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House — Public Works



# BRIDGE BILLS

GOVERNMENT

[No. 84-20]

Storage

## HEARINGS

BEFORE THE

COMMITTEE ON RIVERS AND HARBORS

OF THE

COMMITTEE ON PUBLIC WORKS

HOUSE OF REPRESENTATIVES

EIGHTY-FOURTH CONGRESS

SECOND SESSION

ON

**H. R. 10235**

WILMINGTON, DEL.

**H. R. 10468**

LAWRENCEBURG, IND., AND BOONE COUNTY, KY.

**H. R. 10662**

CANNELTON, IND., AND HAWESVILLE, KY.

**H. R. 11010**

MUSCATINE, IOWA, AND DRURY, ILL.

**H. R. 11720**

ST. FRANCISVILLE, ILL., AND KNOX COUNTY, IND.

JUNE 5, 6, JULY 12, 17, AND 24, 1956

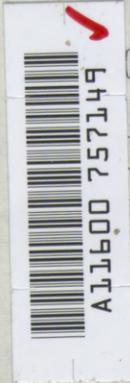
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## BRIDGE BILLS

TUESDAY, JUNE 5, 1956

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON RIVERS AND HARBORS  
OF THE COMMITTEE ON PUBLIC WORKS,  
Washington, D. C.

The subcommittee met, pursuant to notice, at 10:10 a. m., in room 1302, New House Office Building, Hon. John A. Blatnik, chairman of the subcommittee, presiding.

Mr. BLATNIK. The Subcommittee on Rivers and Harbors will please come to order for consideration of H. R. 11010 by Mr. Schwengel.

Mr. SCHWENGEL. About a year ago I introduced legislation to authorize the city of Muscatine to acquire and build a bridge at Muscatine, Iowa. There is a bridge there now which was built in the 1890's. It was built according to the needs at that time. It is a very narrow and a very old bridge. There was a feeling that it was entirely inadequate to meet the needs of that community. So the community wanted to acquire this bridge, and that was the reason for the bill, because the general bridge bill allows communities to build bridges, but it does not allow them to acquire and build and operate a bridge. Therefore the necessity for this bill. We contended it was dangerous and it was proven to be so last Friday morning, when two trucks were driving across the bridge and you all have pictures of it. I had 6 or 8 clippings of it so you could see what happened to the bridge. Now this community of 20,000 people is without a bridge across the river at that point, leaving no bridge from Davenport to Burlington, which is about 80 miles. Muscatine serves an area across the river in Illinois which involves some 3,000 or 4,000 families, who are entirely dependent on Muscatine for their hospital services, doctors, and so forth. Rural Route 1 goes out of Muscatine into that area and that has to go up to Davenport, which is 29 miles, and then back down the Illinois side, to deliver the mail.

Very briefly, that is the story. I would like to have permission to place in the record a complete statement and description of the bill, and the need for it.

Mr. BLATNIK. Without objection, it may be made a part of the record at this point.

(The document referred to is as follows:)

### THE MUSCATINE BRIDGE BILL—H. R. 11010

#### 1. Purpose

The purpose of H. R. 11010 is to create a Muscatine Bridge Commission; to authorize said Commission to acquire by purchase or condemnation the existing toll bridge over the Mississippi River at Muscatine, Iowa, and to operate said

existing bridge as a toll bridge until a new bridge can be constructed; to authorize said Commission to construct a new bridge over the Mississippi River at Muscatine, Iowa, and to operate such new bridge as a toll bridge until all indebtedness against said bridge is paid; to authorize the Muscatine Bridge Commission to provide for the payment of the cost of the bridge or bridges by an issue or issues of revenue bonds payable solely from the funds provided by the tolls collected on traffic which crosses such bridge or bridges; to exempt said bridge and the bonds issued in connection therewith from all property and income taxation; to authorize the said Commission to dismantle and remove the present bridge when the new bridge is completed; to give the new bridge to the States of Illinois and Iowa, when all indebtedness against said new bridge has been paid, to be thereafter maintained and operated by the States free of tolls and to provide for the dissolution of the Muscatine Bridge Commission when the purposes of this bill have been accomplished.

### 2. General statement

Muscatine is a city of about 20,000 population. There is one old highway bridge crossing the Mississippi River at Muscatine at the present time. The nearest highway bridge over the Mississippi River upstream from Muscatine is the Centennial Bridge, 29 miles east or northeast, owned by the city of Rock Island and located between Rock Island, Ill., and Davenport, Iowa. It is a publicly owned toll bridge built under an act of Congress approved March 18, 1938. Downstream from Muscatine the nearest Mississippi River bridge is the McArthur Bridge at Burlington, owned by the city of Burlington, 49 miles south of Muscatine. It is a publicly owned toll bridge built about 1914 and recently reconstructed and strengthened.

The present bridge over the Mississippi River at Muscatine is 2,661.26 feet long. It was built in 1890-91 in the horse and buggy days, under an act of Congress approved July 16, 1888. The present Muscatine Bridge is grossly inadequate for present traffic. The roadway is only 17 feet 9 inches wide between the handrails which leaves 16 feet 9 inches between the curbs. The steel superstructure is very light. Undoubtedly, some parts of this bridge are being seriously overloaded every day. In the interest of public safety this bridge should be replaced at the earliest possible date. It is within the realm of possibilities that a failure of the main span of this bridge would block the main navigable river channel.

The Muscatine Bridge is located on State Road No. 92, which is a part of the Federal-aid primary road system. Said Road 92 starts at Mendota, Ill., and extends thence, westerly about 670 miles in Illinois, across Iowa, and into Nebraska. In addition to serving the interstate traffic on Road No. 92, the Muscatine Bridge serves the interstate traffic needs of a large local area in Iowa, in and around Muscatine, and in Illinois, opposite Muscatine.

### 3. Traffic volume, gross income, average toll

Available data indicate that total annual traffic crossing the Muscatine Bridge in recent years and the gross tolls collected have been as follows:

Calendar year	Number of vehicles			Toll revenue	Average toll (cents)
	Cars	Trucks	Total		
1950	395,848	53,948	449,796	\$98,290.48	21.85
1951	342,771	51,645	394,416	87,359.23	22.15
1952	464,950	58,467	523,417	111,526.44	21.31
1953	536,060	61,925	597,985	128,676.31	21.52
1954	582,625	71,364	653,989	137,554.75	21.03
Total	2,322,254	297,349	2,619,603	563,407.21	21.51

The total annual traffic increased from 449,796 vehicles in 1950 to 653,989 vehicles in 1954. That is an increase of 45.4 percent in 4 years or an average increase of 11.25 percent per year. That is an unusually rapid increase. It is anticipated that traffic crossing the Mississippi River at Muscatine will continue to increase, but at a much lower rate. A total annual traffic in 1954 of 653,989 vehicles is an average annual daily traffic of approximately 1,800 vehicles.

The average toll per vehicle in 1954 was 21.03 cents. The average toll per vehicle during the 5-year period 1950 to 1954 was 21.51 cents.

#### *4. New bridge will have to be publicly owned*

The present Muscatine Bridge is owned by the Muscatine Bridge Co., a private corporation. Because of the relatively low traffic volume and, consequently, relatively low gross bridge earnings and because of property taxes and income taxes, which would be levied against a privately owned toll bridge, a new privately owned toll bridge at Muscatine, built to standards adequate for present traffic and loads, cannot be made economically feasible. If toll rates were increased to such point as to theoretically bring in sufficient revenue to make the bridge economically feasible, the toll rates would be so high as to drive traffic away from the bridge.

If a new, modern, and adequate bridge is built at Muscatine, it will have to be built and owned by the public.

#### *5. General Bridge Act of 1946 not applicable*

The General Bridge Act of 1946 does not apply to the purchase or condemnation of the present Muscatine Bridge or to bonds issued therefor. Section 507 of the General Bridge Act of 1946 contains the following language: "The provisions of this title shall only apply to bridges over navigable waters of the United States, the construction of which is hereafter approved under the provisions of this title; \* \* \*." The General Bridge Act of 1946 was approved August 2, 1946. The construction of the present Muscatine Bridge was approved by the Secretary of War on July 11, 1889. This means that in the purchase or condemnation of the present bridge at Muscatine the General Bridge Act of 1946 cannot be used without a special act of Congress making it applicable.

#### *6. Bridge commission under act of Congress is practical approach*

The creation of a Muscatine Bridge Commission as proposed in H. R. 11010 is a simple and direct approach to the problem of building a new bridge over the Mississippi River at Muscatine. The only legislation needed is an act by Congress similar to H. R. 11010. No action is necessary by the legislature of either State.

That a bridge commission of the nature proposed in H. R. 11010 can get the job done is demonstrated by the record of the city of Dubuque Bridge Commission, created by act of Congress in 1939. That bridge commission purchased the Old South Bridge at Dubuque; built a new bridge known as the Julien Dubuque Bridge; dismantled and removed the old bridge; paid off the bonds (\$2,800,000) issued to buy the old bridge, and built the new bridge; freed the new bridge of tolls on December 31, 1954; gave the new bridge to the two States, Illinois and Iowa, and as soon thereafter as all bills were paid and the business of the Commission was completed, was, on its own request, dissolved by the Secretary of Commerce as the law provides.

Much the same record is being made by the City of Clinton Bridge Commission, created by act of Congress, approved December 21, 1944. The Clinton Bridge Commission has purchased both old Mississippi River bridges at Clinton; removed the old South Bridge at Clinton; is operating the old North Bridge and collecting tolls therefrom; has let contracts for and constructed a new South Bridge; the new South Bridge is completed and was opened to traffic on June 30, 1956.

#### *7. Probable cost of Muscatine bridge project*

No detailed estimates are available as to the probable cost of the Muscatine Bridge project. From such data as are available it is believed that the total cost of this bridge project on present prices will be in the neighborhood of \$5 million.

#### *8. Economic feasibility*

In view of the relatively low traffic and low earnings record, the financing of a new bridge at Muscatine as a wholly self-liquidating toll-bridge project will be quite difficult if not impossible. It is probable that aid from the State highway departments of Illinois and Iowa will be needed to supplement the amount that can be raised by revenue bond issues to be paid from future toll collections. For that reason the Muscatine Bridge will need all possible assistance in the form of tax exemption and long-life bonds in order to finance all or as much of its cost as possible by toll collections.

In 1954 the average toll was 21.03 cents per vehicle. The toll on a passenger car and driver was 15 cents. The toll for each additional passenger was 5 cents. The total amount of the tolls collected in 1954 was \$137,554. If the toll rates were increased to an average of 40 cents per vehicle the total gross tolls, based on estimated 1957 traffic, would be about \$311,000. It will cost about \$65,000 to \$75,000 per year to maintain and operate the bridge. That leaves about \$241,000

estimated income on 1957 traffic, available for the payment of \$200,000 of interest which would accrue on a \$5 million, 4 percent bond issue during that year. The bond service coverage in 1957 would be 1.20.

Some increase in traffic and earnings of the Muscatine Bridge from year to year may properly be expected. General primary road traffic in Iowa is increasing at the rate of about 4 percent per year. Traffic and earnings of the Muscatine Bridge should increase at about the same rate as the general increase in primary road traffic.

Assuming an interest rate of 4 percent per year on the Muscatine Bridge bonds, the average annual debt service required to retire a \$5 million bond issue in 30 years would be as follows:

Average annual principal payment-----	\$167,000
Average annual interest payment-----	100,000
<b>Total average annual payment-----</b>	<b>267,000</b>

#### 9. *One and one-half coverage of debt service*

Bond houses, which deal in revenue bonds, have a rule to the effect that the estimated net revenue each year available for the payment of interest and principal of such bonds of any issue, shall be  $1\frac{1}{2}$  times the amount of the interest and principal of such bond issue due and payable in that year. If an issue of revenue bonds, in fact, truly meets this  $1\frac{1}{2}$  coverage rule, the available revenue will be sufficient to pay the interest and retire the principal of such bond issue in about two-thirds of the life of the bonds. A 30-year bond issue will pay out in about 20 years.

Preliminary figures indicate that for the whole 30-year period, 1957 to 1986, an average toll rate of 40 cents per vehicle will produce enough revenue to pay the maintenance and operation expense of \$70,000 per year and also provide  $1\frac{1}{2}$  coverage of the bond service requirements of a \$5 million issue of 4-percent bonds.

It must be emphasized that the figures and conclusions in this statement are preliminary, tentative and subject to correction and change when more reliable data become available.

#### 10. *Exemption from taxation*

Under section 14 of H. R. 11010, the Muscatine Bridge bill, the bridge, the income from the bridge, the bonds issued in connection with such bridge and the income from such bonds would be exempt from all property and income taxation.

Without said section 14—

(a) That part of the bridge located in Iowa would, under State law, be exempt from all property taxes.

(b) The income from the bridge would, under Internal Revenue Service ruling, be exempt from Federal income taxes for the reason that the Muscatine Bridge Commission would have no net taxable income.

(c) That part of the bridge located in Illinois would be subject to property taxes in Illinois.

(d) The principal of the bonds issued in connection with the bridge would be taxable as property, or as moneys and credits.

(e) The interest on, or income from, the bonds would be subject to Federal income taxes.

The discussion of economic feasibility in paragraph 8 above and the discussion of coverage of debt service requirements in paragraph 9 above are both based on the assumption that section 14 will remain in H. R. 11010 and that the Muscatine Bridge and the bonds of the Muscatine Bridge Commission will be free of all property and income taxation.

#### 11. *Need for congressional action*

There are apparently five methods of approach to the Muscatine Bridge problem, as follows:

1. The city of Muscatine could take action under chapter 383, Code of Iowa, 1954, to purchase or condemn the present bridge and to build a new bridge. That law has been in the Iowa Code for about 27 years. It sets up an awkward, cumbersome, and difficult procedure, which probably could not function on the Muscatine Bridge project. It requires a favorable vote by the voters of the city on any proposal to purchase or to condemn an existing bridge or to issue bonds to build a new bridge.

In about 1938 the city of Sioux City attempted to purchase the bridge over the Missouri River at that point. The city and the company which owned the bridge had agreed on a price of \$1,800,000 for the bridge. The proposal to purchase was submitted to the voters of Sioux City as the law provides. The voters turned the proposition down on the grounds that the price was too high. Dakota County, Nebr., across the Missouri River from Sioux City, a short time later bought the bridge at the same price that the Sioux City voters turned down. In about 13 years the tolls collected on traffic crossing the bridge had paid for the bridge. It was given to the two States, Iowa and Nebraska, in 1951 and made a free bridge.

2. The two States, Illinois and Iowa, could, if they had suitable laws, purchase or condemn the old bridge, build a new bridge, pay the cost out of their respective State road funds and make the new bridge free of tolls. There is no law in Iowa authorizing the State highway department to do that and no probability that such a law would be passed by the legislature of that State. In view of the very great need in both States for more rapid improvement of the State highway system and the scarcity of funds therefore, there is no probability that the State highway department of either State would look with favor on using a substantial part of its State highway funds for a year to build this bridge and make it a free bridge.

3. Either State could, if it had such a law, purchase or condemn the old bridge, build a new bridge, operate the new bridge as a toll bridge until it paid for itself and then make it a free bridge. Neither State has such a law. There is no probability that such a law would be passed by the legislature of either State.

4. Illinois and Iowa could enter into a compact or agreement to be approved by the Congress as provided in section 10 of article I of the Constitution of the United States, setting up a commission or an authority to deal with the Muscatine Bridge matter. The formulation of such a compact would be a long-drawn-out, tedious, complicated, and expensive matter.

First, the terms of the compact would have to be drawn up by a joint committee of the two States. Then an identical bill would have to be passed by the legislature of the two States embodying the terms of the compact. Then these identical bills would have to be approved by the Congress without change. If either State legislature or the Congress intentionally or by accident failed to pass the compact in the exact form in which it was supposed to be adopted then the whole tedious matter would have to be done over again. This method of authorizing the building of the Muscatine Bridge is not practical or possible. There is no possibility that the Iowa or Illinois Legislature would see fit to adopt such a plan.

5. The Congress can create a Muscatine Bridge Commission to build a bridge over the Mississippi River at Muscatine as provided in the pending bill, H. R. 11010. This is the only approach to this problem which offers any hope of an early solution of this Muscatine Bridge problem.

In our opinion, it is essential that the Congress take favorable action now on the pending bill, or some similar measure, if a new bridge is to be built over the Mississippi River at Muscatine in the predictable future.

Mr. DONDERO. I have one question. Does this cost the Federal Government some money?

Mr. SCHWENDEL. Not 1 cent. There is no cost to the Federal Government.

Mr. AUCHINCLOSS. Is your proposal agreeable to both States?

Mr. SCHWENDEL. Yes, sir. The only point of contention is the present owners of the privately owned bridge are objecting to the procedures to acquire the bridge—the condemnation procedures—which are an exact copy of all the bridge bills you have passed in this committee before.

Mr. Blatnik, the chairman of this subcommittee, has a very admirable characteristic in wanting to be completely fair, and he raised the point as to whether there should be a hearing because the private owners of the bridge raised that point.

Mr. GRAY. Is this now a toll bridge?

Mr. SCHWENGEL. Yes. A privately owned toll bridge.

Mr. GRAY. Do you propose to have the same owners issue new bonds?

Mr. SCHWENGEL. No. It will be a publicly owned bridge, owned by the city of Muscatine, and has all of the protections.

Mr. GRAY. In other words, the private owners are objecting?

Mr. SCHWENGEL. Yes, that is right. They think the condemnation procedures are stacked against them. Personally, I do not think that is so.

Mr. GRAY. I was going to say, obviously there is an urgent need here.

Mr. SCHWENGEL. Yes. There is a very urgent need.

Mr. HULL. Would this be about the same setup that they have at Fort Leavenworth, Kans.?

Mr. SCHWENGEL. I am not too well acquainted with that situation. Here are some more pictures that you can pass around.

Mr. ROGERS. May I ask one question? What is the need for the Federal legislation? I did not get that.

Mr. SCHWENGEL. It would grant the authority for the city of Muscatine to acquire and build a bridge. The present general bridge law allows communities to build bridges, but not to acquire a privately owned bridge and build another bridge. Therefore you have the need for such bill.

Mr. DONDERO. Have the owners of this private bridge that has been broken completed all of their bonds and their reasonable obligations?

Mr. SCHWENGEL. The fact is that this bridge has been paid for several times since it was built in the 1890's. The present owners acquired it some few years ago—I think 7 years ago, although I am not positive about that. The annual income has been around \$137,000 and they acquired it for some \$600,000. The procedure set out here would still allow them to recover. I do not think there will be any great amount of money lost by anybody.

Mr. BLATNIK. The owners have their legal representative, Mr. Baldrige from Omaha. We have called him and they asked to be heard to present their side of the problem. They are concerned, as Mr. Schwengel said, about the condemnation proceedings. I have asked him to discuss it with the author of the bill and also Mr. Jackson Chase, the present Congressman from Omaha, and I would like to have the wishes of the committee on it. We could have the representative of the owners make a brief presentation tomorrow morning. It is my feeling and the author agreed with me, that although there was an emergency and we were anxious to speed action on this bill, and I think it is a favorable proposal, yet we do not want to have it said we are denying the right of anyone to have his day in court.

So, Mr. Schwengel, if there will be no further objection on the part of the committee we will have the owners appear tomorrow morning and we will notify them this afternoon and they can state their position on this problem.

Mr. SCHWENGEL. All right.

Mr. BLATNIK. Are there any further questions on the Muscatine Bridge?

Mr. SCHWENGEL. That will be some time—or what time will it be tomorrow, Mr. Chairman?

Mr. BLATNIK. We will come back in session at 10 o'clock tomorrow morning.

Mr. SCHWENGEL. There will probably be some people of Muscatine who may want to appear also, who have lived with this thing and know it better than I do. So would there be any objection to letting them be heard as well, with an equal amount of time?

Mr. BLATNIK. Would that give us any further information we do not now have?

Mr. SCHWENGEL. Yes. Maybe I have not elaborated enough. I have covered it pretty well in the statement, but there will probably be some points after the testimony of the men from Omaha, and questions will be raised that someone else could answer a little better than I could.

Mr. BLATNIK. We will discuss that further.

Mr. SCHWENGEL. Thank you.

(Whereupon, the committee adjourned until 10 a. m., Wednesday, June 6, 1956.)

Mr. [Name], I will have to refer to a book tomorrow morning.

I am sorry that I will probably be some people of the same who may want to speak and I am sure that with the time and know-how that you have, you will have no objection to letting them be heard as well, which is the kind of thing I want.

Mr. [Name], I will have to refer to a book tomorrow morning.

Mr. [Name], I have not finished yet. I have covered history well in the abstract but there will probably be some points in the history of the [Name] and these points will be covered that someone else could answer a little better than I could.

Mr. [Name], We will discuss that further.

Mr. [Name], Thank you.

(The committee adjourned until 10 a.m. Wednesday, June 17, 1958.)

## BRIDGE BILLS

WEDNESDAY, JUNE 6, 1956

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON RIVERS AND HARBORS  
OF THE COMMITTEE ON PUBLIC WORKS,  
*Washington, D. C.*

The subcommittee met, pursuant to call, at 10:15 a. m., in room 1302, New House Office Building, Hon. John A. Blatnik, chairman of the subcommittee, presiding.

Mr. BLATNIK. The Subcommittee on Rivers and Harbors will please come to order for further consideration of bills and resolutions.

We will now return to H. R. 11010 by Mr. Schwengel of Iowa, who presented the testimony on the Muscatine Bridge yesterday.

The Chair has also received a request from Mr. Baldrige, who represents the private owners of the bridge in Omaha. Mr. Baldrige, will you please take the chair?

### STATEMENT OF H. M. BALDRIGE, WASHINGTON, D. C., REPRESENTING THE MUSCATINE BRIDGE OWNERS

Mr. BALDRIGE. The vice president of the company that owns the bridge flew in from Omaha last night, and I would appreciate it if he could give his testimony.

Mr. BLATNIK. Very well. If you will have him take the chair and give his full name and capacity.

May the Chair announce Mr. Baldrige is one of our former colleagues from Omaha, Nebr.

Mr. BALDRIGE. That is right. A long time ago, Mr. Chairman.

### STATEMENT OF ROBERT E. SCHWESER, VICE PRESIDENT OF THE MUSCATINE BRIDGE CO.

Mr. SCHWESER. I want to correct Mr. Baldrige's statement. I came in from Muscatine. I have been there since Monday morning.

Mr. Chairman, my name is Robert E. Schweser. I am the vice president of the Muscatine Bridge Co., the owners of the Muscatine Bridge.

We have, as the owners, no intention of being obstructionists to any of the city's plans, regardless of the fact that we have no desire to sell our property. If the city wishes to build another bridge or if it wishes to purchase our property, it should be in a legal position to do so, and under the existing laws, without any additional legislation, it is now possible for the city to accomplish that goal. We hope that your committee will consider this bill in a calm manner and not under any hysteria or pressure.

Mr. BLATNIK. Off the record.

(Discussion off the record.)

Mr. SCHWESER. We purchased the Muscatine Bridge in 1953, in June, with the intention of holding it as a long-term investment. We have always had the position of putting back all available earnings to the improvement of the structure, so that it could be maintained and be a serviceable utility for the people of that trade area.

Since we have owned the bridge, our improvement program has been such that we have not, as the owners, taken any salaries, fees or dividends out of the bridge. Several times during the past 55 years before we bought the bridge, the city of Muscatine has had the opportunity to purchase this bridge, but in each case it was rejected. So naturally we felt that there would be no municipal agitation and the matter would be a dead issue.

When the purchase of the bridge was mentioned to us, we told the bridge committee that we would sell the bridge to the city at a price without any downpayment, so that the indebtedness against the bridge could be retired in 10 to 14 years. Under that offer it was not necessary to have any additional legislation, either State or Federal.

We are not opposed to House bill 11010 in its entirety, but there are two features of the bill that are confiscatory and are most unfair, and we strongly object to these features and ask that they be eliminated from the bill. I refer to the condemnation proceeding feature of this bill and the paragraph further that prevents the present owners of the bridge from reducing tolls.

The condemnation law in the proposed bill is most unfair and unreasonable.

Mr. ROGERS. What section of that bill?

Mr. SCHWESER. Section 2 of the bill. The operation of this provision of the bill provides for an assessment of damages by a jury of resident freeholders appointed by the local Federal judge in that district. There are no requirements that these members of the jury be qualified to appraise and to have knowledge of the value of the bridge. There is no requirement for any study of valuation based on the income, which is a most important part of any condemnation proceeding.

It is hard to visualize that such a jury of local citizens would be qualified to determine the fair value of the existing bridge, or that the owners would be given a fair and reasonable compensation.

Further, when the amount has been set by this jury they immediately take over the property. We have to give up the property. We have a long, troublesome amount of litigation to try to protect our interests, which is wholly unnecessary.

The second objection is the clause which prevents the owners from reducing tolls. There is certainly adequate authority for the regulation of tolls in the hands of the Secretary of the Army. This authority was contained in the original congressional act under which the present bridge was built.

In analyzing H. R. 11010, I want to call your attention to the following objections:

The condemnation proceedings under the bill are most unreasonable and unfair and should be deleted from the bill. The clause preventing

the lowering of tolls on the present bridge is uncalled for and unheard of. Never before have we seen any such restriction.

The authority to set tolls should properly rest in the hands of the Secretary of the Army.

The third objection is that in section 14 the bill considers the bridge commission as an agency of the Federal Government, but in section 8, page 14, lines 19 and 20, it states that the commission is not an agency of the Federal Government.

The General Bridge Act of 1946 gives authority for the construction of a new bridge so that special legislation is not necessary. Any legislation in connection with the purchase of this bridge should be enacted by the Iowa and Illinois State Legislatures, and even that is not necessary because there are existing State laws permitting the purchase and the issuance of revenue bonds.

The Department of Commerce has carefully analyzed this bill and has written both your committee and the Senate committee opposing the enactment of this legislation. I have with me the act that authorized the purchase of the Muscatine River Bridge at Dubuque, Iowa. There is no authority for condemnation proceedings in that legislation passed by Congress, except to the approaches.

I will hand to your committee at this time proposed amendments which will eliminate the two objectionable features, but would allow the city of Muscatine either to build another bridge or to purchase this bridge. However, as I have said, to do these two things no additional legislation is necessary.

We had a very unfortunate accident on the bridge last week, as you all know. A young motorist, and it is reported he was under the influence of alcohol, was speeding across the bridge and struck one of the main supporting girders or trestle supports, which through such action weakened that truss of that particular span, and then without any authorization from the management of the bridge, traffic was permitted to be resumed. When heavy trucks crossed on the particular span without the support that had been injured, that particular span buckled and went down. Fortunately there was no loss of life and the trusses were not even particularly damaged. However, there was a very material damage to the bridge.

While we have some insurance, we do not know what our settlement is going to be.

You gentlemen appreciate the reluctance of the owners to spend \$100,000 or \$150,000 immediately to bring the bridge back to service with these condemnation proceedings hanging over our heads. We strongly feel and urge this committee that there is only one fair and reasonable solution, and that is all we ask. That solution is that if the Muscatine citizens still insist that Federal legislation is necessary, we are going to suggest that a board of arbitration be appointed consisting of one qualified and experienced engineer, independent and selected by the Muscatine bridge committee, and one similar engineer selected by the company, and one independent engineer, a third engineer, to be selected by those two engineers, to arbitrate the price and the value of the bridge. The valuation would then be decided by a majority of these experienced and qualified persons, and would be binding on the owners as well as the bridge commission.

I have a formal amendment which I will hand to the clerk.

Again let me say, if the city of Muscatine would accept this arbitration method, this whole problem would be settled immediately and the construction could start right away to bring the bridge back into service. After all, that should be the first desire of Congressman Schwengel and the Muscatine citizens, and it certainly is ours.

Mr. BLATNIK. Mr. Schweser, you mentioned you just came from Muscatine, Iowa. Are you a resident of Muscatine?

Mr. SCHWESER. No, I am not a resident. None of the owners of the bridge are residents. We are in that unfavorable position of being absentee owners.

Mr. BLATNIK. Do you live in another State of the Union?

Mr. SCHWESER. We all live in Omaha.

Mr. BLATNIK. In Omaha, Nebr.?

Mr. SCHWESER. Yes.

Mr. BLATNIK. Are there any questions on my right?

Mr. GENTRY. Yes.

Mr. BLATNIK. Mr. Gentry.

Mr. GENTRY. Mr. Schweser, what did you pay for this bridge?

Mr. SCHWESER. We paid in excess of \$600,000.

Mr. GENTRY. How much in excess?

Mr. SCHWESER. I do not have the exact figure. There was an adjustment in the price paid, but it was between \$600,000 and \$700,000.

Mr. GENTRY. What tolls do you charge for anybody crossing the bridge?

Mr. SCHWESER. The basic toll averages about 20 cents for all travel. That includes trucks.

Mr. GENTRY. You mean an average of 20 cents for each vehicle?

Mr. SCHWESER. Yes, sir.

Mr. GENTRY. Is there a greater charge for the number of people in an automobile, or is it just a basic charge for an automobile and a truck?

Mr. SCHWESER. The charge is 15 cents for the car and driver, and 5 cents for each additional passenger.

Mr. GENTRY. How much for a truck?

Mr. SCHWESER. It varies on the size of the truck. It runs up to 50 cents, but the average overall is about 20 to 21 cents, for all vehicular crossings.

Mr. GENTRY. What is the average traffic per day over this bridge?

Mr. SCHWESER. The traffic runs between 1,000 and 2,000 vehicular crossings a day.

Mr. GENTRY. I beg your pardon?

Mr. SCHWESER. The average?

Mr. GENTRY. Yes. What will it average per day per year?

Mr. SCHWESER. Do you want to know per day or per year?

Mr. GENTRY. No. Per day.

Mr. SCHWESER. It will average close to about 1,800.

