

by the two Houses and found to be duly enrolled, and to receive messages.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY

Mr. KNOWLAND. Mr. President, under the previous order of the Senate, I move that the Senate stand in recess until Monday next.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess, the recess being, under the order entered yesterday, April 25, 1956, until Monday, April 30, 1956, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 26, 1956:

UNITED STATES COAST GUARD

The following-named persons for appointment in the United States Coast Guard:

The nominations of William L. Maloney and 749 other persons for appointment in the United States Coast Guard, which were received by the Senate on April 16, 1956, were confirmed today, and full list thereof may be found in the Senate proceedings of the CONGRESSIONAL RECORD for April 16, 1956, under the caption "Nominations," beginning with the name of William L. Maloney, which is shown on page 6347, and ending with the name of Joseph Henry Wubbold III, which occurs on page 6349.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 26, 1956

The House met at 11 o'clock a. m.

Rev. J. Sanford Lonsinger, Third Presbyterian Church, Newark, N. J., offered the following prayer:

Almighty God, we make our earnest prayer that Thou wilt keep the United States in Thy holy protection; that Thou wilt incline the hearts of our citizens to cultivate a spirit of subordination and obedience to government. Dispose us all to do justly, to love mercy, and to walk humbly with God.

May this Nation be great not only in things material, but in things spiritual. Not flouting her strength as a giant, but bending in helpfulness over a sick and wounded world like a good Samaritan. Not in pride, arrogance, and disdain of other races and peoples, but in sympathy, love, and understanding. Not in treading again the old bloody path of war, but blazing the way to a just and lasting peace.

Bless with wisdom and courage the President and those associated with him in authority. Direct and prosper the consultations of the Congress here assembled, to the advancement of Thy glory and to the safety, honor, and welfare of the people. Amen.

The Journal of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the

Senate had passed without amendment a bill of the House of the following title:

H. R. 10754. An act to authorize the Honorable SAM RAYBURN, Speaker of the House of Representatives, to accept and wear the award of the Order of Sikatuna, Lakan Class, tendered by the Government of the Republic of the Philippines.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6227. An act to provide for the control and regulation of bank holding companies, and for other purposes.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 76. Concurrent resolution amending Senate Concurrent Resolution 67, favoring the suspension of deportation in the cases of certain aliens.

The message also announced that the Senate agrees to the amendments of the House to bills and a concurrent resolution of the Senate of the following titles:

S. 31. An act for the relief of Shih Ming Wang;

S. 83. An act for the relief of Otilie Hitzlberger Lachelt;

S. 1212. An act for the relief of Dr. Lincoln Roy Manson-Hing;

S. 1255. An act for the relief of Brigitta Poberetski;

S. 1905. An act for the relief of Winston Bros. Co. and the Utah Construction Co. and the J. A. Terteling & Sons, Inc.; and

S. Con. Res. 67. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 3996) entitled "An act to further amend the Military Personnel Claims Act of 1945," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DANIEL, Mr. McCLELLAN, and Mr. WELKER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 5862) entitled "An act to confer jurisdiction upon the United States district courts to adjudicate certain claims of Federal employees for the recovery of fees, salaries, or compensation," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. NEELY, Mr. DANIEL, and Mr. WATKINS to be the conferees on the part of the Senate.

SALUTE TO OKLAHOMA JOURNALISM

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, a signal honor came to Oklahoma last week with the election of Jenkin Lloyd

Jones, editor of the Tulsa Tribune, as 26th president of the American Society of Newspaper Editors.

The Tulsa editor succeeds Kenneth MacDonald, editor of the Des Moines Register and Tribune, and thereby becomes the second Oklahoma newspaperman to hold the post of national leadership among America's editors.

Oklahoma's Jenkin Lloyd Jones thus joins a distinguished company of ASNE presidents, among whom the public will readily recognize such journalistic giants as William Allen White, of the Emporia Gazette; Erwin Canham, of the Christian Science Monitor; and James S. Pope, of the Louisville Courier-Journal.

It is a ringing tribute to the quality and the leadership of Oklahoma journalism in general to be added to the small group of five other States which have been awarded the ASNE presidency more than once. Only New York and Ohio have won this distinguished place more than twice. Only Illinois, Missouri, and Kentucky share the double honor with Oklahoma.

