

THE WHITE HOUSE  
Washington

August 20, 1954

Dear Mr. Secretary:

Following up my proposal to the Governors' Conference last month, I wish to organize an INTER-AGENCY COMMITTEE ON THE PRESIDENT'S HIGHWAY PROGRAM, whose task it will be to develop as swiftly as possible recommendations designed to construct and maintain a highway system adequate to the needs of modern interstate and circumferential traffic. I am asking you to designate a representative from your Department to serve as a member of this Committee, along with representatives from the Departments of Defense and Commerce, the Bureau of the Budget, and the Council of Economic Advisers. The representative of the Secretary of Commerce will serve as Chairman of the Committee.

I expect the Committee, working in close cooperation with the Bureau of Public Roads, to survey the Nation's highway needs, utilizing such existing studies as the Federal Government and other public and private bodies have previously made. This should include not only a study of the physical requirements of such a highway program but proposals for financing it as well. Finally, I expect the Inter-Agency Committee to make specific recommendations designed to implement its program, by legislation to be submitted to the Congress and to the several States, as well as suggestions for necessary Executive action by federal, state and local bodies.

I assume that the Committee will maintain close liaison both with the appropriate Committees of the Congress and other bodies which are actively concerned with highway matters. These would include, among others, the Governors' Conference on Highway Planning, the Highway Users' Conference, the Association of State Highway Officials, and the Commission on Intergovernmental Relations.

Your designee should be available for such time as may be necessary to prepare a report no later than November 1, 1954. I am assigning Dr. Gabriel Hauge of my staff to work with the Committee and I expect Governor Adams to maintain his close interest in its work. Representatives of other interested Departments and Agencies of the Executive Branch should be brought in as may be needed.

It is essential that the Executive Branch of the Federal Government begin at once to organize its contribution to the planning phase of a coordinated national highway program. This should be an important first step toward the development of a unified approach in which Federal, State and local Governments join cooperatively to help bring about the modern national highway system that this country so urgently needs.

Sincerely,

The Honorable George M. Humphrey  
Secretary of the Treasury  
Washington, D. C.

/s/ DWIGHT D. EISENHOWER

MINUTES OF THE MEETING OF  
INTER-AGENCY COMMITTEE ON THE PRESIDENT'S HIGHWAY PROGRAM  
IN OFFICE OF COMMISSIONER OF PUBLIC ROADS  
September 9, 1954, 11 a.m.

Committee Members:

Department of the Treasury : Honorable Marion B. Folsom, Under Secretary

Department of Defense : Mr. Earl B. Smith, Director, Office of  
Transportation and Communications  
Office of Assistant Secretary of Defense  
(Supply and Logistics)

" " "(Alternate) : General Paul F. Yount, Chief of Trans-  
portation, Technical Services,  
Department of the Army

Bureau of the Budget : Mr. Harold L. Pearson, Assistant Director

Council of Economic Advisers: General John S. Bragdon

Department of Commerce : Mr. F. V. du Pont, Commissioner of Public  
Roads, Chairman

All of the above were present except the representative from the Department of the Treasury, Honorable Marion B. Folsom.

Commissioner du Pont opened the meeting by reading to the group a paragraph of a letter of August 20, 1954, from President Eisenhower to Secretary Weeks of the Department of Commerce, requesting the establishment of this Committee. Mr. du Pont suggested that Mr. F. C. Turner of his office be assigned to the Committee to serve as Secretary. This suggestion was accepted.

Mr. du Pont distributed a several-page history of highway activities in the United States to serve as background material for the Committee in its deliberations. He then outlined the events which had followed the President's proposal, presented by Vice President Nixon July 12 at the annual Governors' Conference at Bolton Landing, New York, outlining a much enlarged highway program and challenging the Governors to provide a solution. As a result of this the Governors' Conference had appointed a Committee composed of the following:

Governor Walter J. Kohler, Wisconsin, CHAIRMAN  
Governor Frank J. Lausche, Ohio  
Governor John Lodge, Connecticut  
Governor Paul Patterson, Oregon  
Governor Allan Shivers, Texas  
Governor Howard Pyle, Arizona  
Governor Robert F. Kennon, Louisiana, Chairman of Governors' Conference

to develop a proposed program for submission to the President on behalf of the Governors' Conference.