Mr. GENTRY. 1,800 cars a day?

Mr. SCHWESER. Yes, sir. I do not recall all of the figures exactly, but I can recall them pretty closely.

Mr. GENTRY. With that average traffic of 1,800 cars per day, how much would the income be per year on that bridge?

Mr. SCHWESER. It is between—as I recall the figures—\$136,000 and \$140,000 a year.

Mr. GENTRY. Approximately \$140,000 a year? When was the bridge built, Mr. Schweser?

Mr. SCHWESER. It was completed in 1891.

Mr. GENTRY. That is sixty-five years ago. How wide is it? What is the width of the traveling surface?

Mr. SCHWESER. Eighteen feet. That is my impression. You are asking me some technical questions.

Mr. GENTRY. That is not very technical, Mr. Schweser.

Mr. SCHWESER. I think the roadway itself is 18 feet but I believe there are some curbs, wooden curbs, that cut it down a little bit.

Mr. GENTRY. About how much?

Mr. SCHWESER. I think about 8 inches on each side.

Mr. GENTRY. That would bring it down to 16 feet 8 inches.

Mr. SCHWESER. Yes. The roadway is not as wide as we desired, but the cost of a new bridge there, Congressman, would be about \$6 million.

Mr. GENTRY. I understand that, but this is a very dangerous bridge. Any bridge is dangerous that is 16 feet 8 inches wide.

Mr. SCHWESER. That is a matter of opinion. We have never had a serious accident on the bridge until last week.

Mr. GENTRY. Mr. Schweser, the engineers who came here in connection with this bridge at least tentatively told me that we might expect to see this bridge or a part of it fall in at any time, because of its condition.

Mr. SCHWESER. I do not know the competence of your witness.

Mr. GENTRY. I have said before, not in connection with this, but I think he is the most competent engineer in the United States on highway matters. That is Mr. Fred White, who is an adviser to these people, but he said offhand, "You will see in a very short time—it will not be many months—when there will be part of this bridge falling in." He told me that with a great many people present.

Mr. SCHWESER. We have engineers who say the bridge is sound and will last for a good many years.

Mr. GENTRY. That is all.

Mr. SCHWESER. Mr. White is a highway commissioner. I do not know how competent he is on bridges, but I am not questioning his knowledge.

Mr. GENTRY. He is considered one of the most outstanding men in the country.

Mr. SCHWESER. Yes. He is a very competent highway man.

Mr. GENTRY. That is all.

Mr. ROGERS. I want to ask a couple of questions, Mr. Schweser.

Mr. SCHWESER. Yes, sir.

Mr. ROGERS. Have any steps been taken to correct the condition of the bridge?

Mr. SCHWESER. Yes, sir. We have engineers now studying it and they are making an estimate to see what the cost will be, and how quickly it can be done.

Mr. ROGERS. There has been no signed contract to complete the construction, or anything? No steps have been taken to that extent?

Mr. SCHWESER. No signed contracts yet. It takes time to draw up the plans and make estimates.

Mr. ROGERS. I believe your objection to the bill is mainly that you prefer to handle any purchase or acquisition by the city of this bridge through negotiation or arbitration, rather than condemnation.

Mr. SCHWESER. That is correct.

Mr. ROGERS. You feel a jury would not be qualified.

Mr. SCHWESER. We feel it might be prejudiced also.

Mr. ROGERS. Is that not the normal procedure for condemnation proceedings all over the country, for juries to make the determination? I know of no other way in condemnation proceedings.

Mr. SCHWESER. I mentioned in my statement there is a specific condemnation proceeding under the Iowa statutes for the condemnation of interstate bridges, and that is chapter 383 of the Code of Iowa.

Mr. ROGERS. I believe this present bill states that as closely as possible the law of the State of Iowa would govern.

Mr. SCHWESER. No. But that refers to a different law.

Mr. ROGERS. But your main objective is the condemnation feature?

Mr. SCHWESER. Yes, sir.

Mr. ROGERS. Thank you.

Mr. GENTRY. Could I ask one more question?

Mr. BLATNIK. Mr. Gentry.

Mr. GENTRY. Mr. Schweser, you stated a while ago that some automobile tourist using this bridge had hit some part of it.

Mr. SCHWESER. Yes, sir.

Mr. GENTRY. What proof do you have of that?

Mr. SCHWESER. Well, we have pictures and the testimony of people who examined the car after the accident.

Mr. GENTRY. At the time it happened it was before this incident occurred when the bridge fell in?

Mr. SCHWESER. The accident happened just a few hours before the bridge collapsed, or the span collapsed. You understand it was just the one—

Mr. GENTRY. What happened to that man in that car?

Mr. SCHWESER. That car was just all beat up and the man was pretty badly hurt. He was a young fellow. He had been at a party and was being pursued by a patrol car and was traveling at an excessive rate of speed.

Mr. GENTRY. Whom do you have on the job there in connection with the operation of this bridge, to take care of incidents like that, and determine to close the bridge, or to take some action with reference to what might have happened to weaken the bridge and make it dangerous?

Mr. SCHWESER. We have a manager there and we have toll takers. This happened at about 1:30 in the morning.

Mr. GENTRY. You had somebody there—toll takers?

Mr. SCHWESER. Yes, sir.

Mr. GENTRY. What did they do about it?

Mr. SCHWESER. I just wanted to tell you that. The police and an ambulance were all out, and a tow car pulled the car off the bridge. The ambulance took the man back to Muscatine and the patrol cars were there. They all crossed the bridge after the accident, but they

were not very heavy. Without any sanction on the part of any of the bridge operators, the bridge was opened to traffic. It was most unfortunate.

Mr. GENTRY. By whom?

Mr. SCHWESER. By the police, we understand, but we have not been able to completely tie that down. But certainly no member of the bridge staff. That is the report I have so far.

Mr. GENTRY. That is all.

Mr. DONDERO. Mr. Chairman.

Mr. BLATNIK. Mr. Dondero.

Mr. DONDERO. Mr. Schweser, how long after this young fellow in the car hit one of the spans and weakened it did the bridge collapse? How long afterwards?

Mr. SCHWESER. It collapsed—you see, the traffic had been stopped by the police until the car could be removed and the patrol car and ambulance car and the tow car could remove the car back to Muscatine. It is my understanding that there was about 1½ or 2 hours.

Mr. DONDERO. At the time it did collapse was there any particular weight on that injured span that caused that?

Mr. SCHWESER. That, Congressman, is the theory of the engineers: That the particular damage was to one of the vital supporting trusses and it was only when there were extra heavy trucks, or trucks that would put the weight on it, that that vital member gave way, and then the bridge just buckled.

Mr. DONDERO. But not until a truck drove on it after the accident?

Mr. SCHWESER. That is right.

Mr. DONDERO. How long a period of time was there between the two?

Mr. SCHWESER. It was my recollection from what I was able to learn, about 1½ to 2 hours. The traffic was stopped.

Mr. DONDERO. What authority in Iowa or elsewhere fixes tolls across the bridge?

Mr. SCHWESER. Tolls are fixed by the Secretary of the Army.

Mr. MACK. Mr. Chairman.

Mr. BLATNIK. Mr. Mack.

Mr. MACK. Mr. Schweser, you have mentioned that no legislation was needed in your opinion, and that there is ample authority in existing law in Iowa for the condemnation of the bridge by the public.

Mr. SCHWESER. Yes, sir.

Mr. MACK. In what way is the value of the bridge fixed by the Iowa law—by arbitration or a jury?

Mr. SCHWESER. Under the Iowa law there is a section that provides in the event they cannot negotiate for the purchase of it, that there is a whole series of steps wherein the supreme court appoints a court of condemnation. It is all set forth in chapter 383 of the code of Iowa.

Mr. MACK. I presume it is quite essential that this bridge be gotten back into operation as soon as possible. Within this procedure under Iowa law it would require a great deal of time to carry out.

Mr. SCHWESER. Oh, yes, it would; but the law is there, Congressman. All we want to do is have some assurance that if we expend a lot of money we are not going to have a condemnation proceeding under unfavorable circumstances cause us a great injury. We want to

complete the bridge just as quickly as we can and get it back into service.

Mr. MACK. If this bill were enacted with the amendments you suggest, would it expedite it?

Mr. SCHWESER. Very much. We feel reasonable safety in proceeding at once, and that is what we would like to do.

Mr. MACK. This bill with the changes you have suggested would do a better job than the Iowa law in bringing about a speedy rebuilding of the bridge?

Mr. SCHWESER. Actually it would be faster, I think.

Mr. MACK. That is all, Mr. Chairman.

Mr. BLATNIK. Thank you very much.

Mr. Schwengel, a member of the committee and the author of the legislation before us, has two witnesses.

**STATEMENT OF HON. FRED SCHWENGEL, A MEMBER OF CONGRESS  
FROM THE STATE OF IOWA**

Mr. SCHWENGEL. Mr. Chairman and members of the committee, first let me say that I deeply appreciate the special consideration you have given me and the people from Muscatine in arranging your calendar so that we can take this up and discuss it and have this hearing this morning. I speak for the people of Muscatine as well when I say that.

I want to be as brief as I can possibly be, because I know the tremendous rush and the problems you have in this committee. Our witnesses will try to be brief also.

Let me say this in answer to Mr. Schweser: He referred to a letter, and I am very sorry—very sorry that he brought up that question, because the letter he referred to was in connection with another bill that was introduced last year in which Secretary Weeks took exception to several minor points. One of them was a matter of selecting the members of the Commission in case of a vacancy, and so forth, which would overload the Federal Department. People have been here from Muscatine and have gone over the entire bill with the Department and reached complete agreement, with one exception, which is the matter of the length of the bonds. The bill provides 40 years and they suggested 30 years. But there is no serious contention on the part of Secretary Weeks on that point.

The point I want to make is that there is no letter, so far as I know, from any department of the Government on this bill, nor has there been at any time. If there had been I would have a copy of it, I think.

In respect to this amendment and the provisions of the condemnation, let me say this: The provisions of condemnation in this bill are the same as the Iowa law provides and as it has done through the years. If it were not necessary to have a section on condemnation and we could have proceeded under the present law, we would have done so and not bothered to do that, but under the circumstances it was impossible to make headway to get an adequate bridge crossing at Muscatine under the present legislation. That is why we are here before you on this legislation.

Briefly, this is what is the matter with the proposed amendment:

They propose an engineer selected by them and an engineer selected by Muscatine, and if they do not agree then 1 selected by the 2 of them will cast the deciding vote. I was in that kind of a deal one time and it took me 2 years to get an agreement on who would be the third person. So in my opinion and in the opinion of the people of Muscatine we feel it is another stalling tactic.

With reference to buying the bridge, I am told that the people on this bridge committee—and I was in contact with them yesterday—have never received a bona fide offer from the present owners of the bridge on which they could feel an assurance of eventually acquiring the bridge. So much for that.

MR. DONDERO. Mr. Chairman.

MR. BLATNIK. Mr. Dondero.

MR. DONDERO. So that I may be clear on this: When you say the people of Muscatine never received an offer, did the people of Muscatine ever make an offer to buy the bridge?

MR. SCHWENGEL. They have had an interest in it. I do not live there and do not have all of the details, but I have people here who can answer that question.

MR. DONDERO. What you mean to say to this committee is that the people who had the bridge never made an offer to sell it. Is that it?

MR. SCHWENGEL. That is right. That is what I was told yesterday by a member of the group representing the citizens of Muscatine.

I would like to introduce to you a man who has lived with the bridge question and knows the technical points much better than I do. He has been retained by the Muscatine people to represent them here this morning. He is Mr. Hanson, from Harrisburg, who represents an engineering firm there which deals in these matters almost constantly, and I would like to have him come forward and make a brief statement.

MR. BECKER. Before our colleague leaves I would like to ask a question along the lines of Mr. Dondero's question. Do you say the city of Muscatine never made an offer to the bridge owners for the purchase of it?

MR. SCHWENGEL. I am not sure about that, but I am saying I was told yesterday never has there been a bona fide offer made by the owners of the bridge to the people of Muscatine.

MR. BECKER. They said here they had no desire to sell it. I think that was the gist of the testimony. So not having the desire to sell it, naturally they did not make an offer. But would it not be reasonable, without all of this legislation being involved, if the city really wanted the bridge, for them to make some offer to purchase it?

MR. SCHWENGEL. I think steps have been taken. I am quite sure of that. As I said, I have not lived there and do not know the details and the background of this, but I am quite sure they have taken the steps.

MR. BECKER. You think that will develop in the further testimony?

MR. SCHWENGEL. Yes; I do.

MR. BECKER. That is all.

MR. SCHWENGEL. Now I would like to present Mr. Hanson for a brief statement.

MR. BLATNIK. Mr. Hanson, will you come forward and state your full name and position?

STATEMENT OF CLARENCE W. HANSON, PARTNER, ENGINEERING  
FIRM OF MODJESKI & MASTERS, HARRISBURG, PA.

Mr. HANSON. Clarence W. Hanson; I am a partner in the engineering firm of Modjeski & Masters. Our firm is from Harrisburg and has headquarters in Harrisburg.

We are advising with the Bridge Committee of Muscatine in connection with this proposal to build a bridge to replace the——

Mr. BLATNIK. How long have you been employed?

Mr. HANSON. We have been serving the committee for possibly a year and a half. We have as an Iowa representative Mr. Fred White, who has been mentioned before, and Mr. Fred White has been in touch with the committee and he personally has been advising them in connection with the steps required to solve the bridge situation of Muscatine. It is a problem which does need solution.

Mr. DONDERO. Mr. Chairman.

Mr. BLATNIK. Mr. Dondero.

Mr. DONDERO. Before you proceed, you made a statement that rather challenged my interest, to this effect: You were here regarding the building of a bridge. I do not understand under the legislation before the committee that the building of a bridge is a part of it.

Mr. HANSON. The bill that is being considered, sir, is a bill which would create a Bridge Commission—a Commission which would have all of the powers necessary to build a new bridge and to acquire the existing one. The Commission or the proposed formation of a Commission is very similar to the Commission which has been set up some years ago under an Act of Congress creating the City of Clinton Bridge Commission. This proposal here is fashioned very much after that legislation and after the procedures which were followed, and successfully followed, in connection with the bridge situation at Clinton.

There are many parallels between the old situation in Clinton and the situation as it exists in Muscatine, with the exception——

Mr. DONDERO. One more question.

Mr. HANSON. Yes, sir.

Mr. DONDERO. Does it involve the question of buying this bridge from the present owners?

Mr. HANSON. Sir?

Mr. DONDERO. Does your plan as set forth in this bill include the question of buying the bridge, the present bridge, from the present owners?

Mr. HANSON. Yes, sir. Assuming it would be possible to negotiate a suitable purchase with the present owners. As it happens, the proposal is one in which the bridge would be financed by an issue of revenue bonds—revenue bonds issued to the greatest extent which was based on what can be handled and what bonds can be served by the revenues that come from the structure.

Mr. SCUDDER. Could I ask a question to clarify something?

Mr. BLATNIK. Mr. Scudder.

Mr. SCUDDER. Mr. Hanson, you said your committee was going to negotiate for the purchase of the bridge. Have you made any proposals for negotiating it? It seems to me the testimony given here is

that the bridge people would like to negotiate, but they don't like condemnation.

Mr. HANSON. The proposal of the bridge company to sell their structure has been or is one which was made to a committee of the City Council of Muscatine, a committee which has no power. The carrying out of a project of this kind does require an agency created with all of the power necessary to do the various things. This bill is one which would create such a commission with the powers necessary to do these things.

Mr. SCUDDER. But you have never offered to negotiate and never gotten to the point of negotiating with the bridge company as to what you would be willing to pay for the bridge to take it over?

Mr. HANSON. What has happened up to the present time apparently is this: I have had no hand in it and I believe most of the approaches that have been made by the present owners have been on a rather confidential basis with the members of this committee. It has been assumed all along that this committee, which is composed of the same people I believe who are named in this bill, H. R. 11010—the proposals or discussions which have been had with the bridge committee so far have been rather fruitless for two reasons. One of them, I believe, is that the amount of money which was asked, or the selling price of the bridge company, has been considerably in excess of what can be properly supported by the revenues and which can be properly supported by the property which is to be acquired.

Mr. SCUDDER. Have they made an offer to sell?

Mr. HANSON. I understand there has been an offer.

Mr. BLATNIK. Will you please proceed with your statement, Mr. Hanson?

Mr. HANSON. Yes, sir.

The bill H. R. 11010, as I said, is very similar to the one which created the City of Clinton Bridge Commission. The objections which have been raised to this bill with regard to condemnation are questions which would be raised, I believe, by the bridge owner. The proposal to buy the existing structure must be one which can be supported by the revenues raised from vehicles traveling on the main highway and across the river at this point. The bridge owner naturally has his idea as to the value of the structure at this time.

At Clinton a similar situation existed, where there were 2 bridge owners, and each 1 had his ideas as to the price. When the commission entered into negotiations with the owners at Clinton, it was found that it was possible to reach agreement with those bridge owners on prices which were mutually satisfactory.

The condemnation clauses are in the Clinton Act, and such clauses have been in numerous acts of this type heretofore. In a long experience in the handling of revenue bond projects I do not know of a single case where the purchase of a bridge has gone to condemnation proceedings. It has been found in the past that such legislation as this puts the bridge owner and the bridge commission in a position where they can negotiate properly. The commission is given a certain power and the bridge owner, of course, retains his position as the owner until a suitable price has been agreed upon.

In Clinton the negotiations with the bridge companies did not take a great deal of time and it was not a particularly difficult job to come

to an agreement with the bridge owners when the bridge owners realized that they were dealing with someone who had the power to do the things that they were offering to do. In this case in Muscatine right now there is no power in the hands of this committee to do the job.

Mr. BLATNIK. What would give them the power and authority? Are there any provisions in the Schwengel bill?

Mr. HANSON. The power to issue revenue bonds and the power to receive funds from other sources as, for instance, the highway department of the Bureau of Public Roads, or any other agency, or even the city of Muscatine, should there be funds available from them for the carrying out of a project of this kind with a purchase.

Mr. DONDERO. Mr. Chairman.

Mr. BLATNIK. Mr. Dondero.

Mr. DONDERO. Mr. HANSON, do you know whether any counteroffer has been made to the owners of the bridge?

Mr. HANSON. The price, I believe, which has been asked is one which is beyond any idea of the value of the structure, which is entertained by some of these advisers of the bridge committee. There has been no counteroffer made, I am quite sure.

Mr. DONDERO. As an expert on that subject, you heard the testimony of the gentleman who represented the owners to the effect of the number of people crossing the bridge every day, and the amount they are paying. Would you say that the price they have offered to sell the bridge for, based on that income, is out of line, or was reasonable?

Mr. HANSON. I believe that Mr. Schweser mentioned that the proposal that he referred to was one in which the city or this committee could acquire the ownership of this bridge in 10 to 14 years. The proposal to operate such a structure for 10 to 14 years is one which is very difficult for anyone to anticipate doing for that length of time, and with the revenues that are available from the structure as it exists today.

Mr. DONDERO. You do not know of any counteroffer being made?

Mr. HANSON. I know of no counteroffer being made. No, sir.

Mr. BLATNIK. Mr. HANSON, does that conclude your testimony?

Mr. HANSON. One more point. There has been mention made by Mr. Schweser of the clause requiring that the tolls on the structure be maintained at the present level in the future and following the passage of this bill. That requirement is included so that should it be necessary for this Commission to go ahead with the construction of a new bridge with the purchase of this structure there cannot be a price war or toll war at any place which would ruin the financial aspects of any new structure which might be built. That is not an unusual requirement. I am sure I have seen it in other legislation and I cannot say just which one it is. I believe it is in the Clinton legislation.

Mr. BLATNIK. Thank you very much, Mr. HANSON.

Do you have any other witnesses?

Mr. SCHWENGEL. Yes. I would like to present the member of the committee from Muscatine, Mr. George Volger, one of the most distinguished citizens of that area, and also manager and operator of the radio station there. Mr. George Volger.

Mr. BLATNIK. We are very happy to have you here, Mr. Volger.

**STATEMENT OF GEORGE J. VOLGER, MANAGER, RADIO STATION,  
MUSCATINE, IOWA**

Mr. VOLGER. My name is George J. Volger. I am manager of the radio station in Muscatine and am a member of the committee appointed by the mayor of the city of Muscatine. We have been looking into this Federal bridge bill.

I would like to point out that in addition to the fact that this is Highway 92 that uses this Muscatine Highway Bridge, which is a very important highway from that area into the Chicago area, it is also very important from the local-area standpoint in that it serves an area of Illinois of 1,500 to 2,000 families which regularly come into Muscatine for business purposes, hospital purposes, and so on. It is so important that I received word yesterday that the Chamber of Commerce of Muscatine has set up a fund of some \$5,000 to construct at least as a small temporary measure, a ramp system, and a ferry system to bring cars and trucks and passengers across the Mississippi. It is that important.

Already we have had some cases where the doctors have had to be transported across the river by means of boat. Businesses in Muscatine are affected quite definitely. It is figured the average business in Muscatine has approximately 20 percent of its income coming from the Illinois area. Some businesses figure up to 25 and 30 percent.

I am a member of the committee appointed by the mayor some year and a half ago, and I would like to mention a couple of points here as far as the accident and also as far as the committee itself is concerned.

We have not been legally constituted to negotiate in a complete way with the bridge owners. We have had informal discussions with them at the present time. In short, the price that was offered to us by the bridge owners was felt by the committee to be out of line in the manner of what we considered the value of that bridge to be.

I would like also to point out that this last Friday morning I was on that bridge approximately 45 minutes after the accident took place, and I would like to make one point clear as to how that took place.

The car which originally caused this damage I would like to point out was not a heavy car, nor a heavy truck. It was a Ford convertible. It was traveling across the bridge toward Illinois. It is true it hit a side of the bridge and then it bounced on back to the other side, the downriver side. There was a representative of the bridge there at the tollhouse. I happened to be there and I was in the process of making tape recordings and covering it from a news story standpoint for the radio station in addition to my other interest there. It was then that the trucks started from the Illinois side.

There were two trucks. These were the trailer-tractor combinations. One of the trucks had almost completely crossed the span that eventually fell, and then the trailer of that truck fell down alongside the pier and the tractor remained upon the bridge itself. The second truck fell with a 160-foot span into the river with the water of the river coming right up into the engine section of that tractor. It was a miracle that no one was killed.

The man who fell with the span was able to get up the side of the bridge and he mentioned to me that the bridge was still rattling and

making a considerable amount of noise while he was climbing up there. We were able to find him about 45 minutes later. We though he was drowned at first and there was an emergency and rescue unit looking for the man for approximately an hour before he was located.

Mr. FALLON. Do you know whether there is any weight limitation on trucks crossing the bridge?

Mr. VOLGER. I am not sure. I imagine that there is, but I am not conversant with that.

Mr. FALLON. Do you have any idea what the trucks weighed that were crossing the bridge at that time?

Mr. VOLGER. This one was carrying a large trailer with a complete shipment of Coca-Cola bottles. The other one was carrying two dump trailers and I imagine the tonnage was considerable on those.

I would also like to mention that I was there immediately afterward and a representative of the bridge was at the tollhouse. I did not see any lantern or barricade, or anything set up in any way, shape, or form, to prevent the traffic from crossing after the Ford convertible was taken off by the wrecker.

Mr. BECKER. Mr. Chairman.

Mr. BLATNIK. Mr. Becker.

Mr. BECKER. Would that not ordinarily be a police matter involving a matter of safety? I do not see why it would not be. If the road is blown out, the police would set up a barrier; would they not? If water washed out the road the police would be responsible, or the safety and highway department would be. I know they are in our State.

Mr. GENTRY. The owner of the bridge is also responsible.

Mr. BECKER. They are not in our State. It is up to the police and safety people to set up barriers where there is any chance of accident or injury or hazard to life or limb, whether it is a main highway or a public bridge. I know it acts like that in my State.

Mr. FALLON. Will the gentleman yield?

Mr. BECKER. Yes.

Mr. FALLON. On which side of the bridge are the tolls collected?

Mr. VOLGER. On the Iowa side.

Mr. FALLON. And these trucks were coming from Illinois?

Mr. VOLGER. This is the second span from the Illinois side that fell through—165 feet.

Mr. BLATNIK. Is there any further statement?

Mr. VOLGER. I would like to mention further that there have been previous accidents on this bridge. In 1899 there was a difficulty with a wagon that fell through the bridge at that particular time. We are very desirous of securing a bridge that will handle the necessary traffic and fulfill the use which we have for this bridge.

I must point out the nearest bridge is in Davenport, 30 miles upriver, and Burlington, 50 miles downriver, so there is an extreme urgency from that standpoint.

Mr. SCUDDER. Did I understand you to say there was an accident there in 1899?

Mr. VOLGER. That is correct.

Mr. DONDERO. Was he drunk too?

Mr. VOLGER. I was not making a tape recording at the time.

Mr. SCUDDER. Was that the last accident?

MR. VOLGER. I have not been too close to the situation. I am not too familiar with the details of the accidents that have taken place.

I would also like to point out from the committee's standpoint that in this matter of this condemnation clause there is no feeling of the committee to take any unfair advantage whatsoever in negotiating if we get this bill that is eventually passed, with the owners of the bridge. We do not feel we could offer a price as a suggestion, because we are not legally constituted as yet. The committee, under the chairmanship of Mr. L. R. McKee, did definitely feel that the price and the method of payment presented to us was not to the committee's desires, and they did not wish to pursue it any further on the basis that it was offered by the owners.

MR. AUCHINCLOSS. May I ask a question?

MR. BLATNIK. Mr. Auchincloss.

MR. AUCHINCLOSS. How many people own this bridge?

MR. VOLGER. I believe there are five, and I believe they are all located in the Omaha area.

MR. MACK. Mr. Chairman.

MR. BLATNIK. Mr. Mack.

MR. MACK. Does the mayor's committee, of which you are a member, or the city council of Muscatine, have any authority under existing law to acquire this bridge or to build a new bridge, or to operate a new bridge, or would the enactment of this legislation be necessary to give to your committee and the council the authority to carry on a bridge operation?

MR. VOLGER. The committee, in studying this problem, felt that there was not—that the present legislation would not allow proceeding on a city basis. The mayor himself and the city council did not wish to proceed on that basis, and that is one of the reasons why they appointed this committee. The present State legislation between Iowa and Illinois at the present time is quite cumbersome and quite awkward and takes away considerable flexibility. That is the reason for asking for this Federal bridge bill, so that we can negotiate on this basis.

MR. MACK. You do have authority under existing law, or the city does, to acquire the property, but you think this is a more efficient and businesslike method of doing it?

MR. VOLGER. We definitely feel this is more of an efficient and businesslike method. That is correct.

MR. BLATNIK. Thank you very much.

MR. DONDERO. Mr. Chairman, I would like to ask Mr. Hanson one question.

MR. BLATNIK. Mr. Dondero.

MR. DONDERO. Mr. Hanson, are you still in the room?

MR. HANSON. Yes, sir.

MR. DONDERO. What is the estimated life of this bridge in your judgment?

MR. HANSON. Well, sir, the prime requirement of Muscatine today is that they have a new bridge just as soon as they can get it, in order to meet the requirements of modern highway traffic and be able to handle traffic across the river in the way that it should be handled. The bill itself is designed for the purpose of getting a new bridge in Muscatine at the earliest possible time. I do not know what the life of the structure is.

The span has fallen. I have not looked at the bridge personally, but from everything that I hear we certainly need a new bridge in Muscatine.

Mr. SCHWENDEL. Mr. Chairman and member of the committee: On behalf of the people of Muscatine and myself, I want to thank you very much for the time you have given us to present our case. I urgently suggest that you take action on this as soon as possible.

If there are any further questions or any further information which can enlighten any members of the committee that I can gather for you, I will be glad to do so.

Mr. BLATNIK. Mr. Schwengel, we thank you for cooperating. I would like to explain to the members of the committee I know there are many more questions you would like to have asked, but in view of the fact that this was taken up on rather short notice and we were informed of this opposition, we decided to have this presentation, and what was originally scheduled to be merely a brief presentation of a problem, turned out to be a full-scale hearing on the pros and cons. In the meantime, we had already notified other Members of the House who have been waiting here for about an hour and a half, and some of them have outside witnesses also, so we are rather unfortunate in having gotten into a little bit of a squeeze.

Mr. SCHWENDEL. Again I thank the committee very much.

Mr. BLATNIK. For the information of the members, we will have opportunity for further questioning on it. We have the Corps of Engineers who are to be heard from, and I would like to ask at this time if it is necessary that we have any other witnesses to be asked to come back to testify on this bridge problem. If there is no further objection, I should like to proceed.

Mr. SCHWESER. I would be glad to answer just a few questions about this offer and what the terms of it were, and give you the complete facts.

It was an offer made, and it was a written offer.

Mr. BLATNIK. Will you please take the chair? Considerable interest has been raised in this.

Mr. ROGERS. I wonder if it could not be done in letter form?

Mr. DONDERO. I just suggested that to the chairman.

Mr. ROGERS. Because we have a number of our colleagues here who wish to testify.

Mr. BLATNIK. Yes. Perhaps that would be best.

Mr. SCHWESER. Yes, sir. Thank you.

(The proposed amendment submitted by Mr. Schweser is as follows:)

In the event the commission and the owners shall not agree upon the fair valuation of the property, then the valuation shall be determined by a board of arbitration, consisting of a qualified and independent engineer selected by the commission and a qualified and independent engineer selected by the owners, and if they cannot agree then a third arbiter shall be selected by said two arbiters. Said question of valuation shall then be decided by a majority of said board of arbitration, whose decision shall be binding upon both the owners and the commission. Upon the payment by the commission within 30 days of such valuation, all the real and personal property (excluding cash on hand) of the bridge shall become the property of the commission without the execution of any instrument of conveyance.

