I see it." Secretary Humphrey replied:

> Mind you I am not advocating paying interest. I would like to, and I think any prudent treasurer should advocate paying as near as you can as you go. But there are times when you can't pay as you go, when it isn't prudent to do that, when it is prudent to get something ahead of the time when you can pay for it. But when you do that and when you do borrow money to get something ahead of the time when you would otherwise have it, don't say that you don't get anything. The fact is that by paying this interest you will have roads for several years when otherwise you wouldn't have them.

But, Senator McNamara pointed out, you don't get any roads for the $11½ billion. Secretary Humphrey said that was not true. "You will have roads for 20 years where you otherwise wouldn't have them, for 15 years, or something like that. So you do get something for your money."

As the hearing was coming to an end, Senator Gore asked Secretary Humphrey to take the next question "in the same good humor" that characterized the rest of the hearing. "Do you consider this financing scheme responsible or irresponsible?" Secretary Humphrey answered:

> Mr. Chairman, if I didn't consider it responsible I wouldn't be here advocating it . . . . What I am trying to do, and all I am trying to do, is to help this committee in reaching a conclusion of some kind to obtain what I think is a real objective that we should obtain.[289]

An article in *The Wall Street Journal* about Secretary Humphrey's testimony highlighted the concession in his opening statement that he would not object to a boost in the gas tax for finance the plan:

> The Secretary's statement before a Senate Public Works subcommittee might be interpreted as an Administration concession in the face of Congressional attack on the

[289]National Highway Program, pages 541-566.

> program, which as originally proposed by the Clay committee did not contemplate any boost in Federal taxes.[290]

Transport Topics, the newspaper of motor freight carriers, picked up on the same part of the Secretary's statement:

> His testimony before the subcommittee . . . provided further evidence that the Eisenhower Administration is not firmly wedded to bond financing of the expanded highway program.[291]

Equally devastating to the Clay Committee plan was testimony by the newly appointed Comptroller General, Joseph Campbell, on March 28, before the Senate Public Works Committee. In his first congressional appearance since being confirmed in his new position, Campbell stated that he found the financing method "objectionable" because it would not be included in the public debt obligations of the United States. Although supposedly not guaranteed by the full faith and credit of the Federal Government, the bonds would, as a practical matter, be supported because of the danger of default:

> It is our opinion that the Government should not enter into financing arrangements which might have the effect of obscuring the financial facts of the Government's debt position.

He opposed the creation of new government corporations, which would be free from the normal controls over the conduct of public business and the expenditure of public funds. He cited *Cincinnati Soap Co. v. the United States*, which the Supreme Court decided on May 3, 1937 (301 U.S. 308):

> The case . . . involved a similar appropriation to the Philippine Government of future revenue from a processing tax on coconut oil produced in the Philippine Islands, and the Supreme Court held that an otherwise valid tax might be bound to a valid appropriation of the tax revenues.

The arrangement may be valid, but the Court stated:

> "The Nation, speaking broadly, owes a 'debt' to an individual when his claim grows out of general principles of right and justice; when, in other words, it is based upon consideration of a moral or merely honorary nature, such as are binding on the conscience or the honor of an individual, although the debt could obtain no recognition in a court of law."

Campbell continued:

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[290]"Humphrey Not Opposed to Gasoline Tax Boost to Finance Road Program," *The Wall Street Journal*, March 23, 1955.

[291]"Treasury Secretary Backs Pay-As-You-Go Highway Financing," *Transport Topics*, March 28, 1955.

> Thus, even though the bond obligations would not be legal obligations of the United States, strictly speaking, and would not come within the Federal debt limitation, there is no doubt that they properly may be considered as debts of the United States within the constitutional taxing authority granted to Congress.
>
> We think a future Congress would be free to reduce or repeal the Federal gasoline tax, which would automatically reduce or cut off the only important source of funds for meeting the bond obligations and would preclude or curtail the issuance of further bonds. As we have indicated, however, we think it would be unrealistic to assume that the Congress would permit bonds already purchased to be defaulted.

He recommended several changes to S. 1160. The powers of the corporation were "too broad." The legislation should "be more restrictive as to the functions and duties the Corporation is to perform," as well as to cite a definite date for the end of the corporation.

Existing Federal trust funds, by law, could be invested only in interest-bearing obligations of the United States or in obligations that were guaranteed by the United States "as to both principal and interest." S. 1160 should be modified to declare such restrictions inapplicable "to avoid any possible conflict."

Finally, the provision on right-of-way acquisitions covered the source only of 95 percent of the cost, namely the Federal Government:

> It is assumed that the 5 percent will be paid by the State. We think this section should so provide and also make it clear as to whether the State advances the 5 percent to the Federal Government prior to the payment for the property, or whether the Federal Government may pay 100 percent and then be reimbursed by the State for 5 percent.[292]

Campbell's testimony was seen as damaging to the prospects for S. 1160. *The Evening Star*'s headline about the testimony was:

Controller General Joins With Foes of Roads Program[293]

The New York Times began its article by saying Campbell "assailed the Administration's road building program today as financially 'objectionable.'" The article continued:

> The President's program has been in political trouble since it emerged from the White House . . . . Mr. Campbell threw the weight of the General Accounting Office against it today.[294]

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[292]National Highway Program, pages 609-614.

[293]*The Evening Star*, March 29, 1955.

[294]Baker, Russell, "President's Plan For Roads Fought By his Appointee," *The New York Times*, March 29, 1955.

The United Press news service reported:

> Joseph Campbell, chosen by President Eisenhower to be Comptroller General, over Democratic protests, subjected the Chief Executive's cherished highway program to sharp criticism . . . .
>
> Campbell's objections, combined with those of Sen. Harry F. Byrd (D-Va.) and other Democrats, appeared to doom any Administration hope of getting the original highway plan through Congress.[295]

(The article explained that Democrats had opposed Campbell, formerly of the Atomic Energy Commission, because they thought "he lacked experience and might be too subservient to the White House.")

During a March 30 news conference, the President was asked what he thought of Campbell's claim that the Clay Committee's plan "is unsound and, possibly, illegal." After commenting on Campbell's qualifications for the position (among other things, Campbell had been the treasurer of Columbia University when Eisenhower had been its president, 1948-1953), the President explained that he does not ask potential appointees what they will decide in specific cases:

> Now, the last thing I would ever ask any man that I appoint to high office is what are going to be his decisions in specific cases. If any man would pledge to me that he was going to make a certain decision because I asked him, he would never be appointed.
>
> So I have to concede to him his right to follow his own judgment and convictions. But I do tell you this, I think he is wrong.[296]

The Delayed Reports

On March 25, Secretary Weeks released BPR's report on *Needs of the Highway Systems, 1955-1984*, as requested by Section 13 of the Federal-Aid Highway Act of 1954. Based on State estimates, BPR indicated that of the designated 37,700 miles of the Interstate System, including about 4,400 miles in urban areas, about 15 percent was already adequate according to AASHO's 1945 design standards:

> These estimates include no allowances for any increase, by the end of the 1964, of total mileage in the system. There will, however, be an increase of about 50 percent in traveled lanes. For a substantial portion of the system, nearly 7,000 miles, a 2-lane road will be adequate. The bulk of the proposed improvements, more than 28,000 miles, will be in the 4-lane divided highway category. About 2,300 miles will be 6 or more lanes wide. This

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[295]United Press, "Campbell Criticizes Ike's Highway Plan," *The Washington Post and Times Herald*, March 29, 1955.

[296]"Press Conference of March 30, 1955," *Public Papers*, page 62.

> latter mileage will, of course, be principally in and approaching the heavier populated areas . . . .
>
> Construction costs (including structures and right-of-way) on the interstate system range in average from $200,000 a mile for 2-lane roads in rural areas to $10 million a mile for multilane sections (over 6 lanes) in urban areas . . . . In terms of mileage to be constructed, the 4-lane road predominates. Costs of this 4-lane mileage average $450,000 per mile, rural and $1,600,000 per mile, urban.
>
> Needed work on the interstate system during the 10-year period, 1955-64, according to the State estimates, totals $23.2 billion, of which $12.5 billion is in rural and $10.7 billion in urban areas.

The report added that most of the not-yet-designated remaining mileage, beyond the 37,700 miles, would be in urban areas. "Estimates of the needs for improvement of these extensions must necessarily await their designation."[297]

As mentioned earlier, the estimate proved inaccurate. The estimate covered only the 37,700 miles of the Interstate System designated on August 2, 1947; not the 2,300 miles, most of it in urban areas, remaining to be designated. (BPR's estimate also could not account for the 1,000 miles the Federal-Aid Highway Act of 1956 added to the Interstate System, an additional 1,102 miles that became available for designation after the State highway agencies identified direct, shorter routings of the original corridors, or later statutory increases in System length.)

The estimate covered construction over a 10-year period to make the 37,700-mile network structurally adequate and provide sufficient lane width for expected traffic in 1974. As in the past, BPR assumed that most Interstate construction in rural areas would involve upgrading, improving, and rebuilding existing roads wherever possible, rather than construction on new location. The estimate was based on midyear 1954 prices, a period when the country was just emerging from a mild recession.

In sum, BPR estimated that the cost of the Interstate System, as defined, would be $23.2 billion. The Clay Committee added $4 billion for the urban connectors not included in BPR's estimate, for a total 10-year cost of $27 billion (1956-1965). As debate continued on the National Highway Program, all parties were trying to find a way to fund a $27 billion Interstate Highway Program on a 90-10 matching basis over 10 years, having lost sight of the limitations of the estimate.

The report also covered the other Federal-aid systems:

> For the other Federal-aid systems, statutory matching requirements would remain unchanged [at 50-50] and would amount to slightly less than the Federal contributions of $6.225 billion. To meet the total estimated cost of $45.005 billion needed to bring these other Federal-aid systems (and the forest highway system) up to adequacy in the 10-year

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[297]Needs of the Highway Systems, 1955-84, Letter from Secretary of Commerce, Committee of Public Works, House of Representatives, House Document No. 120, 84th Congress, 1st Session, 1955, pages 1, 8-12, 22.

period, however, would require a total expenditure by the State and local governments of $37.78 billion in addition to Federal funds.

The report also estimated needs over the coming 10 years for roads under State jurisdiction that were not included in the Federal-aid systems, and therefore not eligible for Federal-aid funds. "The total needed work on this mileage during the 10-year period 1955-64, according to State estimates, amounts to $5.5 billion, of which $3.7 billion is in rural and $1.8 billion in urban areas."

Local service roads and streets, which constituted three-fourths of total road mileage or about 2,620,000 miles, also were not eligible under the Federal-aid program. "The estimate of needed work on local roads and streets during the 10-year period 1955-64 totals $27.2 billion, of which $13.3 billion is for rural roads and $13.9 billion for city streets."

In all, the Nation's highway needs totaled $101 billion, plus $25 billion for highway maintenance during the 10-year period.

On April 5, President Eisenhower transmitted the report on *Public Utility Relocation Incident to Highway Improvement* to Congress as directed by Section 11 of the Federal-Aid Highway Act of 1954, which called for the Secretary of Commerce to submit the report to the President. The report covered the relationship between highway improvements and utility relocations, including Federal and State statutes, judicial decisions, and costs. This was a factual report that did not contain recommendations for Congress to consider.

This report and a Highway Research Board special report later in the year found that all the States had authority, specifically or implied, to allow utilities to occupy State highway right-of-way. About half the States had legal authority to require utilities to pay for moving their facilities when necessary as a result of highway improvements. Except when required by State statute, courts uniformly upheld this arrangement. When the utility was on the company's private property, the States compensated the company for its cost, including the cost of new right-of-way.

Based on data provided by the State highway agencies and utilities, BPR reported that in 1953, 5,422 utility relocations occurred on 3,836 projects along 13,868 miles of highway (only about a third of the projects for the year). The projects cost about $1.1 billion, while relocations cost $35.5 million. The bulk of the relocations involved utilities within the highway right-of-way at a cost of $29.1 million paid by the utilities. The remaining relocations, at a cost of $6.4 million, were on right-of-way owned by the utilities. The States reimbursed the utilities for most of this cost.[298]

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[298]Public Utility Relocation Incident to Highway Improvement, Communication from the President of the United States, Committee of Public Works, House of Representatives, House Document No. 127, 84th Congress, 1st Session, 1955; *Relocation of Public Utilities Due to Highway Improvement, An Analysis of Legal Aspects*, Special Report 21, Highway Research Board, 1955; Kirk, pages 3-6.

(Section 111 of the Federal-Aid Highway Act of 1956 authorized Federal reimbursement of utilities relocation costs based on the same matching share as the project, except when such payment would violate a State law or a State contract with the utility. The cost was to include the entire amount paid by the utility after deducting salvage or betterment values.)

The final report, which Secretary Weeks transmitted to Congress on April 5, was on an even more controversial topic. *Progress and Feasibility of Toll Roads and Their Relation to the Federal-Aid Program* summarized the recent history of toll road development. Based on projected traffic volumes, BPR found that feasible locations for toll roads were almost entirely along routes of the Interstate System.

Consistent with BPR's longstanding doubts about toll roads, the report's recommendations embraced the turnpike boom reluctantly. It recommended continuing the prohibition, dating to the Federal Aid Road Act of 1916, against collection of tolls on roads constructed with Federal-aid highway funds. However, BPR also recommended a change in law to permit the inclusion of tolls roads as part of the Interstate System "when they meet the standards for that system and when there are reasonably satisfactory alternative free roads on the Federal-aid primary or secondary systems which permit traffic to bypass the toll road."

Perhaps defensively, in view of BPR's past position on toll roads, the report added that this recommendation was made "to meet present-day conditions" since many turnpikes were in operation, under construction, or authorized in Interstate corridors. The report stated that "duplication of these roads would generally be an economic waste." Further, the existence of a reasonably satisfactory non-toll route – generally, the parallel U.S. numbered highways – would avoid forcing anyone onto the turnpike.[299]

On December 30, 1954, Secretary Weeks submitted the requested report on combining and codifying Federal-aid highway laws dating to 1916. Action on what became the Federal-Aid Highway Act of 1956 prompted Congress to postpone action on codification until 1958. President Eisenhower signed a law to revise, codify, and enact into law Title 23, "Highways," United States Code, on August 27, 1958 (P.L. 85-767).

The Senate Acts

While Senate action was underway, the Administration was getting restless amid continuing bad news about the Clay Committee's proposals. Professor Rose summarized the signs:

> Between mid-February and early April, in reports from competent observers and in personal contacts with friendly legislators, administration leaders learned that their bill was in serious trouble. Senator Bridges, at his February 16 meeting with Clay and Eisenhower, had pointed to complaints "on the Hill" of "windfalls" in the form of reimbursement to some states for roads built already. At the February 21 conference,

[299]Progress and Feasibility of Toll Roads and Their Relation to the Federal-Aid Program, Letter from Secretary of Commerce, Committee of Public Works, House of Representatives, House Document No. 139, 84th Congress, 1st Session, 1955.

> Senator Albert A. Gore of Tennessee criticized spending some $11 billion for interest on the bond issue. "The money should be spent on roads," he argued. On February 28, Commissioner du Pont wrote a colleague about "a great deal of political opposition." On March 30, Eisenhower learned that the comptroller general, his own appointee, had testified against Clay's bill before members of the Senate Subcommittee on Roads. The next day, Congressman McGregor, the ranking Republican on the House Subcommittee on Roads, sent along even gloomier news to Sherman Adams. As it was constituted, warned McGregor, Clay's bill did not stand a "ghost of a chance" in either chamber.
>
> Response within administration circles to disapproval of the program varied. Eisenhower, Clay, Adams, and du Pont stuck by main themes. For members of the Interagency Committee, however, criticism of Clay's proposal offered a unique opportunity to lobby for adoption of their own plan.

General Bragdon tried to renew consideration of his proposal for a "clear-cut, sensible, simple way of doing this job." He again advocated a strong national highway authority with broad powers that left State highway officials with supervisory tasks. "In general, he still was hopeful that federal officials would gain another lever in economic affairs."

Meanwhile, Treasury Department officials "remained obsessed with toll financing." They were convinced the 75 percent of Interstate construction could be financed with bonds "or so one of them calculated."

During this period, officials could not reach consensus on alternatives to the Clay Committee plan:

> During April 1955, Bragdon and his cohorts tried to develop a broader base of support for their own proposals. Yet since each had something different in mind, each moved in an independent direction. Treasury Secretary Humphrey attempted privately to bring Senator Byrd over to the side of the toll road forces. Bragdon, for his part, thought the most fruitful route lay through the White House. He presented his views to several of Eisenhower's aides and repeatedly urged Arthur Burns to bring them before Sherman Adams. Burns, however, viewed such activity as premature. Best, he thought, to contact other members of the Council of Economic Advisors and to discuss the situation with members of the Advisory Committee on Economic Growth and Stability.[300]

Around this time, Commissioner du Pont took the opportunity to reach out to the highway community through an interview in the April 1955 issue of *Highway Highlights* magazine. (It was not an actual interview; du Pont replied in writing to questions the magazine submitted.) In what the magazine described as "an exclusive interview," du Pont explained why S. 1160 should

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[300]Rose, pages 79-80. Commissioner du Pont's colleague was Harmer E. Davis, a celebrated professor of civil engineering at the University of California at Berkeley, a prominent highway researcher, and founder of what is now the Institute of Transportation Studies.

be enacted. The first questions concerned whether highway conditions were "acute enough" to justify "such a greatly expanded highway construction program, and what the consequences would be if Congress did not enact such a program. The expanded highway program was "one of the most important domestic problems facing this country." The longer it takes to address the problem "the more expensive the problem will become." Failure to act would "have a strangling effect on our growing economy and certainly worsen the traffic death and accident toll."