At the suggestion of Mr. du Pont, and approved by the Honorable Sherman Adams of the White House Staff, an informal committee from the Executive Committee of the American Association of State Highway Officials was simultaneously named by Mr. A. E. Johnson, President of the Association to study and develop a plan for presentation to the Governors and the Executive Branch of the Government. This committee consisted of:

B. D. Tallamy, Superintendent of Public Works, Chief Administrative Officer, Department of Public Works, New York  
Mr. G. T. McCoy, State Highway Engineer, Chief Administrative Officer, Department of Public Works, California  
Frank D. Merrill, Commissioner, Chief Administrative Officer, Department of Public Works & Highways, New Hampshire  
J. A. Anderson, Chairman, Chief Administrative Officer, State Department of Highways, Virginia  
A. E. Johnson, Chief Engineer, State Highway Department, Arkansas

who developed a plan which had been submitted to the Governors' Committee in an informal manner by Mr. Johnson for their consideration. A copy of this plan was distributed by Commissioner du Pont to those present at this meeting. It was stressed by Commissioner du Pont that this was an informal plan and that it did not represent the official views of the A.A.S.H.O. inasmuch as that body had not yet been given an opportunity to study and act officially concerning it. It was the consensus of the group that neither this nor any other single plan, but rather that several plans, might be developed for study by the White House Committee headed by General Lucius Clay.

General Bragdon then called attention to a plan which he had recently developed, designated as "Plan M", which he indicated had been considerably revised and had been withdrawn to be superseded by another, designated as "Plan D". He said he objected to the nonmaturing bond feature in the mimeographed A.A.S.H.O. committee plan and its linkage feature. He likewise felt that the plan gave too much authority and dominance to the States rather than the Federal Government. He felt that the National Government's interest in highways required considerable control in order to provide for the selection and designation of routes having national interest rather than purely local or State interest. His plan briefly provided for approximately 26,000 miles of highways of limited access which in all cases would bypass the major centers of population but be connected thereto by what he termed egress routes. He estimated the cost at approximately one and a quarter million dollars per mile as an average, and suggested that it be financed half by tolls and half by Federal Government appropriations. At this point Mr. du Pont called attention to the study of toll roads being conducted by the Bureau in compliance with the Federal Highway Act of 1954, and said that preliminary results indicated that few additional toll roads seemed feasible, meaning that all of the routes which carried or could be forecast as potentially carrying traffic volumes sufficiently high to warrant toll road type of construction had already been built or were now planned.

There followed then considerable discussion of Federal vs. State dominance in the control of a so-called National Highway System. General Bragdon felt that the primary control should be in the Federal Government in order to meet the National interest--primarily that of defense. Mr. du Pont called attention to the fact that the Interstate System of Highways now carries 25 per cent of the total traffic of the United States and that to bring it up to standard and eliminate deficiencies would cost approximately \$20 billion. He called attention to the fact that one-half of all these deficiencies are located in only eight States and that the majority of these areas of deficiency are in the approaches to the cities where approximately one-half of all registered motor vehicles are also located, for which reasons any plan which might be developed must recognize the importance of the urban and urban approach problem.

Mr. Pearson inquired concerning the present working relationship between the Federal Government and the States under the provisions of the Federal-aid Program, and this was explained at considerable length by Mr. du Pont. Mr. Pearson then stated that in his opinion one of the Committee's first problems is to determine who is the customer for whom the Committee is attempting to provide a highway system. General Yount emphasized that the majority of the needs of the national defense could be served by a system of about 20,000 miles. He also stressed that limited access on this system was highly desirable to the defense needs. There was considerable discussion of bypass routes, egress routes, dispersion of population factors, local economic interest in highways, and other factors, all in relation to the question of Federal vs. State dominance in the control of route selection and general features of design and operation. General Yount stated that in so far as the defense transportation needs were concerned it was essential that routings be chosen which would not necessarily bypass centers of population and production but rather that these areas be touched by the highway system, inasmuch as these areas were the ones which would generate traffic of a defense nature such as factories, camps, cantonment areas, depots, transportation trans-shipment points, supply depots and sources, as well as other items normally serving civilian needs but convertible in emergencies to meet defense needs. In this connection, he indicated that present routings in general were satisfactory except for the urban bottleneck found everywhere and the lack of limited access features prevalent on the present system except for those sections of presently constructed toll roads.