As a former newspaperman in Oklahoma, I have long been proud of the initiative, the vigilance, the abiding interest in public matters, and the crusading spirit of many great Oklahoma newspapers. The press services have shared fully in these qualities and have joined our newspapers in sending to Washington and other world capitals some of America's greatest correspondents.

Jenkin Lloyd Jones, the son of a pioneering newspaper editor who founded the Tulsa Tribune, is a man who exemplifies these refreshing qualities of Oklahoma journalism.

Among the enterprising editors of our State's most vigorous newspapers, he has become widely known for his initiative in editorial policy, his vigilance in news gathering, his continuing interest in public questions, and his courageous leadership of causes in which he becomes concerned.

While I have sometimes disagreed with his position on political questions, I have never doubted his sincerity—nor failed to admire his courage in taking an open and unequivocal stand on controversial questions.

The Tribune editor has also demonstrated on more than one occasion his keen curiosity and determination to get the facts at firsthand when necessary. His recent trip around the world, on which he based his compilation of articles, *A Proud Thing*, is a fine case in point. This series is worthwhile reading for all Americans who are interested in world problems. It is also a splendid demonstration of Jenkin Jones' writing ability.

Along with other Oklahomans, Mr. Speaker, I am proud of the recognition which America's editors have again extended to our State and to our newspaper editors. We appreciated the honor when it was extended to Walter M. Harrison, of the Daily Oklahoman, in 1928. We appreciate it in 1956 as it is conferred on Jenkin Lloyd Jones, of the Tulsa Tribune.

Jenkin Jones will follow in the footsteps of some big men on the Nation's

journalistic scene. We have no doubt he will add distinction to a distinguished position.

MINORITY VIEWS ON THE BILL H. R. 8901

Mr. HESELTON. Mr. Speaker, I received unanimous consent to file a minority report on the bill H. R. 8901, the Capital Transit bill. That time expires tonight. I ask unanimous consent that that time may be extended until tomorrow night.

The SPEAKER. Is there objection?
There was no objection.

FEDERAL HIGHWAY AND HIGHWAY REVENUE ACTS OF 1956

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 485) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10660) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, and trucks and buses; and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 5 hours, 3 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, and 2 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. No amendments shall be in order to title II of the bill except amendments offered by direction of the Committee on Ways and Means which shall be in order notwithstanding any rule of the House to the contrary, but shall not be subject to amendment. At the conclusion of the consideration of the bill, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Pending that I yield myself such time as I may require.

Mr. Speaker, this resolution makes in order the bill H. R. 10660, the so-called Federal Highway Revenue Act of 1956. The resolution provides for an open rule, with 3 hours of general debate on titles I and III of the bill, to be controlled by the Committee on Public Works, and a closed rule with 2 hours of general debate on title II containing the revenue provisions, to be controlled by the Committee on Ways and Means.

Mr. Speaker, with reference to the closed portion of the rule, I merely want to make this observation: I realize that it is the tradition and custom of this House to consider all revenue matters under a closed rule. I have gone along

and I am going along with that precedent and that tradition. I am not in love with either. I would much prefer if we could consider this bill in all of its phases under an open rule, where the House would be able to work its will. I know the answer that is made to that position, that it would involve a lot of debate and a lot of amendments, and some even go so far as to say it would bring about chaos. I am just not willing to concede that this House, composed of responsible representatives of the people, cannot consider legislation under an open rule. Over in the other body it is always done. As I say, I am making no point of that; I am merely making the observation.

Mr. Speaker, this bill is a momentous one; it authorizes the expenditure of gargantuan sums of money. A good feature of this bill is that it provides for a pay-as-you-go program. While there will be additional and substantial taxes, yet in the end if the matter works out as the proponents hope and provide for it to work out we will not add to the already staggering national debt.

I personally would prefer to see these so-called expressways, thruways, on a toll basis. I raised this question last year and I raise it again this year; but again there is overwhelming opposition to such a program. With such a program most of your money is going into these express highways; under my proposal the people who use the highways would pay for them. But again this bill has been brought out here after many months of consideration, and I suspect if we are going to have a highway program we are going to have to go along with it.

There are other features of the bill I might discuss, Mr. Speaker, but they will be considered at the appropriate time.

Mr. BASS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. BASS of Tennessee. Under this rule is it possible to pass a highway bill and omit that section that includes the tax feature?

Mr. COLMER. Let me answer my friend this way: I certainly hope that if the rule is broad enough to cover what the gentleman has in mind it will not be done.