Why is it imperative to complete the Interstate System in 10 years? Du Pont did not want to imply that terrible consequences would occur if construction was not completed in 10 years, or that completion in 11 or 12 years would dilute the benefit. "The sooner the job is undertaken and completed, the greater the benefits":

> As a matter of fact, the greatest benefits will come during the first few years of any program following improvements made in those areas where there is the greatest congestion of traffic. It seems to me it is also obvious that the longer the period that elapses . . . before the completion of the system the greater will be the cost, because the needs will increase if a period materially greater than 10 years is considered.

Why is so much emphasis being placed on the Interstate System?

> The Interstate . . . is without question the most important system of highways insofar as our economic and defense needs are concerned. It is the backbone of our highway system.

Senator Gore was concerned that other types of highways would be neglected if so large an amount of funding went to the Interstate System. Commissioner du Pont did not agree. S. 1160 authorizes the same amounts for the primary, secondary, and urban extensions as in the Federal-Aid Highway Act of 1954, and substantially higher than in the Federal-Aid Highway Act of 1952:

> Moreover, the assumption by the Federal government of practically the entire cost of improving the Interstate System would relieve the states to a large extent of the responsibility for improving this portion of the primary system.

(The Interstate System was a subset of the Federal-aid primary system.)

The chief criticism of S. 1160 involved the financing, which critics have called deceptive and misleading. Commissioner du Pont was aware of the criticism but said it reflected "a lack of understanding." Bond financing for road construction was a common occurrence; existing law even allowed BPR to reimburse a "percentage of the amortization of bonds issued for the creation of the facility." In fact, installment or credit financing was common for homes, was the primary way people bought cars, and was "the method resorted to whenever the Federal government's outgo exceeds its income."

The proposed Federal Highway Corporation was no different than the authority set up to build the Panama Canal or, more recently, the St. Lawrence Seaway. "It is not a trick or deceptive device any more than the procedure used to establish the above mentioned agencies or the various home finance agencies of the federal government and numerous other agencies." No one, he made clear, wanted "any part in a deceptive measure."

But what about the criticism of using $11 billion to pay off the bonds instead of to build highways? He "cannot understand the justification for such criticism." The proposal is no different than the government selling bonds, as at present, on about a 3-percent basis:

> Under Senator Gore's bill, if continued until the Interstate System was completed, there would be very substantial interest charges; in fact, I venture the opinion that they would exceed the interest charges under S. 1160 unless additional Federal taxes are levied, as there is no provision for the liquidation of the necessary borrowings and stopping of the interest thereon.

Would the Gore Bill be adequate? The Gore Bill was "deficient in attaining the desirable objective in several respects." First, the government would have to use increased taxes or deficit spending to meet the materially increased authorizations compared with the present legislation. Second, the Gore Bill did not contain a "specific period for a continuing program to complete the Interstate System." Further, the bill lacked any reference to standards for the Interstate System or acquisition of right-of-way in States that lack limited access authority. The Gore Bill also required "the very substantial increase in matching funds by the states." Collectively, there were "serious if not nearly fatal deficiencies."[301]

By May, the Senate Subcommittee on Roads had completed work on the Gore Bill. It proposed authorizations of $21 billion over 5 years, including $7.7 billion for the Interstate System on a Federal-State matching ratio of 75-25. As with the original S. 1048, the bill rejected the Clay financing mechanism. Instead, the bill proposed to fund the program out of regular general Treasury funds, as in the past, by an informal linkage between funding levels and revenue from the excise tax on gasoline, with a recommendation to the House Ways and Means Committee that the tax be increased by a penny to 3 cents. The bill also contained a controversial provision that called for withholding funds from States that increased size and weight limits after May 1, 1955.

The bill cleared the Subcommittee on Roads by a vote of 6 to 3. Senator Gore thought the bill contained the best features of the Administration Bill, his original bill, and the bill introduced by Senate Case. Senator Case told reporters that the bill was "strong" but "the financing is weak."

Senator Case's bill, S. 1573, had been introduced on March 27. It called for creation of a National Interstate Highway Right-of-Way Corporation to acquire right-of-way for the Interstate System at the request of the States; build toll tunnels and bridges ($450 million a year) with bond revenue and collect the tolls; sell or lease easements for public utilities; issue bonds up to $5 billion, and collect gross weight taxes on trucks and buses of 20,000 pounds or more as well as fees for other motor vehicles, graduated by size (motorists would receive "Federal Highway

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[301]"The Case for Senate Bill 1160," *Highway Highlights*, April 1955, pages 6-7. The interview gives the impression that BPR wrote the questions as well as the answers, but that cannot be confirmed.

Fund" stickers to display on the vehicle). The bill would make $900 million a year available for the Interstate System on a 90-10 matching ratio.[302]

On May 12, the Senate Committee on Public Works approved a revised S. 1048. It contained many of the features of the subcommittee bill, but in response to complaints from the States, increased the Federal share of Interstate construction to 90 percent.

In early May, President Eisenhower invited the Governors' Conference to Washington for briefings on international, national, and State problems. On May 2, Secretary Humphrey, General Clay, and du Pont briefed the Governors in a closed-door session on salvaging the road plan.

After the briefing, Governors Kohler and Stratton held a press conference to support the President's plan. Governor Kohler said "an overwhelming majority of the Governors" support the plan while rejecting the Gore Bill. They agreed with Secretary Humphrey, who told the Governors that the new roads were a capital investment that could be financed over a long term because they would pay for themselves in benefits. Governor Stratton dismissed complaints about the interest payments because the cost of the interest was "puny" compared to the economic drag and loss of life that would occur without the new Interstate System.

The Eisenhower plan, Governor Stratton said, was far more favorable to the States than Senator Gore's plan, which he called "completely unworkable." The Governors particularly objected to the provision freezing size and weights for trucks. Governor Stratton called it "one of the most obnoxious things" Congress had ever considered.

Governor Abraham A. Ribicoff of Connecticut praised the Eisenhower plan, comparing it to a young man who would have to wait until he was an old man to buy a house for cash – or he could get a mortgage and enjoy the house today.[303]

At a May 4 news conference, the President was asked about the report from the Governors' Conference that the overwhelming majority of the Governors favored his plan over the Gore bill.

In response to the question, the President noted that the Clay Committee's plan was "almost identical" with the plan suggested by the Governors in December 1954.

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[302]Allen, Frank B., "Group Votes $21-billion Highway Bill," *The Washington Post and Times Herald*, April 30, 1955; Morris, John D., "Senate Unit Votes 5-Year Road Plan; Bars a Bond Issue," *The New York Times*, April 30, 1955; Associated Press, "Case Gives New Plan For Roads," *The Austin American*, March 29, 1955; "Senator Case Gives Reasons," *Highway Highlights*, May 1955, page 7.

[303]Associated Press, "Road-Building Plans Argued," *The Baltimore Sun*, May 4, 1955; United Press, "Ike's Highway Plan Boosted," *The Washington Post and Times Herald*, May 4, 1955; "Governors Assail Gore Bill For Federal Weight Limits," *Transport Topics*, May 9, 1955.

> And so it is what I stand behind. So far as I know, there never has been any rescission of the Governors' action, of their approval at that time.[304]

During this period, Commissioner du Pont was dealing with what he called "an incident that occurred Monday [May 16], namely, a request from Senator Byrd's office for an analysis of S. 1048, the amended Gore highway bill, in which the following have joined: Senators Chavez, Kerr, Symington, Thurmond, Neuberger, McNamara and, regrettably, Senator Case." Commissioner du Pont wrote to Secretary Humphrey on May 18 about the "incident," saying, "I venture the opinion that Senator Byrd might be more opposed to the amended Gore bill than the Administration bill."

The Gore Bill covered $12.5 billion over 5 years. Gasoline revenues during that period were expected to "be in the neighborhood of $5-1/2 billion." In addition to this deficit financing, all projects would be subject to the Davis-Bacon Act:

> This is the first time the highway legislation has contained labor provisions and under these provisions the rates of pay for the various jobs on any given project would first have to be approved by the Labor Department in Washington. This provision is most undesirable in my opinion and I am sure that my views would be concurred in practically unanimously by the States.

(Passed in the 1930's, the Davis-Bacon Act required government contractors to pay their workers the "prevailing wage" in the area where the job was located. This provision had never been applied to the Federal-aid highway program, where contractors were hired by the State highway agencies, not the Federal Government. The Public Works Committee had voted to apply the provision to the Interstate System at the request of Senator Neuberger, who argued, "We don't want coolie labor building our interstate highways.")

The bill also provided for reimbursing utility relocations. Existing law adhered to the varying practices among the States. "This is quite a controversial matter."

Commissioner du Pont had taken the liberty of seeking advice from former Governor Colgate Darden of Virginia (1942-1946), a longtime friend who was president of the University of Virginia, about how best to approach Senator Byrd. Darden thought the Senator respected Secretary Humphrey, who might be able to influence him:

> He did state, however, that once the Senator had taken a position it was pretty hard to get him to retract therefrom.

Du Pont had hoped Governor Darden "might put in an oar for us but in this respect I failed."

The time might be right to "tackle Senator Byrd again, as I know the highway situation in Virginia is most inadequate and the policy which he advocates is not endorsed by many of his

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[304] "Transcript of President's Press Conference on Domestic and Foreign Affairs," *The New York Times*, May 5, 1955.

constituents." Du Pont added that, "I am taking the liberty of sending a copy of this letter to Senator Bush as he very frequently joins Senator Byrd in a morning walk."[305]

The Gore Bill reached the Senate floor on May 20. Chairman Chavez of the Public Works Committee led off the debate on the bill, which he said was the best of the four bills brought to the Senate floor since he became chairman in 1948. "The Gore Bill is," he said, "the most carefully prepared and the most geared to the conditions of tomorrow as well as of today." He added:

> It is not merely another Bill to continue a program which has expired. It is a pioneering act in the field of highways designed to chart a new Federal policy and an entirely new concept.

During the debate, one of the provisions dropped was the section applying the Davis-Bacon Act to the Interstate System. On the Senate floor, the provision proved unpopular with many Senators, including Senator Byrd. He summarized his objection during the debate:

> [It] would cause endless confusion and would increase the cost of highway construction, conceivably to a point where Federal appropriations practically twice their current size would build no more highways than are being built today.

By voice vote, the Senate rejected the provision.

On May 25, during consideration of the Gore Bill, Senator Martin introduced a motion to substitute the Clay Committee's plan. The motion was defeated by a vote of 31 to 60. Of the 31 votes in support of the Clay Committee's plan, all but one were from Republicans; Senator John F. Kennedy of Massachusetts was the lone Democrat to vote for the plan.

Having disposed of the Clay Committee's plan, the Senate approved the Gore Bill on a voice vote that reflected overwhelming support for it.

As approved, the Gore bill stated that one of the "most important objectives" is prompt completion of the National System of Interstate Highways, which would be expanded to 42,500 miles. In achieving that objective, State highway officials should use existing highways to the extent such use is "practicable, suitable, and feasible, it being the intent that local needs . . . shall be given equal consideration with the needs of interstate commerce."

Interstate funds – $7.75 billion over the 5 years covered by the bill – would be apportioned half on the basis of population and half based on the formula used for apportioning Federal-aid primary funds. The Federal share would be 90 percent, with a sliding scale up to 95 percent for public lands States.

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[305]Copy of letter provided by Jeff Davis of the Eno Center for Transportation, found during research at the Dwight D. Eisenhower Library.

Fifty percent of the cost of utility relocation would be eligible for reimbursement if, under State law, the utility is required to pay the full cost.

Project agreements entered into by the States and BPR for the Interstate System would include a commitment that the State would not allow any point of access without the approval of the Secretary of Commerce.

At the request of a State that lacked adequate statutory authority to acquire right-of-way for a controlled access facility, the Secretary may take possession of land or interests in land needed for the Interstate System and convey title to the State.

Public hearings would be required for consideration of any plan involving the bypassing of a city, town, village, or community.

As noted, because of the constitutional requirement that tax legislation originate in the House, the Gore bill did not contain any tax provisions indicating where funding for the expanded Federal-aid highway program would come from. However, it directed the Secretary to study and to encourage the States to consider the feasibility of providing, by multiple-State compacts, for the construction, operation, and maintenance of Interstate toll roads as a supplement to the Federal-aid highway system. The Gore Bill did not provide reimbursement to the States for completing Interstate improvements financed outside the Interstate Highway Program.

Schwartz suggested that the primary reason for rejection of the Clay Committee's plan was the indebtedness it involved. Many Senators also objected to creation of a corporation that would take authority away from BPR. He added:

> Interestingly, little of the bill's congressional opposition came from those organizations which supposedly had been working for the abolition of the federal gas tax. The bill's acknowledgment of "linkage" managed to dissolve the impressive coalition which previously had objected to the federal gas tax; only the petroleum industry and one farmers' association remained within the ranks.

The Administration had expected to lose in the Senate, where Gore and other members of the Public Works Committee, as well as Chairman Byrd, opposed the Clay Committee's plan. Success in the House still seemed possible. But as Professor Rose observed, different aspects of the Clay plan managed to antagonize different components of the road community:

> By early May, men of vastly different convictions about the direction of road building disliked parts of Clay’s program. Constituents of the original road networks protested Clay’s indifference to their highway needs; road users objected to making reimbursement for toll roads constructed in the future; still others disliked what they perceived as excessive power lodged in the national highway authority, a point often rooted more in self-interest than abstract principle. Army officials feared that creation of an authority would encourage finance men to dictate “engineering standards.”
>
> General Clay still opposed making any changes. The Interstate system created a “profit,” he told a group of governors on May 2, and it was unfair to levy additional charges on its users in order to boost construction of low-volume roads. Besides, Clay perceived no

> reason to rewrite his bill. While it would encounter difficulty in the Senate, Clay believed it would receive a far more positive response in the House. At this point, he argued, it was not a "lost cause in any sense of the word."

As reflected in the Senate action, "Clay badly misjudged the extent and intensity of support for his program."[306]

In The House

In the House, Representative Fallon had resumed his position as chairman of the Subcommittee on Roads in the new Democratic Congress. Chairman Fallon was from Baltimore, where he was born, raised, married, and still resided, and from which he commuted daily to Capitol Hill on the Pennsylvania Railroad. Although highway construction had been his primary issue since joining the House in 1945 and he would play a pivotal role in creation of the Interstate System, he would tell Schwartz many years later that he disliked driving, especially freeway driving.[307]

Fallon held hearings on the Clay Committee's proposal from April 18 to June 1. Commerce Secretary Weeks was the first witness, accompanied by consultant du Pont, Commissioner Curtiss, Under Secretary for Transportation Louis S. Rothschild, and General Counsel Philip Ray.

Several bills had been introduced, including H.R. 4260, the Administration bill. Secretary Weeks told the subcommittee:

> The objective of the bills to immediately undertake the construction and completion of an interstate system of highways within a period of 10 years justified unusual procedure and credit financing. In order to complete such a system it is essential at the outset that the program and the financing thereof be assured. It is necessary that the financing be provided, and that the legislation include control of standards which would assure uniformity of necessary design characteristics throughout the Nation.

Throughout Secretary Weeks' testimony, he and members of the subcommittee called on du Pont for information and verification. In the first instance, Secretary Weeks explained that with a matching ratio of 90-10 for the Interstate System, the States would have more State revenue for other highway systems. "Is that right?" he asked. Du Pont replied, "Yes."

Similar exchanges occurred until Representative Brady P. Gentry (D-Tx.) asked about upkeep of the Interstate System. (Gentry had been chairman of the Texas State Highway Commission (1939–1945) and president of AASHO (1943), and thus one of du Pont's many highway acquaintances.) H.R. 4260 provided for construction of the Interstate System in 10 years, with gas tax revenue obligated up to 1987. "It looks slick and it looks good, but you are leaving something that is undone and unsaid, and that is, What you are going to do to keep going on the

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[306]Rose, page 80.

[307]Schwartz, pages 433-434, footnote 195.

Interstate System all of these years up to 1987?" He cited the Pennsylvania Turnpike as an example. It had been "built for 10 years and already they are having to do a major overhaul on it."