During the meeting Commissioner du Pont received a telephone call from Mr. H. Roemer McPhee, Special Assistant in the White House Office, informing him that the Committee was intended to serve as a "wellspring" of ideas for submission to General Clay's Committee rather than being charged with the actual development and recommendation of a plan. This new interpretation appeared to be at variance with the written instructions referred to above in establishing the Committee and was discussed at considerable length, it being concluded that the Committee then devote its efforts to the accumulation of as many plans as possible without a specific recommendation on any favored plan. This pointed to a suggestion that the three committees represented three different viewpoints; namely, the Governors' Committee to

represent States' viewpoint, the Inter-Agency Committee to represent Federal-National viewpoint and interest, and the Committee under General Clay to serve as the reconciling body for both viewpoints. It was concluded that this change in instructions to the Committee would be transmitted to General Clay with the offer that the Committee would be placed at his disposal in line with this interpretation.

Center for  
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Mr. du Pont stated that he felt that at some appropriate time Congressional representatives should be brought into the deliberations of the Committee in order that they might be informed and at the same time advise the Committee with respect to the thinking of the Legislative Branch of the Government on this matter. There was unanimous concurrence in this thought.

The Committee adjourned at 12:30 p.m. The next meeting will be held in the Office of the Commissioner of Public Roads on Wednesday, September 15, at 2 p.m.



Center for Transportation

MINUTES OF THE MEETING OF INTER-AGENCY COMMITTEE ON THE PRESIDENT'S HIGHWAY PROGRAM IN OFFICE OF COMMISSIONER OF PUBLIC ROADS

September 15, 1954, 2 p.m.

Members:

- Department of the Treasury : Honorable Marion B. Folsom, Under Secretary
- Department of Defense : Mr. Earl B. Smith, Director  
Office of Transportation and Communications  
Office of Assistant Secretary of Defense  
(Supply and Logistics)
- " " " (Alternate) : General Paul F. Yount  
Chief of Transportation, Technical Services  
Department of the Army
- Bureau of the Budget : Mr. Harold L. Pearson, Assistant Director
- Council of Economic Advisers : General John S. Bragdon
- Department of Commerce : Mr. F. V. du Pont  
Commissioner of Public Roads, Chairman
- present : Mr. William P. Guiler  
Chief of Planning  
Office of Transportation and Communications  
Department of Defense

All of the above were present except Mr. Earl B. Smith.

Commissioner du Pont, presiding, referred to the Minutes of the previous meeting, without exception they were approved.

The Chairman then reported on his visit with General Lucius D. Clay and their discussion with respect to the work of the Clay Committee. He reported that Turner would work with General Clay as Executive Secretary of that Committee. He reported also that General Clay had asked the Bureau of Public Roads to do the work of his Committee in connection with charts, background data, secretarial services, and the preparation of the final report of the Committee. Mr. du Pont stated that he had furnished to General Clay the so-called Moses Plan for Highway Development, Plan "D" of General Bragdon, and some of the same information which had been furnished to this particular Committee. Mr. du Pont explained that it was the Chairman's concept and plan to appoint a small group of special consultants to assist the Committee in the preparation of basic briefing data for use of the Committee, then hold public hearings on October 7 and 8, to be followed by evaluation of the material presented and the preparation of a special report to be presented to the President not later than December 1.

The Chairman announced that the Governors' Committee meeting scheduled for November 16 had been postponed indefinitely, but that the Committee had engaged Willfred Owen of the Brookings Institution as their economic adviser.

Mr. du Pont stated that he construed the role of the Inter-Agency Committee as one of advice and evaluation in connection with U. S. Government participation in the planning and administration of a National Highway Program. He said that he would see General Clay the following week and determine whether or not the General wished any-thing in addition from this Committee and that probably no meeting would be held until that time.