## PROPOSED AMENDMENTS TO H. R. 11010

1. Amend the title to read as follows:  
 A BILL Creating the Muscatine Bridge Commission and authorizing said commission and its successors to [acquire by] purchase, [or condemnation and to] construct, maintain, and operate a bridge or bridges across the Mississippi River at or near the city of Muscatine, Iowa, and the town of Drury, Illinois
2. Page 2, amend lines 6 and 7 to read as follows:  
 "or its successors and assigns, are hereby authorized to [acquire by] purchase, [or condemnation, and to] reconstruct, maintain,"
3. Delete all of section 2, amend lines 3 to 19, page 3, as follows:  
 ["Sec. 2. Jurisdiction of all condemnation proceedings under this Act for the acquisition of any existing bridge is hereby conferred upon the United States District Court for the Southern District of Iowa, and for such purpose the process of such court may be served outside of the State or district in which such court is located. Such proceedings shall follow as nearly as may be the law of the State of Iowa governing the proceedings for the condemnation of private property for public purposes by said State. Copies of any final judgment, decree, or order of such court in any such condemnation proceedings relating to land located outside said district shall be filed with the clerk of the court of the Federal district in which such land is located. In any such condemnation proceedings the commission shall be authorized to condemn all right, title, and interest in the bridge or bridges and approaches, and all right, title, and interest in real property necessary therefor."]
4. Page 3, line 25, and page 4, lines 1 and 2, amend as follows:  
 "for the location, [and] construction, [of any such bridge or bridges]" "and for the] operation, and maintenance of any such bridge and its approaches, [hereby authorized to be acquired or constructed"]
5. Page 7, line 12, amend as follows:  
 "surveying, [condemnation,] and other expenses incident to"
6. Page 12, lines 18 through 24, amend as follows:  
 "under such conditions. [The rate or rates of toll for crossing any bridge now existing or hereafter constructed or reconstructed which abuts upon or enters into the corporate limits of the city of Muscatine, Iowa, shall not be reduced below the rate or rates now in effect on existing bridges so long as any indebtedness of said commission for the account of any bridge or bridges shall be outstanding and unpaid.] Before".

## REMARKS CONCERNING DESIRED AMENDMENTS TO H. R. 11010

1. The proposed amendments will in no way curtail or restrict the powers of the proposed Muscatine Bridge Commission to purchase, construct, or operate a toll bridge or bridges across the Mississippi River.
2. The proposed amendments eliminate from the bill the power of condemnation for very important reasons as follows:
  - (a) The condemnation provision would permit the taking of private property without assurance of fair and reasonable compensation.
  - (b) For the calendar year ending December 31, 1955, there were an average number of crossings of slightly less than 2,000 each day. This traffic indicates the importance of the bridge to the economic life of the farmers in Illinois and the businessmen in Muscatine. While the bridge has been examined recently by competent engineers and declared to be in sound structural condition, their examination resulted in their recommendation of repairs and improvements at an estimated cost of \$120,241. These improvements are needed for the continued use of the bridge. Failure to make these improvements might, under some conditions, force the closing of the bridge for a substantial length of time. The owners want to make these needed improvements, but they cannot reasonably make them in the face of possible condemnation proceedings which would not assure them the return of this expenditure.

(c) No real need for condemnation exists. The present owners have had a valuation study made by competent and reasonable engineers, showing a present value of the structure of \$1,134,836. The owners of the bridge have offered to give the bridge to the Muscatine Bridge Commission members or would be willing to give the bridge to the city of Muscatine, subject to the payment of a debt of \$1 million (which is less than the present value), plus interest on the unpaid balance at 4 percent. This offer does not require the advancing of any funds by the bridge commission members or the city. Continued earnings, based on those for the fiscal year ended May 31, 1955, would be sufficient to completely pay off such indebtedness within a period of 14 years. Continued normal increases in traffic could easily reduce this amortization period to 10 years or less.

3. The proposed amendments (amendment No. 6) further remove from the bill a section clearly in restraint of trade. This section would prevent the owners of the present bridge from passing on to their customers, the motorists and taxpayers, any savings that might result from reductions in the rates of toll. Adequate authority for the regulation of tolls by the Secretary of War is contained in the original congressional authorization under which the present bridge was built (chapter 628, vol. 25, United States Statutes at Large, 50th Cong., 1887-89).

4. The proposed amendments correct the wording of various sections of the bill to conform more nearly to the form and wording of Public Law No. 189, 76th Congress (S. 955) "An act creating the City of Dubuque Bridge Commission."

(Whereupon, the committee adjourned until further notice by the chairman.)

## BRIDGE BILLS

THURSDAY, JULY 12, 1956

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON RIVERS AND HARBORS  
OF THE COMMITTEE ON PUBLIC WORKS,  
*Washington, D. C.*

The subcommittee met, pursuant to notice, at 10:10 a. m., in room 1302, New House Office Building, Hon. John A. Blatnik, chairman of the subcommittee, presiding.

Mr. BLATNIK. The Subcommittee on Rivers and Harbors will please come to order for consideration of H. R. 10235 by Mr. McDowell and sundry resolutions and items which may come up.

Members of the committee, once before we discussed H. R. 10235 by Mr. McDowell, an act entitled "An act authorizing the State of Delaware by and through its State highway department to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Del."

(The bill is as follows:)

[H. R. 10235, 84th Cong., 2d sess.]

A BILL To amend the Act entitled "An Act authorizing the State of Delaware by and through its State highway department to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Delaware," approved July 13, 1946

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 3 of the Act of July 13, 1946 (ch. 575; 60 Stat. 533) is hereby amended to read as follows:

"SEC. 3. The Delaware Interstate Highway Division or its successor is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of the Army under the authority contained in the Act of March 23, 1906."

SEC. 2. Section 4 of the Act of July 13, 1946 (ch. 575; 60 Stat. 533) is hereby amended to read as follows:

"SEC. 4. The Delaware Interstate Highway Division or its successor, in fixing the rates of toll to be charged for the use of such bridge, shall from time to time adjust them, together with the rates of toll charged for the use of any other toll crossing or crossings of the Delaware River which it may be operating so as to provide a fund sufficient—

"(a) to pay the reasonable cost of maintaining, repairing, and operating said bridge and such other toll crossing or crossings and the approaches to said bridge and crossings under economical management;

"(b) to pay the cost of constructing, reconstructing, or improving express highways, including service and feeder highways and required relocation of existing highway facilities, of a type conforming substantially to the standards of the Bureau of Public Roads for interstate highway systems, which shall have been designated by the Delaware Interstate Highway Division to be necessary to carry traffic to and from said bridge or other toll crossing or crossings of the Delaware River operated by said division;

"(c) to pay the principal of and the interest upon bonds issued to pay the cost of said bridge, toll crossings, express highways, and service and feeder

highways as aforesaid, including bonds issued to refund such bonds at or prior to the maturity thereof and financing costs; and

"(d) to provide operating and debt service reserve funds of such character and amount as the division shall determine to be necessary to insure the proper maintenance of said bridge and other toll crossings and to protect the holders of bonds issued to finance the cost of said bridge, express, service and feeder highways and toll crossings."

SEC. 3. Section 5 of the Act of July 13, 1946 (ch. 575; 60 Stat. 533) is hereby amended to read as follows:

"SEC. 5. The Delaware Interstate Highway Division, or its successor is hereby authorized to construct, maintain and operate additional toll bridges or toll crossings of the Delaware River between the State of Delaware and the State of New Jersey in accordance with the provisions of an Act entitled 'An Act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to the approval of the location, navigation clearances and other design features of such bridges or crossings by the Secretary of the Navy concurrently with the Secretary of the Army and the Chief of Engineers. In addition to the powers granted to the Delaware Interstate Highway Division and the State Highway Department of the State of Delaware by the laws of the State of Delaware, there is hereby conferred upon said division and department, or their successors all such rights and powers to enter upon land and to acquire, condemn, occupy, possess and use real estate and other property needed for the location, construction, maintenance and operation of such additional toll bridges or toll crossings of the Delaware River and the approaches thereto as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes of such State."

SEC. 4. The right to alter, amend or repeal this Act is hereby expressly reserved.

Mr. BLATNIK. There seem to be some items in question between the States of Delaware and New Jersey. We thought perhaps we would have an original or introductory presentation by both sides in an attempt in a positive and cooperative way to work out the problem rather than try to enforce or dictate to either State the terms on which such a bridge shall be undertaken.

Mr. Auchincloss, of New Jersey, you have worked on this and been in contact with both parties in the past several months. Would you please make your comments at this time?

Mr. AUCHINCLOSS. Thank you, Mr. Chairman.

There is a very definite difference of opinion between the two States on this measure which I think can be resolved by negotiation between them. This morning the representatives from New Jersey, Senator John A. Waddington, and the assistant deputy counsel to Governor Meyner of New Jersey, Mr. Berndon T. Byrne, called at my office, and we went over the problem.

I suggested that if they were willing to sit down with the representatives from the State of Delaware and try and iron out their differences, which might be settled by a new bill or amendment to this present bill before us, it would be a wise thing to do.

They agreed to do that. I then immediately called Mr. McDowell, the gentleman from Delaware, and explained the situation to him, and he said he would discuss it with his representatives from his State that were in his office at the time.

Mr. McDowell has told me that he has had such conference and that his people are willing and ready to sit down with the New Jersey people and see if they cannot resolve their differences.

The gentleman from Delaware is here. Mr. McDowell is here to support this statement and make any other statement he sees fit.

Therefore, Mr. Chairman, I would ask unanimous consent that both representatives from the States of New Jersey and Delaware have permission to file any statement they want with the committee at this time and then the committee adjourn this meeting as far as this hearing is concerned for one week to give them an opportunity to bring about a meeting of minds and report to the committee the results of their negotiations.

Mr. FALLON. Reserving the right to object, Mr. Chairman——

Mr. BLATNIK. Mr. Fallon.

Mr. FALLON. Reserving the right to object, I am not going to object but I merely reserve it to ask you a question. Do you not think it might be well now that we have three-quarters of an hour before 11 o'clock that we might be able to get some information in regard to the need of the project and the project itself so that the members will be familiar with it when any agreement comes back to the committee?

Mr. BLATNIK. Yes.

Mr. AUCHINCLOSS. I think that is a very good suggestion. I was merely wanting to report what I had done in the interests of expediting the matter. But I think if we can take that testimony it would be very helpful.

Mr. FALLON. I will withdraw my reservation.

Mr. BLATNIK. Mr. McDowell, you are listed as the first witness. Would you please make your opening statement?

#### STATEMENT OF HON. HARRIS B. McDOWELL, JR., MEMBER OF CONGRESS FROM DELAWARE

Mr. McDOWELL. Mr. Chairman, members of the committee, first I want to thank you for giving me this opportunity to come before you in support of my bill, H. R. 10235.

Congressman Auchincloss has very clearly and correctly stated the conversations which we have had this morning, and I am in complete agreement with his analysis of those conversations.

I will be glad to have one of our witnesses from our State come before the committee to follow the chairman's suggestion.

My remarks will be very brief. I realize that the committee has a very short time before the Congress goes in session this morning.

It is my understanding that the committee will expect the conferees between the two States to report back——

Mr. BECKER. Could the gentleman speak up a little bit?

Mr. BLATNIK. Will the gentleman speak up?

Mr. McDOWELL. It is my understanding that the committee will expect the conferees from the two States to report back to the committee within 1 week as to whether or not they have been able to reach an agreement on H. R. 10235. I would not be willing to agree to postponement of the hearing this morning unless I was confident that the conferees are going to get together in good faith and honestly try to reach an agreement.

As you gentlemen know, this bill has been before the committee for some time. The need for the act is very pressing to relieve the highway congestion in my State. And not only for the residents of my

State but because of its strategic position on the eastern seaboard it is creating a serious bottleneck in traffic in that area which passes through there going north and south from Florida to Maine and from east to west.

Without any further statement, Mr. Chairman, I would ask that the committee call Mr. Richard Haber, the chief engineer of the Delaware State Highway Department, to testify on this bill.

Mr. BLATNIK. Thank you, Mr. McDowell.

Will Mr. Richard A. Haber, chief engineer of the State Highway Department of Delaware, please take this chair?

#### STATEMENT OF RICHARD A. HABER, CHIEF ENGINEER, STATE HIGHWAY DEPARTMENT OF DELAWARE

Mr. HABER. Mr. Chairman, gentlemen, we have come down this morning, of course, prepared to present our arguments. We are agreeable to waive the opportunity to appear before the committee in agreement with Auchincloss' suggestion that we again sit down with the State of New Jersey.

I would like, in line with Mr. Fallon's suggestion, to point out that we are talking about this bill and asking for this bill in the same connotation that you gentlemen saw fit to pass the great Federal highway bill—on a pay-as-you-go basis.

The State of Delaware in 1950 had a census of only 318,000. That is only 40 percent of the population of the District of Columbia. Yet in this particular area which we are talking about, 89 percent of our traffic is interstate traffic. In building to the new Interstate System, to the standards that will be set and required in Chicago today and tomorrow, that small segment of the population is being asked to handle 89 percent of the through traffic.

And in asking under the terms of this legislation that we can assign certain tolls to that Interstate System, we feel that we are benefiting the entire eastern seaboard, since we are very definitely a crossroads State. Everyone traveling from Washington to New York, from Philadelphia to Baltimore, from Boston to Miami goes through our State.

And the purpose behind this entire legislation is again a pay-as-you-go.

The State of Delaware has already many times demonstrated its ability to understand and to realize the interstate traffic problem. For a number of years we have collected, as our share of our gasoline tax statewide, between \$5 million and \$7 million a year, yet our State legislature has, year after year, appropriated \$12 to \$15 million a year for highway work.

If the Interstate System must be built—and it must be built, along with additional facilities to handle our interstate traffic—that 89 percent not being ours, we feel that our size—and only 9 miles across at this point—indicates that we should have some return from that traffic that is going through.

Mr. BECKER. Mr. Chairman, might I interrupt?

Mr. BLATNIK. Mr. Becker.

Mr. BECKER. Perhaps I am unaware of just what is going on. The gentleman is testifying about the necessity of having tolls on a bridge.

Now, I thought the first question that I would like to know was where this bridge is supposed to go, what highway in relation to the present Delaware Memorial Bridge on Route 40, the question of the necessity of the bridge, those facts. And then the question of the tolls or the necessity of the tolls or paying for the bridge is——

Mr. FALLON. Will the gentleman yield?

Mr. BECKER. Certainly.

Mr. FALLON. Mr. Haber, is it not a fact you need another bridge? You have a bridge presently there?

Mr. HABER. Yes.

Mr. FALLON. And what you want to do is extend the amortization date on the other bridge so that both bridges will be amortized at the same time?

Mr. HABER. Yes, sir. The existing bridge——

Mr. BECKER. I am glad you are bringing something out, Mr. Fallon. The gentleman is just testifying about some means of paying for a bridge that they want to build.

Mr. FALLON. If you will remember, we have had the same problems here before on the Mississippi and the Missouri and at San Francisco where they presently have a toll bridge and they need another bridge due to the increased flow of traffic. You cannot build a free bridge and put it alongside of a toll bridge——

Mr. BECKER. I understand.

Mr. FALLON. Because, human nature being as it is, you know what would happen.

Mr. BECKER. Where is this bridge to go?

Mr. FALLON. They have not selected the location, but it will be in the vicinity of the other bridge.

Mr. BECKER. On Route 1?

Mr. HABER. No, sir. Our bridge presently connects the New Jersey Turnpike——

Mr. BECKER. I know that.

Mr. HABER. With United States 13 and 40. Route 1 does not go through Delaware. It goes up through Pennsylvania.

Mr. BECKER. That is right. I was confused for a minute.

Mr. DONDERO. Mr. Chairman, may I inquire whether or not you propose that the new bridge will be a one-way bridge so that traffic north and south will have separate bridges to travel on?

Mr. HABER. Under the circumstances it would have to be; that is correct.

Mr. BECKER. It would be somewhere reasonably near the Delaware Memorial Bridge?

Mr. HABER. It would have to be in order to provide the one-way handling.

Mr. BECKER. Then the problem is, first, a new bridge to handle the traffic, and, second, the problem you are talking about is making it a toll bridge to coincide with the present bridge and pay them both off as Mr. Fallon stated?

Mr. HABER. That is right.

Mr. BECKER. That answers my question.

Mr. BLATNIK. Mr. Haber, please continue. Is that all?

Mr. HABER. Mr. Chairman, I have already taken time, and if there are any other questions which the gentlemen of the committee would like to ask me, I would be glad to answer them.

Mr. BLATNIK. Further questions?

(No response.)

Mr. HABER. Thank you.

Mr. BLATNIK. Any further witnesses, Mr. McDowell?

Mr. McDOWELL. Mr. Chairman, I would ask that the committee call Mr. Wood to the stand.

Mr. BLATNIK. Mr. Wood, please give your full name and your official capacity.

**STATEMENT OF DAVID M. WOOD, OF THE LAW FIRM OF WOOD, KING & DAWSON, ON BEHALF OF THE DELAWARE INTERSTATE HIGHWAY DIVISION**

Mr. WOOD. My name is David M. Wood. I am the senior partner of the law firm of Wood, King & Dawson. We are specialists in municipal law, and I have been retained by the Delaware Interstate Highway Division to advise them with respect to the legal aspects of the construction of these improvements and the financing.

What is proposed, briefly, is to provide for a continuation of the tolls on the existing Delaware Memorial Bridge beyond the period which has been fixed by Congress, which, incidentally, would mean that in all probability those tolls would have to cease within a period of, well, perhaps 7 or 8 years.

The bridge has a maximum capacity of 16 million vehicles a year. But that capacity cannot be reached under present conditions because of the inadequacy of the approach highways to the bridge. And in order to utilize the existing bridge to its maximum capacity it is imperative that the State construct facilities to carry that traffic from the bridge and disperse it.

That means the only kind of road that can be utilized for that purpose would be limited-access highways. This traffic is largely through traffic. And it is necessary to construct roads which will carry that traffic at relatively high speed across the State, which is at that point I believe something under 10 miles, so as to connect it up with the Delaware highway system and the Pennsylvania highway system and so on.

Within about 5 years it is going to be necessary for the State of Delaware to consider the construction of an additional bridge. Certainly within 10 years this bridge, existing bridge, will be operated at capacity. Now, you cannot wait until it is operated at capacity before you start building a new bridge, and it will take somewhere between 5 and 6 years between the time you start your financial program and the actual completion of the project. It took more than that length of time to get the existing Memorial Bridge open for traffic from the time they started the legislation and the financial program. So—

Mr. BLATNIK. Mr. Wood, what was that length of time?

Mr. WOOD. The first legislation was enacted in 1945, and the bridge was opened for traffic in August 1951. So you have a considerable time lag between the time you start and the time you actually get your bridge open for traffic. You have a period of maybe 3 or 4 years of construction. It takes usually anywhere from 18 months to 2 years to work out all the financial programs in order to set up a marketable

bond issue. Lengthy conferences have to be held with bankers who are interested in such financing. And it is not a matter that can be done overnight. It takes considerable time.

So that I estimate within approximately 5 years the State will have to start work looking toward the financing of a new bridge across the Delaware at Wilmington.

The reason this bill has been presented to you for consideration is the existing act which authorized Delaware to construct the bridge. And, incidentally, Delaware is the sole proprietor of the bridge. This is not interstate owned. Delaware owns the bridge, with perhaps this exception: The State of New Jersey passed a statute whereby it consented to permit Delaware to acquire the property on the New Jersey side of the river in the name of the State of New Jersey. It was all paid for by Delaware, but title was taken in the name of the State of New Jersey, because the State of New Jersey's only contribution was it agreed it would exempt that property from taxation.

In the statute it did say it consented to the operation of the bridge as a toll bridge, but that consent was not legally necessary, Congress having authorized the bridge as a facility in interstate commerce. The State of New Jersey's consent was not required, and it could not even impede the construction of the bridge.

Mr. DONDERO. May I ask one question, Mr. Chairman?

Mr. BLATNIK. Mr. Dondero.

Mr. DONDERO. What is the estimated cost of the bridge, if you know?

Mr. WOOD. It would take a man with more courage than I have to say. I would say it would run upward of \$100 million. The existing bridge cost, as I recall, \$48 million. Prices have gone up tremendously in the meantime, and it probably is safe to say upward of \$100 million. But that is a matter the engineers could tell you better than I could.

Mr. DONDERO. We are building a bridge across the Straits of Mackinac, and that is the tag, \$100 million.

Mr. WOOD. I would say it would cost at least \$100 million.

You have the financial program with which the State is confronted. Obviously, if this bridge becomes a free bridge, you cannot construct a toll bridge. The new bridge could not then be a toll bridge. Nobody would buy bonds for a toll bridge with a free bridge right alongside of it.

So the only way in which the State of Delaware can finance the construction of the new bridge is to extend the time within which it may levy tolls on the existing bridge and operate the 2 bridges as 1 project. And under those circumstances the State can sell bonds. Bankers have been consulted, and they say the financial program which is envisioned by this bill and the legislation which Delaware has already enacted is a feasible financial program, providing the whole thing can be combined into one project, all the tolls utilized for servicing of the bonds.

That, in short, is the situation. The first step they must take is to enlarge the facilities for carrying the traffic from the bridge and dispersing it across the State to the Pennsylvania and the Delaware lines, because until that is done the existing bridge cannot be operated to its maximum efficiency.

That will take perhaps 3 to 4 years, and just about the time they finish that they will have to immediately start in considering the

financial program for the additional crossing, which at that time, according to the estimates made by the engineers, will be required.

This bill purports to amend the existing act to authorize the continuation of the tolls on the existing bridge, to authorize the State to construct the new bridge. It amends it in one other respect. The Delaware Interstate Highway Commission was not in existence at the time the original act was passed, so the power to fix the tolls is vested in the new existing authority rather than the old State highway commission which the original act provided for.

That is in substance the whole story, gentlemen; and if this crossing is to be developed to its maximum capacity to provide the corridor which is necessary to carry the traffic north and south from Miami to Maine, it is not merely a Delaware project. More traffic comes from other States than comes from Delaware—considerably more, far more than comes from New Jersey. It is not a local matter at all. This is a matter of importance to the entire eastern seaboard.

Delaware is simply the corridor, the bottleneck through which all that traffic passes. And this act is simply intended, or this bill is simply intended, to put the State of Delaware in a position where it can sell bonds for the purpose of making the improvements which are necessary to accommodate that traffic.

Mr. AUCHINCLOSS. Mr. Chairman, may I ask a question?

Mr. BLATNIK. Mr. Auchincloss.

Mr. AUCHINCLOSS. I would like to ask the witness if he is familiar with the computation made by the New Jersey Highway Department, traffic counts which clearly indicate that the New Jersey traffic over the structure is 30.5 percent of the total traffic, while Delaware's contribution is 11.5 percent.

Mr. WOOD. I am not familiar with it, but I am—

Mr. AUCHINCLOSS. That is New Jersey money paying for the bridge.

Mr. WOOD. I am not surprised at that, Mr. Congressman. I am not familiar with that traffic count, but, even so, that indicates there are other States vitally interested because the majority of the traffic comes from neither New Jersey nor Delaware. It is not a local matter at all.

I have been told that the number of cars that crosses that bridge with New York licenses is almost as many as crosses with New Jersey licenses. I do not know. It simply comes to me secondhand.

Mr. BECKER. We always pay.

Mr. AUCHINCLOSS. Just a minute. I have not yielded to you.

We in New Jersey are very generous to help our neighbors, but you know there is a limit.

Mr. WOOD. Well, that, sir, is why you are sitting there.

Mr. AUCHINCLOSS. I hoped perhaps you could resolve your differences.

Mr. WOOD. I am simply pointing out this is not a matter that concerns merely the State of Delaware. It is true that this traffic, this interstate traffic, imposes a very serious burden on this little State. It is simply the corridor through which all the traffic on the Atlantic seaboard passes. And there are States other than New Jersey and Delaware that are interested in this matter.

Mr. DONDERO. Mr. Wood, do you think absolute necessity exists for the building of another bridge?

Mr. WOOD. It will be absolutely necessary certainly by 10 years from today, and to do that you will have to start about 5 years from today to get that bridge in operation at that time, the way the traffic is growing.

I get that from the traffic engineers who have been retained to consider that very thing. There is certainly going to be need for another bridge there in the not far distant future. And all our traffic estimates have gone haywire. So your guess is as good as mine, and maybe as good as the traffic engineers. But there is no doubt that the traffic is growing very, very rapidly, and the time is very close at hand when another bridge will be absolutely necessary, and the problem is before us now: How are we going to finance it?

Mr. DONDERO. The necessity is one of the things this committee must determine.

Mr. WOOD. Yes, sir; that is right.

Mr. DONDERO. That is the heart of the whole project.

Mr. WOOD. Yes, sir.

Mr. BLATNIK. Mr. Wood, you collect tolls from the other bridge after these bonds have been redeemed. Will tolls from both bridges be applied to the redemption of all their fiscal obligations on the new bridge and then terminated?

Mr. WOOD. The tolls would in effect be pooled.

Mr. BLATNIK. Yes.

Mr. WOOD. And the tolls would be applied to the payment of all the bonds. It will be necessary to refund the outstanding bonds which the State issued to construct the Memorial Bridge in order to get rid of the contractual limitations which are imposed upon the State by the terms of the indenture securing those bonds, so those bonds would have to be refunded, and then there would just be one bond issue for all purposes—for the Memorial Bridge, for the approach roads, and the new bridge. It would all be pooled as one project.

Mr. BLATNIK. Do you find one terminal of the bridge in Delaware and the other in New Jersey?

Mr. WOOD. There is such a terminus now on the other side.

Mr. BLATNIK. New Jersey would deed land to the State of Delaware? Is that right?

Mr. WOOD. No, not necessarily. When the Memorial Bridge was built, the lands were acquired by the State of Delaware. Delaware paid for the lands but was permitted by the State of New Jersey to take title in the name of the State of New Jersey. And we would hope the same thing would be done in connection with the construction of the new bridge.

After all, gentlemen, these projects are public projects. Whether the title is in the State of New Jersey or in the State of Delaware, they are utilized for the convenience of the traveling public, for the facilitation of interstate commerce. I do not think it is very important where title to any of these public improvements vests. As far as the bondholder is concerned, he would not care whether New Jersey, Delaware, or the United States Government. The only thing he is interested in is getting the traffic across the bridge.

Presumably all these toll crossings will some day be free crossings. When that time will come I don't know. I think it is quite distant in a good many cases.

But, for instance, in this particular case, if this bridge becomes a free bridge, as Congress now requires, within a period of perhaps 7 years the burden of the maintenance of that bridge and all of its approaches will fall on the little State of Delaware, not on New Jersey or any other States, although all these States make use of that crossing.

MR. BLATNIK. Mr. Fallon.

MR. FALLON. Mr. Wood, is it not true the State of Delaware owns all the land in the bed of the river to the high-water mark on the New Jersey shore?

MR. WOOD. I think that is so. I am not sure, Mr. Fallon.

MR. FALLON. That was decided by Mason and Dixon when they drew the Mason-Dixon line.

MR. WOOD. I am really not sure about that.

MR. FALLON. I think that came up in the controversy when you erected the Memorial Bridge. That was one of the factors that was used—that the State of Delaware should take the initiative because they owned the land on which the bridge was to span, and the only question was in regard to the approaches to the Jersey side.

MR. WOOD. Well, on the Jersey—

MR. FALLON. I might also say this for your benefit and for the benefit of the witnesses here who are interested in building the bridge: It has been the policy of this committee since I have been on it—for 12 years, as a matter of fact—that if the two States can get together, this committee has acted unanimously on all the legislation. So much so, as a matter of fact, that we get it on the Consent Calendar and get it through the House by unanimous consent. And there has never been any objection.

So the problem here is that if you can get together and both be satisfied, I am sure this committee would report it out favorably—and Mr. Auchincloss included, because he has always been one of the champions of getting these interstate systems opened and more and better highways for the motoring public, not only for safety but to expand our growing economy.

MR. BLATNIK. Further questions?

MR. DONDERO. Off the record.

(Remarks off the record.)

MR. BECKER. As I understand the testimony—and Mr. Fallon has added a great deal of light to this and given quite a clear answer to the committee's position—but as I understand the testimony so far, not having heard from New Jersey and the complications involved, the only interest that you seem to have in this is to build a bridge so that you further the freer flow of traffic in the area, particularly on the routes north and south, and east and west, at that point. I have not heard anything from you nor any testimony that the object of building this bridge will further enhance conditions, particularly in the State of Delaware; is that correct?

MR. WOOD. Well, of course, when you construct a bridge across the river, any river, at any point, you benefit people on both sides. That is inevitable. Delaware will benefit by it, so will New Jersey benefit by it, to a different degree than States more remote.

The type of highway, however, which will have to be constructed by the State of Delaware is not the type of highway which would ordinarily be constructed for the use of local traffic. These highways will have to be limited-access highways so there will be access to the

highway only at long intervals, whereas if you were building highways for local traffic you would build highways with intersections at every crossroads.

So that the roads which the State of Delaware will build will not be designed primarily for the use of the inhabitants of the State of Delaware. It will be designed primarily to carry this interstate traffic across the corridor to connect up with the Pennsylvania and Maryland highway system on the south and, of course, the Jersey system on the other side of the river.

Mr. BECKER. Thank you.

Mr. DONDERO. Mr. Chairman, will the gentleman yield? Will this become a part of the Interstate Highway System?

Mr. WOOD. I will have to ask Mr. Latchum about that, because he is counsel for the division. I really do not know.

Mr. Latchum suggests the question be put to Mr. Haber, the previous witness. I cannot answer the question.

Mr. BLATNIK. Mr. Haber, can you answer the question?

Mr. HABER. Yes, Mr. Chairman; it will. The entire system of the New Jersey Turnpike and New Jersey 130, Delaware 40 and Delaware 13 will be on the Interstate System.