Secretary Weeks deferred to du Pont, who agreed that the original section of the turnpike was, indeed, deficient. The subgrade was inadequate, with the turnpike built during the Depression on the right-of-way of an abandoned railroad:

> It was financed during those years of the depression by the RFC [Reconstruction Finance Corporation] at a high interest rate, namely, 4 ¼ or 4 ½ percent, so we have a project here where the engineering was entirely inadequate.
>
> If any interstate highway were built today with Federal money like that highway was, I think you ought to close up the Bureau of Public Roads.
>
> So much for my views as to the inadequacy of this particular road.
>
> Now, why is it necessary? Could you build the Panama Canal on an annual appropriation from Congress? No. Did they? No. Could you build the St. Lawrence seaway on an annual appropriation from Congress? You could if one knew the appropriations would be continued. No, in order to undertake a project of this magnitude, in order to have industry, and to build up the engineering, it seems to me you have to have a setup like the Panama Canal or the St. Lawrence to handle this and to have the economy geared for it.
>
> Now, what happens in 20 years? I do not know what will happen, but what will happen in the meantime? Obviously, you face a situation in the meantime where there will presumably be more people, and they will need more facilities. In the meantime, you have not drained off or siphoned off funds at the State level, who, after all, build 70 percent of the highways, and they are free to go ahead and build other systems. If you are too hard pushed, you raise the taxes.

Representative Gentry pointed out that "the highway system needs of the United States of America are almost without limit, and will they not be almost without limit on and on?" Du Pont replied, "I hope so."

Representative Gentry illustrated why he opposed the bond plan by citing an article in *The Christian Science Monitor* that asked why not do the same with the billions needed for education. Du Pont replied, "We have no immediate revenue from the schools that we build" in contrast to the highway user revenue available for road building.

Representative Schwengel raised the issue about returning the 2-cent gas tax to the States. Under the proposal, the excise tax that began as an emergency tax would be permanent for at least 30 years. Pointing out that the Governors and State legislatures had for years considered the gas tax an area that belongs to the States, he asked, "Have you explored every possibility of returning that 2 cents to the States and then obligating the excise tax on automobiles."

Secretary Weeks did not know if an excise tax on automobiles had been considered, but was aware of the discussion about returning the tax to the States. "But I would say regardless of what happens in this particular bill, you will probably have a 2-cent tax allocated to roadbuilding in some manner." He asked du Pont to enlarge on these comments:

> You are quite correct. The 2-cent tax was initiated in 1932 as an emergency tax, and it does require reenactment. It was extended last year and should become a permanent tax.
>
> I think insofar as giving it to the States, there are only 2 States to my knowledge who, in anticipation of that possibility, have passed legislation which automatically would enact the 2-cent gas tax at the State level. [So-called trigger legislation that would enact the tax if the Federal Government yielded it.] Insofar as the States are concerned, I think the Governors who have formerly maintained the position that they should be given this field, reversed themselves for the first time at last year's meeting of the Governors at Boltons [sic] Landing. In my opinion, the States would not fare nearly so well, because first of all they must enact the tax, and secondly, they must dedicate it to highways. Third, at the State level you have the kickback to the farmers for nonhighway use. In a State like South Dakota, it runs to 30 percent, they would get that much less cash.
>
> Furthermore, the present distribution of Federal highway funds is in accordance with a formula. About 12 States very materially augment the other States. So as a practical matter I cannot see why a majority of the States would prefer to have legislation under which they get less money than the [sic] are now getting.[308]

Chairman Fallon and others periodically noted that du Pont would testify on his own, so questions for him could be held until then. However, he appeared the next day, April 19, in support of Commissioner Curtiss, who appeared with Under Secretary Rothschild, General Counsel Ray, and Frank Turner, Assistant to the Commissioner. Throughout, Curtiss did not need du Pont's assistance as the questions covered familiar territory.

One subject that kept coming up was confusion about the $101 billion in needs referenced by Vice President Nixon in the Grand Plan speech when the present bills covered only $27 billon for the National System of Interstate Highways. Several subcommittee members thought the $101 billion was a subject of confusion.

Curtiss courteously replied to the questions, but Chairman Fallon, apparently frustrated that the subject kept coming up, said:

> I have sat here and heard the same question asked 2 or 3 times. Let me just say that my impression of this question and the answer to it has been all along that the amount to be desired was $101 billion; $70 billion of that amount was to come from the States and municipalities. This is the estimated construction expenditure over the next 10 years . . . .

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[308]National Highway Program, Hearings Before the Committee on Public Works on H.R. 4260, Part I, 84th Congress, 1st Session, No. 84-5, pages 10-50.

> Construction needs; $47 billion would be spent if they spend at the present level; $33 billion is the amount estimated that we need. So that makes $101 billion.

Representative W. R. Hull, Jr. (D-Mo.) was concerned about deterioration and obsolescence of the highways over time. He asked if contractors had some way, hitherto unknown, to make the highways permanent. Curtiss explained that the only permanent part of a highway was the right-of-way. Everything else was subject to wear and deterioration.

Du Pont asked if he could respond:

> The estimated life of the Interstate System right-of-way is 100 years or in perpetuity. The grades that would be provided are good for 100 years. The surface, that is, the portion which wears out, 70 years; the subgrade if properly put in is permanent like the rest. Structures, 75 or more years. So that other than the wearing surface, which represents 15 to 20 percent of the cost, with limited access so that it retains its capacity, and so forth –

Representative Hull interrupted to ask if that meant that in the past, "our highway engineers have not been diligent and did now know too much about what they were doing so far as grades are concerned?"

> Du Pont. No, sir. Our legislatures have been uncooperative in giving limited access so that you can design the facility to take care of the future. The roads capacity have been largely decreased by ribbon development and that sort of thing.
> Mr. Hull. I wonder if our State laws in all of the 48 States are adequate to take care of the situation?
> Mr. Du Pont. That is the reason why those inadequacies are taken care of in this bill.
> Mr. Hull. They will have to be taken care of in the States; will they not?
> Mr. Du Pont. No, sir. Under this particular bill the Federal Government, if the State does not have adequate right-of-way laws, then they can request the Federal Government to acquire the right-of-way. That is one of the prerequisites and one of the standards included so that you do not get over 5 percent grades. You get flat curves, and can see around or over them . . . . The control of access in itself, regardless of policing, has demonstrated that it is one of the greatest means of eliminating accidents and hazards.[309]

That afternoon, du Pont appeared as the primary witness, accompanied by General Counsel Ray. Chairman Fallon commented that "it is very nice of him, to come back this afternoon." The chairman had suggested earlier that du Pont provide a section-by-section discussion of H.R. 4260. Du Pont explained:

> Mr. Chairman, I am very happy to be at your service at any time, or any members of this committee. It is for that purpose that I resigned as Commissioner of Public Roads about 2 months ago, and Captain Curtiss succeeded me to carry on the administrative

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[309]National Highway Program, Part I, pages 51-87.

> responsibilities. I am therefore available to discuss any matter with respect to this particular legislation.

Chairman Fallon explained that the idea was that du Pont would go through the bill, then answer questions. "There might be some questions on which there might not be too much controversy that he can get over quickly."

Before a section-by-section discussion could begin, Representative Dondero raised the controversial corporation proposed by the bill. He asked, if it "should be set up under this bill or whether it should be attached to the Bureau of Public Roads now operating."

Du Pont replied:

> I am not in a position to advise the feasibility of other setups, granting the Bureau of Public Roads, for example, the authority to do this sort of thing.
>
> I do know, in the States, many of the State highway departments who construct toll roads or toll bridges are granted the authority to finance and construct a facility and subsequently collect tolls thereon and operate it right along with the highway department.

Ray added that BPR would carry out the construction side of the program "without substantial change." That had nothing to do with the Corporation, which was "a medium of financing over a period of years . . . . That is the sole purpose."

Representative McGregor, who said he had great confidence in the State highway departments and BPR, questioned that assertion in view of the language in the bill saying the Corporation could "take such actions and exercise such other powers as may be necessary." He thought that was "more than veto power; that is dictatorship over our State directors of highways as well as the Bureau of Public Roads."

Ray said the Corporation "would, in my understanding, have powers to resolve differences as a kind of arbitrator in the event a difference should arise with a State as to standards between the Bureau of Roads [sic]; for example, but it is not intended to be the operating agency to supplant the judgment of the Bureau of Roads."

That assurance aside, Representative McGregor wanted to know if the Commerce Department would object to a change in the bill to make clear that the Corporation did not have dictatorial power or veto power over BPR, the State highway agencies, or the laws now in existence. Ray thought a change along those lines would be "unobjectionable."

Chairman Fallon asked what would happen if BPR disagreed with a State on location or relocation under current law. Du Pont told him, "The Bureau can of course refuse to cooperate and supply the funds. That does not however preclude the State from going ahead and building the road anywhere they want to with their own money." This situation happened rarely, not even in 1 percent of the cases.

To Representative Gordon H. Scherer (R-Oh.), that seemed like veto power since the States would not build the roads without Federal-aid highway funds. But under the bill, the States could submit disputes to the Corporation for arbitration. Du Pont conceded, "That is correct."

Representative McGregor questioned the provision:

> Isn't it different from what the law is now because the Bureau of Public Roads is comprised of men who have a knowledge of road construction. Now you are establishing a new Commission which probably doesn't know anything about road construction.
>
> You are going to allow this new commission to have dictatorial power over our State highway officials and also the Bureau of Public Roads . . . . I might go along with the program of financing, but when you say a commission is going to have to say "yes" or "no" on specifications, safety, all those things that go to make up a highway, I think we are broadening the field and giving to [sic] power to a Federal Commission that might have very little knowledge of a highway program.

Chairman Fallon agreed that the wording of the bill opened up the Corporation to overrule BPR if a State disagreed with BPR.

Representative Gentry, based on experience, knew that when such disputes arose, BPR "always sat down and worked out their differences with the States and came to decisions. It wasn't one time of 500 they couldn't get together in perfect agreement."

Ray said he would not object if the committee deleted the Corporation's power to intervene outside the financing area.

Representative Russell V. Mack (R-Wa.) asked if the Corporation would be able to borrow money as cheaply as the U.S. Government. No, du Pont replied. Experts had told him the difference would be "somewhere between an eighth and a sixteenth."

The difference, in Representative Mack's view, would be several hundred million dollars. What, therefore, was the purpose of the Corporation if its borrowing would cost more than if the Treasury sold the bonds? Du Pont replied, "The purpose of that, sir, is to have the Corporation issue bonds that would not be within the statutory debt limit."

Finally, at the request of Representative Robert E. Jones, Jr. (D-Al.), du Pont was able to go through the sections of the bill. He began with a historical look at the Federal-aid highway program to educate the new members of the subcommittee. He displayed charts showing that highways were at a peak from 1924 to 1934. During World War II, "the highways were considered expendable and not only were the weight limitations eliminated but very little construction was done." After the war, economic disruption and inflation delayed upgrading of the highways, even as the number of vehicles and miles driven increased, as did registration of trucks and buses. "I think that gives a pretty good picture as to why we are in this situation of inadequacy."

Going through the bill, du Pont explained that Section 1 stated the name of the bill, while Section 2 “makes certain findings of fact regarding the need for highways” and states that the objective was to complete the Interstate System within 10 years:

> Insofar as correcting the deficiencies, the bill directs the efforts on the interstate project, getting it done in 10 years. I think that is one of the most important parts. There is no magic about the 10-year period. It is a decade. We frequently measure things in decades. That period was taken as a reasonable period to undertake and complete the job. That fact has been confirmed by the contracting industry through their associations who set up benchmarks to evaluate engineering capacity, the construction capacity, and material supplies. They have confirmed the fact that 10 years would be a desirable period in which to obtain the objective, and well within the ability of the contracting industry. So that, like anything else, the sooner you start a job of this magnitude, the biggest engineering project ever undertaken, it seems highly desirable to have a given period in which to do it.
>
> I stated I cannot say that 11 years would make it 10 percent worse, but it is a specific and definite desirable period. In the absence of some particular period you do not get the marshalling of the contracting industry, the equipment available and on the job, when compared to an intermittent program.

With a definite timeframe, another advantage is that States can acquire rights-of-way “in advance of actual need . . . thereby saving untold amounts, as I am sure all of you gentlemen recognize.” This advantage would forestall people buying land in the path in order to sell to the State at a big profit.

Section 3, the table of contents, did not require discussion.

The next provisions, beginning with Section 101, involved the makeup and powers of the Federal Highway Corporation. Section 105 limits the Corporation’s public borrowing to $21 billion, “or the amount of obligations which can be serviced from the prospective appropriations and other revenues of the Corporation, whichever is less”:

> The Corporation is required to insert language in its obligations to the effect that the bonds are not guaranteed by the United States Government. This financing is for the Interstate System. The Interstate System, it is estimated, will involve a total cost of $27 billion, of which $2 billion would be – approximately $2 billion – would be provided by the States or political subdivisions thereof; $21 billion through the issuance of bonds; and $4 billion through the expenditure of current revenues in the early part of the program.
>
> In other words, you would have $4 billion from current revenues, and then, as you commence to sell bonds, further revenues would service the bonds and aggregate $21 billion, making a total of $25 billion, plus . . . approximately $2 billion State matching funds, which gives $27 billion for the Interstate System . . . .
>
> Mr. Turner reminds me that the $23 billion on interstate, about half of that will be spent in urban areas, the other half in rural areas.

The bill included $622½ million for the regular Federal-aid highway program as provided for in the 1954 Act.

Section 107 "makes the criminal statutes in effect," a provision that "does not worry anybody" in BPR.

Section 201 repealed certain provisions of previous highway acts, such as the provision in the 1954 Act authorizing $175 million a year for the Interstate System.

He continued:

> Section 202 is a very important section. Under that particular section the Secretary is authorized to allocate those miles that have not as yet been allocated and were reserved. There are 2,400 miles available. Those allocations were originally reserved for the extension of the interstate system within the metropolitan area.
>
> That brings up a special problem. In any areas it would involve in some cases a circumferential route plus axial routes radiating out to the circumference, or you might call it a belt line and radial route. In other words, it is to bring the . . . traffic of the metropolitan area out onto these interstate systems. And that 2,400 miles will be assigned immediately. As a matter of fact, the Bureau has requested the 48 States to submit such allocation of these miles in the metropolitan areas within the given States.

(As noted earlier, the Clay Committee that urban connectors would cost about $4 billion, bringing the estimated cost of the Interstate System to $27 billion. Turner and du Pont indicated that the urban costs would be half the total – implying the total cost would be at least $40.5 billion.)

Section 203 was another important provision involving establishment of standards. Completed highways should be adequate for the next 20 years. "This is an extremely important section inasmuch as the protection of this investment is, I think, mandatory":

> Final determination of the standards, except as provided in section 102(d) – 102(d) is the [corporation] arbitration point that we were discussing . . . . The value of any highway which presumably is built for transportation needs and not merchandising needs, particularly this type of facility, is predicated on protecting the access thereto.
>
> I think it has been demonstrated repeatedly to all of you men that when you create a new facility within a very short period, if the access thereto is not controlled you have ribbon development which not only decreases the actual capacity of the highway, but your accident rate goes up very rapidly.

The reference to 20 years, prompted Representative Dondero to recall a question that had been asked the day before:

> After the interstate highway system has been completed, at the end of 10 years, has any provision been made in regard to that system for the next 20 years which is the life of the bonds?

Du Pont replied:

> I am glad you asked that question, Mr. Dondero, because it does not bother me a bit. In the construction of this particular system of highways the most important thing is, first of all, location, which is permanent, and that has been our greatest deficiency to date.
>
> Because of lack of experience, possibly lack of funds, the original highways were laid out for the then vehicles, I mean the important highways, which, let's say, had an average rate of – an average speed of 25 miles an hour, had few trucks, and the curves, both vertical and horizontal, had caused a great deal of our problem today.
>
> In the laying out of this system there would be a minimum standard of no grades over certain percentages, no curves, adequate rights-of-way for expansion in the future. I think you would be interested to know that in connection with this very large investment, it is estimated that the rights-of-way will represent 14 percent of the total cost. You do not have to worry about maintaining that. It is there in perpetuity.
>
> Thirty percent of it is in grading. You do not have to repair that. That is one of the characteristics we referred to as geometrics.
>
> Structures represent 21 percent. How long is the Brooklyn Bridge good for? That is a pretty good example. You can say 75 or a hundred year. It becomes academic. That leaves 35 percent, which is divided between the subgrade and the actual surface. That will vary in New England materially as compared to Florida because of the freezing and so forth.
>
> What you are talking about represents about 15 percent of the total cost. And the State maintains that as they always have. I cannot see why it should give a great deal of concern – Mr. Gentry, is what I say true, the real things like the right-of-way, the grades, those, if they are laid out right, they are good indefinitely so far as can tell?

Representative Gentry replied, "That is correct." Du Pont continued:

> What wears out and the rapidity with which it wears out is the running surface, as I call it, and that is dependent on two things: subgrade and the adequacy of surface. So that I cannot see that there is anything to be particularly concerned about.
>
> Population centers will shift. As to the States, which under this bill have not been taxed one additional nickel, or not one additional cent siphoned off, their revenues will increase. So they will have an increasing amount of money for their regular system or for the expansion of this system. There is no law against that.

In sum, he said, "You are not talking about $25 billion but the 15 percent of it that is wearing out. At least that is the way I see it." He returned to the section-by-section summary.

Section 204 limited the Corporation to $25 billion. The first $4 billion would come from the gas tax, thus limiting the corporation to sale of $21 billion in bonds.