Mr. BASS of Tennessee. That is my attitude, and that is the reason I asked the gentleman if it would be possible to do that under this rule.

Mr. COLMER. Let me say to my friend from Tennessee that that question was raised and discussed in the Committee on Rules. There was a division of opinion. I prefer not to give a categorical answer to the gentleman for that reason. But I do not think the rule would permit the section to be stricken.

Mr. BASS of Tennessee. I thank the gentleman from Mississippi.

Mr. COLMER. But I should certainly hope that no such action would even be attempted, because we cannot afford to burden future generations with these additional billions of dollars. It would add to the national debt and to the inflation and to the eventual collapse of the economy of this country, if that reckless

spending and irresponsible financial theory is followed.

Title I of the bill contains the authorization for the Federal-aid highway program for primary, secondary, and urban road systems. In addition to the 700 million authorized in the 1954 act for 1957, \$25 million more is authorized, and additional increases of \$25 million each year in the total amounts to be authorized for the fiscal years 1958 and 1959 are provided.

Thirty million dollars is authorized for an emergency fund for highway repairs in disaster areas. The authorization for the Interstate System of Highways totals \$24,825,000,000 over a 13-year period—1957 through 1969. The matching ratio is 90 percent Federal funds and 10 percent State funds.

The bill contains a new provision pertaining to maximum axle weight limitations as an investment against damage caused by heavy loads on the highways.

Another provision of the bill declares that it is the intent of Congress to provide for the reimbursement by the Federal Government to States that have completed sections of the Interstate System and directs the Secretary of Commerce to make a study to determine the method and amount of such reimbursements.

A further provision provides that the Secretary of Labor shall determine the prevailing wages to be paid on all contracts involving the Interstate System under the provisions of the Davis-Bacon Act. The Federal Government is also authorized to reimburse the States for the cost of relocation of utility facilities according to the Federal pro rata share applicable to the project.

Title II incorporates the recommendations of the Ways and Means Committee as contained in the Boggs bill, H. R. 9075. It provides for a 1-cent tax increase on gasoline, diesel and special motor fuel, raising the taxes to 3 cents; an increase of 3 cents a pound in the tax on tires, as well as a tax of 3 cents a pound on camelback for retreading tires; a 2 percentage point increase in the 8 percent manufacturers' tax on trucks, buses, trucks and trailers, and so forth, and a new annual tax of \$1.50 per 1,000 pounds of taxable gross weight for trucks and buses weighing over 26,000 pounds, if registered for use on the highways. A highway trust fund is established and provision made for the appropriation to the trust fund of amounts equal to the collections from certain taxes for a 16-year period from June 30, 1956 to July 1, 1972. The receipts set aside for highway purposes during this period will amount to approximately \$38½ billion.

Finally, Mr. Speaker, I am not in agreement with the committee on the utility and labor provisions of the bill. But I understand that committee amendments will be offered to improve these provisions. It is to be hoped that such action will be had.

Mr. ALLEN of Illinois. Mr. Speaker, I believe the gentleman from Mississippi has fully explained the rule. I know of no one who is opposed to the rule but I just want to make an observation and compliment the committee having jurisdiction of this bill on section 113 with

regard to the relocation of utility facilities. It provides that Federal funds may be used to assist the States on such costs at the ratio the Federal funds are expended on existing projects, which is 90 percent. I know of few who oppose that part of the bill. All of us have small telephone lines in our districts.

Mr. Speaker, may I say that I have received considerable mail from the stockholders of those small independent lines. I have also received letters which stated that in the event this section is stricken they will find themselves in a bad financial situation. So I am hoping that the House will retain especially that part which will take care of these independent lines where they have put their poles along single highways which are proposed to be widened and the poles moved. Some of this work has just recently been completed.

Mr. Speaker, I reserve the balance of my time.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Speaker, of course I am not opposed to the rule. I am for adoption of the rule and certainly expect to vote for this highway bill.

There is one little matter in the bill, though, that I think should be given very serious consideration by the House and I bring this to your attention because during the past few years I have had considerable experience with the subject matter which I will discuss. I notice on page 24 of the highway bill, section 112 entitled "Prevailing Rate of Wage" is as follows:

The Secretary of Commerce shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the initial construction work performed on highway projects on the Interstate System authorized under section 108 of this title shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined—

Here is the part the House should be more than cautious about—

by the Secretary of Labor in accordance with the act of August 30, 1955, known as the Davis-Bacon Act (40 U. S. C., sec. 276-a).