Mr. BLATNIK. No further questions. Thank you, Mr. Wood.

(The prepared statement submitted by Mr. Wood follows:)

#### STATEMENT OF DAVID M. WOOD

Mr. Chairman and gentlemen, my name is David M. Wood. I am the senior partner of the law firm of Wood, King & Dawson, 48 Wall Street, New York City. I am a specialist in the law of municipal corporations, particularly the law of public finance. I have been retained by the Delaware Interstate Highway Division to advise the division with respect to the legal aspects of its proposal to issue revenue bonds of the division for the purpose of refunding the outstanding bonds which were issued by the State Highway Department of the State of Delaware to finance the construction of the Delaware Memorial Bridge across the Delaware River at Wilmington, Del.; to provide funds for the construction of certain limited access approach highways carrying the interstate traffic to and from the Delaware Memorial Bridge, and for the further purpose of providing funds for the construction of a new crossing of the Delaware River in the vicinity of the existing bridge, which be necessary in a comparatively short time.

By an act of Congress, approved July 13, 1946. The State of Delaware, through its State highway department, was authorized to construct a bridge across the Delaware River in the vicinity of the city of Wilmington, Del. That act authorized the operation of the bridge as a toll bridge for the period not to exceed 30 years from the date of its completion. The act further provided that after the tolls had produced a sinking fund sufficient for the amortization of the cost of the bridge and its approaches, including reasonable interest and financing costs, it should thereafter be maintained and operated free of tolls.

The bridge was financed by the State of Delaware through the issuance of revenue bonds payable solely out of the tolls and revenues of the bridge. The entire cost of the bridge, including the approaches on both sides of the river, was paid out of funds so raised by the State of Delaware, and the State of Delaware is the sole proprietor of the bridge. The only contribution which was made to the construction of the bridge by the State of New Jersey was the enactment by the Legislature of the State of New Jersey of an act, approved March 14, 1946, which authorized the taking of title in the name of the State of New Jersey to any property required by the State of Delaware for the use of the bridge on the New Jersey side of the river, and further provided that the bridge and all properties acquired for its use in the State of New Jersey and the revenues of the bridge should be free from taxation by the State of New Jersey or by any political subdivision of that State. The act also consented to the construction, maintenance, and operation of the bridge by the State of Delaware as a toll bridge, but that provision of the statute is legally meaningless

because Congress having authorized the State of Delaware to construct the bridge as an instrumentality to facilitate interstate commerce across the Delaware, the consent of the State of New Jersey was not required for its construction or operation. In fact, the State of New Jersey could not lawfully impede the construction and operation of the bridge by the State of Delaware under the congressional authorization of July 13, 1946.

The bridge was open for traffic on August 15, 1951. The volume of traffic across the bridge has exceeded the most optimistic estimates which were made at the time the construction of the bridge was conceived. Approximately 60 percent of the traffic consists of vehicles registered in States other than the States of Delaware and New Jersey. Delaware is, in fact, a corridor State through which passes traffic of all the States along the Atlantic seaboard.

This tremendous volume of traffic has created many problems for the State of Delaware. It has caused serious and even dangerous congestion on the highways of the State, and the expense of coping with this tremendous volume of traffic presents the State with a serious financial problem. At the point where the bridge has been constructed the State is approximately 12 miles wide. Most of the traffic which crosses the bridge uses the State of Delaware merely as a corridor to connect with the highway systems of the States of Maryland and Pennsylvania. Except for the revenue which the State gets from tolls charged for the use of the bridge, this interstate traffic makes little or no contribution to the cost of construction and maintenance of the highways in the State of Delaware which are necessary for its accommodation. The run across the State is so short that, unlike other States which obtain from such traffic a revenue through gasoline taxes and similar sources of revenue, the State of Delaware derives practically no revenue from this traffic other than the toll charged for the use of the bridge, and when the bridge is required to be operated as a free bridge that revenue will cease and the State of Delaware will then be confronted with a serious financial problem.

The type of highways which must be constructed to handle this volume of interstate traffic are not the highways which would be constructed to handle local traffic in the State. This traffic necessitates the construction of high speed, limited-access highways. The traffic now pouring across the bridge requires the construction of these highways immediately and the traffic engineers estimate that, within 10 years, it will be necessary to construct a new bridge across the Delaware paralleling the existing bridge in order to handle the traffic which will exist at that time. In order to have such a bridge in operation 10 years from now it will be necessary to take steps for the financing of the new bridge within not less than 5 years. It ordinarily takes from 18 months to 2 years to complete all of the financial arrangements for the financing of a project of this magnitude and at least 3 years must be allowed for its construction. Four years will be required to complete the approach highways which are now needed so that just about the time the State completes the construction of these highways it will have to begin work on the financing of a new bridge.

Unless the act of Congress of July 13, 1946, is amended, it is apparent that the Delaware Memorial Bridge will become a free bridge within about 5 years. The only way in which the construction of a new bridge can be financed is through the issuance of revenue bonds payable out of the combined tolls of the Memorial Bridge and the new bridge. It is obvious that the financing of a toll bridge paralleling a free bridge is impossible.

H. R. 10235, which is now under consideration by this committee, proposes to amend the act of Congress of July 13, 1946, so as to cope with all the problems which I have mentioned. It amends section 3 of that act to confer the power to fix the tolls upon the Delaware Interstate Highway Division, which is now the organization upon which the duty of maintaining and operating the Memorial Bridge has been imposed by the laws of Delaware. It amends section 4 of that act to authorize the Delaware Interstate Highway Division to fix tolls for the use of the Memorial Bridge and any other toll crossing of the Delaware which it may operate to provide a fund sufficient to pay the cost of maintaining and operating such toll crossings; to pay the cost of constructing, reconstructing, or improving the proposed limited access approach highways; to pay the principal and interest upon bonds issued to pay the cost of such toll crossings and approach highways, and bonds issued to refund such bonds, and to provide operating and debt service reserves. It also amends section 5, which is now obsolete, so as to authorize the Delaware Interstate Highway Division to construct additional toll crossings of the Delaware River, in accordance with the Bridge Act of Congress, approved March 23, 1906, and

subject to the approval of the Secretary of the Navy concurrently with the Secretary of the Army and the Chief of Engineers.

These amendments will remove the limitation upon the time the Memorial Bridge may be operated as a toll bridge, as well as the limitations upon the use of revenues derived from such tolls. It will enable the Delaware Interstate Highway Division to refund the bonds which it issued to finance the construction of the Delaware Memorial Bridge so as to dispose of the contractual limitations contained in the indenture securing those bonds and will enable the division to issue bonds to provide funds for the construction of the approach highways and for the construction of a new bridge across the Delaware paralleling the existing Memorial Bridge.

The legislature of the State of Delaware has already enacted the legislation necessary to carry out this program. The investment bankers, who have been consulted by the division, have advised that the program is financially sound and that the bonds can be marketed. The enactment of H. R. 10235 is the last step necessary to enable the State of Delaware to consummate this program.

Mr. BLATNIK. Congressman McDowell, I see here the Governor of your fine State, a former colleague, and dear friend of ours.

Mr. McDOWELL. I would appreciate your calling the Governor.

Mr. BLATNIK. We welcome you, Governor.

#### STATEMENT OF HON. J. CALEB BOGGS, GOVERNOR OF THE STATE OF DELAWARE

Governor Boggs. Thank you, Mr. Congressman.

I am just going to take a minute, and I am grateful for this opportunity to appear with the Delaware delegation and say a few words about this important project.

I want to back up fully the Delaware delegation consultants, the Corps of Engineers, and the Bureau of Roads who have studied this project carefully and have endorsed it.

Delaware, as has been brought out, is a very small State, with a small population, but because we are in a corridor position there we have a great responsibility not only to our own people but it is forced upon us to meet this tremendous flow of traffic through that corridor. And working on this project is merely an effort to meet one of the responsibilities that falls upon the State of Delaware not only to the Delaware people but to the interstate picture.

As has been brought out by the figures, 89 percent of the traffic is interstate traffic. It serves the best interests, as Congressman Becker pointed out, of the free flow of traffic in every respect. It serves the interest of New Jersey and the State of Delaware and the State of Pennsylvania and the State of Maryland, all in that regional area.

I have one other point that I would like to make which came to mind as a result of the questions. The Delaware Legislature just recently passed a limited-access bill, a highway bill, which ties right in with the national approach on the national interstate highway system, and, as has been brought out by Mr. Haber, this project definitely ties in with the national highway system and backs it up and supports it and enables Delaware to do its proper share in making this national road net what the people want it to be and what the Congress wants it to be.

There is one other point I would like to mention. My good friend, Congressman Auchincloss, brought it to my mind. Last year there were over 6 million vehicles that went over that bridge, and of the

6 million vehicles, 1 million were on the commutation tickets. And the latest spot check as I understand it—I do not have the figures directly in front of me—shows that 68 percent of those commutation tickets were for New Jersey-licensed vehicles.

Well, the normal price is 75 cents for a vehicle to go across. A commutation ticket ranges down to 35 cents. And when they tie in to a car pool it is 25 cents a vehicle, and where they have a car pool, with, say 5 in a vehicle, it actually amounts to 5 cents apiece, per individual who goes across there.

So you see actually New Jersey is getting, in the volume of traffic involved, a considerable benefit out of that bridge at less cost than any other area in the United States because of their proximity and their business and industrial requirement to use it.

I just want to bring that one point out.

In conclusion, gentlemen, as a former Member I know how busy you are and how careful you are and what fine attention you give to the many problems which come before you. And I have every confidence that as the studies and the features of this problem are concerned by both the Delaware and New Jersey authorities and presented to you, that we will be able to work this problem out satisfactorily in the best interests of all of our people.

I thank you very, very much.

Mr. BLATNIK. Thank you, Governor.

Any questions?

(No response.)

Thank you very much, Governor.

We have United States Senator Frear here. Senator Frear, we noticed you come in. Do you have a statement to make before the committee?

**STATEMENT OF HON. J. ALLEN FREAR, A UNITED STATES  
SENATOR FROM THE STATE OF DELAWARE**

Senator FREAR. Thank you, Mr. Chairman and members of the committee. I am greatly honored by this opportunity to speak in this wonderful room. We do not have anything like this over on the other side, and I do not know as we have a counterpart to this fine committee.

May I say, Mr. Chairman, that the people of Delaware and especially its representatives down here are greatly devoted to our neighbor State and friend in New Jersey. But may I say a word that I am positively in favor of the bill now before you, and we hope you will give it favorable consideration that the Senate may take action on it.

Thank you very much.

Mr. BLATNIK. Rest assured we will give it every consideration.

Thank you, Senator.

Senator FREAR. Thank you.

Mr. BLATNIK. We have a distinguished delegation from the State of New Jersey. We have Mr. Berndon T. Byrne, the assistant deputy counsel to the Governor of New Jersey.

**STATEMENT OF BERNDON T. BYRNE, ASSISTANT COUNSEL TO THE  
GOVERNOR OF NEW JERSEY**

Mr. BYRNE. Mr. Blatnik and members of the committee, first I would like to say that it is bad enough to be the assistant counsel to the Governor of New Jersey without being also called the assistant "deputy" counsel.

Governor Meyner has asked me to express his appreciation to this committee for allowing him the opportunity, through me, to be heard. And I want to concretely express that appreciation by handing up this prepared statement rather than reading it at length.

I would like to say, gentlemen, New Jersey's position on this matter is substantially as Congressman Fallon has stated. In our relationship with the State of Delaware we are and always have been ready to cooperate, ready to sit down with them. And I think, looking at the history of New Jersey in its dealings with its two other neighboring States, New York and Pennsylvania, we have been able to work out with remarkable success the problems of interstate transportation as they have existed for a much longer time between New Jersey and New York and between New Jersey and Pennsylvania.

New Jersey is, perhaps even more so than Delaware, a corridor State.

As far as H. R. 10235 is concerned, the objections New Jersey has, as we have stated them in the memorandum I have given you, are basically three.

First, we have spelled out a contract which now exists between New Jersey and Delaware. That contract arose as a result of the enabling legislation passed by Delaware and by New Jersey and which legislation was reflected in the Federal bill now in existence covering the Delaware Memorial Bridge. One of the vital terms of that agreement is that the bridge was to become free after the bonds were paid for.

Incidentally, I would like to correct one statement which I think was made by several of the representatives from Delaware, and that is the statement that Delaware paid for this bridge. This bridge was financed by bonds. The credit of the State of Delaware was not pledged to those bonds. The bonds were sold—I do not know where—but it was the bondholders who bought the land for the bridge. It was the bondholders who built the bridge.

Mr. BECKER. I am sure the committee thoroughly understands that.

Mr. BYRNE. Fine.

Now, the present bill, H. R. 10235, is a bill which was submitted without the customary prerequisites which Congressman Fallon outlined—that is, the sitting down and getting agreement between the States of New Jersey and Delaware. We feel that that agreement can be worked out. We feel we can sit down, and when you gentlemen finally consider a bill you will consider one which has the approval and the agreement of both New Jersey and Delaware.

Our second point is that the proposal which has been made to the representatives of New Jersey as of up to this morning was a pro-

posal which would allow the State of Delaware to divert tolls from the Delaware Memorial Bridge to construct a system of highways in the State of Delaware. Very frankly, this morning was the first time that I have heard of the proposal to use these funds to build a second bridge over the Delaware River.

We have had discussion at the highest level. Governor Meyner and Governor Boggs a year ago last winter sat down. And I am sure that those discussions could be continued, and we are interested in continuing them.

The other point that we wish to make is that the proposal as it has been given to us—and it was outlined to us in a mimeographed proposal submitted at the time of one of our conferences—again was to build a highway system in the State of Delaware which would far exceed the capacity of the existing Delaware River Bridge. In other words, the traffic which would use the highway system which was to be built in Delaware and paid for by funds gathered from tolls of out-of-State drivers would be on highways in Delaware used to a large extent necessarily, because of the limited capacity of the bridge, as a point of origin and destination by Delaware drivers.

And so, New Jersey, which now pays approximately \$3 to every \$1 that Delaware drivers pay toward the retirement of the bonds, would again pay \$3 to every \$1 used to construct the highway system in the State of Delaware.

For those reasons we felt that it is entirely appropriate to follow the suggestion made by the Congressman from New Jersey and the suggestion made by Congressman Fallon that we sit down and we work out at a high level an agreement with Delaware, which agreement would change the now binding agreement which exists.

Thank you, Mr. Chairman.

Mr. FALLON. My Byrne, could I ask you one question?

Mr. BLATNIK. Mr. Fallon.

Mr. FALLON. Do you feel that you can sit down with them and come back a week from today with an agreement? Mr. Auchincloss, who always speaks with authority around here, said that he thought it could be done. Do you think the same way as Congressman Auchincloss?

Mr. BYRNE. I think Congressman Blatnik asked us if we would sit down in good faith with the people from Delaware. I can assure this committee that we will sit down in good faith with the people from Delaware.

Mr. DONDERO. I might suggest, Mr. Chairman, that if they do not come to a conclusion within the week and would notify the committee in advance any reasonable deferment would be granted.

Mr. BYRNE. Thank you, sir.

Mr. BLATNIK. Any further questions?

(No response.)

Thank you, Mr. Byrne.

(The prepared statement submitted by Mr. Byrne follows:)

STATEMENT OF BRENDAN T. BYRNE, ASSISTANT COUNSEL TO THE GOVERNOR, ON BEHALF OF GOV. ROBERT B. MEYNER OF THE STATE OF NEW JERSEY

Mr. Chairman and gentlemen, I am appearing here today on behalf of Gov. Robert B. Meyner who has asked me to express his appreciation to this subcommittee for its consideration in providing this opportunity to have his views on behalf of the State of New Jersey presented to you concerning H. R. 10235.

Governor Meyner believes that it is important that this subcommittee and the Congress fully understand the position of the State of New Jersey with respect to this bill, which would have a serious effect upon all motorists using this important interstate artery.

The States of New Jersey and Delaware have a long history of interstate friendship and cooperation. In recent years, the development of transportation and communication facilities have brought our two States into even closer proximity. New Jersey has for many years worked harmoniously and closely with its other neighbors New York and Pennsylvania in such broad projects as the Port of New York Authority, the Delaware River Port Authority, the Delaware River Joint Toll Bridge Commission and other interstate agencies, looking toward the solution of interstate transportation problems on a basis of interstate cooperation. We look forward with the same attitude of cooperation in approaching similar development of joint facilities with the State of Delaware.

In our relationship with other States, we have always had the understanding and cooperation of the Congress. The agreements between or among the States which have been solemnized by the Congress have proved to be excellent instruments and have formed the basis of vast undertakings by the States involved. Those agreements so formed are now widely recognized as a foundation for interstate cooperation. We are sure that neither the Congress nor this committee wish to do anything which would cast a shadow upon the continued use of such methods of cooperation.

It is in the light of the foregoing that I wish to outline the history of the Delaware Memorial Bridge. The construction of that bridge was authorized in the State of Delaware by chapters 274 and 275 of the laws of 1945 (approved April 18 and April 19, 1945). The enabling legislation in Delaware authorized the State Highway Department of that State to construct, operate, and maintain the bridge across the Delaware River. Chapter 275 authorized a bond issue in a sum not to exceed \$25 million, later amended to authorize \$40 million, and provided that the principal and interest of such bonds shall be payable solely from the special fund provided in that chapter.

Section 2 of chapter 275 specifically provided that the credit of the State of Delaware is not pledged to the payment of principal or interest of the bonds. Chapter 274 provided that the bridge was to be constructed by the State of Delaware and that certain land was to be acquired in cooperation with the State of New Jersey on such terms as could be agreed upon. Section 6 of chapter 275, dealing with the financing of the crossing, provided as follows:

"SEC. 6. REDUCTION OR CESSATION OF TOLLS.—When the revenue bonds issued for the crossing, or any addition or improvement thereto, and the interest thereon shall have been paid, or a sufficient amount shall have been provided for their payment and shall continue to be held for that purpose, the collection of tolls by the Department for the use of the crossing shall be reduced to such nominal amount as shall be sufficient, in the judgment of the Department, to provide only the funds required for maintaining, repairing, and operating the crossing, or such collection shall cease entirely if such cessation is then in any way found practicable."

The New Jersey legislation (ch. 18 of the Laws of 1946) was approved on March 14, 1946, approximately 11 months after the Delaware acts referred to above. The preamble to that act referred to the Delaware legislation and to a resolution of the General Assembly of the State of Delaware directing the highway department of that State to dedicate such crossing to the memory of those men and women of the States of New Jersey and Delaware who have given their lives in the Second World War.

It was, therefore, in the light of the Delaware undertaking, that the State of New Jersey agreed to authorize the State highway commissioner of New Jersey to accept title to those lands in the county of Salem necessary or convenient for use as an eastern terminus of the bridge. The New Jersey highway commissioner was authorized to hold those lands dedicated to the purpose of the construction, operation, and maintenance of the crossing and provided that no tolls will be charged by the State of New Jersey for the use of the crossing to be constructed on or under said lands so long as any bonds shall be outstanding issued by the State Highway Department of the State of Delaware.

It was agreed and understood in the New Jersey statute that the State of New Jersey would not be liable with respect to the cost or indebtedness incurred for the construction or maintenance of the crossing. Section 5 of chapter 18 of the Laws of 1946 reads as follows:

"5. The consent of the State of New Jersey is hereby granted to the State of Delaware, acting by and through the said State Highway Department of the State of Delaware to construct, maintain, and operate and to charge and collect toll rates, and rents for the use of a crossing and approaches thereto over or under the Delaware River, the eastern terminus whereof to be in Salem County, New Jersey, at or near the southern bank of the Salem canal, *in accordance with the provisions of certain legislation enacted by the General Assembly of the State of Delaware.*" [Italic supplied.]

The reference in section 5 necessarily encompassed section 6 of chapter 275 of the Delaware law enacted the previous year.

The Federal act (ch. 575, 60 Stat. 533), adopted July 13, 1946, authorizing the State of Delaware to construct and maintain the bridge, provided in section 4 follows:

"Sec. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed thirty years from the completion thereof. *After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls.*" [Italic supplied.]

The Delaware Memorial Bridge was opened to the public in 1951. Its total cost was approximately \$46,400,000. Its operation has been a financial success.

H. R. 10235 now seeks to amend the original congressional authorization so as to allow the Delaware Interstate Highway Division or its successor to fix and adjust tolls so as to provide a fund sufficient—

"(b) to pay the cost of constructing, reconstructing or improving express highways, including service and feeder highways and required relocation of existing highway facilities, of a type conforming substantially to the standards of the Bureau of Public Roads for interstate highway systems, which shall have been designated by the Delaware Interstate Highway Division to be necessary to carry traffic to and from said bridge or other toll crossing or crossings of the Delaware River operated by said division ;"

Unlike the 1946 Federal authorization, the present bill is not founded upon an agreement or understanding between the States of Delaware and New Jersey. No further supplemental legislation on this subject has been enacted into law by the State of New Jersey.

Both the State of New Jersey and the State of Delaware have taken the position that the legislation passed by the two States in 1945 and 1946 constitutes a binding agreement between them. Governor Meyner took this position in vetoing Senate bill 53 passed by the New Jersey Legislature in 1955. At that time Governor Meyer, referring to the 1945 and 1946 acts of New Jersey and Delaware, stated:

"Although the State statutes referred to above did not result in a formal compact, yet it is evident that the State of New Jersey and the State of Delaware entered into contractual arrangement with each other, whereby each covenanted to the end that the bridge and its original approaches would come into being and ultimately become a toll-free facility, except, perhaps, for maintenance charges."

In considering that bill, Governor Meyner met with Governor Boggs and communicated with the attorney general of the State of Delaware. Attorney General Craven, of Delaware, wrote to Deputy Attorney General Furman, of New Jersey, stating that he had referred our inquiry as to the constitutionality of New Jersey's Senate bill 53 imposing a license fee on that portion of the bridge property which was situate in New Jersey to the counsel for the Delaware Crossing Division of the Delaware Memorial Bridge. On March 2 Mr. Furman received a letter from that counsel, Robert H. Richards, Jr., in which he states in part as follows:

"I have a copy of Senate bill 53, introduced into the State of New Jersey by Senator Summerill, and I have been giving this bill very serious consideration. We feel very definitely that the State of New Jersey has undertaken the obligation by the provisions of chapter 18 of the Laws of 1946 to see that the Delaware Memorial Bridge and the necessary approaches and rights-of-way appurtenant thereto remain free from taxation in the State of New Jersey. It would seem to me that the acquisition of lands in New Jersey and the construction of the bridge and its approaches thereon, pursuant to the provisions of the 1946 statute, created

a contractual obligation on the part of the State of New Jersey to refrain from taxing these facilities. We feel that the present Senate bill 53 cannot effectively destroy the existing contractual obligation."

H. R. 10235, introduced by Congressman McDowell, of Delaware, now seeks to change the original agreement and understanding between the States of Delaware and New Jersey and to allow the diversion of money collected on tolls on the interstate bridge. Such diverted funds would be made available to the State of Delaware to pay the cost of constructing, reconstructing, or improving express highways, including service and feeder highways and required relocation of existing highway facilities which shall have been designated by the Delaware Interstate Highway Division to be necessary to carry traffic to and from said bridge or other toll crossing or crossings of the Delaware River operated by said division.

The Delaware State Highway Department in its report entitled "A Plan for Delaware Highways—1955" on page 2 states:

"The overall needs of the State total \$325,562,000. Of this sum an arterial system costing \$130 million is proposed to be paid for by the Delaware Memorial Bridge."

A chart accompanying that statement would indicate that the \$130 million sum represents the complete cost of all proposed construction of arterial highways in the State.

Approximately a year ago the State of Delaware proposed that the excess moneys collected via the toll method for a crossing of this bridge be applied to the construction of a system of highways through Delaware. Such highways, in our opinion, cannot be classified as approach roads to the Delaware Memorial Bridge as they extend in some instances from border to border, both north and south and east and west. We understand that the planned routes number 5, whereas one 4-lane freeway would supply a sufficient volume of traffic to tax the capacity of the existing 4-lane bridge presently crossing the Delaware River.

The planned routes, were they financed by the aforementioned scheme, would undoubtedly carry a preponderant volume of traffic having both origin and destination within the State of Delaware.

Attached is a tabulation of the New Jersey Highway Department's traffic count at the bridge, which clearly indicates that New Jersey traffic over this structure amounts to 30.5 percent of the total traffic, while Delaware's contribution is only 11.5 percent. This would indicate that New Jersey motorists would be contributing almost three times as much to any proposed Delaware highway system presently contemplated by the State of Delaware as would the Delaware motorists themselves.

The legislation passed by the States of Delaware and New Jersey at the request of Delaware specifically carried the condition that tolls from the bridge were dedicated to the retirement of bonds and when these were amortized the bridge would become a free facility.

The Governor and the people of the State of New Jersey appreciate the highway problem faced by the State of Delaware. The problem in Delaware is not substantially different from that faced by every other State. Provision for funds for highway maintenance and construction in New Jersey will consume approximately 20 percent of our State budget for the current fiscal year, without considering the effect of the recent Federal-aid bill and its requirements for matching State funds. We do not feel that the appropriate solution to the problem in Delaware lies in the diversion of tolls from the Delaware Memorial Bridge. Such a course of action would disregard the original agreement between the States of New Jersey and Delaware, it would impose upon nonresidents of Delaware almost 90 percent of the burden of highway construction so financed, and it would create an unfortunate precedent with respect to the operation of an interstate facility.

We in New Jersey have always been ready to cooperate with the State of Delaware. Our two States have been in negotiation with respect to this problem. We are confident that a solution can be worked out but feel that it should be one which would give due regard to existing agreements and to the general welfare of all of the citizens using the facility. Perhaps that cooperation could best be achieved by means of a bistate authority.

We respectfully ask that, in the light of the history of the Delaware Memorial Bridge and the existing agreements as recognized by both New Jersey and Delaware, concerning that bridge, no legislation be favorably reported by this committee until such time as both our States have had an opportunity to complete

pending discussions with a view toward solution of the problem within the framework of existing agreements.

On behalf of Governor Meyner, I wish to thank you once again for your courtesy in giving to the State of New Jersey the opportunity to be heard before this committee.

*Traffic counts Delaware Memorial Bridge, on bridge approach road, west of Route 49 (1927) New Jersey 44 (1953), lower Penns Neck Township, Salem County*

	Pas- senger cars	Trucks			Tractor-trailer units			Truck and separate trailer	Buses	Total	Percent
		2-axle single tires	2-axle dual tires	3-axle single unit	3-axle	4-axle	5-axle				
Eastbound (24 hours)											
New Jersey.....	2,175	77	102	10	188	170	-----	-----	25	2,747	-----
Delaware.....	944	33	54	8	39	38	-----	-----	-----	1,116	-----
Others.....	3,133	42	177	36	321	1,100	-----	-----	41	4,850	-----
Total.....	6,252	152	333	54	548	1,308	-----	-----	66	8,713	-----
Westbound (24 hours)											
New Jersey.....	2,337	90	125	16	150	148	-----	-----	27	2,893	-----
Delaware.....	773	55	68	11	56	50	-----	-----	-----	1,013	-----
Others.....	3,931	55	198	83	403	1,371	-----	-----	51	5,892	-----
Total.....	6,841	200	391	110	609	1,569	-----	-----	78	9,798	-----
Both directions (24 hours)											
New Jersey.....	4,512	167	227	26	338	318	-----	-----	52	5,640	30.5
Delaware.....	1,717	88	122	19	95	88	-----	-----	-----	2,123	11.5
Others.....	6,864	97	375	119	724	2,471	-----	-----	92	10,742	58.0
Total.....	13,093	352	724	164	1,157	2,877	-----	-----	144	18,511	100.0

DAYS AND DATES OF COUNTS

	Period		
	6 a. m. to 2 p. m.	2 p. m. to 10 p. m.	10 p. m. to 6 a. m.
Eastbound.....	Thursday, Oct. 13, 1955	Monday, Oct. 17, 1955	Monday, Oct. 17, 1955.
Westbound.....	Tuesday, Oct. 11, 1955...	Thursday, Oct. 13, 1955.	Tuesday, Oct. 18, 1955.

Mr. BLATNIK. Are there any other witnesses from New Jersey who have a statement?

Will you give your name, please, and your official title?

**STATEMENT OF HON. JOHN A. WADDINGTON, STATE SENATOR  
FROM NEW JERSEY**

Mr. WADDINGTON. I am John A. Waddington, senator from Salem County. It is our end at which this bridge firmly rests.

I deeply appreciate the privilege of being here to present the feelings of the people of New Jersey. And I too am a bit surprised to find that instead of talking about roads built with tolls from the bridge we are talking about a second bridge.

I have been in New Jersey Legislature for 3 years, and as the present senator from the county involved I have probably followed this as closely as anyone in New Jersey.

My understanding has been, and until this morning was, that Delaware's proposal was to divert approximately \$130 million over the several years to build what they term "limited-access roads" connecting with the bridge in all four directions in the State of Delaware. If we use the rule-of-thumb cost of roads of a million dollars a mile, that is 130 miles, and the Delaware plan as we have seen it contemplates roads which are called bridge approaches which would at least be 60 miles.

Considering the small size of the State of Delaware, it appears obvious to me that this is a plan to finance the highway construction program of the State for many, many years.

These bonds, incidentally, carry a 4-percent interest rate.

New Jersey passed its enabling legislation in 1946 after Delaware had passed its enabling legislation. The ground rules under which this legislation was passed in New Jersey, it seems to be very clear to us, are predicated on a section of the Delaware statute, chapter 275, section 6, which says in effect that when the revenue bonds and interest shall have been paid the collection of tolls shall be reduced to such nominal amount as to pay for maintenance charges or shall cease entirely if practicable.

This is the basis on which New Jersey made its end of the agreement. Congress, of course, confirmed that.

I am told by the people of Delaware that the maintenance costs may approximate a half million dollars a year. Under the present congressional act this will continue and will be a burden on the taxpayers of the State of Delaware.