Section 205 provided for apportionment of the funds among the States on the basis of need:

> Those have been reported, the first year's allotment has been suggested, and you have received a copy of that. Each year there would be a reevaluation of the needs and a redistribution of the funds. That is provided for in the legislation.
>
> That the rectifying of the deficiencies will be based on needs rather than on population or square miles. Every State within the 10 years would have its Interstate System completed. That is the intent. And that is entirely new and for the reasons that I have stated.

Section 206 provided for the schedule of construction in view of varying construction seasons among the State:

> That is in order to have a balanced program so that it would be completed within the 10-year period, and I think this should be self-evident to you, gentlemen: In the South you can construct 12 months in the years. Obviously, if we did not do something of this nature the South would have its Interstate System done first and the North would be naturally delayed by climatic conditions which control construction.
>
> So that this in [sic] intended to have a balanced program throughout the 10-year period.

Section 207 contained the credit to States that had built or authorized toll-free or toll roads to Interstate standards in designated Interstate corridors. This was proving to be one of the most controversial aspects of the President's plan. To explain it, du Pont cited the example of a western State that had borrowed money to build highways that met Interstate standards:

> Under the existing law the Federal Government is permitted to reimburse that State each year a given amount, depending on the total amount the State is entitled to, for the amortization of those bonds. In other words, the Federal Government recognizes credit financing at the State level and insists that the gasoline tax must be marked for servicing that bond issue. If that is done then each year the Federal Government can now help the States in paying off the indebtedness to the tune of 50 percent.

He cited California where a road linking Los Angeles and San Francisco could cost "millions and millions of dollars":

> [Because that] State's population is increasing at the rate, I understand, of about 40,000 a month, they are desirous of putting a high-class road down the center of the State, leaving the present one on the Interstate System. The State can be reimbursed for the existing road, based on the depreciated value at a given time, and under this section they can take those funds that they otherwise would have gotten if they had not improved that road, and put it on the primary system.
>
> That a philosophy of, let's say, equity or fairness, or something of that nature. The toll road, to a decreasing equity basis, is brought into the picture in the same maner [sic] as a means whereby those States which can justify toll roads due to density of population, can augment their construction program.

Section 208 permitted BPR to acquire right-of-way, a right it already had for construction of access roads to military installations. "So this is not new":

> Here we expand it to permit the Bureau of Public Roads, to acquire these rights-of-way at the request of the State, and in those States where, due to legislative procedures . . . have no limited access laws this section permits the Bureau to acquire the land by Federal condemnation, leasing the center portion to the State for $1 a year until such time as it has limited-access legislation, and then give the right-of-way to the State. During the leasing period the Federal Government retains 5 feet on the outside to preclude the abutting property owners from entering at any point.
>
> That is an expedient method of solving the controlled-access feature in those States that either have inadequate limited access legislation, or have no such legislation.

At present, 36 States had limited-access legislation of varying degrees of effectiveness. For example, in his home State of Delaware, the law was ineffective because the legislature had to pass on each project. In Delaware and others with a similar requirement, he said:

> By the time you have the new highway staked out you probably cannot get the legislature to pass the law. In other words, it depends on the effectiveness of the legislation.

Section 301 defined the Interstate System.

Section 302 ("Without Compensation Employees") allowed the Corporation and the Secretary of Commerce to employ individuals without compensation. Du Pont cited the example of Bertram D. Tallamy, "who had just recently completed the New York Thruway and [was] chairman of that authority." Du Pont said, "I know he would be delighted to come down here for conferences, merely paying his expenses. It would be desirable in the West to get a man like George McCoy, who has done all the expressways around Los Angeles. That is the thought here." Du Pont did not cite himself as an example, but the provision, if enacted, would eliminate any question about the legality of his employment as a consultant without pay.

Section 303 included the Corporation under the Government Corporation Control Act.

Section 304 was a severability provision. If any provision of the legislation were found to be invalid, other provisions would not be affected.

The final section, Section 305, provided that all previous Federal-aid requirements applied to projects on the Interstate System except where the new law superseded it. The provision excluded Section 13 of the Federal-Aid Highway Act of 1950 from the Interstate System (any State highway agency planning to bypass a city or town shall verify to BPR "that it has had public hearings and considered the economic effects of such a location") and stated that allocations under Section 12 of the Hayden-Cartwright Act (the Federal-aid highway legislation of 1934) shall not be deemed an apportionment. Section 12, as noted earlier, restricted Federal-aid highway funds to States that dedicated highway user taxes to construction, improvement, or maintenance of highways. As du Pont put it, "It did not seem wise to have that particular law preclude the construction of this interstate system."[310]

The question period began when Chairman Fallon asked du Pont to elaborate "on the payment to States on the toll roads?"

Du Pont began with the example of New Jersey, where "needs far exceed their income":

> It was not politically possible or feasible to get the legislature to spend the amount necessary to parallel the existing U.S. 1. They were in a box. So New Jersey did go ahead and constructed the toll road . . . . The State through the construction of this toll road did relieve the congestion on U.S. 1, the federally subsidized road, business increased materially as a result of eliminating all this through traffic, and it was a very desirable solution.

Despite the New Jersey Turnpike, traffic on U.S. 1 had increased by 15 percent since the turnpike opened, including "a great deal more local traffic because people can now go in and do their shopping." In du Pont's opinion, New Jersey might need a third road in the same corridor for interstate traffic:

> Why, then, should not, in view of the fact New Jersey has gone ahead and solved this problem for all the communities that benefit by that facility, why should they not be given the privilege to participate in this fund for building another road?

Broadening the discussion, he continued:

> Let's take any State where feasibility evaluations indicate that it is possible to have a road that is self-liquidating. The State, by going ahead and building that road, could, in effect, as I see it, have one road that was a toll road. That money which has been spent on the Interstate System has served the purpose of defense and military, for our daily economic needs. Why should they not be permitted to have this fund to spend elsewhere?
>
> As I say, it is a matter of equities, it is a matter of philosophy. But the object of this bill is to permit more roads. If you do not reimburse for such toll roads, obviously you will have that much less highways.

Representative Dondero asked whether the third road would be part of the Interstate System. Du Pont replied that if the New Jersey Turnpike were placed on the Interstate System, the State would have to spend the credit funds on the Federal-aid primary system, because the Interstate System was fixed to the designated mileage:

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[310]National Highway Program, Part I, pages 89-105.

> Mr. Dondero. So no State could build another road even though highly desirable, as a part of the Interstate System, they could not do so and receive money from the Federal Government for that purpose.
>
> Mr. du Pont. New Jersey has a certain number of miles of interstate, and some additions due to the metropolitan areas. They can build as many roads as they want to under regular Federal aid or their own money, but cannot get interstate money beyond the amount apportioned to it.

Representative M. G. Burnside (D-WV) asked if West Virginia could get credit funds for its new toll road. The answer was that no, it could not. "It is not on the Interstate System."

Representative Dempsey asked about the basis for the first year's apportionment. The initial apportionment, du Pont explained, would be based on about 10 percent of each State's need based on data collected in September 1954:

> So the initial go around would be – we know you cannot make a mistake on the first 10 percent – the initial go around was based as one-tenth of their needs, approximately.

Representative Dempsey asked if each year would involve funding for another 10 percent in each State. Du Pont replied:

> No. You might reevaluate it. Under the law the needs are reevaluated each year. It is corrected each year . . . . You might get, for example, in a growing community, greater needs that had not been included in the past.

He added that the mileage, and therefore needs, in each State might change by "having more direct routes than are now counted in the estimate. He cited the example of an unnamed State "where at least 10 percent of their interstate mileage has been eliminated" due to more direct routes.

Du Pont wanted to go back to the toll road question:

> Can I settle this toll road thing?
>
> Let's look at a State where they have solved the entire interstate problem with toll roads. If this provision is eliminated, then they get no interstate money. Is that reasonable? Or fair?
>
> If you let this situation go long enough, the congested States will have every interstate route built with toll roads. Then you come around and say, "Boys, we are sorry, you took care of yourselves, so you do not get anything." I simply raise that point.

Representative Gentry took this moment to compliment du Pont:

> Mr. Gentry. Mr. Chairman, I know we are all impressed with the very gracious and attractive manner with which Mr. du Pont has presented his case.

> He mentioned that he and I were State highway officials, and that is true. Back about 12 or 13 years ago I was head of the commission in Texas and he was the commissioner in his State. I visited him up there and went over his roads with him. There may be some people on this committee who do not know it. Mr. du Pont served his State for many years without compensation. He did it unassumingly and modestly and with great distinction to himself. Since Gen. T. Coleman du Pont was his father – I know all of you know him, I believe it can be said of him that he is the illustrious son of an illustrious sire. As a matter of fact, his father gave one of the original great highways to his State. He built it and then gave it to the State of Delaware.
> Mr. Fallon. I might say that that was the first dual highway that I ever drove on.
> Mr. du Pont. You are getting embarrassing now.
> Mr. Gentry. I am pleased to make that statement, Mr. Chairman.
> Mr. Fallon. Mr. du Pont's reputation came ahead of him before he became Commissioner of Public Roads. Most of us knew of Mr. du Pont.

Representative Paul Rogers (D-Fl.), an attorney serving his first term in the House and on the subcommittee, joined in the praise of du Pont.[311] "We certainly have been impressed with your testimony and your grasp of the problem. It has been very helpful." In the morning, he had asked Commissioner Curtiss about design standards. "Do you mean to tell me that the Bureau of Public Roads is using standards approved in 1945?" Curtiss had replied that, "A committee of the association is taking a vote now on a revision of those standards, but the revision is not material." It would not substantially change the geometric standards set in 1945.[312]

Representative Rogers had also asked Curtiss if U.S. 1 in Florida was included in the Interstate System. Yes, Curtiss replied. The Congressman referred to the bill's reimbursement provision:

> Mr. Rogers. Would you consider a reimbursement to the State of Florida for portions of United States Highway No. 1 or how would that work? Or, would you rather have us go into that this afternoon.
> Mr. du Pont. I believe so.
> Mr. Rogers. All right, I will defer that question then.

Now that Representative Rogers' turn for questioning had arrived, he referred to the earlier comment about identifying shorter, more direct routes for the Interstate System. He asked why

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[311] Rogers' father, Dwight L. Rogers, had served in the House since January 1945. He won reelection in November 1954, but died on December 1. His son, Paul, won a special election for his father's seat.

[312] As Curtiss had mentioned in the morning session, AASHO's Planning and Design Policies Committee had been working on updated geometric standards for the Interstate System. On July 12, 1956, the chief administrators of all State highway departments attended a meeting in Chicago to adopt *Geometric Design Standards for the National System of Interstate and Defense Highways*, consistent with the 1956 Act's provision on design ("adequate to accommodate the types and volumes of traffic forecast for the year 1975"). Because the provision required the Secretary of Commerce to develop the standards, AASHO submitted the adopted standards to the Department of Commerce on July 16. Commissioner Curtiss, acting with the delegated authority of Secretary Weeks, approved the standards on July 17, 1956. The new standards superseded the 1945 design standards. [*The First Fifty Years*, pages 187-188].

the mileage designated in August 1947 had not been reviewed for more direct routes. Du Pont replied:

> The control points – on this is not by route number. It is, for example, from Boston north – through named cities, these are still the same . . . .
>
> Insofar as a resurvey, the only thing that it would demonstrate, in my judgment, is greater needs in the metropolitan areas because of the way they have grown. Our control points are still the same. I know of no major city that has decreased in the last 10 years.
>
> We will save a substantial number of miles in rural areas. In connection with our request as to how many miles we need for urban areas, I do not know whether I should mention the figure but it substantially exceeds 2,400 miles we have set aside. So that while we may pick up 500 miles or a thousand miles [via direct routes], we will not have more than we need. The pressure is going to be the other way – to take the ceiling off . . . .

In response to a related question about freeing mileage for new routes, du Pont said that surveys for more direct routes "would change some, but it would be offset in the metropolitan areas." He used Florida as an example:

> In Florida initially in locating the Interstate Highway System, there was some indecision as to whether to put it down the east coast – it was during the war period – or whether to put it down the center area. Those were the days of landing craft, and so forth. They did not locate it down the center because there were so many metropolitan areas down the coast.
>
> Now a toll road is being built. The bonds haven't been sold but will be shortly. The initial leg is from Miami to Fort Pierce and it is anticipated it will go on to Jacksonville, paralleling the old Florida east coast road . . . .

The East Coast route had been included in the August 1947 designation (part of today's I-95), along with a route through Lake City and Ocala to Tampa (part of today's I-75). Now that the State was planning a toll road on the East Coast, it wanted to shift the Interstate mileage from that corridor to a route through the center of the State. Du Pont explained the local thinking:

> Now that we have a toll road, we cannot ever make a lady out of U.S. 1; she is so beaten up she is beyond repair. How about going down the center of the State with the interstate? I can't see why it should be changed.

Representative Rogers was disappointed that, as he understood the answer, identifying more direct routes would not save enough mileage for a new route in Florida. Du Pont said, "No, sir":

> I think, gentlemen, this is of such magnitude we must have guidelines, we must have benchmarks, as you gentlemen recognize.[313]

Referring to du Pont's discussion of differing construction seasons around the country, Representative Rogers asked if du Pont meant that to balance the program nationally, a State with a 12-month construction season would not be allowed to build the Interstate System throughout the year. Du Point replied:

> That is the intent. And from the point of view of equipment and machinery, we can accelerate the program in the South in the winter – accelerate the program in the North in the summer and cut down in the South in the summer. Have a balanced program where the whole job can be done in 10 years.

Representative Rogers asked if BPR had a formula, or "are you going to take your lowest State and base it all on the slowest construction that will go forward?" Du Pont answered:

> No, sir. There is something we may have to come back to Congress for 2 years from now. There may be a State that is dragging its feet. What are you going to do? In that case, you [Congress] might direct us, as you have in the case of building [military] access roads, to go ahead and build them. If you have a political situation where they can't get together, I think Congress should rightfully under those circumstances say "You cannot hold this for a year or two, what is your program? What does the State want?"
>
> They are vacillating, and when they vacilate [sic] they want to get off the hook. They do not know which way to jump. Congress can say to build section A to B. That is exactly as they did during the war. But only under those circumstances would it seem to me to be desirable to have the Government step in.

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[313]On July 11, 1953, Governor Daniel T. McCarty signed the Florida Turnpike Act authorizing the Florida State Turnpike Authority to finance a turnpike between Miami and Jacksonville with bonds to be retired from toll revenue. At the time of du Pont's testimony, the authority had fought off opposition in the State legislature to the turnpike and was readying a bond issue for June 1955. With construction of the Sunshine State Parkway underway between Fort Pierce and the existing Golden Glades interchange (opened in 1953) in Miami Gardens/North Miami Beach, the authority abandoned plans for a full East Coast turnpike after the 1956 Act offered the prospect of Interstate construction funds for a toll-free highway in what became the I-95 corridor. The authority completed the initial segment from Miami to Fort Pierce on January 25, 1957, later adopting a route from Fort Pierce to Wildwood via Orlando. The final section linking to I-75 at Wildwood opened on July 24, 1964. The initial toll segment was included in I-95, but at the State's request, the I-95 designation was shifted to a 33.8-mile toll-free segment of I-95, with the turnpike on a parallel alignment to the west. The toll-free segment from North Palm Beach to Fort Pierce opened on December 19, 1987, after many years of delay. The turnpike is now part of Florida's Turnpike. *Florida's Turnpike 50-Year Celebration*, Florida Department of Transportation, 2007, pages 3-4.

Representative Rogers wondered if it would not be advisable to let aggressive States build more than 10 percent a year. Du Pont explained that the Corporation would issue about $2 billion a year in bonds:

> Mr. Rogers. So actually your interest on the last bonds will not start until the last of the 10 years?
> Mr. du Pont. That is right.
> Mr. Rogers. Is there any reason why they could not be issued right at the start to get construction going?
> Mr. du Pont. You were talking about saving interest.
> Mr. Rogers. No, I am just asking you the question now.
> Mr. du Pont. There is no need for it. This will be done about as rapidly as you could build up your engineering and programs.
> Mr. Rogers. You are talking about holding back some States. If we are in such an emergency, why don't we allow them to go ahead if we have this authority?
> Mr. du Pont. One State could not expend more than the allotted amount in any one year.
> Mr. Rogers. Then there is no need to have any program of more than about $2 billion a year for the next 10 years?
> Mr. du Pont. Provided you know you are going to have it.
> Mr. Rogers. But that is all you plan for and that is all that is needed.
> Mr. du Pont. But you must know, like when you started to build the Panama Canal, that you will not stop in the middle.

(The concept behind the 1956 Act was that funds would be made available on a needs basis to ensure completion in every State at roughly the same time in the early 1970s, but State-by-State completion was far more spread out than initially expected.)

Representative Bruce Alger (R-Tx.) wanted to know if payments to the States for toll roads meant they were being "repaid again for the toll road? Are they actually making money or is this differential evening up what they owe on their bonds?" Du Pont told him:

> There is a 10-percent deduction in all cases, and that is the approximate State share of this program. That would be their approximate contribution. You automatically deduct 10 percent. Then you determine the value of the road to pay the depreciated value of the facility provided that it is adequate for the next 20 years.