Mr. Pearson asked General Yount if his organization had made any origin and destination studies in connection with military and defense movements. General Yount replied that such studies had been made and that they had prepared maps showing these movements. He stated further that these maps, when compared with origin and destination maps of civilian usage prepared by the Bureau of Public Roads and the State highway departments, were almost identical. He explained that these studies had been used by the Bureau of Public Roads and the Department of Defense in choosing the inter-State system of highways, and that it was significant to both organizations that the necessary system was practically the same for the needs of both services. Mr. Pearson also inquired as to whether or not the Department of Defense had made any studies with respect to the vulnerability of the Inter-State Highway System. He was advised by General Yount that studies had been made, that the Department of Defense felt that the 40,000-mile Inter-State Highway System provided sufficient flexibility to insure reasonable safety in this matter, and that furthermore there were 3,000 miles of the system yet undesignated which had been left to provide bypasses and other mediums to take care of especially vulnerable portions of the System, such as intersections and stream crossings.

The Chairman then stated that since this Committee was essentially an evaluation committee and therefore waiting for an assignment of work from General Clay's Committee he felt that there would be no need for further meetings until such time as the General held his public hearings on October 7 and 8 and had referred to the Committee any material for study or request for any desired information.

The Committee adjourned at 2:45 p.m. without setting a date for further meetings and to be available at the call of the Chairman.

Respectfully submitted,

F. C. Turner  
Secretary

November 19, 1954

Committee Members:



- Department of the Treasury : Honorable Marion B. Folsom, Under Secretary
- Department of Defense : Mr. Earl B. Smith, Director, Office of Transportation and Communications  
Office of Assistant Secretary of Defense (Supply and Logistics)
- " (Alternate) : General Paul F. Yount, Chief of Transportation, Technical Services  
Department of the Army
- " (See below)

- Bureau of the Budget : Mr. Harold L. Pearson, Assistant Director
- Council of Economic Advisers : General John S. Bragdon
- Department of Agriculture : Mr. E. L. Peterson, Assistant Secretary

Department of Commerce : Mr. F. V. du Pont  
Commissioner of Public Roads, CHAIRMAN

Also present:

Mr. D. K. Chacey  
(Assistant to General Yount)

Mr. du Pont reviewed the activity in the highway field since the Committee last met explaining the resolution approved by the American Association of State Highway Officials in Seattle, Washington, the report by the special Highway Committee of the Governors' Conference, and the work of the Clay Committee to this date. It was noted that the AASHO had endorsed the President's program and had transmitted to him a resolution to this effect, a copy of which is attached to these minutes. Likewise the special committee on highways of the Governors' Conference meeting in Chicago on November 9th after receiving a copy of the AASHO resolution together with the technical report of their staff had endorsed the program proposals of the AASHO and their staff and had distributed the six-point resolution and statement of resolution to each of the 48 Governors who were to offer their comments for consideration by the Governors' Conference Executive Committee which would meet in Chicago on November 30th to take final action on the report for transmittal to the President about December 3.

Mr. du Pont outlined to the group the status of the studies of the Clay Committee and had read to them the draft of the first section of the proposed report dealing with needs. There followed some discussion of the methods currently being considered to meet these needs and the proposal that a small percentage, about 5 per cent, of the costs on the Interstate System be provided by the States and the balance by the Federal Government. It was felt by the group that with such a small percentage participation by the States, there would be virtually full control by the Federal Government of the standards and methods of construction to be employed on this system. Fear was expressed



that with any participation at all by the States, there would be a tendency to want to have a substantial voice in control of the program. This discussion particularly related to the standards of the AASHO which had been proposed for the system. There did not seem however to be complete understanding of the fact that these standards are developed jointly by the States and the Bureau of Public Roads and that the Bureau normally uses these standards itself as the basis for approval of Federal Aid projects. Since however the standards being proposed by the Bureau and used by the Bureau in asking the States to make estimates of the work needed on the Interstate system are somewhat higher than those now in force by the AASHO for the Interstate system, there are some grounds for possible conflict on this point unless the AASHO brings its standards up to the level proposed before the program is initiated. Action to do this has already been started by the AASHO.

The Treasury Department representative stated that he felt that the proposed continuation of the regular program on the Federal Aid Primary and Secondary systems and on the Federal domain roads should be continued on the basis of the 1952 Federal Aid Highway Act rather than the higher amounts authorized for these programs in the 1954 Act.