Mr. Speaker, the first part of the paragraph is perfectly proper and all right. Since the Department of Commerce is the principal Government Department involved in this matter, it should be charged with the responsibility of the payment of prevailing wages in the community where the construction is being done.

There is another partner, however, in this highway work and that is the various States of the Union, the 48 States of the Union. A portion of the money authorized—50 percent of it—is furnished by the States, 50 percent by the Federal Government. The major portion of the money, however, is on a 90 percent United States and 10 percent State matching basis. This further invasion of the control of States should be viewed with caution. When you control the State's money you are coming pretty close to control of the States themselves. In my opinion, it is asking right much

of the governor of any State to so abdicate his position and authority that he will say: "Here is the money, I will not have anything to do with its expenditure."

To me the inclusion of the Davis-Bacon Act in here is highly improper and will lead to not only waste but confusion, because I say to you without any reluctance whatever, and the record will disclose this, that the Davis-Bacon Act has probably been the worst administered piece of law on the statute books. There is no reason for the trouble and confusion—for in the first place it is a very simple operation to get an honest prevailing wage figure, and in the second place no one could get labor without paying the prevailing wage of the community.

You are bringing in a third Department, the Labor Department. They will determine what the wages shall be in the expenditure of the funds.

Now, there is no protection for the contractors, and you may rest assured that when they place a bid on a road all of the contractors have learned and learned through bitter experience that they better leave a margin in there, because the Department can change those wages and make orders that will make the project cost millions of dollars more. Now, I would like to suggest to this House, in all seriousness, that an amendment be included so that the Department of Commerce, which is a Federal Department, in conjunction with the State highway department, fix and establish the prevailing wage in a community. The prevailing wage in a community is not difficult to establish. It is about the simplest thing if done properly, but it can be a very difficult thing if it is done improperly.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Illinois.

Mr. MASON. The crux of this whole prevailing wage thing is this: Some thirty-odd States have prevailing wage laws adopted by their legislatures. They are carrying out those laws. But, if this amendment is not adopted, then the Secretary of Labor, sitting in Washington, will tell each State what the prevailing wage should be in that State, and that, it seems to me, is another violation of States' rights.

Mr. DEMPSEY. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from New Mexico.

Mr. DEMPSEY. The gentleman said that the matching is on a 50-50 basis, 50 State and 50 Federal. Where the Davis-Bacon Act applies it is on a 90-10 basis, 90 State and 10 Federal. It does not apply to the other categories.

Mr. BARDEN. I will say to the gentleman that I just read the language, and it was my impression that this section 112 applied to the construction of highways.

Mr. DEMPSEY. Just on the interstate system, which is 90-10.

Mr. BARDEN. Can I reply upon that?

Mr. DEMPSEY. Yes.

Mr. FALLON. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Maryland.

Mr. FALLON. It is only on the interstate system; only on initial construction.

Mr. BARDEN. Then, it is only 10 percent bad. Frankly, I do not think it is a good policy to continue to expand the coverage of the Davis-Bacon Act.

Now, I just want to talk a little practical sense here about your Davis-Bacon situation. If this Congress is going to establish a policy of carrying the fixing of wages by the Secretary of Labor to every single Federal program, whether it be for housing, veterans housing, farm loans or anything else, then let us enter the field through the front door and let the Davis-Bacon Act be reworked and write the law if the Congress so desires.

Frankly, in my opinion, that is the wrong approach to it. It is definitely wrong. In my opinion, it is not the intent of Congress to carry that provision all the way through. If it is going to apply to matters involving as much as \$26 billion and the money from the States, then it should be reworked and some teeth put in it so that somebody will have some kind of control over and protection from the folks who are fixing these wages. I know this from practical experience and from my association with folks. The average laboring man does not want the Government to fix his wages. Government fixing of wages is distasteful to every labor man and labor leader that I know of. I think the only reason they are interested in this particular situation is for the moment. I think they feel that they control the man who fixes the wage. That is very poor policy, in my opinion, and not the type that we want to make a permanent part of this Government. So I should like to see this operated by the Department of Commerce which is the interested Department, in conjunction with and in cooperation with the States.

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman.

Mr. WIER. I think the gentleman made the statement that those whom he has met and talked to are opposed to Government fixing of wages.

Mr. BARDEN. Surely.