He cited the original mileage of the Pennsylvania Turnpike as an example of a toll road that would not qualify for the credit "as it is not adequate for the next 20 years." He referred to the alignment along an abandoned railroad right-of-way and the two-lanes tunnels as examples of inadequacy.

He compared the credit to buying life insurance. "It is just like trying to buy life insurance at a cheap rate. The only way you can do that is to die. We have the same sort of formula."

Representative Alger wanted to know who determines the standards?

> Mr. du Pont. The system of determining standards is a policy and practice which has been most effective. To have a Federal bureau determine standards for the 48 States would be

> most unwise. The Association of State Highway Officials [sic], which has been in existence since the earliest days . . . is still in existence. This fellow [indicating Representative Gentry] who looks so modest was the chairman of the organization [the standards committee of AASHO] for about 10 years.
>
> Mr. Gentry. Twelve years.
>
> Mr. du Pont. That is an association of highway officials. Every State is a member, and each State has 1 vote. In other words, it is not loaded by population or area. They have many committees. They have committees on uniform signs, they have committees on safety, on uniform legislation, and they have a committee of standards. Each year they report any recommended changes in the standards at their annual convention. During the year those individuals who are members of the standards committee develop new designs, mull them over and then they have a meeting in – this year it happens to be in Seattle – and then they decide what standards they will submit to the States, and the State votes on those standards.

(This summary was misleading. During this period, BPR leaders chaired the main AASHO committees and essentially determined the standards with collegial input from State highway officials – what today would be called "buy in." AASHO then issued the standards, which BPR formally adopted. As a result, Commissioner Gentry had not been a chairman of the committee, although he may have been the lead State highway official.[314])

Representative Alger, concerned about preserving the longstanding Federal-State partnership, wanted to know who determined whether a road met the standards. Du Pont said that BPR exercised that responsibility:

> The Corporation would have no engineering staff whatsoever. All of those responsibilities are in the Bureau and they would be evaluating with their engineers and making recommendations to the board.

To avoid passing on the debt to their children, Representative Alger wanted to know what it would cost in increased gas tax to build the Interstate System on a pay-as-you-go basis.

> Mr. du Pont. Roughly 5 cents a gallon.
> Mr. Alger. Is that too horrible a shock, do you think, to tell the public about?
> Mr. du Pont. That is for you to think about, not me.
> Mr. Alger. I just wanted to see what you would say.
> Mr. Gentry. May I ask a question? Do you mean 3 cents more?
> Mr. du Pont. No, sir.
> Mr. Alger. Five cents more. Is that right?
> Mr. du Pont. My brain here said 5 cents would cover it. You get a billion dollars a year now out of 2 cents. You want two and a half more. That would take more. That would take four additional.

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[314]Seely, pages 123-124

> Mr. Alger. Four plus the present two?
> Mr. du Pont. Six cents.
> Mr. Alger. Six cents total. Maybe the people of the United States are not so far behind us after all and might take this rather than stretch this out on such a complicated setup as we have on bonds.
> Mr. du Pont. No. Why not do that with all the other things we do? Automobiles and the like? That is something for you to think about.

Representative Frank E. Smith (D-Ms.) asked, in view of how essential the program was, why not build the entire Interstate System as a toll network. Du Pont said that no one had evaluated the possibility of building the entire 40,000-mile network as a toll system:

> Let us say for the sake of argument it would have to be economically sound so they could pay off the bonds that are issued for that purpose. Would you consider it desirable to have a Federal highway authority building toll roads in the 48 States with police power on those roads, and buying all the equipment, et cetera?

Representative Smith said he would consider that option less desirable than the present proposition. He suggested that each State could have a toll authority. In either case, du Pont said, the tolls would have to continue permanently to pay for maintenance, police, and bond retirement. (He did not argue the usual explanation – that many States could not sell bonds in their Interstate corridors because traffic projections would not predict sufficient toll revenue to retire the bonds with interest on schedule.)

The Congressman recognized that the Federal Government had not developed toll roads, but "the Federal Government never felt it desirable to issue bonds to build highways before, either." Du Pont replied:

> No. All the States do; and have we gotten to that place in the expansion of our economy, as we have apparently in industry and every other walk of life, where credit financing is highly desirable to acquire a facility you could immediately enjoy and the benefits therefrom would more than offset the interest rate. After all, it makes no difference whether it is an automobile, a washing machine, a house, or life insurance, we are a Nation that operates on faith and credit and it has been demonstrated that economies of that type system make possible those things which could not be possible on a pay-as you-go basis.

Representative Smith conceded that without credit, "I would never have an automobile or washing machine."

He asked about the idea that the gas tax would be tied to the bonds for 30 years. "Does that not mean that for that 30-year period you are going to have pressure for limitation on the rest of the program?" Du Pont did not think so:

> The way I think that will work out is this: At the end of 10 years, when this system presumably will be completed or substantially completed, there will have developed need for additional feeder routes and so forth, and I believe that at that time it will be perfectly logical to consider increasing some form of revenue. This morning we were talking about

> devising some means of taxing trucks. If we have an expanding economy and our citizens have more and more benefits, which of necessity are provided by State and Federal Government [sic], we are going to have to pay more taxes.
>
> I think that would be a logical time to augment the feeder roads, whatever you want to call them. As I see this situation the highways are the circulatory system to the body economic. Precisely the same as the circulatory system of a human being. At present our heart is getting kind of weak and it needs some fixing up. We have to get it in shape. It is the crux of the circulating system . . . .
>
> I think it is inevitable with a growing country that we are going to have increased Federal taxes, by the generation of more population. As our needs increase I think it is inevitable. This does not disturb me particularly any more than it would disturb me to buy a house and have a mortgage and if my earning capacity increased, as our country is, to assume further responsibility as my family grew . . . .
>
> The important part in my judgment, sir, is to have a program to do this job in a specified period. That is what we need most. It is the trunk of the tree. It is the backbone, and it supports all the rest. And it is the most efficient. So it is for those reasons, and it is the most important part to our economy and defense, civil defense. We would evaluate our defense needs. But the other 365 days a year that we are spared from that emergency, that is what supports the economy. That is why I think it has the greater Federal interest and is by far the most important and should be completed under a program.

Representative Frank J. Becker (R-NY) wondered if switching to a 10-year authorization period, as proposed, instead of the usual 2-year reauthorization process would result in savings. Du Pont replied in the affirmative:

> A very substantial saving and this is a factor we should not overlook. If we do it on a piecemeal basis, a given highway department may say: “We don’t know what we will do next year, we will drag our feet and not augment our staff.” If they know they have a 10-year program they will immediately go out and change their approach. In other words, they would hire women who are excellent draftsmen to do a great deal of the drafting which is now done by civil engineers.
>
> There are many jobs of that nature, such as figuring fills and cuts which could be done by any competent young man or young woman with a short period of training. In the war as you gentlemen know, we expanded our aircraft production tremendously. The design of aircraft is a very complicated job. Yet most of the drafting in the airplane factories today is done by women. That is the sort of thing you would do if you knew you had a 10-year program. If they are going to cut it off next year you would not do it.
>
> Take the matter of inspections, or the matter of driving grade stakes. You could take a young man who just graduated from high school or college, who did not know what sort of a job he wanted, and in a matter of 2 or 3 months could learn to do that sort of work and then presumably might get interested in engineering and go back to college or take a

> correspondence course, provided you have a 10-year program. But if you do it in piecemeal manner, you just would have the same setup . . . .
>
> I think it will stimulate the engineering profession, which is regrettably at a low level now, and make men out of these chaps instead of mice sitting around drafting – make engineers out of them and get the job done and supplementing their efforts with those who are not engineers but would be, shall we say, technicians or something of that nature.

With the questioning at an end after 2½ hours, Chairman Fallon thought the members had many more questions. General Clay was scheduled to testify the next day, but Chairman Fallon wondered "if we could dispose of General Clay within an hour, if you would be available tomorrow morning." Du Pont did not like the phrase "about disposing of General Clay," but agreed to be on hand in case time remained for additional questions.[315]

General Clay testified during a 2-hour period on April 20, but when the members could not get all their questions in, returned on April 22. In his opening remarks on the 20th, General Clay discussed the history of his involvement, including why the President's plan was financed by bonds – the most controversial part of the plan – instead of an increase in the gas tax:

> We therefore recommended to the President, to repeat, the taking over of the cost of the interstate system, except for the $2 billion which would already be paid by the States, and to complete the construction of this system over a 10-year period, with a continuation of present Federal aid to the primary and secondary system, and to the lesser urban areas, and to the Federal land areas.
>
> The remaining question that had to be resolved in our committee was how we would recommend that this program be financed. We found that the present gasoline tax as it will increase over the years ahead [additional revenue from the tax due to increased driving] would in a 30-year period finance a bond issue of $25 billion, 10-year period. We gave consideration in our recommendations to recommending general revenue for this purpose. We didn't do so because we believe that a liquidating project paid for from the gas tax, largely paid by highway users, was actually more conservative financing than adding to the national debt without making provision for liquidating thereof during the useful life of the project. We gave great consideration to increasing the gasoline taxes. We decided that we would not recommend it for 2 reasons [sic]: (1) because of the States' desire to have available the gasoline tax to finance their part of road construction, their well-known opposition to the Federal Government being in this tax field even now; (2) the unevenness in the gasoline tax charges throughout the United States and; (3) the fact that in those States which now have high gasoline taxes it seems like a further increase of a gasoline tax is throwing a somewhat heavy burden on the automobiles users in those States.
>
> For that reason we believe that since the tax now coming in and as it increases over the years would support this bond issue, would still permit a continuation of present federal

[315]National Highway Program, Part I, pages 104-124

> expenditures for primary and secondary roads, that it was a logical and conservative means for the financing of this highway project. It was therefore our recommendation that a corporation be established authorized to issue bonds by the Congress, with the Congress stating its intent to make available to it each year the funds available from the gasoline tax, less the appropriations made for other road purposes at the present level . . . .
>
> We recommend the linkage, the indirect linkage, of the gasoline tax to the road program. We gave great consideration to the possibility of toll roads. We did not find that a national road system was financially self-supporting. Moreover, we were of the view that toll road transportation should be luxury transportation, and that a toll road should never be the only road available to the people required to use our highways.
>
> On the other hand, we recognized that some 2,000 miles of toll road had been finished or was under construction, that some 6,000 miles of additional toll road on the Interstate System was under consideration. We also recognized that some States had issued bonds to build sections of the Interstate System which met the standards it would set up for this program. We did not feel that the expenditures of these States should be ignored. Therefore, we recommended that where States had built toll roads between 1947 and 1951 they be given a credit of 40 percent of the cost thereof, exclusive of financing costs and funds contributed by the Federal Government; that from 1951 to the calendar year 1955 they be given 70 percent credit; and that after the calendar year 1955 they be given full credit; provided, however, that in any case where they were given such credit the funds which they received would have to be used for other roads within the State. We believed this was equitable and that in addition it would encourage a substantial amount of additional road improvement.[316]

The committee heard over 60 witnesses from April 18 to July 12, including Secretary Humphrey and Senator Gore, who took the unusual step of appearing before the committee for 2 hours on May 26, the day after his bill passed the Senate. He went through the Senate bill, provision by provision and urged the committee to consider it, "improve" it, and make "reasonable changes."[317]

Overall, testimony was divided, as in the Senate, based on interest.

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[316]National Highway Program, Part I, pages 127-220. The material quoted is on pages 130-131.

[317]National Highway Program, Part I, pages 994-1021. Senator Gore's testimony is on pages 994-1021. Secretary Humphrey's testimony is found in National Highway Program, Part 2, Hearings Before the Committee on Public Works, House of Representatives, 84th Congress, 1st Session, No. 84-5, pages 1187-1225. Du Pont accompanied the Secretary, but was rarely called on.

The Commission Intergovernmental Relations

On June 28, 1955, President Eisenhower transmitted the report of the Commission on Intergovernmental Relations to Congress. His letter discussed the growing complexity of the Federal structure in relation to State and local governments since the drafting of the Constitution:

> Because of this increasingly intricate interrelationship of national, state, and local governments, it is important that we review the existing allocation of responsibilities, with a view to making the most effective utilization of our total governmental resources.
>
> To this undertaking the Commission on Intergovernmental Relations has made a notable contribution. Its report includes numerous specific recommendations. Insofar as they would entail action by the Executive Branch, I shall see that they are given the most careful consideration. I commend to the attention of the Congress, as well as State and local executives and legislatures, the recommendations pertaining to them.

Chapter 11 of the report covered "Highways." After discussing the history of the Federal role in highway development, the chapter turned to "Allocation of Responsibilities":

> If indeed the highway situation is critical, then the National, State, and local governments all have a vital stake and a large obligation in its recertification. If the United States is to maintain and advance its productive and defensive strength, which depends so largely upon the efficiency and economy of the transportation system, an acceleration of the rate of highway improvement is needed, particularly with respect to major highways. Consequently, the Commission bases its recommendations upon the necessity for a stepped-up highway construction program during the next 5 to 10 years.

State and local governments were largely responsible for highway development, but "the national interest in an adequate highway system is so great as to justify action by the National Government, at certain times and under certain conditions, in encouraging and supplementing State action." Federal-State relationships on highways "should be flexible, not static." Normally, "States can and should fulfill their responsibilities for highway functions with a minimum of Federal aid." However, if defense needs or economic conditions disrupt the *status quo*, "the National Government should expand its role."

Based on those premises, the commission recommended that State and local governments remain responsible for highway construction, except on Federal lands. "It would be a basic mistake and wasteful duplication for the National Government to embark upon a new program of actually building, maintaining, and operating any large segment of the highway network."

The commission, therefore, recommended continuation of the Federal-aid highway program with increased funding. The funds should be allocated based on:

> (1) To give recognition to the National responsibility for highways of major importance to national security, including special needs for civil defense, and
> (2) to provide for accelerated improvement of highways in order to insure a balanced program to serve the needs of our expanding economy.

As a result, the commission approved the existing program. Increased Federal funding for "a limited mileage of highways of key importance to interstate commerce and to military and civilian defense" was justified, but that did not mean "that other highways now eligible for Federal highway aid should be neglected in an expanded program."

For this purpose, the commission recommended funding the expanded highway program "on a pay-as-you-go basis and that Congress provide additional revenues for this purpose, primarily from increased motor fuel taxes." This approach was preferable to "deficit financing," which would result in high interest charges that would "shift the burden to citizens of a future generation."

At the same time, Congress should be "constantly alert to prevent procedural abuses by any administrative agency." The commission recognized BPR's "notable contribution to highway improvement," but added that, "in light of the maturity and competence of most State highway departments . . . the Bureau of Public Roads could relax much of its close supervision of State highway work." The commission highlighted the provision in the Federal-Aid Highway Act of 1954 allowing State certification of compliance for Federal-aid secondary projects. Reliance on similar certifications for other projects should follow, with spot checks to verify overall compliance. However, "where interstate highway connections are involved, the Bureau of Public Roads should continue to exercise strong guidance."

Although commission members thought that the match required for Federal-aid highway projects was valid, the Federal Government should not tell State how to use their tax revenue. The report recommended repealing the provision of the Hayden-Cartwright Act that conditioned Federal-aid on the use of State gas tax revenue for highway projects.[318]

Newspapers and other media covered the inch-thick report, which covered a wide range of government activities. What, if any, impact the report had on the pending legislation is impossible to say. However, the issues and debates in Congress and the highway community were far enough along that it is difficult to conclude that the commission changed the direction of legislative activity.

Columnist Doris Fleeson said of the commission's overall report:

> President Eisenhower's Commission on Intergovernmental Relations came on like a dinosaur and went out like a lamb.

The report was "a polite political lecture on Federal-State relationships," but definitely was not what advocates had hoped, "a blueprint for dismantling the governmental structure built up" over the years of Democratic rule:

> The report, in short, represents the kind of political accommodation which is the prevailing political mode in Washington today. That accommodation is not a reflection of

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[318] "Highways," Chapter 11, *The Commission on Intergovernmental Relations*, A Report to the President for Transmittal to the Congress, June 1955, pages 212-220.

any particular political philosophy, but it seems to work. Congress votes for it, the President goes along and the country is not complaining. It leaves the Republican right and the Democratic left in the outfield together.[319]

Last Gasps of the Clay Plan

Contemporary accounts of this period suggest that the House Public Works Committee was willing to seriously consider the Clay Committee's plan. The committee was in full agreement with the plan's proposal for increasing funds to build the Interstate Syste. However, those accounts saw prospects for the financial aspects of the Clay plan dimming. Shortly after the Senate testimony by Comptroller General Campbell but before the House hearings began, *Engineering News-Record*, in the issue dated March 31, 1955, reported that:

> With the President's highway program drifting aimlessly in the Senate, it looks as if it is up to the House roads subcommittee to come to grips with the controversial issue.

The April 21, 1955, issue reported further:

> The House of Representatives began a search this week for a compromise plan to step up highway construction that might stand a chance of winning congressional approval this session . . . .
>
> House leaders want to try a different course. Faced with obvious Senate opposition to the Clay plan – and filled with doubts of their own about the bond financing scheme – they are looking for a means of doing the job that Congress can endorse.
>
> Their objective is two-fold: to complete the interstate system on a fast schedule, preferably with pay-as-you-go financing, and to increase the amount of matching funds for other roads in the 700,000-mi federal-aid network.