There was discussion of the relationship of this committee to that under General Clay. Since the group felt that its instructions now called for it to serve as a reference and commentary body representing the segments of the Federal Government affected by the proposals of the Clay committee and to provide to the Clay committee the comment of their respective agencies to its proposals, the Secretary was directed to request the Clay committee to provide for comment by the agencies at the earliest possible time, copies of the proposals under study to insure that there would be no delay or lack of support to the Clay committee proposals from the Executive branch agencies when they are presented. This is understood by the Committee members to be their function based on the letters of instruction received from the President.

The Committee adjourned at 3:30 p.m. subject to the call of the Chairman.

Respectfully submitted

F. C. Turner  
Secretary

December 13, 1954

MEMORANDUM FOR THE RECORD:

Eno  
Center for  
Transportation

Meeting of General Clay's Committee with Government Interagency Committee on President's Highway Proposal

All of General Clay's Committee and all of the Government Interagency Committee, with the exception of Mr. du Pont, the Chairman, were present; also Mr. Hauge. General Clay stated that their plan was designed so that there would be no increase in the public debt; no increase in the annual appropriation; and no increases in taxes. Reports from the field indicate it would take \$23 billion to bring the interstate up to the proposed standard; and they felt at least \$4 billion would have to be added for urban access. The system was to be planned to meet traffic conditions in 1974; life of the works to be 30 years. What States are now doing should continue. Of present Federal aid program \$622 million would be frozen for continuance of the various sections of Federal aid.

It was figured that the U. S. gas and lubricating taxes would support somewhere between \$23 to \$28 billion which would finance the program; that the increment in taxes due to the increase in traffic would probably be greater than amount necessary. As to toll roads, General Clay stated that they wished to encourage toll roads but decision as to toll roads and construction was to be by the States. If a State decided to build a toll road the new Authority would give them the funds equal to what the cost would have been to build the highway according to the Authority plan elsewhere. They believe they are thus encouraging toll roads and that this will lead to 5 to 6 billion toll roads being so built.

He stated that one of the original assumptions was that there would be no toll roads built by Federal funds. I asked him why they made that

decision. He stated three reasons; namely, (1) that they believed there would be a tremendous political furor if any toll road authority prescribed varying rates of tolls in the different States, (2) that many State Governors would not have toll roads in their States and this would lead to great opposition, and (3) in view of all the political considerations of such a program, his Committee would not wish to recommend a program which they thought was so infeasible as to be "whipped" before it got started. (My comment on this is that this is undoubtedly so now but if the original approach had been to sell this new highway as a brand new concept of a national road, it could have been done). In view of the strong statement in this respect, I no longer pursued the question of toll roads.

General Clay stated there would be a 5-man authority, of which the Chairman would be paid; that the Commissioner of public Roads would be the Executive Director; that it would be staffed entirely by the Bureau of Public Roads; that the Secretaries of the Treasury and Commerce or their representatives would be members of the 5-man authority. Question was asked who would make the annual plans for each year's program. He stated the "Authority". However, later when the statement was made that in the past all programs had been initiated by the States, he stated that the design and plans would continue to be submitted by the States for approval to the "Authority". Mr. Roberts then brought out that since under the new plan it would be known in advance what funds would be available, the annual program could be planned for well in advance with certainty of receiving certain amounts and that also since all these funds would be Federal, there could be no reason to not expect complete plans would be submitted in time for prompt initiation of work. In response as to whether there would be flexibility so that the program might be used as an anti-cyclical tool,

General Clay said there ought to be a great amount of flexibility, that their intent is to give the new organization a maximum amount of authority; that the head of the "Authority" spot work as to location and also within some limits increase or decrease the program at any one time. However, it was brought out that the annual appropriation by Congress would necessarily impose some limitation on this flexibility. (Comment: I believe they are over-optimistic as to this flexibility.)

Question was asked whether there might not be some funds required initially to the program before any revenues or bonds were issued. General Clay thought very little would be thus necessary but he would inform BOB of that after a few days' study.

General Clay stated that he was to submit the plan between Christmas and New Years but they might ask for some delay in order that they could consult leaders of Congress.

The representative of the Treasury seemed to be quite happy about the entire matter and stated that the secret of it all was the magnitude of the rates from the gasoline tax and its anticipated growth within the next 10 years as being capable of supporting such a large expenditure.