Mr. WIER. That is probably true, but all that is done here under the Bacon-Davis Act is to fix a floor, the same kind of floor that we have under the wage and hour law.

Mr. BARDEN. Let me say to the gentleman that he has never heard of a wage being fixed by the Bacon-Davis Act as was not the ceiling.

Mr. WIER. Oh, yes.

Mr. BARDEN. Then the gentleman has heard something that I have not heard.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I rise to discuss for a few moments another controversial section of this bill.

I refer to the section of the measure which deals with the reimbursement of utilities for relocation costs incurred in connection with construction of highways. I know that this section is quite controversial. There are divergent views upon it.

However, I am especially concerned with the fate of some of the smaller utilities and some of the smaller communities under the highway-construction bill if some provision is not contained in the measure to reimburse them for expenses incurred in relocation activities as may be required by the highway-construction authorities, whether they be State or Federal.

I appreciate the fact that in the bill which was before the Congress last year, it was mandatory that the various States compensate or reimburse public utilities for expenditures required in connection with relocation. However, this particular bill has an entirely different provision. It provides that the States may, according to their custom and their past practice, reimburse where, in their own discretion, they believe such reimbursement is fair and necessary.

The argument is made against this section, or was made before the Committee on Rules, that this would be a great benefit to a large utility. Let me answer that simply by saying that I do not believe, whether large or small, we should be unfair to any property owner in the country in connection with highway construction.

However, I want to point out that unless the State legislatures, the governors, the highway directors, or the highway commissions of the various States coming under this provision are corrupt, they will of course provide that compensation will be allotted only on a fair and substantial basis according to actual expenditures required, and will not approve of any kind of reimbursement where it would result in gain for the utility affected, but only for the replacement of the actual cost incurred.

In Ohio for instance we have some 75 percent of our State, geographically speaking, served by small independent telephone companies. There is hardly a one of them but what, if they were compelled to meet the expense of relocating lines because of the widening or construction of a highway, would not be forced into bankruptcy. They are in such financial situations that they simply cannot afford to meet such expenses. They cannot do it. There is no way they can recover the money that they would be called upon to spend.

Then there are all kinds of small communities—and I want you to think about it, for the matter applies not only to Ohio but to your own State as well—where highways go through small communities. They may be interstate highways, connecting one coast with the other. They may be State highways. But those highways and streets will be widened and those local communities, unless we have a section of law like this, something of the type that is included in this bill, would be required to meet the cost of moving their water mains, their sewage systems, their gas mains, and the lighting equipment for their

streets, and most of those communities are already bonded to the limit. They have spent their money putting these local utilities into the streets. Now along comes the Federal Government with legislation that says, "We are going to come in and widen your streets and we are going to force you to tear up your utilities and move them without compensation."

I think this Committee on Public Works has been very fair in this matter. They have provided in the bill that where the States find that the local communities or the local telephone companies, whatever you want to call them, a little utility or a big utility, for that matter, is required by the order of the State itself in the construction of a highway to move a utility, it should be compensated for the cost thereof. I think it is just fairness and justice that this provision be included in the bill.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Connecticut.

Mr. MORANO. I agree with the gentleman. I think it is a very fair provision in the bill and it should not be stricken. I should like to associate myself with the gentleman on that.

Mr. BROWN of Ohio. I thank the gentleman very much. Unless we have no faith at all in our State and local officials, I feel that this section of the bill should remain about as it is. If there is any amendment needed, I will accept it.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HOFFMAN of Michigan. Does the bill require the States to reimburse the local communities?

Mr. BROWN of Ohio. The bill does not require the States to reimburse anybody. It permits the States to reimburse if that has been the practice within the States in the past and the States so provide. It places the responsibility for saying that the reimbursement is on a fair and equitable basis directly on the State officials who are in charge of the construction of the highways.

Mr. HOFFMAN of Michigan. Under the bill as written, who pays the cost of the relocation of municipal lines, light and power?

Mr. BROWN of Ohio. It would depend entirely on whether the State law provides for reimbursement in such construction.

Mr. HOFFMAN of Michigan. Even if they shove an interstate highway through the municipality?

Mr. BROWN of Ohio. That is right, because the interstate highway comes under the construction authority of the State itself.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. JENKINS. I was interested in what the gentleman said with reference to these small utility companies. It is the truth that they just cannot operate under those circumstances.

Mr. BROWN of Ohio. It would bankrupt half of them.