Considering the financing options, the article stated that the possibilities "suggest the scope of the study that the House group is tackling. Hardest to sell would be a higher federal motor fuel tax to help the pay-as-you-go plan for financing construction by annual appropriations":

> Congressmen have shown a willingness to consider an increase in gasoline and diesel taxes, but the states object strenuously. State governors have only recently switched over to acceptance of any federal motor-fuel taxation.[320]

By June, as Earl Swift put it, Chairman Fallon knew that "both the Gore and Clay bills were headed nowhere." Working with BPR's Frank Turner, Chairman Fallon developed his own compromise bill, introduced as H.R. 7072 on June 28, based on tax changes as the financing mechanism. According to Schwartz, Fallon's bill "was the first major proposal to embrace the strategy of financing the System by increasing the federal taxes levied against highway users."

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[319]Fleeson, Doris, "Crusade Makes Lamblike Exit," *The Evening Star*, June 29, 1955.

[320]"It's Up To House," Engineering News-Record, March 31, 1955, page 24; "Highway Hopes Dim," *Engineering News-Record*, April 2, 1955, page 26.

Through the intervention of Speaker of the House Sam Rayburn, Chairman Fallon had been allowed to draft tax legislation that ordinarily would have originated in the Ways and Means Committee. His bill proposed graduated tax increases, including a penny hike in the 2-cent Federal gas tax, a 4-cent hike for diesel fuel to 6 cents, as well as graduated tax increases on automobiles, trucks, buses, tires, tubes, and retread rubber. As *Engineering-News Record* summarized:

> All these taxes, under terms of the bill, would run two years longer than the accelerated construction program – for a total of 14 years. The construction speed-up would start July 1, 1957, and the taxes would revert to prewar levels (1 ½ cents a gallon for gasoline and diesel fuel) on July 1, 1970, if the language of the bill were carried out.[321]

The Fallon Bill funded the Interstate program through fiscal year 1968, with a Federal share of 90 percent (on a sliding scale up to 95 percent in public lands States). If a State was unable to acquire lands or interests in lands (including control of access) needed for the Interstate System, the Secretary of Commerce was authorized, at the State's request, to acquire the land if the State agreed to pay 10 percent of the cost. The land would then be conveyed to the State. Fifty percent of the cost of utility relocations would be eligible for reimbursement.

All Interstate projects would require agreements by the State not to add interchanges without the Secretary's approval and "to insure that the users of the National System will receive the benefits of free competition in purchasing supplies and services at or adjacent to highways in such systems." (In other words, the type of services provided by concession within the right-of-way of the toll turnpikes would be prohibited from the right-of-way of the Interstate System.)

For toll roads incorporated into the Interstate System, the Secretary of Commerce could permit approval of connecting projects to provide for the necessary continuous system of highways:

> *Provided*, That agreement has been reached with the State prior to approval of any such projects that (1) the section of toll road will become free to the public upon retirement of any bonds outstanding at the time of the agreement, and (2) that all toll collections are used for maintenance and operation and debt service of the section of road incorporated into the system, and (3) that there is one or more reasonable satisfactory alternate free routes available to traffic by which the toll section of the system may be bypassed.

The bill exempted the Interstate System from the public hearing requirements of Section 13 of the Federal-Aid Highway Act of 1950, provided that if any section of the new law were found to be invalid, all other provisions would remain in effect, and provided for Davis-Bacon wages.

In addition, Section 2(a) amended the name of the Interstate System, with Fallon substituting "National System of Interstate and Defense Highways" for the term "National System of Interstate Highways." In fact, the name of the act was the "National System of Interstate and Defense Highways Act of 1955." The new name of the Interstate System would be retained in later House legislation in 1955 and 1956. The Senate retained the original name, but the House

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[321] "House Drafts Own Road Bill," *Engineering News-Record*, July 7, 1955, page 25.

name would be accepted in a Senate-House conference in June 1956. The committee's report on the final version of Fallon's bill explained the change:

> The committee feels that the national defense significance of this system is so important that its name should be changed to the "National System of Interstate and Defense Highways," and the bill so provides. The name is abbreviated in the bill to "National System."

With regard to the abbreviated name, the Senate's preferred name, the "Interstate System," prevailed in conference.[322]

During a June 29 press conference, a reporter asked if President Eisenhower had any comments on the new House bill "pushing a plan to finance long-range highway building by drastic increases in taxes on tires and also gasoline." The President responded at some length:

> Yes, to this extent: First, I think everybody agrees that America needs roads, needs them badly, and needs them now, and they ought to be built on a coordinated, comprehensive basis, and that building ought to start.
>
> Now, the question of financing raises problems. Either you must find some way to finance these things out of current revenues as you go along, which means very greatly increased taxes, and in this case that would be on related products, gasoline, tires, and so on, or you must find some method of having a bond issue.
>
> If you had the bond issue, then you have the problem: do you want to add it to the national debt or do you want to put it under a special organization in which liquidation is provided for, and which will get this whole sum of debt off our books as rapidly as possible.
>
> The Governors of the United States, and the Clay committee which I had appointed, in cooperation developed a plan that made road building, plus a bond issue which would be liquidating, under a U.S. corporation.
>
> Now, here is one of the reasons against just raising taxes and trying to do in that way, getting in a lot of revenue and building that much each year: where are the States going to get the money to do their part of this thing?
>
> It seems to me that we have got to recognize occasionally the very great responsibility, authority, and power that should reside in our States, allowing them to have decent

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[322]Amending and Supplementing the Federal-Aid Road Act Approved July 11, 1916 (39 Stat. 355), As Amended and Supplemented, to Authorize Appropriations for Continuing the Construction of Highways," U.S. House of Representatives, June 21, 1955, 84th Congress, 1st Session, Report No, 1336, pages 2-3.

> sources of revenue. If we put the maximum amount that the traffic will bear on all of these things, I don't know where the States' revenue is going to come from.
>
> So we devised a plan that we thought met the needs of the situation in the best possible fashion, and I am for it now just as strongly as I was when it was devised by the Governors and by the Clay committee and put before the public.[323]

Later, a question prompted President Eisenhower to list several areas where he sought congressional cooperation to approve necessary legislation. The first item listed was "Highway construction."[324]

Chairman Fallon quickly discovered that he had managed to antagonize some of the interests, particularly truckers and petroleum and tire interests, without drawing much support. For example, John V. Lawrence, managing director of American Trucking Associations (ATA), warned that the bill would raise taxes "to a confiscatory, ruinous and unjustified level."[325]

Moreover, the Fallon Bill was unacceptable even within the House Public Works Committee. According to *Transport Topics*:

> Caught in a cross-fire of conflicting views, the House Public Works Committee last week assigned to a special subcommittee the task of formulating a plan for financing a greatly increased highway building program,
>
> This action followed a rejection by most of the Republicans and some of the Democrats on the Committee of a proposal by Rep. George H. Fallon (D., Md.) to finance the program through a greatly increased federal tax on truck operators and high fuel taxes generally.

Chairman Fallon had appointed the nine-man subcommittee, which he headed, on July 6. Other Democratic members were Representatives Jones, Dempsey, Smith, and John A. Blatnik of Minnesota. Republican members were Dondero, McGregor, Mack, and George.

Meeting with reporters, Chairman Fallon explained that the entire committee was "in full accord on the need for highways" but was split on financing. "If it wasn't for that, we could have had a bill months ago."

Representative Dondero told committee members that President Eisenhower would veto any plan that increased expenditures without a plan for funding. He thought a compromise was possible if part of the funds came from bonds while the remainder came from tax increases. "If neither bond

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[323]"The President's News Conference," *Public Papers of the Presidents*, 1955, pages 655-656.

[324]Ibid. page 658.

[325]"Bill Proposes Huge Tax on Trucks," *Transport Topics*, July 4, 1955.

financing nor tax increases are included in the bill, I don't see how President Eisenhower could sign it." *Transport Topics* added:

> Last week's executive session . . . brought out the full extent of the controversy when it became apparent that the only matter a majority of the Committee is generally agreed on is that there should be more highway building.[326]

On July 9, the subcommittee recommended financing the plan with increased taxes on gasoline, diesel fuel, large tires, inner tubes for such tires, recapped or retreaded large tires, and heavy vehicles (trucks, buses, and trailers). The subcommittee voted 5 to 3 in favor of the plan. Representative Smith predicted, "I think they've got a bill that probably will pass the House."[327]

According to Professor Rose, "No one was very enthusiastic about Fallon's [June 28] scheme," but the members of the subcommittee were, as Rose put it, "as unlucky as Fallon":

> Although committeemen were enthusiastic about the fruits of highway construction, looking forward along with most Americans to faster traffic and an expanding economy, they produced only a scaled-down version of Fallon's original proposal. In brief, their modified plan still included a graduated tax schedule on tires and an extra increase on diesel fuel.[328]

Fallon held additional hearings on the revised bill on July 11 and July 12. In view of the tax changes included in the Fallon bill, Representative T. Hale Boggs, Jr. (D-La.) of the Ways and Means Committee, joined in the questioning of witnesses.

Most of the witness during this second round of hearings represented interests. The most significant witness was Treasury Secretary Humphrey, who was accompanied by du Pont. On July 12, Secretary Humphrey reiterated his strong support for the Clay Committee's plan. However, while bond financing "still offers the best method," he said, "the determination of policy is in your hands, not in ours." He added:

> The Treasury cannot object to any equally effective program which the Congress sees fit to adopt for the construction of highways with sufficient additional tax levied to pay as we go.

His testimony represented the first break – a small one – in Administration support for the Clay Bill. However, he emphatically rejected the Gore Bill or any plan that failed to provide for financing. "I think it would be about as irresponsible a thing as you could do."

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[326]"Special Subcommittee Asked to Formulate Road Financing Plan," *Transport Topics*, July 11, 1955.

[327]"Tax Rises Backed For Highway Plan," *The New York Times*, July 8, 1955; Wilcove, Raymond, "Higher Taxes Proposed For U.S. Road Program," *The Washington Post and Times Herald*, July 9, 1955.

[328]Rose, page 81.

Representative Boggs asked how the bond plan could be financed without an increase in taxes. The key, Secretary Humphrey said, was in the number of years. The bonds could be retired in 30 years under the present tax structure. Representative Boggs observed that doing so increased the cost by about $11 billion. Secretary Humphrey replied:

> Of course, you know, in regard to interest, somebody has to pay interest wherever you use money. It all depends on how rapidly you want to spend money as compared with how rapidly you want to pay for it. If you want to pay currently, as you go, why, the taxpayers' money is used currently and they are deprived of the interest on their money. If you want to pay it out over a long period and issue bonds for it, the taxpayers keep their money in their pockets for a longer period of time and have the benefit of the interest and earnings on that money during that period, and the Government pays it out. So somebody has to pay interest, no matter how you do it, if you spend it faster than you collect it.

That was true, Representative Boggs pointed out, of every dollar the government spent.

Secretary Humphrey agreed. "Every time you use money somebody pays for it one way or another."

They discussed the reason the bond plan would not increase the national debt. Secretary Humphrey compared the plan to a direct obligation of a governmental authority:

> Just like the New York Port Authority, or many of the State road authorities. It is a very similar method of handling things of this kind to have authorities issue bonds and the obligation becomes the obligation of the authority.

In response to a question from Representative Boggs, Secretary Humphrey explained that, "Ultimately the moral responsibility is the Federal Government's."

> Mr. Boggs. So that if you issued revenue bonds for $40 billion, and assuming the revenues did not produce what we calculated they would produce, then who would pay them off?
> Secretary Humphrey. The Federal Government would arrange taxes that would see they were paid. The taxpayers eventually are going to pay them, whoever does it, but it would come through the Federal Government.
> Mr. Boggs. So actually whether you create a corporation or not, and regardless of what kind of bonds you issue, it is a responsibility of the United States Government; is it not?
> Secretary Humphrey. A moral responsibility. That is right.
> Mr. Boggs. You mean it is not a legal responsibility? . . .
> Secretary Humphrey. I do not think it is a direct obligation of the country and of the United States. It is a direct obligation of the authority, which is a governmental body, and it is just like other things. What is included in the debt limit is a statutory matter. The statute provides that certain items will be included in the debt limit and certain other items will not be included in the debt limit. The debt limit does not mean you include in it everything the country owes either directly or indirectly. If it did we would have to double it.

The plan, Representative Boggs said, "does not impress me as sound financing." If it was sound for highways, why not create government corporations "to do all kinds of the things in the Government and keep that out of the national debt limit and mortgage ourselves forever?"

Secretary Humphrey explained that the plan would work only when it creates something that generates earnings, in this case highway user tax revenue. "I think if you take these revenues that are specific earnings of the asset that is created and pledge them to the payment of the asset, that is a very sound way of doing business." For example, you could not use this method to pay for an office building of the House of Representatives.

Representative Boggs pointed out the Commission on Intergovernmental Relations suggested using a pay-as-you-go funding method:

> Secretary Humphrey. I think you can do this either way. I think it is in the hands of the Congress to do this either way. I stated in my first testimony before this committee, and I am glad to repeat it here, I do not think you can ever get any Treasurer to tell you he opposes playing as you go, provided you can raise the necessary money properly and legitimately enough to do the program in the time that is required.
> Mr. Boggs. I have just one other question. As I understand your answer to my previous question, it is that if this bill provides the necessary revenues out of current revenues, then you approve the bill. Is that correct?
> Secretary Humphrey. To do the job. Any bill that will do the job in the necessary time and that will raise sufficient revenue to pay as we go is the thing I cannot object to as Secretary of the Treasury of the United States.
> Mr. Boggs. So, if you do not object to it, you approve of it?
> Secretary Humphrey. I think the other plan is better. Under all circumstances I think the other plan is better. It would be my choice. But I think you can do it this other way, if that is what you desire to do.
> Mr. Boggs. And this way would save the United States Government $11 billion on the interest basis?
> Secretary Humphrey. The Government will pay that much less interest out, but this saving of interest is a pretty phony thing.
> Mr. Boggs. What about interest on the national debt generally. Is that a phony thing?
> Secretary Humphrey. The Government pays the interest out because it has spent money that is left in the hands of the taxpayers, that the taxpayers owe, and the taxpayers are getting the interest on their money in the meantime. The same thing goes on any way you do it, and the same thing is true on the road program.

When Representative Boggs said the question was whether to go with pay-as-you-go or pay $11 billion in interest, Secretary Humphrey said, "Ah, you can do both. You do it either way. One, I believe is proper and one, I believe, is improper."

Du Pont played a limited role during the hearing, mostly filling in details about highways and the highway program that the Treasury Secretary did not know. Representative Hubert B. Scudder (R-Ca.), for example, asked how many lives were lost on the Nation's highways:

> Mr. Humphrey. I will ask Mr. du Pont.

> Mr. du Pont. 36,000 last year, approximately; roughly 100 a day. The savings on the Interstate System alone are estimated at a saving of 4,000 lives per annum.
> Mr. Scudder. 4,000 lives per annum?
> Mr. du Pont. On the Interstate System alone.

Chairman Fallon, at this point, observed that the safety benefits would be the same regardless of how the plan was funded.

Later, Representative Becker asked du Pont about the life of the Interstate highways:

> Mr. Becker. How long do you think the life of those highways will ordinarily be in the foreseeable future?
> Mr. du Pont. I believe, sir, the rights-of-way, the grades and the structures, and that type of improvement will be perpetual to all intents and purposes. The surfacing will naturally wear out and will have to be renewed from time to time, depending on the traffic and other things. That could not, however, affect the permanent part of the structures and facilities and would amount to a relatively small cost at that time.
> Mr. Becker. Would you mean that the base of this interstate system, with the concrete base, would be lasting almost to perpetuity?
> Mr. du Pont. The Appian Way is still in existence. It was built before the time of Christ.
> Mr. Becker. That is right. And then the surface would be black-topped, which would be removed, we will say, in ordinary maintenance?
> Mr. du Pont. Well, not ordinary maintenance. It should be maintained and subsequently replaced, but that would represent, in my judgment, not more than 15 percent of the cost at one time.

Representative Burnside raised the issue of maintenance. "Mr. Secretary, speaking about that Appian Way, that highway does not carry heavy traffic. So, I was just wondering now who would pay this 10 percent for resurfacing. Would the States pay for it or would the Federal Government pay for it?"

Asked by Secretary Humphrey to reply, du Pont said:

> I was referring to the permanent characteristics because the inadequacy of our highways today is due to the fact the rights-of-way were not adequate at the time they were acquired, and subsequently those rights-of-way were not protected and encroachment has reduced materially the use of the highways for its capacity to carry vehicles.
>
> The geometrics, so-called, of a highway are the most important. That has to do with the grades, the curves, the various features of that nature, and under this legislation, if it be enacted, the 40,000 miles would be practically entirely protected, the rights-of-way, in perpetuity. So, they would not be subject to the reduction in capacity.
>
> Now, that is a permanent asset.
>
> The grades, of course, would be permanent. The fills would be permanent. The drainage would be permanent.