My feeling is this is not a reasonable stipulation, but that it should be changed only by agreement between the two parties to the original interstate agreement and not by any unilateral action before this Congress by the State of Delaware.

We in New Jersey know Delaware people. We certainly know the fairness and integrity of the people of the State. But we recognize an interstate agreement, a contract, and we recognize that there are two parties, each with its own problems.

We believe that this problem should be resolved only through continuation of the general discussions between the States in the best interests of the people on both sides of the Delaware River and the general motoring public.

We are certainly a corridor State, and we have problems, which we will not relate here this morning to take your time, which are equally as great or greater than traffic problems of the State of Delaware which have come about with the national increase in traffic problems. They are not peculiar to Newcastle County in the State of Delaware. We have them in Salem County, and we have them elsewhere in the State of New Jersey.

We suggest that as a goal of the discussions now being, we hope, continued by the two States, a bistate commission would be the probable long-range solution which would eliminate not only this problem but the future problems which can very well continue to come up under the present agreement and plague both States and, at times, this Congress.

I have also been asked to include in the record a strong opposition to this bill by the Southern New Jersey Development Council. I will include that in the record.

To summarize my views, we feel this bill is a complete violation of the ground rules and the understanding that New Jersey had in 1946 when we agreed to the construction of this bridge with Delaware. We do not believe it is fair to the people of New Jersey nor to the interstate motoring public, and we do not believe it is a reasonable solution to either the immediate or the long-range problems of either State.

We certainly request and urge that this bill not be favorably reported out of this committee until the two States have reached an agreement, and we certainly believe and hope that that is very possible.

Thank you, gentlemen.

Mr. FALLON. Any questions on my right?

(No response.)

Mr. Becker:

Mr. BECKER. I am just trying to get things straight. I am not trying to decide the issue. But I was rather surprised in the testimony of the last two witnesses to hear you say that for the first time you heard today that this involves the building of a new bridge. Yet this bill was introduced on March 27, and on page 3, section 5, it distinctly states that—

The Delaware Interstate Highway Division, or its successor, is hereby authorized to construct, maintain, and operate additional toll bridges or toll crossings of the Delaware River.

How do you reconcile that when it is in the bill, and surely the bill must have been to your knowledge. It states distinctly that it does involve the building of new bridges plus what is in the first section of the bill on using funds to build highways or the tolls.

Mr. WADDINGTON. Yes.

Mr. BECKER. I just want to get that clear.

Mr. WADDINGTON. We were aware sometime in the dim future. At the present time, according to the bridge annual report, the last copy I have being 1954 and 1955, the total traffic volume was only about 7,800,000. We are aware that the capacity of the bridge is estimated at 16 million. All of the discussions with Delaware had been premised on their concern about approach roads. The legislation which was passed last year in Delaware was concerned with whether the \$130 million in tolls should be used for limited-access roads only or for all roads in the State.

As we read the newspaper account, the discussion in the Delaware Legislature was merely concerned with 2 bills, 1 of which would have done the limited-access and the other which would have made these funds available to all roads in the entire State of Delaware.

Mr. BECKER. The only point I am trying to make is this: You were aware that the bill in section 5 on page 3 did clearly stipulate that it did authorize this Delaware Interstate Highway Division to construct additional toll bridges?

Mr. WADDINGTON. I can say—

Mr. BECKER. That that was in the legislation.

Mr. WADDINGTON. I can say that we had heard and read that the 10-year report of the traffic engineer hired by this organization did indicate that in the long future a second bridge would be necessary.

But everything that we have discussed with the State of Delaware, everything that we have seen in the public press, has been concerned with the roads. And the statement that we have from the State of Delaware in the highway report, on page 7 of the mimeographed report that they gave us, is:

The legislation was approved creating the Delaware Interstate Highway Division and establishing a procedure for the construction of express highways to and from the Delaware Memorial Bridge in the State of Delaware.

The discussions on the bridge were completely in the future.

Mr. BECKER. The only point I am trying to make is this: I do not know anything about the material you have involving any construction at all. All I am discussing here is the fact that the bill before us which we are considering does involve additional bridges. That is the only point I wanted to get clear.

Mr. WADDINGTON. I think we could say—and this is an off-the-cuff opinion—that New Jersey will never object to the need and to the passage of legislation that would build a second bridge when it becomes necessary. What we are concerned with now is violation of—what we consider violation of—the agreement. And as Mr. Byrne just pointed out to me in the plan for Delaware highways on which much of his has been predicated, there is no mention of a bridge. They make the statement that—

The overall need of the State totals \$325 million, and of this sum an arterial system costing \$130 million is proposed to be paid for by the Delaware Memorial Bridge.

Mr. BECKER. That is all. The point is cleared up. Thank you.

Mr. BLATNIK. Mr. Cramer.

Mr. CRAMER. It has been suggested this meeting might do some good. Do you see any real prospect of coming to agreement within the next 7 years? Has not a substantial period expired already in which apparently there has been reached no agreement? You have only got about 3 weeks left of the session too.

Mr. WADDINGTON. For New Jersey the highway commissioner, Dwight Palmer, has conducted negotiations. I have only been kept very broadly advised. It is my opinion New Jersey wishes proper solution to this. And I am certainly of the opinion that New Jersey will make every attempt to arrive at an agreeable solution relatively quickly.

Mr. CRAMER. Within a week?

Mr. WADDINGTON. I cannot speak for the Governor.

Mr. BLATNIK. Senator, I have this question which has puzzled me from the outset. It is rather unusual for one State to take the complete responsibility for constructing and paying for and operating and maintaining an interstate bridge that links two States.

Mr. WADDINGTON. Yes.

Mr. BLATNIK. Can you explain why that is done, why it was not possible initially or now to have a joint undertaking?

Mr. WADDINGTON. No; I cannot. Off the record.

(Remarks off the record.)

Mr. BLATNIK. That is all. Any further questions?

(No response.)

Senator, thank you.

(The prepared statement of Mr. Waddington follows:)

NEW JERSEY SENATE,  
Salem, N. J., July 11, 1956.

Hon. JOHN A. BLATNIK,  
*Chairman, Rivers and Harbors Subcommittee,  
Congressional Public Works Committee,  
Washington, D. C.*

MR. CHAIRMAN AND GENTLEMEN: I wish to speak with you concerning H. R. 10235 introduced by Congressman McDowell, of the State of Delaware.

My name is John A. Waddington. I am State senator from Salem County, N. J., in which one end of the Delaware Memorial Bridge firmly rests. I wish to thank this committee and give you my sincere appreciation for this opportunity to express the views of the people of New Jersey on this matter which will affect all of the people of our State and particularly those of the southern counties.

This bill, as I understand it, purports to authorize the use of the toll revenues from the Delaware Memorial Bridge for the construction of highways within the State of Delaware.

The tremendous increase in highway traffic which has occurred throughout the Nation during the last 5 years, plus a high toll rate of \$0.75 one way for passenger cars and \$0.50 per axle for trucks, have combined to produce revenues considerable in excess of original estimates. It is expected that funds to pay all the bonds will be on hand by 1960.

The program developed by the State of Delaware contemplates the construction of \$130 million of limited-access highways under the guise of approaches to the bridge. This is 60 miles or more of alleged bridge approaches. Considering the small size of the State of Delaware, this obviously is a plan to finance the highway construction program of that State for many, many years by the bridge tolls.

Traffic surveys indicate that approximately three times as many vehicles of New Jersey registration use the bridge as do vehicles with Delaware registration. This means under the proposed plan that New Jersey residents must pay for the construction not only of thousands of miles of toll-free roads in New Jersey, which are used by Delaware residents, but also the burden of a major share of the highway costs of the State of Delaware in addition to having paid the costs for the bridge.

The proponents of the measure apparently assume that only Delaware has major problems as a result of the increased volume of traffic, that New Jersey's problem is resolved by the New Jersey Turnpike. A glance at a map will show several major arteries, in addition to the turnpike, which connect with the bridge in New Jersey and funnel thousands of cars and trucks daily through our towns to and from the bridge.

Two examples are: United States Route No. 40, one of the direct routes to the vast seashore resort area. On summer weekends this highway is almost barred to local traffic by the tremendous numbers of out-of-State vehicles. An additional route, costing approximately \$65 million, is seriously needed to connect the bridge with the seashore area 65 miles away.

United States Route No. 130 is the only great toll-free artery north and south in New Jersey. Most commercial truckers and many cars use this in preference to the turnpike because of cost. For more than 10 years in my county alone, we have desperately needed the \$9 million necessary to dualize this highway and take the hazards and rumblings of the endless procession of trucks out of the very center of our towns.

It is also argued that the State of Delaware put up the money for this bridge and so is entitled to the "golden goose."

The fact is the bonds which financed the construction of the Delaware Memorial Bridge were not backed by the faith and credit of the State of Delaware. These bonds carry interest rates of 4 percent. They are backed only by the revenues from the bridge. The people of Delaware did not put up the money.

What the people of Delaware and the people of New Jersey did do, through their legislatures, was authorize the construction of the bridge and the collection of tolls to pay off the bonds.

The enabling legislation was passed by the New Jersey Legislature in 1946 consenting to the construction and authorizing acceptance of title of lands in Salem County in the name of the State of New Jersey and making the property free of taxation. At that time the State of Delaware had already passed its enabling act which states definitely (ch. 275, sec. 6) that when the revenue

bonds and interest shall have been paid, the collection of tolls shall be reduced to such nominal amount as to pay for maintenance charges, or shall cease entirely if practicable.

These are the ground rules under which New Jersey and Delaware made the agreement and which now the proponents of this bill wish to change because it appears expedient to do so.

The Congress gave its consent to the erection of the bridge over the Delaware River upon terms that after retirement of the bonds, the bridge would be toll free.

I am told the maintenance costs of the bridge may approximate one-half million dollars a year. Under the present congressional act this will eventually become a burden on the taxpayers of the State of Delaware. This does not appear to me to be a fair and reasonable stipulation, but it should be changed only by agreement between the two States and not by any unilateral action of one of the parties to the original interstate agreement.

We firmly believe in the fairness and integrity of the people of the State of Delaware. Our two States have a long history of friendly cooperation. We recognize there are two parties to the contract, each with its own pressing problems. We believe this matter can only be properly resolved through continuation of the joint discussions between the States in the best interests of the people on both sides of the Delaware River.

New Jersey, like Delaware, considers itself a corridor State between the great metropolitan areas. The Delaware Memorial Bridge is the only major bridge or tunnel connecting New Jersey with its sister States which is not established under the control of a bi-State commission. This method has proven successful over many years of testing. We suggest that this be a goal of the bi-State discussions in a solution to the immediate problems and in the elimination of future problems which under the present agreement could well continue to plague both States and at times the Congress of the United States.

I have been asked to include in the record the strong opposition to this bill by the Southern New Jersey Development Council. This council represents the 6 southern counties of New Jersey and is a nonprofit organization representing over 100 communities and the 6 county governments. Its purpose is the development of the southern New Jersey area respecting industry, agriculture, and resorts. The council believes this bill is opposed to the best interests of the people of southern New Jersey and might well hinder the development of this expanding area on both sides of the Delaware River.

In summary, we believe this bill would violate the interstate agreement, is not fair to the people of New Jersey nor the interstate motoring public, and is not a reasonable solution to the immediate nor long-range problems of either State.

We will appreciate your serious consideration of our views. We earnestly request that this bill not be favorably reported out of committee and that any action by the Congress be deferred until the completion of negotiations being conducted by the two States.

JOHN A. WADDINGTON.

Mr. BLATNIK. We have our colleague, Congressman Wolverton, of New Jersey. Mr. Wolverton, will you please take the chair?

#### STATEMENT OF HON. CHARLES A. WOLVERTON, MEMBER OF CONGRESS FROM NEW JERSEY

Mr. WOLVERTON. Thank you, Mr. Chairman, for the opportunity to appear this morning.

I think we are all aware of the fact that time is pressing us rather hard and that accounts for my inability to be here at an earlier time today.

I will endeavor to express in a few words my feeling in respect to this legislation, and I ask the privilege of revising and extending my remarks, because I am aware they may have to be very short in the event that the House is called into session by a quorum call.

Mr. BLATNIK. Without objection, so ordered.

Mr. WOLVERTON. I could answer, I think, the questions that are in the mind of the gentleman who has just, in the conclusion of the testi-

mony of Senator Waddington, propounded certain questions to him, for the reason that I have been in contact with this problem or this enterprise, this program, for upward of 30 years. I think the first effort to have a bridge across the Delaware was in 1926.

It was the first year of my being in Congress. Hearings were held before the Committee on Interstate and Foreign Commerce, which then had jurisdiction over the construction of bridges. I presented my views to the committee at that time, which were in favor of a bridge, but opposed to the method by which it was to be constructed. It seemed to be a political proposition, in which leading politicians on both sides of the Delaware River were seeking the privilege of constructing the bridge. I objected to that feature of the bill, believing that it should be constructed under some public agency or authority or by either of the two States, and not as a private individual proposition, by individuals who I knew did not have the money to construct the bridge—and consequently I was opposed to it, although very anxious to see a bridge constructed.

I might go on and say that sort of agitation continued for several years afterward, until it was culminated finally in the act which passed by the consent of both States and with the approval of the Federal Department of Roads—because it is to be constructed by a State or an authority under a State, which I thought would be for the best interests of the people who would have use of the road and of the bridge, and for that reason I appeared in behalf of the legislation and was a party to it.

Preliminary to entering into that legislation, many conferences were held between the State officials of New Jersey and Delaware. It was a result of those conferences that the terms of the bill were agreed upon. The bill went through unanimously, without any objection upon the part of any individual from either State, and had the approval of the Federal Department of Roads.

I am just as certain as I am sitting here that if this provision which is before the committee at this present time, as appears in this bill, had been presented at that time, it would not have been acceptable, either to the State of New Jersey or to the Federal Department of Roads.

Now, let me explain to you why, as the question was asked, it so happened that one State has paid for the construction of this bridge.

I think you are all aware of the general appearance of the boundary lines of Delaware, and aware of the fact that it has a rounded radius appearance at the very top of the State. That fact created a situation that was a subject of discussion between the two States for upward of a hundred years. It was a question that was frequently before the United States Supreme Court—to determine what was the boundary line between Delaware and New Jersey. The court finally, after, I would say, 100 or more years of agitation and litigation, decided that the radius that you have seen at the top of Delaware, as it was carried beyond, into the Delaware River, went over practically to the New Jersey shore, to the low-water mark on the Jersey side. Therefore, Delaware had jurisdiction all the way across the Delaware River up to that particular point, and that only left a few feet, comparatively speaking, that was in the New Jersey territory, but a very important few feet, because without it there could not be any terminal facilities in the State of New Jersey, and, therefore, it was necessary to have

the consent of the States of New Jersey and Delaware, under the procedures that had previously been followed, to pay the expenses of that portion of the bridge that was within their jurisdiction.

Now, to show the general attitude in the question of division of expense of the bridges—I have been interested in all of those bridges that have been constructed on the upper Delaware, between Philadelphia and Camden, the second bridge which is now being constructed, they are all on the same basis. The boundary line between Pennsylvania and New Jersey is in the center of the river. Consequently, each State pays one-half of the construction cost of the bridge—and we have done that. Our State has always done that, all the way up the Delaware.

It is only at this particular point in the Delaware that our jurisdiction is so limited, and consequently, any expense expected of New Jersey was likewise limited on the same principle as had been previously adopted.

Now, when we built this bridge, this was not a bridge just for the State of Delaware. This bridge has a tremendous value from the standpoint, not only of Delaware and of New Jersey, but of the entire Nation. If this had been set up as a bridge with a toll that was to go to the State of Delaware forever, and without a provision in it that it should become eventually a free bridge, except for maintenance charge, it would not have had the approval of the Federal Department of Roads, which is violently opposed to a principle of that kind, in the past, as it has been, when I have been more familiar with their attitude than I may be at the present time, because of our committee having lost jurisdiction of the subject.

But the fact is that this bridge is used as an interstate and national highway. The importance of it in the first instance was pointed out from that standpoint—rather than a matter of facilities between the two States of Delaware and New Jersey, although they were admitted, of course. Otherwise a ferry had to be depended upon, which was very uncertain.

So that when it was adopted, it was adopted as a national affair, not just as a Delaware affair, because it happened to have such a large jurisdiction across the river. The river was still a navigable stream, and it had to have the consent of Congress before it could have been built.

Now, what this would do would be practically—this bill, if enacted in its present form, would have the effect, in my opinion, of requiring the citizens, not only of New Jersey, but of the whole Nation, to participate in the building of roads for the State of Delaware. That is not right. That is not just. It is not fair to the citizens of the Nation, as well as of New Jersey.

Now, if this is granted, it makes it a Delaware bridge, the State of Delaware bridge. That is too important a matter, in my opinion, for the Congress to give its consent to without further deliberation. And in view of the fact of the interest that the State of New Jersey has, and has always had, and until its consent had been given to the building of this bridge on the lines of the legislation that was approved by Congress, it could never have been built and was not built.

It seems to me that there should be every opportunity given—not a week, as somebody has referred to—I didn't hear the original reference to it, for I was not in the room. You folks know, by personal experi-

ence, the difficulty that there is in conference committees between the Senate and the House, coming to conclusions. It is not often that they can do it within a week. Sometimes it has taken months. I remember in one instance I was on a conference committee dealing with transportation that took a year and a half before the conferees were able to agree and report legislation.

Now, this is too important a matter—if it means that this committee intends or would like to take action on this bill in such a precipitous way that you would force these two State agencies, the Governors, to get together and agree on something within a week.

I want to say honestly to you, we would be glad to have a week, but I cannot honestly, within my own thoughts, think for a moment that a week would be sufficient to resolve the differences that exist between the two States—that would necessarily likewise involve the Federal Department of Roads.

Mr. DONDERO. May I interrupt right at that point and say this. You were not in the room. A week has been suggested, having in mind that we are very near the end of the session, in order to give this bill a chance to get through the Congress this year. That was the only reason for it.

Mr. WOLVERTON. I am perfectly aware how anxious people are to get bills acted upon in the last few days of a session.

Mr. FALLON. Will the gentleman yield. I understood that the suggestion of a week was suggested by the witnesses, not by the members of the committee.

Mr. WOLVERTON. Well, then it is less sustainable, in my opinion— if they knew the operation of things. If they think it can be done, well and good, if they could come in here with an agreement, and I would be only too happy to come, because the matter of bridges is very close to me, as between New Jersey and these other States.

New Jersey is a pivotal State. It is located between New York and Pennsylvania. And this bridge was advocated in the original instance because of its importance to our defense operations along the Atlantic coast. Now, just stop and think a minute what that means to our defense operations along the Atlantic coast. Think of all that in the State of Maryland and below.

Mr. FALLON. Congressman Wolverton, do I understand you oppose extending the amortization date on the old bridge so that the new bridge can be built with tolls and both of them become toll free at the same time? You oppose that suggestion, do you?

Mr. WOLVERTON. Well, Mr. Fallon, that is the first I have heard of a second bridge across the Delaware until it appears as a possibility for authority in this bill. I have never heard of it being advocated at any time. I can readily realize with the growth that is going on in our splendid State that the time may come down in Delaware, the same as it has up in the Philadelphia area, that it is necessary to have additional bridge facilities. But as to the possibility of it, and as to whether I would favor it or not, would depend upon the terms. And when I see terms agreed upon between the State of Delaware and the State of New Jersey, as definite as were these terms, and then they come in and say throw it all to the winds, give us the right to have all this money, maybe the building of a second bridge would only give

them more money that they would be seeking instead of what they are seeking from one bridge.

So I think those are questions that would have to be decided first in determining whether it is necessary, and in the second place the terms under which it would be built.

Mr. FALLON. Then I take it from that you do not disagree in principle that if you have an existing toll road or bridge, and if it is necessary, due to the traffic count, that you need a new one, that you do not disagree in principle that you could continue the tolls on the old or put them in the same pool so both of them would be paid off at the same time.

Mr. WOLVERTON. If I were certain that the construction of a new bridge could be conducted on the lines that were agreed upon in the legislation provided for the first bridge, I would not be opposed.

Mr. FALLON. Just one more question. Then the only apprehension you have is the agreement between the two States.

Mr. WOLVERTON. Not the agreement. The two States have shown that they can come together. The apprehension I have is whether one of those States is going to abide by the agreement when once it is made. Their advocacy of this legislation is an indication that they do not believe in standing by agreements when they have been made. That is the reason I cannot come as wholeheartedly as I would like in answer to your question, because I am not certain as to what their attitude would be under another bill similar to this one.

Mr. BLATNIK. Thank you very much, Mr. Wolverton. There is a call of the House. There is a 2-hour debate on the supplemental appropriation bill.

Mr. McDOWELL. Mr. Chairman, I would like to have the privilege of extending my remarks in the record, if I may.

Mr. BLATNIK. Without objection, it is so ordered.

Mr. McDOWELL. And it is my understanding that other witnesses from the State of Delaware may do likewise.

Mr. BLATNIK. Without objection, it is so ordered. And the witnesses from New Jersey—the Chair will repeat his initial statement. It is not the intent, certainly, of this committee to try to impose any decision upon one or the other of the parties involved. Our sole interest is to join and be helpful in a positive and constructive way in solving this problem of this traffic which involves and affects several large States that converge in an area where these crossings are proposed.

Further hearings on this bill will be suspended until we hear from the respective delegations.

For the information of the committee, we have tried to hear Mr. Vursell on his highway bridge, and, Mr. Vursell, we would have been able to have proceeded with your bridge in the remaining half hour, had not the House been scheduled for an earlier session this morning. And the bell has already been rung for a call of the House.

So if we may adjourn this meeting, we will try to hold the next meeting as soon as possible, until further notice of the Chair.

(Whereupon, at 11:30 a. m. the hearing was adjourned until further notice by the chairman.)

The first thing that I noticed when I stepped out of the car was the cold air. It felt like a blanket of ice. I shivered and pulled my coat tighter around me. The car door was still open, and I could see the driver's face in the rearview mirror. He was looking at me with a strange expression. I didn't know what he was thinking.

I looked out the window and saw the city streets. The buildings were tall and modern, but they seemed so far away. I felt like I was in a dream. The car started moving, and I felt a sense of relief. I was finally going home.

The car was quiet, and I could hear the sound of the engine. I closed my eyes and tried to relax. The car was moving slowly, and I felt like I was in a bubble. The world was fading away, and I was alone.

I opened my eyes and looked out the window. The car was still moving, and I felt like I was in a dream. The world was fading away, and I was alone.

The car was quiet, and I could hear the sound of the engine. I closed my eyes and tried to relax. The car was moving slowly, and I felt like I was in a bubble. The world was fading away, and I was alone.

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## BRIDGE BILLS

TUESDAY, JULY 17, 1956

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON RIVERS AND HARBORS  
OF THE COMMITTEE ON PUBLIC WORKS,  
*Washington, D. C.*

The Subcommittee on Rivers and Harbors of the Committee on Public Works met pursuant to call at 10 a. m., in room 1304, New House Office Building, Hon. John A. Blatnik (chairman of the subcommittee) presiding.

Mr. BLATNIK. The Subcommittee on Rivers and Harbors will come to order for consideration of several bills and resolutions.

First, we have our friend and colleague, Congressman Charles Vursell, of Illinois, on H. R. 11720, a bill creating the St. Francisville Bridge Commission to operate a bridge across the Wabash River at or near St. Francisville, Ill., and Knox County, Ind.

At this point in the record we will insert a copy of H. R. 11720.

(The bill is as follows:)

[H. R. 11720, 84th Cong., 2d sess.]

A BILL Creating the city of Saint Francisville Bridge Commission, defining the authority, power, and duties of said commission; and authorizing the commission and its successors and assigns to construct, maintain, and operate a bridge across the Wabash River at or near Saint Francisville, Illinois, and Knox County, Indiana, to purchase and operate a ferry at such location, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the city of Saint Francisville Bridge Commission created by section 9 of this Act (hereafter in this Act referred to as the "commission"), and its successors and assigns, is authorized to construct, maintain, and operate a bridge and approaches thereto, across the Wabash River at or near the city of Saint Francisville, Illinois, and Knox County, Indiana, in accordance with the General Bridge Act of 1946, at a point suitable to the interest of public navigation. The commission is also authorized to purchase from its owner, maintain and operate the existing ferry operating between Saint Francisville, Illinois, and Knox County, Indiana, and in connection with the acquisition of such ferry, is authorized to purchase the vessels used in operating a ferry between Saint Francisville, Illinois, and Knox County, Indiana, the franchise granted for operating such ferry, and all real estate, equipment, and other property reasonably necessary to operate such ferry, and owned on the date of enactment of this Act by the owner of such ferry.

SEC. 2. The commission and its successors and assigns shall have the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the State of Illinois and the State of Indiana, as may be needed for location, construction, operation, and maintenance of such bridge and its approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated, and proceedings therefor shall be the same as proceedings for condemnation of private property for public purposes in such State. The commission, its successors and assigns, may enter into agreements with such States, and any political subdivisions thereof, for the acquisition,

lease, or use of any real estate or other property owned by such State or political subdivision.

SEC. 3. The commission and its successors and assigns may fix and charge tolls for transit over such bridge in accordance with this Act, subject to the approval of the Secretary of the Army under the General Bridge Act of 1946.

SEC. 4. The commission and its successors and assigns may provide for the payment of the cost of such bridge as may be constructed, and approaches (including any approach highways which, in the judgment of the commission, it is necessary or advisable to construct or cause to be constructed to provide suitable and adequate connection with existing and improved highways), and the necessary lands, easements, and appurtenances thereto, and the cost of the ferry and real estate, equipment, and other property reasonably necessary to operate such ferry, by an issue or issues of negotiable bonds of the commission, bearing interest at the rate of not more than 6 per centum per annum. The principal and interest of such bonds, and any premium to be paid for retirement before maturity, shall be paid solely from the sinking fund provided in accordance with this Act, and such payments may be further secured by a mortgage on the bridge or ferry or both. All such bonds may be registrable as to principal alone, or both principal and interest, shall be in such form not inconsistent with this Act, shall mature at such time or times not exceeding thirty years from their respective dates, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places, as the commission may determine. The commission may repurchase and reserve the right to redeem all or any of such bonds before maturity in such manner and at such prices, not exceeding 105 per centum of the principal amount thereof and accrued interest, as may be fixed by the commission before issuance of the bonds. The commission, when it deems it to be to the best interest of the commission may issue refunding bonds to repurchase and redeem any outstanding bonds before their maturity. Such refunding bonds shall mature at such time or times, not exceeding forty years from the date of enactment of this Act, as the commission may determine. The commission may enter into an agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the commission with respect to the purchase, construction, maintenance, operation, repair, and insurance of the bridge or ferry, or both, the conservation and application of all funds, the security for payment of the bonds, the safeguarding of money on hand or on deposit, and the rights and remedies of the trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporation. Such trust agreement may contain such provisions for protecting, and enforcing the rights and remedies of the trustees and the bondholders, as may be reasonable and proper and not inconsistent with law.

Such bonds shall be sold in such manner and at such time or times and at such price as the commission may determine, but no such sale shall be made at a price so low as to require the payment of interest at the rate of more than 6 per centum per annum on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values. The face amount of the bonds shall be so calculated as to produce, at the price of their sale, amounts which, when added to any other funds available to the commission for the same purposes, will be not less than the cost of the bridge and approaches, and the lands, easements, and appurtenances used in connection therewith and the cost of the ferry, franchise, and real estate, equipment, and other property reasonably necessary to operate such ferry. The cost of the bridge and approaches and approach highways shall be considered to include interest during the construction of the bridge and for twelve months after construction has been completed, and to include all engineering, legal, architectural, traffic surveying, and other expenses incident to the construction of the bridge and the acquisition of the necessary real estate and other property, and incident to the financing thereof. If the proceeds of the bonds issued, when added to any other funds available to the commission for the same purpose, exceed the cost as finally determined under this section of the bridge and approaches, and the lands, easements, and appurtenances, used in connection therewith and the cost of ferry, franchise, and real estate, equipment, and other property reasonably necessary to operate such ferry, the excess shall be placed in the sinking fund provided for in this Act. Before the preparation of definite bonds, the commission may, subject to the provisions of this Act, issue temporary bonds or interim certificates, with or without coupons, of any denomination whatsoever, exchange-

able for definite bonds when such bonds as have been executed are available for delivery.

Sec. 5. The rates of toll to be charged for the use of the bridge shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and approaches under economical management, to provide a sinking fund sufficient to pay the principal and interest of such bonds as they fall due, and to pay for redemption or repurchase of all or any of such bonds redeemed or repurchased before maturity as provided in section 4. All tolls and other revenues from the bridge are hereby pledged to such use and to their application as required by this section. After payment or provision for payment from such tolls of all such cost of maintaining, repairing, and operating the bridge and approaches, and the reservation of an amount of money estimated by the commission to be sufficient for such purposes during an ensuing period of not more than six months, the remainder of the tolls collected shall be placed in the sinking fund, at intervals to be determined by the commission before the issuance of the bonds. An accurate record of the cost of the bridge and approaches, the expenditures for maintaining, repairing, and operating the bridge and approaches, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The commission shall classify in a reasonable way all traffic over the bridge so that the tolls shall be so fixed and adjusted by it as to be uniform in their application to all traffic falling within reasonable classes, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge except upon payment of tolls so fixed and adjusted. No toll shall be charged for officials or employees of the commission or the Government of the United States in discharge of their duties.

Within a reasonable time after the construction of the bridge has been completed, the commission shall file with the Secretary of Commerce a sworn itemized statement, showing the cost of constructing the bridge and its approaches, the cost of acquiring any interest in real estate or other property necessary therefor, and the amount of bonds, debentures, or other evidence of indebtedness issued in connection with the construction of the bridge and approaches, and acquisition of the ferry and other property associated therewith.

