

THE WHITE HOUSE WASHINGTON

11 January 1954

Center for Transportation

Dear Mr. President:

The plan submitted herewith, for modernizing America's ro Juled J-B street network was prepared in response to your request of OF 141-B-1-B September 7, 1954, to the Alternation The plan submitted herewith, for modernizing America's road and September 7, 1954, to the Advisory Committee on a National Highway Program.

> The Committee has received a great deal of factual data, documenting the urgent need to improve our highways as quickly as possible, to prevent tragic and costly accidents, to serve the national defense and to provide facilities essential to our growing population and economy. As you stated to the Governors' Conference on July 12, 1954, through Vice President Nixon, our road network is inadequate and obsolete, and its improvement calls for immediate and earnest attention.

So far as availability of materials, contracting capacity, personnel and administrative machinery are concerned, the doubling of our present road construction program, which the studies indicate as the magnitude of need is entirely feasible. A difficult problem, of course, is finance, a responsibility shared by all levels of government. The Committee is confident that if the Federal government, as proposed herein, increases its share of the total construction program to about 30 per cent of the total, the States and local units of government also will correspondingly step up to this challenge.

The plan recommends authorization by the Congress of long-term financing, with existing Federal-aid continued and additional funds concentrated for 10 years on modernizing the key 40,000-mile National System of Interstate Highways. It would, in effect, be a self-liquidating program since the funds to be capitalized would be equivalent to the revenues anticipated from Federal taxes on gasoline and lubricating oils. It will achieve our objective while

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entailing no increase in either Federal tax rates on these items or the national debt limit.

Early in 1955 the Bureau of Public Roads, pursuant to a directive $\times oF 2$ -2 Tansof the Congress, will submit a comprehensive report on its current study of highway needs and financing. The estimates used by this Committee have been based upon preliminary tabulations of data by the Bureau, and hence no major inconsistencies are anticipated.

- XOF141-73-1-A Acknowledgment is made to the Governors' Conference, for counsel xoF147-A-1 and suggestions; to the Inter-Agency Committee, reflecting the XOF147-A-1-A views of various Departments of the Federal government, and to more than a score of organizations whose representatives gave useful information and assistance. The Committee's special thanks are due the Bureau of Public Roads, whose capable personnel and resources were indispensable, and to a small group of consultants

who worked indefatigably in the preparation of this report.

Respectfully submitted,

Lucius D. Clay, Chairman Stephen D. Bechtel David Beck S. Sloan Colt

William A. Roberts

Estra copy of report filed in Legal size care Central File

The President The White House