> All of those things would be designed to modern standards, and it is for those reasons that we take the position that the most important part of the highway, namely, its location and its geometrics, would be permanent.

As for who would pay the 10 percent for resurfacing, du Pont said, "That is an obligation of the States, which they have always had on all Federal-aid roads."[329]

[Construction of ancient Rome's Appian Way began in 312 B.C. According to a history of the road, "By 244 B.C., less than a century after it began, the Appian Way was completed – 360 miles of road" from Rome to Hydruntum/Otranto on the eastern "heel" of the Italian "boot."[330]]

Newspapers picked up on Secretary Humphrey's dialogue with Representative Boggs and others regarding pay-as-you-go tax financing versus bonds. *The New York Times* article on the hearing began:

> George M. Humphrey, Secretary of the Treasury, accepted today a use-tax increase sponsored by Democrats as a second-best but satisfactory way to finance a highway construction program.
>
> Mr. Humphrey told the Public Works Committee of the House of Representatives that he was "perfectly willing" for Congress to impose higher gasoline and other highway use taxes.
>
> While President Eisenhower's proposal for issuance of $21,000,000,000 in special bonds "still offers the best method," he testified, "the determination of policy is in your hands, not in ours."
>
> "A treasurer never objects to paying as you go," he added.[331]

Or, as a headline in *Transport Topics* put it on July 18, 1955:

Treasury Secretary Gives Mild Approval to Highway Tax Plan

That was on page 10. The headline across the top of page one read:

Industry Fights "Ruinous" Road Taxes

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[329]National Highway Program, Part 2, pages 1187-1225.

[330]Hamblin, Dora Jane and Grunsfeld, Mary Jane, *The Appian Way: A Journey*, Random House, 1974, page 7

[331]Morris, John D., "Treasury Agrees to 1 c Rise in 'Gas' Tax to Build Roads," *The New York Times*, July 13, 1955.

The accompanying article reported on the testimony of William A. Bresnahan, ATA's assistant general manager. He told the committee that any new revenue measure should be on an "across the board" basis, not aimed at a single type of user. The industry would prefer to have no increase in the highway program than to have an increase financed with “a ruinous system of taxes.”[332]

Below the headline was a photograph of a tractor trailer that ATA had parked outside the Capitol:

> Washingtonians have seen strange sights but one of the strangest they ever did see was a big trailer completely plastered on both sides with crisp new dollar bills – 3,212 of them – which parked near the Capitol last week.
>
> There should have been 4,480 dollar bills papering the trailer, but there wasn’t enough space to take care of them.
>
> Signs on the trailer told what it was all about:
>
>> “Dollars bills both side of this trail show federal and state taxes *now* paid on the average vehicle this size and type – Total $4,480. Federal excise tax on vehicle, $1,918. State registration tags (1 year), $1,148. State/federal fuel tax (1 year), $1,296. Federal tax on tires and tubes, $118.”

The dollar bills were affixed to the trailer “with rubber cement, making subsequent removal possible.” The total, $4,480, was the amount that must be paid for “a typical five-axle vehicle before it can earn a single cent for payroll, operation and maintenance, or profit for its owner.[333]

Members of Congress reported receiving an estimated 100,000 telegrams from truckers, with Chairman Fallon receiving 10,000 of them.

The Federal-Aid Highway Act of 1955

Following the hearings, the Public Works Committee continued working on the details of the financing before approving and releasing the bill on July 19. It retained the structure of the subcommittee plan, which had the support of the Democrats, but softened the tax increases to win over Republican support.

As floor debate approached, outside observers were confident of passage. Speaker Rayburn predicted that the bill, with its tax provision, "should pass the House all right." *Engineering News-Record* observed that, “Passage of a compromise highway bill . . . seemed assured this week." The White House “has given an informal go-ahead to the Republicans and Democrats who sweated out the compromise last weekend.” The House seemed to have enough votes for the

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[332]Odlin, William S., Jr., “Industry Fights "Ruinous" Road Taxes,” *Transport Topics*, July 18, 1955.

[333]“Cash-Plastered Trailer Gives Washingtonians Idea of Truck Taxes as Congress Ponders Hike,” *Transport Topics*, July 18,1955.

measure and "Senators, led by Albert Gore . . . are expected to go along with the House version." Senator Byrd issued a call for a meeting of the Senate Finance Committee to expedite consideration of the alternative financing plans following House passage of the Fallon Bill.

Despite the optimism, rumblings against the bill continued. Senator Byrd indicated that the tax measures would receive more scrutiny in the Senate than in the House. Representative Tom Steed (D-Ok.), one of the sponsors of the bill, said he feared it was "dead" and would be rejected overwhelmingly because of "the most effective lobby I've ever seen," apparently referring to efforts by truckers to kill the bill.[334]

Debate began on July 26. Fallon told the House that he had been assured that the President would veto any measure that required an increase in the national debt. The Senate, by its 31-60 vote against the Clay Committee's plan, had "served notice on us that they would not pass such a bill this session." As a result, he explained" the Public Works Committee "took the unpopular alternative of undertaking to pay for this program" by tax increases.

First up for a vote was a bill introduced by a member of the committee, Representative T. Ashton Thompson (D-La.). His bill would cut the Interstate System back to 24,000 miles – about the level he thought the current motor fuel tax could support. Federal funding for the shortened Interstate System would be limited to $10 billion, compared with at least $24 billion under the Administration and committee bills. The bill retained funding for the Federal-aid systems as well. Thompson acted on behalf of a Democratic faction that opposed tax increases and special bonding.

The bill was beaten by a standing vote, with only one Republican, Earl Wilson of Indiana, among the Representatives who rose in support of the bill. Representative Thompson demanded a "division," with the result being 89 ayes and 178 noes.

The New York Times speculated:

> The extent to which the Thompson faction of Democrats switches to the Eisenhower bill tomorrow may be the deciding factor in the outcome. A close count was also expected on a prospective move to shelve the entire matter by sending the Democratic bill back to committee if the Eisenhower substitute should be rejected.

Representative Dondero had introduced the Eisenhower Bill. In view of the benefits, he thought people were "perfectly willing" to share in the cost.

Representative Martin led the Republican forces in support of the President's plan. "Bond issues for highway construction," he said, "are as old as the nation's highway system itself." The Majority Leader, Representative John McCormack (D-Ma.) asked Martin if he would support the

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[334]"Compromise Highway Bill Set For Fast Action in Congress," *Engineering News-Record*, July 14, 1955, page 21; Odlin, William S., Jr., "Vote on House Road Bill Slated This Week," *Transport Topics*, July 25, 1955.

Democratic bill if the Eisenhower plan was voted down. Martin said that in that case, he "would have to retreat to his office and prayerfully consider it."[335]

On July 27, the House dispatched the remaining bills. By a vote of 193 to 221, the House defeated a motion to recommit Fallon's bill and substitute a bill embodying the Clay Committee's plan. This rejection in a largely party-line vote in the Democratic House was widely expected, so it came as no surprise. Next, the House voted 89 to 178 against a plan to expand highway construction without specifying a way of paying for it. Again, no surprise.

Later, in what was widely acknowledged as one of the session's biggest upsets, the Fallon Bill was defeated, 123 to 292, with many Democrats deserting their party. The defeat was even more astonishing because debate during the day had been objective and sincere, with party line votes prevailing on motions. In the end, however, even strong supporters of the highway program voted against the committee's bill.[336]

In the wake of what *Transport Topics* called this "astonishing, entirely-unexpected defeat," Speaker Rayburn said the vote had killed chances for highway legislation in 1955 "and probably next year too., with the House as divided as that." He blamed the defeat on lobbyists. "The people who were going to have to pay for these roads put on a propaganda campaign that killed the bill," he said. Asked if he meant the trucking industry, he replied, "You can figure it out for yourself." *The New York Times* observed that the trucking, gasoline, and tire industries "have been most active in buttonholing legislators and inspiring telegrams and letters against the proposed tax rises."

Representative Carl Albert (D-Ok.), the Democratic Whip, said "They are the ones who would get the most commercial benefit from the program; yet they are the ones who killed the bill."

Majority Leader McCormick was blunter. "Everybody wants a road bill but nobody wants to pay for it." He added that he had "a sneaky idea that the truckers of the country played an important part" in the bill's defeat.

The trucking industry objected to statements blaming the industry for the defeat. Neil J. Curry, ATA's president, said that the industry wants a modern highway system as much as other motorists do and is willing to pay for it. He explained, however:

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[335]Morris, John D., "One Highway Plan Beaten In House," *The New York Times*, July 27, 1955; National System of Interstate and Defense Highways Act of 1955, *Congressional Record-House*, July 26, 1955, pages 11525-11571, with the Thompson bill considered, pages 11563-11571.

[336]National System of Interstate and Defense Highways Act of 1955, *Congressional Record-House*, July 27, 1955, pages 11688-11718. Among the measures considered, the House voted against the use of Federal funds to pay 50 percent of the cost of utility relocations (after Representative Gentry displayed 51 telegrams from AASHO members opposing the provision) and against an "anti-segregation" amendment that would have barred Federal funds from any State or municipality that permitted segregation in "roadside restaurants, comfort stations and other facilities."

> Responsibility for defeat of the interstate highway program does not rest with the trucking industry. The assertion now being made by some people that "everybody wants roads and nobody wants to pay for them" is not true of the trucking industry.
>
> We want the highway program. We need it as much as the motorist does and we are willing to pay for the modern system . . . . When we called the attention of Congress, as we did, to the fact that the so-called pay-as-you-go plan . . . would charge 1 per cent of all motor vehicles with 26 per cent of the additional revenue requirements, the fantastic unfairness of this proposal was obvious to them.[337]

BPR officials were as shocked by the outcome as anyone. Earl Swift described one reaction:

> The defeat came as a shock to the bureau, the press, even congressional leaders. It was crushing to Turner, who between the Clay and Fallon bills had been slaving around the clock on highway legislation for close to a year. Francis du Pont passed his office and saw him sitting, stricken, at his desk. Du Pont hurried to his own office and returned with a high-end watch that he'd bought for Turner on his trip to Europe, and that he'd planned to award him on the bill's passage.
>
> As he presented it, he explained that time was their ally; Turner's patience and hard work would eventually, inevitably, pay off.[338]

The next day, July 28, President Eisenhower issued a statement:

> I am deeply disappointed by the rejection by the House of Representatives of legislation to authorize a nation-wide system of highways.
>
> The nation badly needs new highways. The good of our people, of our economy and of our defense, required that construction of these highways be undertaken at once.
>
> There is a difference of conviction, I realize, over means of financing this construction. I have proposed one plan of financing which I consider to be sound. Others have proposed other methods. Adequate financing there must be, but contention over the method should not be permitted to deny our people these critically needed roads.
>
> I would devoutly hope that the Congress would reconsider this entire matter before terminating this session.

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[337]Morris, John D., "2 Highway Plans Killed By House," *The New York Times*, July 28, 1955; "Road Bills Go Down to Defeat In House," *Transport Topics*, August 1, 1955.

[338]Swift, page 182.

It was too late. In response, Speaker Rayburn declared, "No chance – none whatever." Representative McCormack added, “The President will have to do a lot of work among his own members even to get a bill next year.”[339]

The chance of reconsideration, however slim, ended when the Congress adjourned on August 2 for the year.

In the White House, Arthur Burns thought a special session of Congress on the road bill might be advisable. Eisenhower, in his memoir, repeated his answer to Burns:

> "Well," I said, somewhat ruefully, "the special session might be necessary--but calling it could be at the cost of the sanity of one man named Eisenhower." There was no sense in spending money to call them back when I knew in advance that the result would be zero.[340]

Theodore White, in his *Collier's* article, examined why it failed. He began:

> Two giant camps soon developed in the struggle over the bill. One was led by the railways, supported by the American Automobile Association and backed by most of the State highway officials of the country. They supported the Fallon bill. In the other were the truckmen, the tire dealers, the independent oil dealers, the Diesel manufacturers – led in the grand strategy of opposition by the truckmen.

The railway interests supported the Fallon bill, despite the fact that any of the bills would greatly benefit their rivals, the truckers:

> Any kind of legislation on the Interstate System . . . placed the railways in a delicate position. They could not, in a nation that loves highways, simply come out and flatly denounce better roads. Yet they could scarcely watch with blithe unconcern as the nation proposed to build this spectacular roadbed for their competitive rivals.

Instead of opposing the new highway network, railway interests focused on ensuring their rivals paid it through increased taxes. Testimony from rail industry representatives often focused on the damage that heavy trucks did to pavements, arguing that truckers should be taxed according to the amount of additional pavement thickness that would be needed to accommodate them compared with the thickness needed only for passenger vehicles.

On the other side were the trucking interests:

> But the truckmen were faced with Hobson's choice. They could accept the Fallon bill, giving them the great Interstate System they so desperately wanted – yet if they did so they would have to accept a tax burden on their industry which they claimed added

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[339]Morris, John D., “President Rebuffed In Road Plan Plea,” The New York Times, July 29, 1955.

[340]Eisenhower, Dwight D., *Mandate for Change: 1953-1956,* Doubleday and Company, Inc., 1963, page 502.

> another $375 million a year. Or they could elect to torpedo the Fallon bill and accept the blame for sabotaging the highway program.

They chose to mobilize against the bill. "Desperately and doggedly . . . the truckmen and their allies fought to pull the tax teeth from the Fallon bill." Members of Congress resisted. "A principle was involved, they said – a user charge was being imposed for the first time on a Federal level [with a link to highway improvements] and special users had to pay special taxes." Truckmen and their allies did not agree. One lobbyist put it this way:

> I feel like I am representing a plucked chicken with two feathers left in his tail, and there is a hand reaching out for the last feathers.

The result was a last-minute lobbying campaign that, as noted, included a flood of telegrams:

> The telegrams were accompanied by letters. They came not only on stiff white paper under the letterheads of great firms or associations but in grease-stained handwritten letters that worry congress much more – under letterheads of "Art's Filling Station," or "Alf's Friendly Service," or "Lone Star Sales and Service."

Meanwhile, Dave Beck of the Teamsters Union, a member of the Clay Committee, organized his truckers:

> Some congressmen claim they could even trace a trucker's day at the wheel by following the date lines of telegrams that would arrive. A driver might send his first wire from, say, Philadelphia at eight in the morning, his second from Harrisburg two hours later, his third from Pittsburg that afternoon, his fourth from Toledo in the early morning.

While the opponents were flooding Capitol Hill with telegrams and letters, "the support for the bill, which should have come from the average motorists, was conspicuously absent."

White also cited a factor that Turner and others believe played a key role:

> Some congressmen were deeply upset by the breach of tradition which had let a new committee write the taxes that had always previously been the sole prerogative of the august Ways and Means Committee.

They feared that the Rules Committee, the keeper of jurisdiction, would retaliate against those who supported the Fallon Bill's breach of jurisdiction:

> Even more important, many of them dimly sensed (and some were sharply informed) that the new bill, by increasing gasoline and tire taxes, was extending the taxing power of the Federal Government into the domain which the individual states had always considered as one of the reserved areas of their authority. Old-line states righters bridled.

Speaker Rayburn had been convinced, almost up to the last minute, that the Democrats' party discipline would carry the bill, regardless of any concerns. However, "when, at last, he realized it could not, it was too late to improvise the tactics or counter-pressures to whip his errant Democrats into line."

The Republicans had a similar problem. The White House still favored the bond plan, but facing clear evidence it could not pass, concluded that the Fallon Bill was better than nothing:

> But by the time Sherman Adams had phoned this eleventh-hour decision to Republican Congressman De Witt Hyde of Maryland, voting had begun. By the time Hyde got the massage to Republican floor leaders, a House colleague later recounted, the Republicans were voting almost solidly against the bill and it was too late to switch.[341]

End of the Line

As is well known, Congress, the White House, and all the interests involved succeeded with enactment of the Federal-Aid Highway Act of 1956, which President Eisenhower approved on June 29. Frederick V. du Pont had left the scene before then.

On January 1, 1956, du Pont resigned as consultant to the Secretary of Commerce.

In BPR's newsletter, Commissioner Curtiss announced:

> It is with much regret that we find it necessary to announce that Mr. du Pont is ending the close association with the Bureau that began with his appointment as Commissioner . . . .

He had resigned on January 14, 1954, "but he retained his office in our building and a keen interest in Bureau affairs. He found it possible to participate in many of the staff meetings to discuss Bureau policy."

Of du Pont, Curtiss wrote:

> He came to the Bureau without a personal staff. His warm, friendly personality, easy accessibility, willingness to discuss problems before taking action, and firmness after deciding on a course of action established a leadership strongly supported throughout the organization. An engineer himself with long experience in public affairs, he was completely at home in the Bureau atmosphere of technical and administrative thinking on highway improvement.
>
> He came with these principal objectives – to maintain and strengthen the high standing of the Bureau of Public Roads and to persuade the Federal Government to embark upon a greatly enlarged program to make our highways adequate within a reasonable period of time. It was his thought that the Bureau would have a key role in carrying out such a program. Only those who have been closely associated with the movement in Government circles can appreciate the value of his efforts in building up the strong support for an adequate Federal highway program that is now evident.