Sec. 6. (a) After payment of the bonds and interest, or after a sinking fund sufficient for such payment has been provided and is being held for such payments, the commission shall transfer by deeds or other suitable instruments of conveyance, an undivided one-half interest in the physical structure of the bridge and its approaches to the State of Illinois or any municipality or agency of such State authorized by or pursuant to law to accept such undivided one-half interest (hereafter in this Act referred to as the "Illinois interest") and an undivided one-half interest in the physical structure of the bridge and its approaches to the State of Indiana or any municipality or agency of such State authorized by or pursuant to law to accept such undivided one-half interest (hereafter in this Act referred to as the "Indiana interest"), under the conditions that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired by the Illinois interest and the Indiana interest as may be agreed on. If no Illinois interest or Indiana interest is authorized to accept, or does accept, such one-half interest in the bridge and approaches under such conditions, then the bridge shall continue to be owned, maintained, operated, and repaired by the commission, and the rates of tolls shall be so adjusted as to provide a fund of not less than the amount necessary for the maintenance, repair, and operation of the bridge and approaches under economical management, until such time as an Illinois interest and the Indiana interest is authorized to accept, and does accept, such bridge and approaches under such conditions. Whenever the bridge and approaches are transferred under this section, the commission, its successors or assigns shall (if the ferry and other property have not already been disposed of) sell the ferry and franchise, and the real estate, equipment, and other property associated with the ferry, as soon as practicable at such price and upon such terms as the commission, its successors or assigns, may determine.

(b) The Administrator of the Housing and Home Finance Agency may make advances to the commission under the terms and subject to the conditions of section 702 of the Housing Act of 1954, and may purchase the securities and obligations of, or make loans to, the commission under the terms and subject to the conditions of title 11 of the Housing Amendments of 1955.

(c) If the State Highway Department of the State of Indiana consents, amounts apportioned to that State out of sums appropriated under the Federal-

Aid Road Act of July 11, 1916, as amended and supplemented, may be allocated for the construction of such bridge and approaches, in the same manner and subject to the same terms and conditions as apply in the case on the Federal-aid primary highway system. If the Department of Public Works and Buildings of the State of Illinois consents, amounts apportioned to that State out of sums appropriated under the Federal-Aid Road Act of July 11, 1916, as amended and supplemented, may be allocated for the construction of such bridge and approaches, in the same manner and subject to the same terms and conditions as apply in the case of projects on the Federal-aid primary system.

Sec. 7. The commission and its successors and assigns are authorized to provide for the payment of the cost of the bridge and approaches (including the approach highways which, in the judgment of the commission, it is necessary or advisable to construct or cause to be constructed to provide suitable and adequate connection with existing improved highways) and the necessary lands, easements, and appurtenances thereto by negotiating and entering into a contract or contracts with the State Highway Department of Indiana, the Department of Public Works and Buildings of Illinois, Lawrence County, Illinois, Knox County, Indiana, the city of Vincennes, Indiana, or any other county or municipality in the States of Illinois and Indiana, whereby the commission may receive financial aid in financing the construction of the bridge and approaches. The commission, in its discretion, may avail itself of all the facilities of the State Highway Department of Indiana, the Department of Public Works and Buildings of the State of Illinois, or any county or municipality in the State of Indiana or the State of Illinois, with regard to construction of said bridge, and the commission may make and enter into any contract or contracts which it deems expedient and proper with the State Highway Department of the State of Indiana, or the Department of Public Works and Buildings of the State of Illinois, or any county or municipality in the State of Indiana and the State of Illinois, whereby said highway departments, municipalities, or counties, or either of them may construct, operate, and maintain, or participate with the commission in the construction, operation, and maintenance of the bridge and its approaches.

It is hereby declared to be the purpose of Congress to facilitate the construction of a bridge and proper approaches across the Wabash River at or near the city of Saint Francisville, Illinois, and to authorize the commission to promote said object and purpose, with full power to contract with either State Highway Department of Indiana, the Department of Public Works and Buildings of Illinois, or any municipality, or county, or cities in the States of Indiana and Illinois, or all of them, in relation to the construction, operation, and maintenance of said bridge and approaches.

Sec. 8. Nothing in this Act shall require the commission to maintain or operate the ferry if it is purchased under this Act, but in the discretion of the commission, its successors and assigns, the ferry, franchise, and all or any real estate, equipment, and other property acquired in connection with the ferry may be sold or otherwise disposed of, or may be abandoned or dismantled, or both, whenever in the judgment of the commission, its successors and assigns, it may seem expedient to do so. The commission, its successors and assigns, may fix such rates of toll for use of the ferry as it may deem proper, subject to the conditions prescribed in section 5 with respect to rates of toll for the use of the bridge. All tolls collected for the use of the ferry and the proceeds of any sale or disposition of the ferry or any other property connected therewith shall be used, so far as may be necessary, to pay the cost of maintaining, repairing, and operating such ferry and property, and any amounts not so used shall be paid into the sinking fund provided for bonds.

Within a reasonable time after the ferry has been acquired under this Act, the commission shall file with the Secretary of Commerce a sworn itemized statement, showing the cost of acquisition of such ferry and the cost, if any, of acquisition of the franchise, and real estate, equipment, and other property associated with the ferry.

An accurate record of the cost of the ferry, franchise, real estate, equipment, and other property; the expenditures for maintaining and repairing them; and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

Sec. 9. (a) For the purpose of carrying into effect the objects stated in this Act, there is hereby created the city of Saint Francisville Bridge Commission, and by that name, style, and title said body shall have perpetual succession, may contract, and be contracted with, sue and be sued, implead and be impleaded, complain and defend in all courts of law in equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose

of real estate and other property; may accept and receive donations or gifts of money or property and apply same to the purpose of this Act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this Act.

(b) The commission shall consist of Roy Rucker, of Bridgeport, Illinois; Lawrence L. Bell, Doctor Carl McCammon, Clyde Leathers, and Virgal Deckard, of Saint Francisville, Illinois; Oscar Laue, Oris Wright, Gilbert Shake, and William Steele, of Vincennes, Indiana; the mayor of the city of Saint Francisville, Illinois, shall serve as a member of the commission ex officio, without compensation; such commission shall be a public body corporate and politic. Each member of the commission shall qualify within thirty days of the date of enactment of this Act by filing with the Commissioner of Public Roads of the United States on oath that he will faithfully perform the duties imposed upon him by this act. Each person appointed to fill a vacancy shall qualify in the same manner within thirty days after his appointment. Any vacancy occurring in the commission by reason of failure to qualify, death, or resignation, shall be filled by appointment by the Commissioner of Public Roads.

(c) Before any bonds may be issued under this Act, each of the members of the commission must give bond as may be fixed by the Commissioner of Public Roads, conditioned upon his faithful performance of all duties required by this Act. The cost of such surety before and during the construction of the bridge shall be paid, or reimbursement made, out of the proceeds from the sale of bonds; thereafter such cost shall be an operating expense of the commission, to be paid from tolls.

(d) The commission may establish rules and regulations for the government of its business not inconsistent with this Act. The commission shall from time to time select a chairman and a vice chairman from among its members. A majority of the members of the commission shall constitute a quorum.

SEC. 10. The commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this Act. The members of the commission shall be entitled to a per diem compensation for their services of \$10 for each day actually spent in the business of the commission but the maximum compensation of the chairman in any year shall not exceed \$1,200 and of each other member shall not exceed \$600 in any one year. The members of the commission shall be entitled to receive expense allowance of 10 cents a mile for each mile actually traveled on the business of the commission. The commission may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees as it may deem necessary, who shall be entitled to receive such compensation as the commission may determine. All salaries and expenses shall be paid solely from funds provided under authority of this Act. After all bonds and interest thereon have been paid and all other obligations of the commission paid or discharged, or provision for all such payments shall have been made, and after the bridge has been conveyed to the Indiana interest and the Illinois interest, or otherwise disposed of as provided in this Act, the commission shall be dissolved and shall cease to have further existence by an order of the Commissioner of Public Roads made upon his own initiative or upon application of the commission or any member or members thereof, but only after a public hearing in the city of Saint Francisville, Illinois, notice of the time and place of which hearing and the purpose thereof shall have been published once at least thirty days before the date hereof, in a newspaper published in Knox County, Indiana, and in newspaper published in Lawrence County, Illinois. At the time of such dissolution all moneys in the hands of or to the credit of the commission shall be divided and distribution made between the "Indiana interest" and the "Illinois interest", as may be determined by the Commissioner of Public Road of the United States.

SEC. 11. Nothing in this Act shall be construed to authorize or permit the commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided under this Act. No obligation created or liability incurred pursuant to this Act shall be a personal obligation or liability of any member or members of the commission, nor shall any indebtedness created pursuant to this Act be an indebtedness of the United States.

SEC. 12. The design and construction of any bridge which may be built pursuant to this Act shall be in accordance with the standard specifications for highway bridges adopted by the American Association of State Highway Officials.

SEC. 13. The commission, and its income, property, and franchises shall be exempt from all Federal taxation.

SEC. 14. All provisions of this Act may be enforced or the violation thereof prevented by mandamus, injunction, or other appropriate remedy brought by the Attorney General of the United States in any United States district court having competent jurisdiction of the subject matter and of the parties.

SEC. 15. (a) The financial transactions of the commission shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the places where the accounts of the commission are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the commission and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians.

(b) A report of each such audit shall be made by the Comptroller General to the Congress not later than January following the close of the fiscal year for which such audit is made. The report shall set forth the scope of the audit and shall include a statement of assets and liabilities, capital, and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the Congress informed of the operation and financial condition of the commission, together with such recommendations with respect thereto as the Comptroller General may deem advisable. The report shall also show specifically any program, expenditures, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the commission at the time submitted to the Congress.

SEC. 16. The right to alter, amend, or repeal this Act is hereby expressly reserved.

Mr. BLATNIK. Congressman, would you prefer to have the Corps of Engineers present their testimony first, giving us the technical engineering details, and so forth?

Mr. VURSELL. Either way, Mr. Chairman.

Mr. BLATNIK. Whatever you wish.

Mr. VURSELL. I believe it would be better for them to go first if they are present.

Mr. BLATNIK. We have with us Mr. Earl H. Dominick, representing the Corps of Engineers.

Mr. Dominick, will you please give your full name and title to the reporter, and take the chair?

**STATEMENT OF EARL H. DOMINICK, CIVIL ENGINEER OFFICE,  
CHIEF OF ENGINEERS, CIVIL WORKS**

Mr. DOMINICK. Mr. Chairman and members of the committee, the Department has no objection to the enactment of this legislation. I believe you have a prepared report on this bill from the Department. Would you care to have me read it? I have no prepared statement.

Mr. BLATNIK. Would you give us a summary of the highlights of the arrangements and the need for the project, as well as the physical, engineering, or technical details, and particularly the details insofar as the Federal Government may be involved.

Mr. DOMINICK. The Department of the Army's interest is primarily in the protection of the navigable waters of the United States. This bill creates a commission and authorizes it to construct and operate this bridge and also to acquire and operate an existing ferry.

The bill conforms to the principles of the General Bridge Act of 1946. It provides the usual period of amortization and it also pro-

vides for turning over the bridge to State authorities upon its being made toll free. Of course, under the legislation the plans must be approved by the Chief of Engineers and the Secretary of the Army in accordance with the General Bridge Act of 1946.

Mr. BLATNIK. Mr. Dominick, as I understand it, there is no bridge located there at the present time. However, there is a ferry being operated out there; is there not?

Mr. DOMINICK. That is correct, sir.

Mr. BLATNIK. Who owns and operates the ferry? Is it municipally owned, or is it a privately owned operation?

Mr. DOMINICK. I am not exactly sure that that is spelled out in the bill.

Mr. BLATNIK. Well, we will get that information from Mr. Vursell when he presents his testimony.

Mr. DOMINICK. I do not believe I have that information.

Mr. BLATNIK. There is no Federal cost involved; is there?

Mr. DOMINICK. No Federal funds are involved; no, sir.

Mr. BLATNIK. It is to be completely handled by the Commission itself?

Mr. DOMINICK. Yes, sir.

Mr. BLATNIK. The Commission itself will have the authority to issue bonds and collect tolls on the bridge to be built, and to purchase the existing ferry, to levy what tolls may be necessary for its operation, or it may choose to dismantle the ferry upon completion of the bridge.

Mr. DOMINICK. That is correct. I believe Federal funds may be involved through the Public Roads Administration, but as far as the Department of the Army interests are concerned, we know of no Federal funds involved.

Mr. BLATNIK. The toll bridge will then become toll free at the end of 30 years after the amortization of the original bond issue, or in case refunding is necessary, then it will be 40 years?

Mr. DOMINICK. That is correct; if the State agencies take it over and accept it to operate it toll free. If they as State agencies take it over and accept it, then they will be allowed to continue tolls merely to take care of the maintenance and operation of the bridge.

Mr. BLATNIK. The Department of the Army interposes no objection to the favorable consideration of this bill?

Mr. DOMINICK. That is correct, sir.

Mr. BLATNIK. Without objection, we will have the letter from the Department of the Army, signed by the Secretary of the Army, inserted into the record at this point.

(The report referred to follows:)

JULY 10, 1956.

Hon. CHARLES A. BUCKLEY,

*Chairman, Committee on Public Works,  
House of Representatives.*

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of the Army with respect to H. R. 11720, 84th Congress, 2d session, a bill creating the City of St. Francisville Bridge Commission, defining the authority, power, and duties of said commission; and authorizing the commission and its successors and assigns to construct, maintain, and operate a bridge across the Wabash River at or near St. Francisville, Ill., and Knox County, Ind., to purchase and operate a ferry at such location, and for other purposes.

The Department of the Army interposes no objection to favorable consideration of the above-mentioned bill.

The bill creates a commission and authorizes it to construct and operate a bridge, and to acquire and operate the existing ferry operating between St. Francisville, Ill., and Knox County, Ind. The commission may fix and charge tolls for transit over such bridge, subject to the approval of the Secretary of the Army under the General Bridge Act of 1946, and may fix such rates of toll for the use of the ferry as it may deem proper with due regard to rates of toll for use of the bridge.

After amortization of the project, not to exceed 30 years from the issuance of the bonds, and, if refunding bonds are issued, not to exceed 40 years from the date of enactment of this act, the commission shall transfer such bridge to appropriate agencies of the States of Illinois and Indiana under the condition that the bridge shall be toll free. In the event such agencies shall not be authorized to accept or shall not accept the same under such conditions the bridge shall continue to be owned and operated by the commission as a toll bridge, the tolls being reduced so as to provide only such moneys as may be necessary to pay maintenance and operating expenses, until such time as the appropriate agencies shall be authorized to accept such bridge under the condition that the bridge be toll free.

The commission may maintain and operate the ferry, if acquired, and fix and charge tolls for such use, or, if it be expedient to do so, may abandon, dismantle, or otherwise dispose of the ferry in the discretion of the commission. Tolls from such operation and the proceeds of any sale or disposition shall be used to pay the cost of maintaining and operating the ferry, and any amounts not so used shall be paid into the sinking fund.

A further provision would exempt the commission and its income, property, and franchises from all Federal taxation. Such matters are within the primary jurisdiction of another department and the Department of the Army accordingly expresses no opinion with respect thereto.

Inasmuch as the committee has requested that the report be expedited, it is submitted without a determination by the Bureau of the Budget as to whether or not it conforms to the program of the President. As soon as such advice is received it will be forwarded to your committee.

Sincerely yours,

WILBER M. BRUCKER,  
*Secretary of the Army.*

Mr. BLATNIK. Are there any questions, gentlemen?

Mr. DONDERO. Mr. Chairman, I have a question: I notice that section 15 of this bill provides for the General Accounting Office to do the auditing.

Is that a customary procedure that the Federal Government does the auditing for bridge commissions?

Mr. DOMINICK. I am afraid, sir, I am not able to answer that. Whether that is general or not, I do not know.

Mr. DONDERO. I understand this is practically a precedent.

There would not be any objection to taking it out, would there?

Mr. DOMINICK. No, sir.

Mr. DONDERO. As it stands, it might throw a dark cloud over this entire bridge project and people might feel that there must be something wrong or spurious about it, which results in the Government having to do the auditing.

Mr. BLATNIK. The gentleman from Michigan raises a very valid point, and it is referred to in the report by the Comptroller General which we shall place in the record, stating that they are concerned with section 15 of the bill which would require the audit of the financial transactions of the commission by the General Accounting Office, and that the commission which would be created by this bill essentially would be a private undertaking, and the Comptroller General does not see there is any proper responsibility for conducting those audits.

We will hear further from the author of the bill. I understand he has agreed to delete that section of the bill, and we will have the letter

from the Comptroller General of the United States, signed by Mr. Campbell, inserted into the record at this point.

(The report referred to follows:)

COMPTROLLER GENERAL OF THE UNITED STATES,  
*Washington, July, 5, 1956.*

HON. CHARLES A. BUCKLEY,  
*Chairman, Committee on Public Works,  
House of Representatives.*

DEAR MR. CHAIRMAN: Further reference is made to your letter of June 28, 1956, acknowledged July 2, requesting our views on H. R. 11720.

The bill would create the City of St. Francisville Bridge Commission, with authority to construct, maintain, and operate a bridge and approaches thereto, across the Wabash River at or near the city of St. Francisville, Ill., and Knox County, Ind. The commission would also be authorized to acquire by purchase from its present owner, and to maintain and operate the existing ferry between those same two points. The commission would have the authority to issue bonds to pay for the cost of constructing the bridge and the purchase of the ferry and further would be authorized to fix rates of toll for their use. The tolls would be applied in meeting maintenance, repair, and operation costs and to the amortization of the cost of construction of the bridge and acquisition of the ferry. The bill would also require the financial transactions of the commission to be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The Comptroller General would be required to furnish a report in the manner prescribed in the bill of each such audit to the Congress not later than January following the close of the fiscal year for which such audit is made.

We have no information concerning the necessity for the legislation and, consequently, we make no recommendations regarding its merits.

We are concerned, however, with section 15 of the bill which would require an audit of the financial transactions of the commission by the General Accounting Office. The commission which would be created by this bill essentially would be a purely private undertaking. It is our opinion and one which has been consistently taken with respect to similar proposals in prior bills that as a private entity the activities of the commission should be subject to audit by independent certified public accountants. We feel that the absence of Federal financial interest in such a commission obviates the need for audit by the General Accounting Office. Also, we are concerned that the use of our manpower on audits of this type could seriously hamper our efforts in the audit of the vast governmental activities. We recommend, therefore, that the bill be amended to require an audit by independent certified public accounts. However, if the Congress prefers that we perform the annual audits of the Commission we suggest that the bill be amended to provide for payment of our audit costs by the commission.

Also we suggest deletion of the provision in the bill which would require us to furnish a report of each audit to the Congress not later than January following the close of the fiscal year for which such audit is made because our experience in auditing Government corporations has shown it to be difficult to audit and process a report by that time.

We note that section 13 of the bill provides for exemption of the commission's activities from all Federal taxes. Since the commission would not be financed with Federal funds and would not perform any Federal governmental functions, it is our opinion that it would not be an instrumentality of the Government so as to exempt it from taxation. Bills passed by the Congress exempting similar organizations from the payment of Federal taxes have been vetoed by the President. See Congressional Record, 75th Congress, 3d session, part 8, pages 9621 and 9718, wherein the President vetoed S. 3892 and H. R. 10076, respectively. Furthermore, that Congress heretofore intended that organizations of the commission's type be subject to taxation is evidenced by section 115 (c) of the Internal Revenue Code (68A Stat. 36), which exempts, under certain conditions, a State's share of toll revenues accrued from bridges operated by others. We believe that the proposed exemption from taxation would place the commission in a preferred position and would discriminate against other similar organizations.

Sincerely yours,

JOSEPH CAMPBELL,  
*Comptroller General of the United States.*

Mr. MACK. This bill, with the exception of this one clause, is essentially the same as the previous bills on other bridges which have been introduced and considered?

Mr. DOMINICK. Yes, sir.

Mr. BLATNIK. Thank you very much, Mr. Dominick.

We will now hear from our colleague, Congressman Vursell.

**STATEMENT OF HON. CHARLES W. VURSELL, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF ILLINOIS**

Mr. VURSELL. Mr. Chairman and members of the committee, I appreciate the opportunity of appearing before you in the interest of the construction of the toll bridge across the Wabash River at or near St. Francisville, Ill., in support of H. R. 11720 which requests the Congress to authorize and create the St. Francisville Bridge Commission to construct such bridge across the Wabash River at or near St. Francisville, Ill., and Knox County, Ind.

The bill also empowers the commission to purchase and operate a ferry at such location.

I might say in connection with the question raised about the ferry, of the many letters I have received urging my interest and the interest of the Congress in this bridge, no one has given me the information as to who owns the ferry. It is a small ferry, I am quite sure, because I crossed on that ferry a couple of years ago. It is sort of an emergency thing that they would want to keep, I think, and for that reason they provide that they can purchase the ferry.

Section 2 of the bill provides that the commission shall have the right and power to acquire, condemn, occupy, possess, and use such real estate and other property in the State of Illinois and the State of Indiana as may be needed for location, construction, operation, and maintenance of such bridge and its approaches, upon making just compensation therefor.

Section 3 of the bill provides that the commission may fix and charge tolls for transits subject to the approval of the Secretary of the Army under the General Bridge Act of 1946. Of course, as the previous testimony of the speaker indicates, that approval has been had for the building of the bridge. In fact, I talked with the department down there, and got that information many days ago.

Section 4 provides that all of the necessary land approaches required may be taken over and that negotiable bonds may be issued by the commission with the date of retirement fixed at 30 years. They, of course, can be retired earlier and the bridge will be made toll free for the general public and only such charges as are necessary are to be made for upkeep, which charges would continue after that date.

Mr. DONDERO. Mr. Chairman, I take it from the Congressman's statement up to this point that this bill follows the usual bridge bill that comes before this committee with the one exception of section 15, which provides for the Federal Government to do the auditing.

Mr. VURSELL. Yes, sir.

Mr. DONDERO. Would you have any objection if that section were deleted?

Mr. VURSELL. No; I would not have any objections to it, and I presume that the people who are interested in this project would have no objections to it.

I think that they have had this written into the bill to show their interest in good management, and that in regard to all of their actions in connection with the operation of this bridge they are perfectly willing for them to be subject to the scrutiny of the General Accounting Office examinations. Frankly, I do not know whether it is any safeguard or not, because generally bridges of this kind have auditors of reputation and experience who generally do a pretty good job.

Mr. DONDERO. Mr. Chairman, it strikes me that, not having seen that section in any other bridge bill in many many years, it carries with it the inference that there must be something dishonest or that someone has been suspicious of someone else, and I think it hurts the bill.

Mr. VURSELL. In answer to your question, it may be the reason that these people want their Congress and the committee that considers this bill to know that there is nothing to be hidden in the operation of this bridge.

Mr. FALLON. Will the gentleman yield?

Mr. DONDERO. Certainly.

Mr. FALLON. Mr. Vursell, is there anything in the bill that sets up an authority between the two States of Illinois and Indiana?

Mr. VURSELL. No; there is no authority set up in the bill, but the bill provides that when the bridge becomes toll free that it shall be offered to and given to the States of Indiana and Illinois to operate in the future as a free bridge.

Mr. FALLON. Has a Commission been set up by the two States?

Mr. VURSELL. No.

Mr. FALLON. There is no authority at all?

Mr. VURSELL. Not to my knowledge.

Mr. FALLON. I notice you have a section in here that allows condemnation. What authority would have the power to condemn?

Mr. VURSELL. The power to condemn?

Mr. FALLON. Yes. As I understand it, the bill carries the right to condemn in order to build the bridge.

Mr. VURSELL. I thought you meant a bridge authority was set up on each side of the river.

Mr. FALLON. There is usually a compact entered into when there is an interstate bridge involved.

Mr. VURSELL. I do not know about that, but I do know that on both sides of the river they are operating in cooperation with the States of Indiana and Illinois, and undoubtedly the right to condemn is now vested in both of the States.

Mr. FALLON. You see, usually, before permission is given by Congress to build a bridge—an interstate bridge—there is usually a commission set up by both States, named by the Governor, in the cases where the authority lies with the Governor.

If no authority has been set up to handle this matter we usually get an agreement between the two States. For instance, you come from the State of Illinois, and there is no one here to speak for Indiana.

Mr. VURSELL. Yes, sir.

Mr. FALLON. There is no one here to show that they are in agreement with this bill, and to state who is going to operate it, whether the authority on the right side is going to administer its operation and sell the bonds and pay off the bridge.

Is there any such authority set up in the compact between the States?

Mr. VURSELL. I think I can say that the answer would be definitely "No." The State highway commission has general authority for connecting up with roads in Illinois and they have the same authority in Indiana, but the authority to set up this Commission is vested in this bill in the Congress which provides that this Commission can be set up and then it has to work within the purview of the Illinois law under the Illinois Highway Commission and the Indiana Toll Roads Bridge Commission, or highway commission, whichever it is.

Mr. BECKER. Will you yield, Mr. Fallon?

Mr. FALLON. Yes.

Mr. BECKER. I agree entirely with Mr. Fallon. I do not see how this act can operate at all because in section 9 it sets up a commission of the city of St. Francisville, and gives this authority to them. I do not see how we can act on a bill giving sanction to the creation of a commission by the city of St. Francisville to build a toll bridge across a river into another State without having a compact as you have mentioned, Mr. Fallon. In glancing through the bill, there is nothing in it which clears up that situation, particularly in view of section 9.

I do not see how it can operate unless there is more information or more agreements other than specified in this bill.

Mr. VURSELL. Well, of course, there is agreement, or the bill would never have been sent to me to be introduced in the first place. For your information, there have been two bridges built across this same Wabash River, and the authority for one of them, I am sure, and I think the authority for the other one, was set up just as this authority is being set up by the Congress.

The only reason that the Congress comes into this picture is because the Federal law as I understand it provides that over a stream of this kind the Federal Government has the say as to whether or not you can build the bridge, and they say we can.

This bill follows the precedent which has been set for many, many years, and it follows the General Bridge Act, as testified to by the gentleman who just preceded me, which procedure satisfies the Government. There is no objection from the State of Illinois. In fact, cooperation comes from the State of Illinois.

Mr. FALLON. Will the gentleman yield?

Mr. VURSELL. Yes.

Mr. FALLON. I might say that there is no objection on the part of this committee to your building that bridge, but the history of this committee is that we want bigger bridges and we know they are necessary. However, what I want to do is to be sure that we do not report out a bill which might cause you some trouble later.

Mr. ROGERS. Would the gentleman yield?

Mr. FALLON. Yes, sir.

Mr. ROGERS. I think, as Mr. Vursell says, that there is authority here for this commission to make whatever necessary agreements which would result in the building of the bridge which is contained in section 7 on page 10.

Mr. BECKER. Yes, Mr. Rogers, but in reading that it raises the point which I raise before. This bill gives authority to the Saint Francisville commission to build a bridge.

Mr. ROGERS. That is right.

Mr. BECKER. Yet, in section 7 they have not entered into a contract with any other State.

Mr. ROGERS. It gives them authority to enter into whatever contracts are necessary for the building of the bridge.

If they cannot enter into those contracts, naturally, they could not build the bridge.

Mr. BECKER. Usually in all of the bills that come before us for the building of bridges there has been a compact entered into between the States involved.

Mr. ROGERS. Mr. Vursell says, actually, that there has been an agreement and this actually gives them authority to deal with the two State road departments, the State Highway Department of Indiana and Illinois. I think Mr. Vursell is right. It gives this commission the right to go ahead.

Mr. VURSELL. This bill simply waives any objection from the Federal Government and gets the approval of the Federal Government if the States of Indiana and Illinois want this bridge built.

Mr. ROGERS. That is right.

Mr. VURSELL. From here on they cooperate and they have cooperated already. They tell me that has been done with regard to both of the States, and this gives them the opportunity insofar as the Federal Government is concerned to go on and build a bridge if they can carry through with the State of Indiana and the State of Illinois.

Mr. FALLON. Mr. Vursell, if you think the language in this bill will take care of the building of this bridge, it is all right with me.

Mr. VURSELL. I am satisfied that it does, because I went over this bill in the Senate with Senator Dirksen, who has introduced the same identical bill in the Senate, and another bill has been introduced to build a bridge across the Ohio or across the Wabash, following exactly the same wording as is contained in this bill, with the possible exception of bringing the General Accounting Office into it.

Mr. DONDERO. Mr. Chairman, may I just make one comment?

Mr. FALLON. Yes, sir.

Mr. DONDERO. I notice that in the bill there are citizens provided for on the commission from both sides of the river. This makes it appear that an agreement between the two towns in regard to the building of the bridge has been reached.

Mr. VURSELL. There is an agreement between the 2 towns, 1 in Indiana and 1 in Illinois, and they have picked the men who would be authorized on this commission to conduct further negotiations to build this bridge from both citizens of Indiana and citizens of Illinois, and I personally know a number of them in Illinois. For instance, the editor of the newspaper there that furnishes the news for the town, Roy Rucker, and the mayor of the town, are listed, and their names are set out in the bill. There is no objection anywhere that has come to me, and there has been a good deal of publicity in the press out there that this is going to happen. I have had several letters from responsible citizens urging it from both sides of the river.

Mr. BLATNIK. Mr. Vursell, even though the Congress passed your bill, in case Indiana or the county or city on the Indiana side were not in agreement with the provisions that Illinois proposed, they could still stop the construction of that bridge?

You would have to obtain an agreement from all parties involved; would you not?

Mr. VURSELL. You would have to obtain the agreement of all parties involved and, in fact, you have got to practically obtain the agreement of the State highway departments or the toll bridge organizations, or whatever they are named, in both States.

Mr. BLATNIK. Mr. Vursell, I believe you agreed to the striking out of section 15 as recommended by the Comptroller General?