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[341]White, pages Eisenhower, Dwight D., *Mandate for Change: 1953-1956,* Doubleday and Company, Inc., 1963, page 502.

> We will miss him but hope that he will visit us frequently and continue to aid the Bureau in its work.[342]

He had accomplished much. He had helped BPR transition from a long-time leader, Thomas H. MacDonald, who had shaped the organization to reflect his personal management style, to a more traditional management structure that would serve the agency through multiple changes of leaders in the years to come. As reflected in his testimony during hearings (1953-1955), he was respected for his knowledge of highway development and his understanding not only of the Eisenhower Administration's proposal, but the rival ideas. His close colleagues gave him considerable credit for his role in shaping the legislation that in 1956 launched the Interstate construction program.

The BPR Library received and saved a copy of a speech he gave on October 11, 1956, to the Regional Businessmen's Highway, Transit and Parking Conference in Boston. The title of the speech was "Billions for Roads Mean Billions for Business."

He began in a familiar way:

> It affords me much pleasure to have been invited to address you today, as in so doing I am indulging in my favorite lifelong hobby – namely, the fostering of adequate highways.

He went on to discuss the subject like the engineer and long-time highway official he was in reality.

He began by discussing the period from 1940 to 1950, during which "we experienced the horrors of the greatest conflict to living man." After citing the human toll, he continued:

> The highways also suffered untold casualties due to excessive use and overloading without adequate maintenance. After the war, some time elapsed before manpower, materials, and funds became available to repair the damages. A period of approximately ten years elapsed during which time few new highways were built to meet our expanding needs, and for this reason it became possible, and indeed necessary, to build a number of privately-financed toll roads. This period, I believe, has now come to a close with a few possible exceptions. We are now entering a period of accelerated highway construction far greater than any heretofore contemplated. The magnitude is so great that few, if any, of us can evaluate the extent thereof, or its effect on our economy and posterity. On the other hand, we do know that such a program is absolutely necessary if we are to adequately provide for our expanding population and economy.

Given the spirit of free enterprise and State sovereignty, some wondered why the Federal Government, instead of the States, should undertake or subsidize the new network:

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[342]Curtiss, C. D., Message, *The News in Public Roads*, February 1956, page 1.

> The answer is a simple one . . . . Our main highways, and particularly the interstate system, are so important to our economy and defense that we cannot as a nation depend on the 48 states to provide such facilities. There are some states which simply could not provide the necessary funds. There are other states, such as Nevada, in which Uncle Sam owns more than 80% of the land. The Congress has, in my judgement, acted wisely and realistically in considering the needs of the country as a whole; in recognizing the importance of our highways to our economy; and made possible this capital investment which will pay untold dividends to all, in supplementing our transportation, effecting great savings in time and dollars, and most important, human lives.

Some critics questioned the magnitude of the program, but it matched the magnitude of need. From 1921 to 1940, the country's gross national product (GNP) varied from $55 billion to $103 billion, while highway construction averages 1.5 percent of GNP. From 1941 to 1953, GNP varied from $126 billion to $364 billion, but construction of highways averaged on .6 percent. During this same period, motor vehicle registrations increased from 35 million to 50 million, and was 60 million at the time of the speech. "It is obvious our highway plant is obsolete, and construction must be stepped up rapidly in proportion to our needs, and concentrated on the highways and areas where traffic density is greatest":

> Gentlemen, I ask you, can we as citizens of our highly integrated country, which is absolutely dependent on transportation, leave to the discretion and financial ability of the 48 states the determination of the adequacy of the backbone of our highway system; namely, the interstate routes.

Industry was expanding rapidly after the Korean War. In 1955, industry spent over $28 billion improving and expanding its plants, with the number expected to increase in the current years:

> In other words, last year industry expanded an amount sufficient to build the entire interstate highway system as now estimated, but which expenditures under the highway program would be distributed over a construction period of approximately 15 or 16 years. I think this brings the highway program into a realistic perspective.

He expected the Interstate System to bring "great change . . . within our cities." In larger cities, construction of circumferentials and radial routes "will open up entirely new areas for residential, business, and industrial development." Smaller communities near the larger cities "will probably experience rapid, new growth." With improved highways, industry would move out of the central city to locations "where taxes are lower, property is less costly and employees are within easy driving or even walking distance to work."

He realized that some people worried about this outward movement to the suburbs, but he did not agree:

> I firmly believe that in many of our larger cities the new highway program will prove to be the greatest boon to the central business district that has occurred in the last decade. Although the new expressway routes will continue to expand the metropolitan horizon and there will continue to be an up-crop of new satellite business areas, they will also shorten the time factor of many shoppers who are now on the outer reaches, to the extent

> that they will come downtown more frequently to do their buying. Furthermore, in expressway planning greater use of transit should result because of the faster service that it can provide adding a cheap, rapid opportunity for madam housewife to get into the central business district which she does not now have. You know the central business district is now and always will be the favored place to shop if it can be reached easily. As light industry and other businesses, not suitable in the more congested central business district, move into the hinterland, space will be available for new businesses and parking space which will be a still further attraction for the downtown. Conceivably the "rush to the suburbs" will slow down to a walk and maybe in some areas the changing tide will flow "in" rather than "out."

(In these views, du Pont was reflecting the widespread view of highway engineers and many urban planners who saw the new expressways as a savior for declining cities. The first major indication that the theory was wrong came in September 1957 when an insurance company that had been criticized for moving out of Hartford, Connecticut, held a conference on the effect of highways on metropolitan areas. Federal Highway Administrator Bertram D. Tallamy (1957-1961) spoke glowingly to the conference of the effect of the new expressways on cities. He said, "we have the chance of a century to make our cities sparkle brightly among our Nation's brilliant collection of really wonderful cities." The Interstate System would be "the greatest single tool" in reversing urban problems. Yes, there would be critics, but when the highways opened, the critics would show up to "cut the ribbons and take the credit they do not deserve."

(By contrast, many other speakers were highly critical of the new program, none more so than author and urban thinker Lewis Mumford. He pointed out that Tallamy and Administrator Albert M. Cole of the Housing and Home Finance Agency – the two Federal officials who were going to have the most impact on the cities – had not met until they happened to cross paths at the Hartford conference. "We have good reason to be anxious" because it was obvious "that neither of these Administrators had the slightest notion of what they were doing." As far as he was concerned, the 1956 Act had been "jammed through Congress . . . on a dubious pretext." He dismissed the need for Interstate highways as part of the defense program because "there is no defense against total extermination in nuclear war, no defense except peace."

(The conference, which made national news, focused negative attention on the adverse urban impacts. Critics began calling for a moratorium on urban Interstate construction. Shocked by this change in attitude, highway officials fought back with a major public relations campaign, including their own urban conferences. In the end, these efforts had little impact on the criticism that followed the program throughout the peak urban construction years, and continues to this day.)

The new program, du Pont told the business leaders, would pour "big highway program" money into steel, cement, asphalt, and highway equipment, creating "desirable industrial and housing sites . . . but for every job on the construction project, there must be two other jobs created to back up the on-site worker." These extra jobs were "in transportation, in manufacturing, in materials production, in insurance, in real estate activities, etc." Further, about one-third of the funds for highway construction go to on-site labor wages and salaries that will, in turn, be spent on such day-to-day items as groceries, rent, recreation, and clothes. "The money will pass from hand to hand creating business locally and in this case 'locally' covers the whole nation."

Because the expenditure would be large, it would be helpful to learn of the savings that would be realized:

> Here are the estimated savings which should accrue on the 40,000-mile interstate system alone, presented to Congress by the state highway officials. Thirty-five hundred lives per year should be saved; 550 million dollars in vehicle operating costs; 725 million in accident costs; 825 million in time wasted by commercial vehicles; and a very substantial reduction in insurance rates should be realized. These figures, exclusive of the savings of lives and reduction in insurance, amount to two billion, one hundred million dollars per annum.

(The Federal-Aid Highway Act of 1956 had increased the Interstate System to 41,000 miles, although the additional mileage had not been designated at the time of du Pont's speech.)

In closing, du Pont wanted to make two important points:

> The enactment of a law does not assure the attainment of the objectives of the law, unless the majority of the public are in favor of, and assist those who are responsible for administering the law. This program will not get to first base, if we depend solely on the state highway departments and the Bureau of Public Roads to carry it forward and the public remain apathetic, and in many cases regrettably belligerent. The businessmen of this country must give every possible assistance to their state highway departments in expediting the selection of routes, acquiring rights-of-way and initiating construction.
>
> I regret to say that in my experience the chambers of commerce have not, on the whole, been particularly helpful to their state highway departments. They have frequently championed the cause of a few individual members who might be adversely affected at the expense of many and posterity. I urge you businessmen to form a highway section in your chambers of commerce made up of men of unquestionable integrity. I urge you to charge them with the responsibility of learning of their state's highway problem, and cooperating with the state highway department in accomplishing as promptly as possible the objectives of this program. Failure to take advantage of this opportunity by a majority of the states will, I believe, effect a change in the legislation. I cannot conceive of any more important and challenging assignment to the chambers of commerce than to take such action as is necessary to assure this program does not fail. We are fortunate to be citizens of the U.S.A. Let us not fail in our responsibility in this instance to insure our continued good fortune.

Although historians give du Pont some credit for his role in the Interstate System, they do so even though much of his work was behind the scenes and out of the public record. He tends to disappear in their narratives of events leading to success in June 1956.

The Final Years

In his later years, du Pont lived on a 1,000-acre estate at Horn's Point, near Cambridge on Maryland's Eastern Shore – originally a hunting preserve and lodge built by Coleman du Pont and known as the Moors. His home had been built after fire destroyed the original 1750 home in 1948.

During this period, he was active in Maryland government. In January 1957, Governor McKeldin appointed du Pont to a committee conducting a general review of the State's highway construction program to see if plans matched changes in traffic patterns during recent years. According to *The Baltimore Sun*, Chairman Robert O. Bonnell of the Maryland State Roads Commission told committee members that the new Interstate System was "not as popular as it would be if the southern and western ends of the State were included in present plans." On November 29, 1957, du Pont was one of the many dignitaries on hand when Governor McKeldin cut the ribbon opening the toll Harbor Tunnel across the Patapsco River in Baltimore, finally giving motorists a way to bypass city streets.

In 1958, amid growing controversy involving the routing of the 10-mile East-West Expressway through Baltimore (I-95 on the eastern side of the city, I-70 on the western side), Chairman Bonnell assembled a committee to study the issues and provide recommendations. It would, he said, "be silly for us to do it by ourselves." Bonnell included du Pont in the committee, which would give "extensive study to the east-west expressway, its interchanges, ramps and other features," as well as all features of the city's Interstate System that BPR had not yet approved. The bitter battles over the East-West Expressway would continue for decades, with large chunks of it eventually withdrawn from the Interstate System in the 1970s.

Governor McKeldin appointed du Pont to be one of three commissioners on the State's Public Service Commission in July 1957, a post he retained until July 1961. The commission oversaw public utilities, including gas, electricity, transportation (bus and taxis), and water provided by private companies. Governor McKeldin also appointed du Pont to the Maryland Self-Survey Commission in 1957. The governor charged the commission with studying State activities, including the State Planning Commission, the Maryland Water Pollution Commission, the Department of Corrections, the public school system, and the criminal code. Governor J. Millard Tawes, shortly after taking office in January 1959, announced that after the commission completed revision of the State criminal code, he would abolish the group.[343]

Du Pont continued to work with ARBA's Engineering Division through the late 1950s.

Francis V. du Pont died on May 16, 1962, of lung cancer at the age of 67. Under his will, his estate and an office building in Cambridge were to become the property of the city 6 months after his death. He also donated the Cambridge Yacht Club to the city.

An obituary in ARBA's magazine explained that after leaving the Department of Commerce, he continued to work in the highway field:

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[343] "Meeting Held By Roads Unit," *The Baltimore Sun*, January 5, 1957; "Francis Du Pont Given PSC Post," *The Baltimore Sun*, July 10, 1957; Trewhitt, Henry L., "Expressway Ideas Sought By Roads Unit," *The Baltimore Sun*, September 7, 1958; "State Planning," *The Baltimore Sun*, October 5, 1957; Trewhitt, Henry L., "$144,000,000 Harbor Tunnel Is Opened By Governor McKeldin," *The Baltimore Sun*, November 30, 1957; "At Baltimore Tunnel Opening," *American Road Builder*, January 1958, page 32 (photograph).

> Mr. du Pont was consulting engineer to ARBA Member firms of Parsons, Brinckerhoff, Quade and Douglas and Lockwood, Kessler and Bartlett, Inc. Mr. du Pont was, himself, a Member of ARBA and a former Director of the Engineering Division . . . .
>
> Besides his many business interests, he served as a member of the Public Service Commission of Maryland, the Maryland Self-Survey Commission, and the Highway Research Board . . .
>
> His estate is estimated to be valued at nearly $50 million. He left the bulk of the estate to his widow, his daughter and his two sons.[344]

In addition, he directed $50,000 to be invested for Cambridge, such that the interest would be used for the annual July 4th celebration. He left two of his yachts to his son Coleman, but the other would be donated to the Sea Scouts, Delaware Council, Boy Scouts of America (from the Sea Scouts Web site:

> For over 100 years Sea Scouting has promoted better citizenship and improved members' boating skills through instruction and practice in water safety, boating skills, outdoor, social, service experiences, and knowledge of our maritime heritage. [https://seascout.org/about/]

The will, in donating the estate to the city, indicated that he wanted it to be used for educational purposes. The city paid for upkeep of the estate by leasing the adjacent airstrip and growing corn and soybeans on its fields. In 1968, the city agreed to turn the estate over to trustees of Tidewater College, a planned liberal arts education school. When that plan failed, the city agreed to turn over the estate to the University of Maryland for an environmental center.

On June 7, 1971, Cambridge transferred the property to the State. In 1973, the Maryland Department of General Services transferred the property to the University of Maryland Center for Environmental and Estuarine Studies. Du Pont's former home was to serve as headquarters and a conference center for university's new branch. The property is now the Horn Point Environmental Laboratory of the University of Maryland Center for Environmental Studies. The center's Web site describes the laboratory as:

> The Horn Point Laboratory, located on more than 800 acres on the banks of the Choptank River on Maryland's Eastern Shore, has advanced society's understanding of the world's estuarine and ocean ecosystems. Horn Point scientists are widely respected for their interdisciplinary programs in oceanography, water quality, restoration of seagrasses, marshes and shellfish and for expertise in ecosystem modeling. With ongoing research programs spanning from the estuarine waters of the Chesapeake Bay to the open waters of the world's oceans, Horn Point is a national leader in applying environmental research and discovery to solve society's most pressing environmental problems.

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[344] "Francis V. du Pont, Former Road Commissioner, Dies," American Road Builder, June 1962, page 30.

The former airport hanger of the du Pont hunting preserve houses the Dorchester Heritage Museum.[345]

As a member of the du Pont family, Francis V. du Pont periodically pops up in biographies, but the biographers seem to consider him less interesting than other family members. John D. Gates, in his biography of the family, says of him:

> Coleman's son, Francis Victor (Frank), tried hard to fill his father's shoes, but always looked a little like a child clopping proudly around in his parent's footware. For all that, Frank du Pont's career was a distinguished one. His most enduring monument, unless one is generous enough to credit him with the Interstate Highway System, is the Delaware Memorial Bridge, which spans the Delaware River just north and east of Wilmington, providing a vital link in the main north-south highway on the East Coast.

Gates explained that "roads and politics were his first loves." Gates described du Pont's work as highway commissioner in Delaware and his early interest in aviation, as well as his work as Commissioner of Public Roads:

> In office for just six months, Frank presented his recommendations for the nation's highway program to his boss, the Secretary of Commerce, in the fall of 1953. The Interstate Highway System was first authorized by Congress in 1944, but it wasn't until 1956 that the program really got under way. By this time, Frank was no longer with the Bureau of Roads [sic], of which he was commissioner for two years, nor was he still a special consultant to the commerce secretary, a post he held until January 1, 1956. But his recommendations of 1953 were an important part of the 1956 legislation . . . .
>
> It is a measure of the vastness of this highway program that a 1958 cost estimate for the interstate system took 1.2 million man-hours to prepare. By this time, Frank was a member of the Highway Research Board's executive committee. He was also active in the American Road Builders Association.

Gates concluded this section of his book:

> By 1961 Frank's health was starting to deteriorate and he retired from virtually all his activities to his place in Maryland, where the following year he died. He was not quite the dynamic, captivating personality his father was, and at least one close relative feels his biggest personal problem was that he never stopping trying to be like his father, succeeding only in pale imitation.[346]

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[345]"College To Get A Home Tomorrow," *The Baltimore Sun*, July 27, 1968; Corddry, Mary, "Environmental Center Proposed on Shore," *The Baltimore Sun*, April 1, 1972; Corddry, Mary, "Ecology Unit Gets Home of du Pont on Shore," *The Baltimore Sun*, November 18, 1973.

[346]Gates, John D., *The du Pont Family*, Doubleday and Company, 1979, pages 199-203.