Mr. VURSELL. If it is the wisdom of the committee that that should be done, it will be agreeable with me.

Mr. BLATNIK. The Comptroller also refers to section 13 of the bill on page 17, line 13, which provides for the exemption of the commission's activities from all Federal taxes. He states:

Since the commission would not be financed with Federal funds and would not perform any Federal governmental functions it is our opinion that it would not be an instrumentality of the Government so as to exempt it from taxation.

Further, the Comptroller states:

Bills passed by the Congress exempting similar organizations from the payment of Federal taxes have been vetoed by the President.

Therefore, he suggests that this section be deleted also.

Off the record.

(Discussion off the record.)

Mr. VURSELL. I did not know that objection had been raised, and I was trying to think as to what the precedent and what the law with reference to these bridges has been in the past.

I think there was a cutoff date some very few years ago with reference to this particular section in the Bridge Act. In other words, if my memory serves me correctly, such toll bridges were regarded as not taxable with reference to the Federal Government, but that later on the law was changed to the effect that after that cutoff date this provision should be written in.

I see no reason for this provision to be written in because it is purely a local matter between the two States and the bridge commission and the citizens and taxpayers who would use that bridge. To me it is innocuous or superfluous, but I would not want to risk my judgment on that phase of it because suppose later on—I think this is what they had in mind—the people who wrote this bill—they might want the Government or the Government might want to claim that they had the authority to tax this bridge.

Mr. DONDERO. Mr. Chairman, may I inquire at this point?

Mr. BLATNIK. Surely.

Mr. DONDERO. My recollection of these bridge bills is that the bridges constructed under the various bills are not operated for profit beyond the cost.

Mr. VURSELL. That is correct.

Mr. DONDERO. In other words, whatever tolls you collect will be collected for the retirement of the bonds and the interest, and there will be no profit to go to anyone?

Mr. VURSELL. That is right. In making your report, and if it is the wisdom of the committee that that provision should be deleted, I think the report should carry an explanation which would show that this bridge should be tax free insofar as the Federal Government is concerned.

Mr. AUCHINCLOSS. Mr. Chairman, I would like to ask Mr. Vursell to elaborate a little bit on subsection (b) of section 6 to be found on page 9 of the bill.

This subsection provides that the Administrator of the Housing and Home Finance Agency may make advances to the commission under the terms and subject to the conditions of section 702 of the Housing Act, and may purchase the securities and obligation of, or make loans to, the commission under the terms and subject to the provisions of title 11 of the Housing Amendments of 1955.

Does that mean that the Housing and Home Finance Agency can finance this entire operation?

Mr. VURSELL. What page is that on?

Mr. AUCHINCLOSS. At the bottom of page 5, sir, line 23.

Mr. VURSELL. That is a provision put in the bill in anticipation, I would say, of the new Highway Act that has been passed. That is, if it is an intrastate bridge, the new Highway Act would be operative and we could probably participate in funds from the new Highway Act that has recently been passed?

Mr. FALLON. Will the gentleman yield?

Mr. AUCHINCLOSS. Yes.

Mr. VURSELL. I think that is why that is written in. Then, it provides how the financing is to be done if there is any financing under this new Highway Act.

Mr. FALLON. I do not think you will find in the new Highway Act anything where the Federal Government would participate in helping build a toll bridge.

Mr. VURSELL. Not unless it is located on a road that brings it within the purview of the act.

Mr. FALLON. That goes for free bridges, but not for toll bridges.

Mr. VURSELL. Well, if it does not, then—

Mr. FALLON. In other words, an intrastate bridge can be built on the Interstate System. I mean a bridge can be built on the Interstate System and share in the 90-10 formula but as long as it is a free bridge and not if it is a toll bridge.

Mr. VURSELL. Well, then, it does not come within the purview of the act.

Mr. FALLON. It does not.

Mr. BECKER. Mr. Auchincloss' question is with reference to subsection (b).

Mr. FALLON. I understand; but it was suggested that they may be able to receive funds under the Federal Aid Highway Act.

Mr. VURSELL. To be honest with you, I read that, but I did not go into it to make any particular study of it.

Mr. FALLON. In the Highway Act they may participate in the approaches but not in the bridge itself.

Mr. DONDERO. Mr. Chairman, may I inquire whether or not this bridge will connect a road on the Interstate Highway System?

Mr. VURSELL. Of that I am not certain.

Mr. DONDERO. It would not participate in the formula under the Interstate Act if it were not a road marked out on the Interstate System.

Mr. VURSELL. I do not think, to be honest with you, that it would; knowing the location, as to where it is.

Mr. FALLON. Will the gentleman yield?

Even if it is on the Interstate System under the Highway Act, there would be no Federal participation in a toll bridge at the present time.

Mr. VURSELL. Unless as to approaches.

Mr. FALLON. Only as to approaches.

Mr. VURSELL. I presume if it participates at all, that is what they had in mind.

Mr. BLATNIK. Are there any further questions?

Mr. DINGELL. Mr. Chairman, I would like to ask our colleague about section 2 on page 2 of the bill, where it says:

The commission and its successors and assigns shall have the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the State of Illinois and the State of Indiana, as may be needed for location, construction, operation, and maintenance of such bridge and its approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated—

The question I have is, Are we conferring upon the bridge authority the power to condemn land under the laws of the State of Illinois and the State of Indiana, and is that a proper action for this Congress to take?

Mr. VURSELL. We are, according to the laws of the State of Illinois and the State of Indiana. We cannot do it except under the laws of those two States.

Mr. FALLON. Will the gentleman yield? I think that is one section in the bill which is carried in all bills.

Mr. BECKER. Mr. Chairman?

Mr. BLATNIK. Mr. Becker.

Mr. BECKER. I do not know about the other members of the committee, but this section (b) strikes me as being very interesting. It is the first time I have seen it. That is subsection (b) of section 6.

I wonder if for future information the counsel of the committee could get some information as to how under the Housing Act they can lend money to a bridge commission for building a bridge.

Mr. FALLON. As I understand it, the committee communicated with the Administrator of the Housing and Home Finance Agency and we have not heard from him.

Mr. TIERNEY (the counsel). That is correct. We asked the Administrator for a report and have not received it yet.

Mr. BECKER. That is a question which we could raise, for the future, so that we will know what is going on.

Mr. TIERNEY. We will inquire further, Mr. Becker. We have already inquired and have not heard from him.

Mr. DINGELL. Mr. Chairman, may I ask our colleague if there are any funds other than as provided in section (b) of this bill? Does this require expenditure of any other Federal funds?

Mr. VURSELL. No; it does not. It could not require any other Federal funds unless it were so located on such a road as would give it the right to come under the new Highway Act, where some provision might be made.

Mr. DONDERO. Mr. Chairman, may I inquire of our colleague?

Mr. VURSELL. Yes.

Mr. DONDERO. Who drew the bill?

Mr. VURSELL. The bill was drawn by the attorneys for this organization or this group that proposes to build the bridge. The bill follows identically two other bills for bridge building across the Wabash—or at least one other bill. I assume that probably the people are from a very good law firm, who drew the bill. Maybe they got their people in Chicago, because they handle those things down there, and the bill was drawn very carefully, I assume, so that the financing of the bonds and so forth would be properly protected.

Mr. BLATNIK. Are there any further questions?

Mr. DINGELL. One more question, Mr. Chairman.

Mr. BLATNIK. Mr. Dingell.

Mr. DINGELL. On page 14, line 4, paragraph (b), it says:

The commission shall consist of Roy Rucker, of Bridgeport, Illinois; Lawrence L. Bell, Doctor Carl McCammon, Clyde Leathers, and Virgal Deckard, of Saint Francisville, Illinois; Oscar Laue, Oris Wright, Gilbert Shake, and William Steele, of Vincennes, Indiana—

I wonder if it is wise for us in Congress to set forth the names of those persons who shall serve upon this commission, or whether we should leave the question of appointment to the Commissioner of Public Roads.

Mr. VURSELL. I think in bills of this kind for the last number of years back they have carried the same language and have put in the names of people who were supposed to operate the bridge. I know that has been the custom for at least 20 years of this Congress.

Furthermore, all of these commissioners must file bonds with the highway department and for other purposes. There is a trust account which is set up to look after the financial matters.

In order to protect the public these names are written in, and these people are given the responsibility. These people, of course, are people who will serve in the community and generally are men of the highest grade they can get. They have to file bonds.

Mr. DINGELL. I do not mean to cast any aspersions on their integrity.

Mr. VURSELL. There are proper authorities.

Mr. DINGELL. I do not mean to question the integrity of anyone there, but I am asking: Is it wise policy for Congress to name these people?

Mr. VURSELL. They could name them better than the Congress, because they are at the grassroots level and know the people who are responsible in the community and the people who are interested in the development of this additional transportation as between the two States. This bill follows the regular pattern.

Mr. BECKER. This commission is already in existence, appointed by the Commissioner of Public Roads?

Mr. VURSELL. I am not sure that this commission is in existence at all, but these men are willing to serve, and these are the men that they recommend at the grassroots level to the Congress as the people they would like to have to manage and operate this bridge.

Mr. FALLON. Will the gentleman yield?

Mr. DINGELL. Yes, sir.

Mr. FALLON. In answer to the gentleman's question, we passed a bill out of this committee on June 19 giving the State of Illinois and the State of Ohio the right to construct and maintain and operate a toll bridge, at which time we set forth in the bill that the commission

should consist of L. R. McGee, et cetera. We set that up in the bridge bill before this committee.

Mr. DINGELL. Thank you. No further questions.

Mr. BLATNIK. Are there any further questions?

Mr. HULL. Mr. Chairman, I would like to ask counsel a question.

Mr. BLATNIK. Mr. Hull.

Mr. HULL. Is this subsection (b) in section 6 on page 9 one which has ever been in one of these bills before?

Mr. TIERNEY. No; I do not recall it, Mr. Hull. That is one definite reason why we inquired of the Administrator of the Housing and Home Finance Agency, for a report on this bill. We have not received one yet. To my knowledge I would not know how funds from that Agency could be available for the construction of bridges.

Mr. VURSELL. Mr. Chairman, may I suggest that you have the attorney acting for the committee secure that information for you as early as possible, so that if the committee is satisfied with this particular section of the bill it may be at least reported out before the close of this session?

Mr. BLATNIK. We intend to do that, Mr. Vursell.

Mr. HULL. I have one other question, Mr. Chairman.

I have always thought that these bridges between two States were constructed on the premise of their economic feasibility, through a traffic count and if the traffic count justified such construction. The purchasers of the bonds purchased them on that assumption, and such purchase meant completion or noncompletion of the bridge. Is that correct?

Mr. DONDERO. I have always understood that bridges were financed by the sale of bonds, known as revenue bonds.

Mr. HULL. That was my understanding.

Mr. DONDERO. And the tolls collected were used to retire the bonds and the interest. Then it became a toll-free bridge.

Mr. VURSELL. May I comment on that question? The facts are that these people have done all of the preliminary work and this thing has been in the making for 3 or 4 years. The important thing is, in answer to your question, that if they did not have this traffic count and a lot more information they would not attempt to build this bridge in the first place, and if they did they would never get it financed. They could not sell the bonds to finance the bridge otherwise. The need for the bridge must be there, or they must think it is there, because they have to sell these bonds to pretty shrewd bond buyers and nobody is going to handle bonds of this kind unless there is a potential revenue on both sides of the river to retire these bonds.

Mr. HULL. That is true, Mr. Vursell. Why would they ask the Federal Housing and Home Finance Agency to come in and get in on the borrowing of money?

Mr. VURSELL. I do not know that they are asking them. I think that is merely a provision meant to give them that opportunity if they come under the new highway bill. I do not think it has been determined yet whether they do. I would like to have that determined.

I would like for the committee to work its will—and I know they will—and do what they think is right.

Mr. BECKER. I suppose it is in there because if it is in the law that they can borrow such money from the Housing and Home Finance Agency that it would be at a cheaper rate of interest than they would be able to sell the bonds on the regular market. I presume that would be the only reason.

Mr. VURSELL. No. If there is any participation it would be at a very limited rate. I would think it would be to the approaches. I am quite sure that this group of people is not trying to get the Federal Government to build them a bridge, because I do not think the law provides for it in the first place.

Mr. HULL. I am afraid if the Housing and Home Finance Agency goes into the building of bridges perhaps I will have to be bitterly opposed to it.

Mr. VURSELL. I think that point ought to be looked into very carefully. I am quite satisfied you will do it.

Mr. ROGERS. I think probably these bills may have been put in with these provisions because, I imagine, any group which might try to work out the building of a bridge is going to put in any provision possible where there might be some source of revenue. I think that would be natural, in case they might have to use that source of revenue. I think we should check with the Administrator and get his opinion.

Actually, what you want, Mr. Vursell, is to have Congress approve this bill; is it not?

Mr. VURSELL. That is what I should like to have done. Then there still has to be a meeting of the minds with the upper body.

That is about all I have to say, gentlemen.

Mr. BLATNIK. Thank you very much.

Mr. VURSELL. Thank you, Mr. Chairman and gentlemen of the committee.

(Thereupon, at 11 a. m., Tuesday, July 17, 1956, the subcommittee proceeded to other business.)



## BRIDGE BILLS

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TUESDAY, JULY 24, 1956

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON RIVERS AND HARBORS  
OF THE COMMITTEE ON PUBLIC WORKS,  
*Washington, D. C.*

The subcommittee met, pursuant to notice, at 10 a. m., Hon. John A. Blatnik (subcommittee chairman) presiding, for consideration of H. R. 10468 and H. R. 10662.

Mr. BLATNIK. The meeting of the Rivers and Harbors Subcommittee will please come to order.

The meeting scheduled for 10 o'clock this morning is inadvertently, through no fault of the committee, in conflict with the House session, which was also scheduled to start at 10 o'clock this morning.

We did not have knowledge of this until yesterday, and we could not change the time set for our hearing. The quorum-call bells have just rung.

The first order of business was to hear Judge Howard Smith, of Virginia, testify in opposition to H. R. 11481, a bill introduced by the gentleman from Maryland, Mr. Hyde, authorizing the PEPCO company to build a dam across the Potomac River. Judge Smith has an urgent Rules Committee meeting, of which he is chairman, and he could not be here later than 10 o'clock this morning.

We also have two bridge bills scheduled for hearing this morning, H. R. 10662, introduced by Mr. Denton, of Indiana, and H. R. 10468, introduced by Mr. Wilson, of Indiana.

The Chair, with the permission of the committee, suggests that we answer the quorum call which has just run and that we then return and take up for immediate consideration and hearing the two bridge bills.

Mr. Denton and Mr. Wilson, can you return right after we answer the quorum call?

Mr. DENTON. Yes.

Mr. WILSON. Yes, Mr. Chairman.

Mr. BLATNIK. The bills are similar to previous bridge bills, and there are only minor changes made in them, and we assure you that the committee will not take more than a few minutes to hear the testimony on these bills. Even though we are pressed for time, we will try to dispose of those bills this morning. We will make every effort to do so.

The subcommittee will recess to answer the quorum call, and we will return at once.

(Thereupon the members of the subcommittee answered the quorum call, at the conclusion of which the following occurred:)

Mr. BLATNIK. The Subcommittee on Rivers and Harbors will come to order for the consideration of H. R. 10468, a bill creating the City of Lawrenceburg Bridge Commission.

At this point in the record we will insert a copy of H. R. 10468.

(A copy of the bill is as follows:)

[H. R. 10468, 84th Cong., 2d sess.]

A BILL Creating the City of Lawrenceburg Bridge Commission, defining the authority, power, and duties of said Commission; and authorizing the Commission and its successors and assigns to construct, maintain, and operate a bridge across the Ohio River at or near Lawrenceburg, Indiana, and Boone County, Kentucky, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the City of Lawrenceburg Bridge Commission created by section 8 of this Act (hereafter in this Act referred to as the "Commission"), and its successors and assigns, is authorized to construct, maintain, and operate a bridge and approaches thereto, across the Ohio River at or near the city of Lawrenceburg, Indiana, and Boone County, Kentucky, in accordance with the General Bridge Act of 1946, at a point suitable to the interest of public navigation.

SEC. 2. The Commission and its successors and assigns shall have the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the State of Indiana and the State of Kentucky, as may be needed for the location, construction, operation, and maintenance of such bridge and its approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated, and proceedings therefor shall be the same as proceedings for condemnation of private property for public purposes in such State. The Commission, its successors and assigns, may enter into agreements with such States, and any political subdivisions thereof, for the acquisition, lease, or use of any real estate or other property owned by such State or political subdivision.

SEC. 3. The Commission and its successors and assigns may fix and charge tolls for transit over such bridge in accordance with this Act, subject to the approval of the Secretary of the Army under the General Bridge Act of 1946.

SEC. 4. The Commission and its successors and assigns may provide for the payment of the cost of such bridge as may be constructed, and approaches (including any approach highways which, in the judgment of the Commission, it is necessary or advisable to construct or cause to be constructed to provide suitable and adequate connection with existing and improved highways), and the necessary lands, easements, and appurtenances thereto, by an issue or issues of negotiable bonds of the Commission, bearing interest at the rate or rates of not more than 6 per centum per annum. The principal and interest of such bonds, and any premium to be paid for retirement thereof before maturity, shall be paid solely from the sinking fund provided in accordance with this Act, and such payments may be further secured by a mortgage on the bridge. All such bonds may be registrable as to principal alone, or both principal and interest, shall be in such form not inconsistent with this Act, shall mature at such time or times not exceeding thirty years from their respective dates, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places, as the Commission may determine. The Commission may repurchase and reserve the right to redeem all or any of such bonds before maturity in such manner and at such price or prices, not exceeding 105 per centum of the principal amount thereof and accrued interest, as may be fixed by the Commission before issuance of the bonds. The Commission, when it deems it to be to the best interest of the Commission may issue refunding bonds to repurchase and redeem any outstanding bonds before their maturity. Such refunding bonds shall mature at such time or times, not exceeding forty years from the date of enactment of this Act, as the Commission may determine. The Commission may enter into an agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the Commission with respect to the purchase, construction, maintenance, operation, repair, and insurance of the bridge, the conservation and application of all funds, the security for payment of the

bonds, the safeguarding of money on hand or on deposit, and the rights and remedies of the trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporation. Such trust agreement may contain such provisions for protecting, and enforcing the rights and remedies of the trustee and the bondholders, as may be reasonable and proper and not inconsistent with law.

Such bonds shall be sold in such manner and at such time or times and at such price as the Commission may determine, but no such sale shall be made at a price so low as to require the payment of interest at the rate of more than 6 per centum per annum on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values. The face amount of the bonds shall be so calculated as to produce, at the price of their sale, amounts which, when added to any other funds available to the Commission for the same purposes, will be not less than the cost of the bridge and approaches, and the lands, easements, and appurtenances, used in connection therewith. The cost of the bridge and approaches and approach highways shall be considered to include interest during the construction of the bridge and for twelve months after construction has been completed, and to include all engineering, legal, architectural, traffic surveying, and other expenses incident to the construction of the bridge and the acquisition of the necessary real estate and other property, and incident to the financing thereof. If the proceeds of the bonds issued, when added to any other funds available to the Commission for the same purpose, exceed the cost as finally determined under this section of the bridge and approaches, and the lands, easements, and appurtenances, used in connection therewith, the excess shall be placed in the sinking fund provided for in this Act. Before the preparation of definite bonds, the Commission may, subject to the provisions of this Act, issue temporary bonds or interim certificates, with or without coupons, of any denomination whatsoever, exchangeable for definite bonds when such bonds as have been executed are available for delivery.

Sec. 5. The rates of toll to be charged for the use of the bridge shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and approaches under economical management, to provide a sinking fund sufficient to pay the principal and interest of such bonds as they fall due, and to pay for redemption or repurchase of all or any of such bonds redeemed or repurchased before maturity as provided in section 4. All tolls and other revenues from the bridge are hereby pledged to such use and to their application as required by this section. After payment or provision for payment from such tolls of all such cost of maintaining, repairing, and operating the bridge and approaches, and the reservation of an amount of money estimated by the Commission to be sufficient for such purposes during an ensuing period of not more than six months, the remainder of the tolls collected shall be placed in the sinking fund, at intervals to be determined by the Commission before the issuance of the bonds. An accurate record of the cost of the bridge and approaches, the expenditures for maintaining, repairing, and operating the bridge and approaches, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The Commission shall classify in a reasonable way all traffic over the bridge so that the tolls shall be so fixed and adjusted by it as to be uniform in their application to all traffic falling within reasonable classes, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge except upon payment of tolls so fixed and adjusted.

Within a reasonable time after the construction of the bridge has been completed, the Commission shall file with the Secretary of Commerce a sworn itemized statement, showing the cost of constructing the bridge and its approaches, the cost of acquiring any interest in real estate or other property necessary therefor, and the amount of bonds, debentures, or other evidence of indebtedness issued in connection with the construction of the bridge and approaches.

SEC. 6. (a) After payment of the bonds and interest, or after a sinking fund sufficient for such payment has been provided and is being held for such payment, the Commission shall transfer by deeds or other suitable instruments of conveyance, an undivided one-half interest in the physical structure of the bridge and its approaches to the State of Indiana or any municipality or agency of such State authorized by or pursuant to law to accept such undivided one-half interest (hereafter in this Act referred to as the "Indiana interest") and an undivided one-half interest in the physical structure of the bridge and its approaches to

the State of Kentucky or any municipality or agency of such State authorized by or pursuant to law to accept such undivided one-half interest (hereafter in this Act referred to as the "Kentucky interest"), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired by the Indiana interest and the Kentucky interest as may be agreed on. If no Indiana interest or Kentucky interest is authorized to accept, or does accept, such one-half interest in the bridge and approaches under such conditions, then the bridge shall continue to be owned, maintained, operated, and repaired by the Commission, and the rates of tolls shall be so adjusted as to provide a fund of not to exceed the amount necessary for the maintenance, repair, and operation of the bridge and approaches under economical management, until such time as an Indiana interest and a Kentucky interest is authorized to accept, and does accept, such bridge and approaches under such conditions.

(b) (1) The Administrator of the Housing and Home Finance Agency may make advances to the Commission under the terms and subject to the conditions of section 702 of the Housing Act of 1954, and may purchase the securities and obligations of, or make loans to, the Commission under the terms and subject to the conditions of title II of the Housing Amendments of 1955.

(2) If the State Highway Department of the State of Indiana consents, amounts apportioned to that State out of sums appropriated under the Federal-Aid Road Act of July 11, 1916, as amended and supplemented, may be allocated for the construction of such bridge and approaches, in the same manner and subject to the same terms and conditions as apply in the case of projects on the Federal-aid primary highway system. If the Department of Highways of the State of Kentucky consents, amounts apportioned to that State out of sums appropriated under the Federal-Aid Road Act of July 11, 1916, as amended and supplemented, may be allocated for the construction of such bridge and approaches, in the same manner and subject to the same terms and conditions as apply in the case of projects on the Federal-aid primary highway system.

SEC. 7. The Commission and its successors and assigns are authorized to provide for the payment of the cost of the bridge and approaches (including the approach highways which, in the judgment of the Commission, it is necessary or advisable to construct or cause to be constructed to provide suitable and adequate connection with existing improved highways) and the necessary lands, easements, and appurtenances thereto by negotiating and entering into a contract or contracts with the State Highway Department of Indiana, the Department of Highways of Kentucky, Dearborn County, Indiana, Boone County, Kentucky, the city of Lawrenceburg, Indiana, or any other county or municipality in the States of Indiana and Kentucky, whereby the Commission may receive financial aid in financing the construction of the bridge and approaches. The Commission, in its discretion, may avail itself of all the facilities of the State Highway Department of Indiana, the Department of Highways of the State of Kentucky, or any county or municipality in the State of Indiana or the State of Kentucky, with regard to construction of said bridge, and the Commission may make and enter into any contract or contracts which it deems expedient and proper with the State Highway Department of the State of Indiana, or the Department of Highways of the State of Kentucky, or any county or municipality in the State of Indiana and the State of Kentucky, whereby said highway departments, municipalities, or counties, or either of them may construct, operate, and maintain, or participate with the Commission in the construction, operation, and maintenance of the bridge and its approaches. It is hereby declared to be the purpose of Congress to facilitate the construction of a bridge and proper approaches across the Ohio River at or near the city of Lawrenceburg, Indiana, and to authorize the Commission to promote said object and purpose, with full power to contract with either the State Highway Department of Indiana, the Department of Highways of Kentucky, or any municipality, or county, or cities in the States of Indiana and Kentucky, or all of them, in relation to the construction, operation, and maintenance of said bridge and approaches.

SEC. 8. (a) For the purpose of carrying into effect the objects stated in this Act, there is hereby created the City of Lawrenceburg Bridge Commission, and by that name, style, and title said body shall have perpetual succession, may contract, and be contracted with, sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations or gifts of money or property and apply the same to the purposes of this Act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this Act.

(b) The Commission shall consist of O. M. Keller, Robert H. Nanz, Victor O'Shaughnessy, Walter G. Decker, Eugene M. Stallings, E. G. Harry, F. D. Dobar, E. P. Henderson, and Frank Hutchinson of Lawrenceburg, Indiana, and Walter Ferguson of Union, Kentucky; the mayor of the city of Lawrenceburg, Indiana, shall serve as a member of the Commission ex officio, without compensation; such Commission shall be a public body corporate and politic. Each member of the Commission shall qualify within thirty days of the date of enactment of this Act by filing with the Commissioner of Public Roads of the United States an oath that he will faithfully perform the duties imposed upon him by this Act. Each person appointed to fill a vacancy shall qualify in the same manner within thirty days after his appointment. Any vacancy occurring in the Commission by reason of failure to qualify, death, or resignation, shall be filled by appointment by the Commissioner of Public Roads.

(c) Before any bonds may be issued under this Act, each of the members of the Commission must give such bond as may be fixed by the Commissioner of Public Roads, conditioned upon his faithful performance of all duties required by this Act. The cost of such surety before and during the construction of the bridge shall be paid, or reimbursement made, out of the proceeds from the sale of bonds; thereafter such cost shall be an operating expense of the Commission, to be paid from tolls.

(d) The Commission may establish rules and regulations for the government of its business not inconsistent with this Act. The Commission shall from time to time select a Chairman and a Vice Chairman from among its members. A majority of the members of the Commission shall constitute a quorum.

SEC. 9. The Commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this Act. The members of the Commission shall be entitled to a per diem compensation for their services of \$10 for each day actually spent in the business of the Commission but the maximum compensation of the chairman in any year shall not exceed \$1,200, and of each other member shall not exceed \$600 in any one year. The members of the Commission shall be entitled to receive a traveling expense allowance of 10 cents a mile for each mile actually traveled on the business of the Commission. The Commission may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees at it may deem necessary, who shall be entitled to receive such compensation as the Commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this Act. After all bonds and interest thereon have been paid and all other obligations of the Commission paid or discharged, or provision for all such payments shall have been made, and after the bridge has been conveyed to the Indiana interest and the Kentucky interest, or otherwise disposed of as provided in this Act, the Commission shall be dissolved and shall cease to have further existence by an order of the Commissioner of Public Roads made upon his own initiative or upon application of the Commission or any member or members thereof, but only after a public hearing in the city of Lawrenceburg, Indiana, notice of the time and place of which hearing and the purpose thereof shall have been published once at least thirty days before the date thereof, in a newspaper published in Boone County, Kentucky, and in a newspaper published in Dearborn County, Indiana. At the time of such dissolution all moneys in the hands of or to the credit of the Commission shall be divided and distribution made between the "Indiana interest" and the "Kentucky interest", as may be determined by the Commissioner of Public Roads of the United States.

SEC. 10. Nothing in this Act shall be construed to authorize or permit the Commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided under this Act. No obligation created or liability incurred pursuant to this Act shall be a personal obligation or liability of any member or members of the Commission, nor shall any indebtedness created pursuant to this Act be an indebtedness of the United States.

SEC. 11. The design and construction of any bridge which may be built pursuant to this Act shall be in accordance with the standard specifications for highway bridges adopted by the American Association of State Highway Officials.

SEC. 12. The right to alter, amend, or repeal this Act is hereby expressly reserved.

MR. BLATNIK. Our first order of business is to hear from our friend and colleague, Mr. Earl Wilson, on H. R. 10468. Mr. Wilson is a Representative in Congress from the State of Indiana.

STATEMENT OF HON. EARL WILSON, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF INDIANA

The Chairman understands that the bill, with the amendments which will be offered, is identical or very similar to several measures that have been passed here recently by this committee and the House creating such bridge commissions.

Mr. WILSON. Mr. Chairman, that is correct. First, Mr. Chairman, I would like to express the appreciation of the people of Indiana and the people of Kentucky for the privilege of presenting this information and having this bill brought up at this late date. We certainly appreciate the time that you are giving to this, and I personally appreciate it very much.

I also want to add that I had the pleasure of serving on this committee, the Committee on Public Works, for several years. In fact, I was on the old Committee on Public Buildings and Grounds, and on the Committee on Flood Control which under the Recorganization Act was made a part of the Committee on Public Works.

I appreciate coming back because I feel like I am at home here.

I want to testify not only in behalf of this bill, but I also want to testify in behalf of Mr. Denton's bill. Both bridges between Indiana and Kentucky are badly needed. Mr. Denton's bridge is needed equally as bad as mine. The people in Lawrenceburg, Ind., have been promised a bridge by every governor of the State of Indiana since I can remember, and it seems to me though they have never been fortunate enough to get one, and therefore they have asked me to introduce this bill.

They have consulted with the proper authorities and feel that the traffic justifies the bridge and the bonds can be sold to build it. Therefore, they are merely asking for the authority to go forward and build this bridge.

I might add—and this is about all I am going to say—that there is not a bridge between Madison, Ind., and Cincinnati, Ohio, across the river.

Mr. BLATNIK. What is the distance, Mr. Wilson?

Mr. WILSON. I would say that it is 100 river-miles, or more. I am not positive. Perhaps, the engineers who are here can tell us exactly, but it must be at least 100 river-miles between those two points, and possibly a little further.

Seagram's and Schenley's own two of the biggest businesses in Lawrenceburg. They collect \$400 million in taxes each year at the post office at Lawrenceburg, Ind.

Mr. FALLON. Are they in the beverage business?

Mr. WILSON. They are in the beverage business; yes, sir. They pay more taxes than are collected in the city of Chicago. They would like to have a bridge. I am talking about Federal taxes. They would like to have a bridge across the river there, and I would like to see them have one in order to prevent these heavy trucks and other traffic from having to travel 60 miles down the river, or 40 miles up the river, to the city of Cincinnati, in order to get across to Kentucky.

I am in accord with the amendments that you people have proposed in order to make this bill in keeping with other bills that you have passed.

I thank you again for the privilege of testifying this morning.

Mr. BLATNIK. Mr. Wilson, this is a toll bridge; is it not?

Mr. WILSON. Yes, sir.

Mr. BLATNIK. What is the length of time for amortization?

Mr. WILSON. I believe it depends upon when the bridge becomes paid out. When it is paid out, it becomes a free bridge.

Mr. FALLON. Do you not have a limit of time?

Mr. WILSON. Mr. Fallon, I was thinking only in terms of the clause which states that after it is paid out it becomes a free bridge. I do not recall now that there is any time limit.

Mr. FALLON. I think in most of our bridge bills we have always had a specified number of years or when the bridge is paid for, whichever comes first.

Mr. WILSON. I was not familiar with that, Mr. Fallon.

Mr. DENTON. I think it is 25 years.

Mr. WILSON. My colleague, Mr. Denton, says he thinks it is 25 years.

Mr. BLATNIK. What page is that on, Mr. Wilson?

Mr. WILSON. I believe it is on page 6.

Mr. BLATNIK. Yes; I see it now. It is on page 6, line 13.

Mr. WILSON. I do not believe there is any language to that effect in the bill, and I was not familiar with that language in our other bills of this nature, but it could be an oversight on my part.

Mr. FALLON. There is language in other bills, because we have been called upon in many instances to extend the date of amortization on a number of bills.

Mr. WILSON. Of course, we would be agreeable with time limits that are consistent with any of the other toll bridge bills.

Mr. FALLON. Well, I see the Army engineers' report here.

Mr. WILSON. Here it says:

such refunding bonds shall mature at such time or times, not exceeding 40 years from the date of enactment of this act, as the Commission may determine.

That is on page 4, lines 3, 4, and 5.

Mr. BLATNIK. That is right.

Mr. FALLON. The Army engineers' report says the same thing.

Do you know whether this bridge is on the Interstate System?

Mr. WILSON. No; it is not on the Interstate System as it is presently designated by law.

I do not believe you had yet arrived when I explained the need for this bridge. Were you here when I explained the situation with regard to Schenley's and Seagram's?

Mr. FALLON. I am satisfied that there is a need for the bridge as well as a lot of other bridges, and it has been the policy of this committee to help anyone who wants to build a bridge at any time not only to expand our economy but to help the movement of traffic and to improve other conditions that we have encountered.

Mr. WILSON. We are short of bridges in the Cincinnati area. They are now contemplating building a bridge across the river at Cincinnati to Covington, Ky., but this bridge would alleviate the necessity for all of this traffic from northern Indiana and northeastern Indiana going south and through Cincinnati. Of course, these trucks of Seagram's and Schenley's and the trucks of other industries there have to cross the river, but they have to go 34 miles to Cincinnati and cross that congested bridge in order to get over into Kentucky and head

south, or else they have to go some 60 or 70 miles west through the hill country.

Mr. FALLON. We want to help you, Mr. Wilson, but the only thing I wanted to make sure about was that your bill was similar to the other bills which have a limit on the amortization time.

Mr. WILSON. Thank you very much.

Mr. BLATNIK. You are agreeable to the amendments suggested by the departments, the Department of the Army and the Comptroller General, which are similar amendments which have been made to other bills?

Mr. WILSON. Yes, sir.

Mr. BLATNIK. We will consider the bills in executive session and modify the bill.

Mr. WILSON. That is satisfactory to us.

Mr. BLATNIK. I would like to have inserted into the record at this point the report of the Department of the Army dated July 23.

The report states:

The Department of the Army offers no objection to favorable consideration of the above-mentioned bill. The Bureau of the Budget advises that there is no objection to the submission of this report.

So, the departments, of course, are favorable, and the Army report will be included in the record at this point.

(The report referred to follows:)

DEPARTMENT OF THE ARMY,  
Washington, D. C., July 23, 1956.

HON. CHARLES A. BUCKLEY,

*Chairman, Committee on Public Works, House of Representatives.*

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of the Army with respect to H. R. 10468, 84th Congress, 2d session, a bill creating the City of Lawrenceburg Bridge Commission, defining the authority, power, and duties of said commission; and authorizing the commission and its successors and assigns to construct, maintain, and operate a bridge across the Ohio River at or near Lawrenceburg, Ind., and Boone County, Ky., and for other purposes.

The Department of the Army offers no objection to favorable consideration of the above-mentioned bill.

The commission is authorized to construct, maintain, and operate the above-mentioned bridge and approaches thereto, including any approach highways necessary for connections with existing highways in accordance with the General Bridge Act of 1946. The commission may fix and charge tolls for transit over such bridge, subject to the approval of the Secretary of the Army under the General Bridge Act of 1946. After amortization of the project or after a sinking fund is provided, not exceeding 40 years from enactment of this legislation, the Commission is directed to transfer such bridge to appropriate agencies of the States of Indiana and Kentucky under the condition that the bridge shall be toll free. In the event such agencies shall not be authorized to accept or will not accept the bridge under such condition, then the bridge shall continue to be owned, maintained, operated, and repaired by the Commission as a toll bridge, the tolls being reduced so as to provide only such moneys as may be necessary to pay maintenance, operating expenses, and repairs until such time as the appropriate agencies shall be authorized to accept and do accept such bridge and approaches under such condition.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

CHARLES C. FINUCANE,  
*Acting Secretary of the Army.*

Mr. WILSON. Thank you, Mr. Chairman.

Mr. BLATNIK. Thank you, Mr. Wilson.

The next bill for the consideration of the subcommittee is one which has been introduced by Mr. Denton, of Indiana, H. R. 10662.

Mr. Denton, we shall be glad to hear from you at this time.

**STATEMENT OF HON. WINFIELD K. DENTON, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF INDIANA**

Mr. DENTON. Mr. Chairman, my name is Winfield K. Denton, and I am Congressman from the Eighth District of Indiana.

I introduced H. R. 10662.

(Copy of the bill follows:)

[H. R. 10662, 84th Cong., 2d sess.]

A BILL Creating the City of Cannelton Bridge Commission, defining the authority, power, and duties of said Commission; and authorizing the Commission and its successors and assigns to construct, maintain, and operate a bridge across the Ohio River at or near Cannelton, Indiana, and Hawesville, Kentucky, to purchase and operate a ferry at such location, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the City of Cannelton Bridge Commission created by section 9 of this Act (hereafter in this Act referred to as the "Commission"), and its successors and assigns, is authorized to construct, maintain, and operate a bridge and approaches thereto, across the Ohio River at or near the cities of Cannelton, Indiana, and Hawesville, Kentucky, in accordance with the General Bridge Act of 1946, at a point suitable to the interest of public navigation.*

The Commission is also authorized to purchase from its owner, maintain and operate the existing ferry operating between Cannelton, Indiana, and Hawesville, Kentucky, and in connection with the acquisition of such ferry, is authorized to purchase the vessels used in operating a ferry between Cannelton, Indiana, and Hawesville, Kentucky, the franchise granted for operating such ferry, and all real estate, equipment, and other property reasonably necessary to operate such ferry, and owned on the date of enactment of this Act by the owner of such ferry.

SEC. 2. The Commission and its successors and assigns shall have the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the State of Indiana and the State of Kentucky, as may be needed for the location, construction, operation, and maintenance of such bridge and its approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated, and proceedings therefor shall be the same as proceedings for condemnation of private property for public purposes in such State. The Commission, its successors and assigns, may enter into agreements with such States, and any political subdivisions thereof, for the acquisition, lease, or use of any real estate or other property owned by such State or political subdivision.

SEC. 3. The Commission and its successors and assigns may fix and charge tolls for transit over such bridge and ferry in accordance with this Act, subject to the approval of the Secretary of the Army under the General Bridge Act of 1946.

SEC. 4. The Commission and its successors and assigns may provide for the payment of the cost of such bridge as may be constructed, and approaches (including any approach highways which, in the judgment of the Commission, it is necessary or advisable to construct or cause to be constructed to provide suitable and adequate connection with existing and improved highways), and the necessary lands, easements, and appurtenances thereto, and the cost of the ferry, franchise, and real estate, equipment, and other property reasonably necessary to operate such ferry, by an issue or issues of negotiable bonds of the Commis-

sion, bearing interest at the rate or rates of not more than 6 per centum per annum. The principal and interest of such bonds, and any premium to be paid for retirement thereof before maturity, shall be paid solely from the sinking fund provided in accordance with this Act, and such payments may be further secured by a mortgage on the bridge or ferry, or both. All such bonds may be registrable as to principal alone, or both principal and interest, shall be in such form not inconsistent with this Act, shall mature at such time or times not exceeding thirty years from the date of enactment of this Act, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places, as the Commission may determine. The Commission may repurchase and reserve the right to redeem all or any of such bonds before maturity in such manner and at such price or prices, not exceeding 105 per centum of the principal amount thereof and accrued interest, as may be fixed by the Commission before issuance of the bonds. The Commission, when it deems it to be to the best interest of the Commission may issue refunding bonds to repurchase and redeem any outstanding bonds before their maturity. Such refunding bonds shall mature at such time or times, not exceeding thirty years from the date the construction of the bridge has been completed, as the Commission may determine. The Commission may enter into an agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the Commission with respect to the purchase, construction, maintenance, operation, repair, and insurance of the bridge or ferry, or both, the conservation and application of all funds, the security for payment of the bonds, the safeguarding of money on hand or on deposit, and the rights and remedies of the trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporation. Such trust agreement may contain such provisions for protecting, and enforcing the rights and remedies of the trustee and the bondholders, as may be reasonable and proper and not inconsistent with law.

Such bonds shall be sold in such manner and at such time or times and at such price as the Commission may determine, but no such sale shall be made at a price so low as to require the payment of interest at the rate of more than 6 per centum per annum on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values. The face amount of the bonds shall be so calculated as to produce, at the price of their sale, amounts which, when added to any other funds available to the Commission for the same purposes, will be not less than the cost of the bridge and approaches, and the lands, easements, and appurtenances, used in connection therewith and the cost of the ferry, franchise, and real estate, equipment, and other property reasonably necessary to operate such ferry. The cost of the bridge and approaches and approach highways shall be considered to include interest during the construction of the bridge and for twelve months after construction has been completed, and to include all engineering, legal, architectural, traffic surveying, and other expenses incident to the construction of the bridge and the acquisition of the necessary real estate and other property, and incident to the financing thereof. If the proceeds of the bonds issued, when added to any other funds available to the Commission for the same purpose, exceed the cost as finally determined under this section of the bridge and approaches, and the lands, easements, and appurtenances, used in connection therewith, and the cost of the ferry, franchise, and real estate, equipment, and other property reasonably necessary to operate such ferry, the excess shall be placed in the sinking fund provided for in this Act. Before the preparation of definite bonds, the Commission may, subject to the provisions of this Act, issue temporary bonds or interim certificates, with or without coupons, of any denomination whatsoever, exchangeable for definite bonds when such bonds as have been executed are available for delivery.

SEC. 5. The rates of toll to be charged for the use of the bridge shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and approaches under economical management, to provide a sinking fund sufficient to pay the principal and interest of such bonds as they fall due, and to pay for redemption or repurchase of all or any of such bonds redeemed or repurchased before maturity as provided in section 4. All tolls and other revenues from the bridge are hereby pledged to such use and to their application as required by this section. After payment or provision for payment from such tolls of all such cost of maintaining, repairing, and operating the bridge and approaches, and the reservation of an amount

of money estimated by the Commission to be sufficient for such purposes during an ensuing period of not more than six months, the remainder of the tolls collected shall be placed in the sinking fund, at intervals to be determined by the Commission before the issuance of the bonds. An accurate record of the cost of the bridge and approaches, the expenditures for maintaining, repairing, and operating the bridge and approaches, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The Commission shall classify in a reasonable way all traffic over the bridge so that the tolls shall be so fixed and adjusted by it as to be uniform in their application to all traffic falling within reasonable classes, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge except upon payment of tolls so fixed and adjusted. No toll shall be charged officials or employees of the Commission or the Government of the United States or any State, county, or municipality in the United States while in the discharge of their duties, or municipal police or fire departments when engaged in the proper work of any such department.

Within a reasonable time after the construction of the bridge has been completed, the Commission shall file with the Secretary of Commerce a sworn itemized statement, showing the cost of constructing the bridge and its approaches, the cost of acquiring any interest in real estate or other property necessary therefor, and the amount of bonds, debentures, or other evidence of indebtedness issued in connection with the construction of the bridge and approaches and acquisition of the ferry and other property associated therewith.

Sec. 6. Nothing in this Act shall require the Commission to maintain or operate the ferry if it is purchased under this Act, but in the discretion of the Commission, its successors and assigns, the ferry, franchise, and all or any of the real estate, equipment, and other property acquired in connection with the ferry may be sold or otherwise disposed of, or may be abandoned or dismantled, or both, whenever in the judgment of the Commission, its successors and assigns, it may seem expedient to do so. The Commission, its successors and assigns, may fix such rates of toll for the use of the ferry as it may deem proper, subject to the conditions prescribed in section 5 with respect to rates of toll for the use of the bridge. All tolls collected for the use of the ferry and the proceeds of any sale or disposition of the ferry or any other property connected therewith shall be used, so far as may be necessary, to pay the cost of maintaining, repairing, and operating such ferry and property, and any amounts not so used shall be paid into the sinking fund provided for bonds.

Within a reasonable time after the ferry has been acquired under this Act, the Commission shall file with the Secretary of Commerce a sworn itemized statement, showing the cost of acquisition of such ferry and the cost, if any, of acquisition of the franchise, and real estate, equipment, and other property associated with the ferry.

An accurate record of the cost of the ferry, franchise, real estate, equipment, and other property; the expenditures for maintaining and repairing them; and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

Sec. 7. (a) (1) After payment of the bonds and interest, or after a sinking fund sufficient for such payment has been provided and is being held for such payment, the Commission shall transfer by deeds or other suitable instruments of conveyance, an undivided one-half interest in the physical structure of the bridge and its approaches to the State of Indiana or any municipality or agency of such State authorized by or pursuant to law to accept such undivided one-half interest (hereafter in this Act referred to as the "Indiana interest") and an undivided one-half interest in the physical structure of the bridge and its approaches to the State of Kentucky or any municipality or agency of such State authorized by or pursuant to law to accept such undivided one-half interest (hereafter in this Act referred to as the "Kentucky interest"), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired by the Indiana interest and the Kentucky interest as may be agreed on. If no Indiana interest or Kentucky interest is authorized to accept, or does accept, such one-half interest in the bridge and approaches under such conditions, then the bridge shall continue to be owned, maintained, operated, and repaired by the Commission, and the rates of tolls shall be so adjusted as to provide a fund of not to exceed the amount necessary for the maintenance, repair, and operation of the bridge and approaches under economical management, until such time as an Indiana interest and a Kentucky

interest is authorized to accept, and does accept, such bridge and approaches under such conditions.

(2) The Commission is authorized to transfer, by deeds or other suitable instruments of conveyance, the bridge and its approaches and all other assets and property of the Commission to the Indiana Toll Bridge Commission, or to any similar agency of the State of Kentucky, or to both of them jointly, if the grantee agrees to assume the liabilities and obligations of the Commission with respect to such bridge and property. Tolls collected by the grantee shall be used only to pay (A) the bonds outstanding at the time of the transfer, plus accrued interest, (B) the reasonable cost of maintenance and operation of the bridge and approaches until such bonds and interest have been paid, and (C) the assumed liabilities and obligations. After a fund has been accumulated which the United States Commissioner of Public Roads determines is adequate to carry out the preceding sentence, such bridge shall thereafter be free of tolls, and shall be properly maintained, operated, and repaired by the grantee. The bridge and its approaches may not be transferred under this paragraph after payment of the bonds and interest, or after a sinking fund sufficient for such payment has been provided.

(3) Whenever the bridge and approaches are transferred under this subsection, the Commission, its successors or assigns, shall (if the ferry and other property have not already been disposed of) sell the ferry and franchise, and the real estate, equipment, and other property associated with the ferry, as soon as practicable at such price and upon such terms as the Commission, its successors or assigns, may determine.

(b) (1) The Administrator of the Housing and Home Finance Agency may make advances to the Commission under the terms and subject to the conditions of section 702 of the Housing Act of 1954, and may purchase the securities and obligations of, or make loans to, the Commission under the terms and subject to the conditions of title II of the Housing Amendments of 1955.

(2) If the State Highway Department of the State of Indiana consents, amounts apportioned to that State out of sums appropriated under the Federal-Aid Road Act of July 11, 1916, as amended and supplemented, may be allocated for the construction of such bridge and approaches, in the same manner and subject to the same terms and conditions as apply in the case of projects on the Federal-aid primary highway system. If the Department of Highways of the State of Kentucky consents, amounts apportioned to that State out of sums appropriated under the Federal-aid Road Act of July 11, 1916, as amended and supplemented, may be allocated for the construction of such bridge and approaches, in the same manner and subject to the same terms and conditions as apply in the case of projects on the Federal-aid primary highway system.

SEC. 8. The Commission and its successors and assigns are authorized to provide for the payment of the cost of the bridge and approaches (including the approach highways which, in the judgment of the Commission, it is necessary or advisable to construct or cause to be constructed to provide suitable and adequate connection with existing improved highways) and the necessary lands, easements, and appurtenances thereto by negotiating and entering into a contract or contracts with the State Highway Department of Indiana, the Department of Highways of Kentucky, Perry County, Indiana, Hancock County, Kentucky, the city of Hawesville, Kentucky, the city of Cannelton, Indiana, or any other county or municipality in the States of Indiana and Kentucky, whereby the Commission may receive financial aid in financing the construction of the bridge and approaches. The Commission, in its discretion, may avail itself of all the facilities of the State Highway Department of Indiana, the Department of Highways of the State of Kentucky, or any county or municipality in the State of Indiana or the State of Kentucky, with regard to construction of said bridge, and the Commission may make and enter into any contract or contracts which it deems expedient and proper with the State Highway Department of the State of Indiana, or the Department of Highways of the State of Kentucky, or any county or municipality in the State of Indiana and the State of Kentucky, whereby said highway departments, municipalities, or counties, or either of them may construct, operate, and maintain, or participate with the Commission in the construction, operation, and maintenance of the bridge and its approaches.

It is hereby declared to be the purpose of Congress to facilitate the construction of a bridge and proper approaches across the Ohio River at or near Cannelton, Indiana, and to authorize the Commission to promote said object and purpose, with full power to contract with either the State Highway Department of Indiana, the Department of Highways of Kentucky, or any municipality, or county, or cities in the States of Indiana and Kentucky, or all of them, in relation to the construction, operation, and maintenance of said bridge and approaches.

Sec. 9. (a) For the purpose of carrying into effect the objects stated in this Act, there is hereby created the City of Cannelton Bridge Commission, and by that name, style, and title said body shall have perpetual succession, may contract, and be contracted with, sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations or gifts of money or property and apply the same to the purposes of this Act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this Act.

(b) The Commission shall consist of Edward F. Clemens, John Conway, and Robert Cummings, of Cannelton, Indiana, and Arnold Mulzer, of Tell City, Indiana, and C. D. Mayfield, of Hawesville, Kentucky; such Commission shall be a public body corporate and politic. Each member of the Commission shall qualify within thirty days of the date of enactment of this Act by filing with the Commissioner of Public Roads of the United States an oath that he will faithfully perform the duties imposed upon him by this Act. Each person appointed to fill a vacancy shall qualify in the same manner within thirty days after his appointment. Any vacancy occurring in the Commission by reason of failure to qualify, death, or resignation, shall be filled by appointment by the Commissioner of Public Roads.

(c) The first five members of the Commission shall hold office for four years. At the end of that time, the members of the Commission shall be divided into three classes by drawing lots so that two members shall be in the first class, two in the second class, and one in the third class. The members of the Commission of the first class shall hold office for an additional two years, the members of the second class shall hold office for an additional four years, and the member of the third class shall hold office for an additional six years, after the first four years has expired. Upon the expiration of the term of any member of the Commission, his place on the Commission shall be filled by appointment for six years made by the Commissioner of Public Roads, who may reappoint the member whose term is expiring.

(d) Before any bonds may be issued under this Act, each of the first five members of the Commission must give such bond as may be fixed by the Commissioner of Public Roads, conditioned upon his faithful performance of all duties required by this Act. The cost of such surety before and during the construction of the bridge shall be paid, or reimbursement made, out of the proceeds from the sale of bonds; thereafter such cost shall be an operating expense of the Commission, to be paid from tolls.

(e) The Commission may establish rules and regulations for the government of its business not inconsistent with this Act. The Commission shall from time to time select a chairman and a vice chairman from among its members. Three members of the Commission shall constitute a quorum.

SEC. 10. The Commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this Act. The members of the Commission shall be entitled to a per diem compensation for their services of \$10 for each day actually spent in the business of the Commission but the maximum compensation of the chairman in any year shall not exceed \$1,200, and of each other member shall not exceed \$600 in any one year. The members of the Commission shall be entitled to receive a traveling-expense allowance of 10 cents a mile for each mile actually traveled on the business of the Commission. The Commission may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees as it may deem necessary, who shall be entitled to receive such compensation as the Commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this Act.

After all bonds and interest thereon have been paid and all other obligations of the Commission paid or discharged, or provision for all such payments shall have been made, and after the bridge has been conveyed to the Indiana interest and the Kentucky interest, or otherwise disposed of as provided in this Act, the Commission shall be dissolved and shall cease to have further existence by an order of the Commissioner of Public Roads made upon his own initiative or upon application of the Commission or any member or members thereof, but only after a public hearing in the city of Cannelton, Indiana, notice of the time and place of which hearing and the purpose thereof shall have been published once at least thirty days before the date thereof, in a newspaper published in Perry County, Indiana. At the time of such dissolution all moneys in the hands of or to the credit of the Commission shall be divided and distribution made between the "Indiana interest," and the "Kentucky interest," as may be determined by the Commissioner of Public Roads of the United States.

SEC. 11. Nothing in this Act shall be construed to authorize or permit the Commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided under this Act. No obligation created or liability incurred pursuant to this Act shall be a personal obligation or liability of any member or members of the Commission, nor shall any indebtedness created pursuant to this Act be an indebtedness of the United States.

SEC. 12. The design and construction of any bridge which may be built pursuant to this Act shall be in accordance with the standard specifications for highway bridges adopted by the American Association of State Highway Officials.

SEC. 13. The Commission, and its income, property, and franchises shall be exempt from all Federal taxation.

SEC. 14. All provisions of this Act may be enforced or the violation thereof prevented by mandamus, injunction, or other appropriate remedy brought by the Attorney General of the United States in any United States district court having competent jurisdiction of the subject matter and of the parties.

SEC. 15. (a) The financial transactions of the Commission shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the places where the accounts of the Commission are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Commission and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians.

(b) A report of each such audit shall be made by the Comptroller General to the Congress not later than January following the close of the fiscal year for which such audit is made. The report shall set forth the scope of the audit and shall include a statement of assets and liabilities, capital, and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep Congress informed of the operations and financial condition of the Commission, together with such recommendations with respect thereto as the Comptroller General may deem advisable. The report shall also show specifically any program, expenditures, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the Commission at the time submitted to the Congress.

SEC. 16. The right to alter, amend, or repeal this Act is hereby expressly reserved.

MR. DENTON. The purpose of this bill is to establish a commission which will have authority to issue bonds to build a bridge across the Ohio River between Cannelton, Ind., and Hawesville, Ky.

The commission will collect tolls and pay for the upkeep of the bridge and when the tolls are sufficient to retire the bonds, then the bridge will be a free bridge.

This bill provides a period of 30 years as the limit on the bonds. I remember when we wrote this act that there is a bridge act which requires a certain provision to be put in a bill, and this bill was drawn within the Federal Bridge Act with reference to the bonds and complies with the law in that respect. I recall that the legal counsel worked with me for quite a while on that.

This bridge is to be located about midway between Evansville, Ind., and Louisville, Ky. It is to be located in an area where there are three towns on the Indiana side. They are enterprising towns. There is Troy, Tell City, and Cannelton, Ind., on the other side of the river from Hawesville.

Locally, there is a good deal of industry, especially in Tell City and some in Cannelton.

Locally, a good many people cross the river from Hawesville, Ky., and that general neighborhood to work in these factories at Tell City. The town will support a much larger population for the industry which it has, and the reason for that is that a good many people live in surrounding towns and come in and work in these factories at Tell City.

Another local need is that there is a big sewer-pipe factory or kiln located at Cannelton, but they are running out of clay on the Indiana side of the river. However, there is a great supply of clay in Kentucky, and they could haul clay from the other side across the river which would keep that industry going much more economically. That is a local need.

From the standpoint of an interstate need, this would make a much better road between Evansville, Ind., and Louisville, Ky. The present road goes through hills and winds around a great deal. Whether this would be shorter or not I do not know, but it would be a much easier way to travel. In other words, one could go from Evansville up to Cannelton, and cross the river at Hawesville, and then go on to Louisville.

Fort Knox is also located in that general area, and it would be 60 miles closer to Evansville, Ind., if this bridge were constructed.

If we had this bridge, we would have an east-west road between Evansville and Louisville on the Interstate System, and in addition thereto it would link up another very important road which would afford the traveling public two ways to go east and west.

This proposal is just the same as the Saint Francisville bridge which your committee approved the other day, and is the same as the proposal for the bridge which Mr. Wilson has.

There is a very reputable group of businessmen who are backing this up and they are sure they can put the bridge through if they have the authority.

Mr. Natcher is also interested in this bridge. He represents the district in Kentucky across the river from the bridge.

Mr. BLATNIK. Mr. Denton, do you agree to the suggested amendments which have been proposed?

Mr. DENTON. The amendments are all agreeable; yes, sir.

Mr. BLATNIK. In section 6, subsection b, line 7, page 12, you strike that out, and on page 19 we strike out section 13 and section 15.

Mr. DENTON. That is the section dealing with the General Accounting Office?

Mr. BLATNIK. That is right.

Mr. DENTON. I put that provision in there at their suggestion. If they want it out, that is perfectly all right with me, but they suggested putting it in that way.

Mr. BLATNIK. The report from the Comptroller General states that in view of the fact no Federal money is involved, they felt they should not have the additional responsibility.

Mr. DENTON. That is right.

Mr. BLATNIK. Very well. We will consider those amendments in executive session.

Mr. DENTON. My own thought on that would be that in this kind of a case if we did have an audit, that the bridge would pay for it.

Mr. BLATNIK. Thank you very much, Mr. Denton.

We have our colleague and friend from Bolling Green, Ky., the Second Congressional District of Kentucky, Mr. Natcher.

Mr. Natcher, do you have a statement which you desire to make to the subcommittee?

**STATEMENT OF HON. WILLIAM H. NATCHER, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF KENTUCKY**

Mr. NATCHER. Mr. Chairman and members of the committee, for the record my name is William H. Natcher, and I have the honor of representing the Second District of Kentucky.

At this time, Mr. Chairman, I want to join with my colleagues, Mr. Denton, of Indiana, and Mr. Wilson of Indiana, in their request that these two bridges—these two particular bills—H. R. 10662 and H. R. 10468, be favorably reported.

On my side of the river, Mr. Chairman, we have United States Highway 60 that runs parallel with the Ohio River at Hawesville, Ky., in Hancock County. This is the extreme northeast section of my district, and directly across the river from Cannelton, Ind. This is only a short distance, Mr. Chairman, from Fort Knox, traveling north out U. S. 60 and intersecting 31-W. Then traveling back down in a south-westerly direction, we go on through Owensboro and on down to Paducah and the atomic energy plant section.

I think the traffic conditions would justify the construction of both of these bridges, Mr. Chairman, and I want you and the members of the subcommittee to know that we are very much interested in these two particular projects in Kentucky and that it will mean a great deal to our section of the United States if both bridges are constructed.

Mr. BLATNIK. Thank you very much, Mr. Natcher.

We have present with us today representatives from the Corps of Engineers. We have Col. Ray Adams and Mr. Earl H. Dominick.

Mr. Dominick, are you in charge of the presentation in regard to these two bridges in behalf of the Corps of Engineers?

STATEMENT OF EARL H. DOMINICK, CORPS OF ENGINEERS,  
PUBLIC WORKS—Resumed

Mr. DOMINICK. Yes, sir. I am Earl H. Dominick, Corps of Engineers, Public Works.

Mr. Chairman and members of the committee, we have submitted our report on behalf of the Department of the Army.

Our interest primarily is to protect the navigable capacity of the waterway and see that the plans are approved by the Chief of Engineers and the Secretary of the Army.

These two bills conform to the General Bridge Act of 1946 and require the approval of the Chief of Engineers and the Secretary of the Army. We have no objection to either bill, Mr. Chairman.

Mr. BLATNIK. Are there any questions from the committee?

(No response.)

Mr. BLATNIK. Thank you very much, Mr. Dominick.

Mr. DOMINICK. Thank you, sir.

(Whereupon, at 11:30 a. m., the hearing was adjourned.)

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