Mr. JENKINS. If we do not adequately take care of these public utilities at this time, we will work an injustice that will be difficult to remedy. Let us do what is right to all those interested groups.

Mr. BROWN of Ohio. I thank the gentleman from Ohio.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. DONDERO. I think it is fair to say that the bill substantially does what we are doing now throughout the United States.

Mr. BROWN of Ohio. It continues the practice we have in the various States now, or at least in many of them—I think in 24 States.

Mr. DONDERO. Might I ask the gentleman a further question? Who paid for the construction of these utilities in the first place?

Mr. BROWN of Ohio. Of course, the local taxpayers or the local investors in these little telephone companies paid for them, if they are private utilities, or the citizens and the taxpayers of the community if they happen to be owned by a village or a city.

Mr. DONDERO. In my State of Michigan as in the State of Ohio, we have many independent telephone companies. I understand there are some 130 of them in my State that could not stand the expense of removing their utilities, if they were required to do so without reimbursement.

Mr. BROWN of Ohio. The same situation by the way applies to the Rural Electrification Administration lines where the bonds have been issued and the lines have been constructed. There are no funds available to meet the cost of relocating these lines and, perhaps, many of these cooperatives will be placed in a very difficult position if we do not keep this particular section in the bill.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. REES of Kansas. From what the gentleman has just said is there a possibility then of a utility running through two States, where in one State they may be reimbursed and in the other one not be reimbursed?

Mr. BROWN of Ohio. I think that could happen. That happens now under the present law. Of course, it should not happen and I hope every State by some act or proper legislation under the provisions of this bill will see that fair reimbursement is made.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. GROSS. I will say to the gentleman that I have not had a single communication from the Rural Electrification people in the State of Iowa where they ask for any such treatment.

Mr. BROWN of Ohio. They are probably in such financial situation that they cannot even afford the postage. I have heard from many and I think most other Members of Congress have heard from them.

Mr. SCHERER. The fact is this section in the bill merely writes into law what the existing practices have been between the Bureau of Public Roads and the States for many years.

Mr. BROWN of Ohio. That is right. It leaves the question of reimbursement entirely up to the State.

Mr. LONG. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. LONG. I just wonder what the position of the railroad is under this bill as to reimbursement?

Mr. BROWN of Ohio. I cannot answer that question for a certainty.

Mr. SCHERER. Will the gentleman yield so that I may answer that question?

Mr. BROWN of Ohio. I yield to the gentleman who is a member of the Committee on Public Works to answer the gentleman.

Mr. SCHERER. Today, the railroads are reimbursed under the law whenever there is cost arising as a result of grade separation.

Mr. BROWN of Ohio. That is under the present law.

Mr. LONG. The point I wanted to make is that if we are going to reimburse the railroads, we ought to reimburse the telephone companies.

Mr. BROWN of Ohio. I believe that is correct.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. VANIK. If this provision remains in the bill, how much less than \$51½ billion will remain available for highway construction and improvements?

Mr. BROWN of Ohio. Based on past experience, the cost would be less than 1 percent, as I understand it.

Mr. HENDERSON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HENDERSON. What would be the effect of this provision upon the municipally owned utilities of the villages such as sewage and water utilities.

Mr. BROWN of Ohio. Under the provisions of this law, if the State law so provides or the State highway regulations so provide, they would be reimbursed for the cost of removing the water mains.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Speaker, I presume we are going to have the same fight this week on the provisions of the Bacon-Davis Act in this bill as we had a year ago when we passed a similar bill in the House. As you remember, a year ago the membership of the committee at that time by a 2 to 1 vote voted to retain in the bill, as we passed it in the House, the provisions of the Bacon-Davis Act. I hope when we reach that part of the bill, when the amendment is offered to strike it from the bill, we will have the same record majority as we did a year ago in the retention of this provision providing for the payment of prevailing wages on the work on the interstate highway system. As was stated a while ago, this only applies to that part where the Federal Government is contributing 90 percent of the cost of the highway. If the

Federal Government is contributing 90 percent of the cost of the highway in that State, it seems to me we ought to at least guarantee to the workers on that construction job a living wage. That is all it is. The payment of the prevailing wages in local communities is by no means the highest payments made. They are in most areas minimum wages paid for work in that particular area. A minimum wage is just about a livable wage. Contractors who find fault with this provision are contractors who do not want to pay a living wage in this country at the present time. So the contractors who are finding fault with the provisions of the Davis-Bacon Act are the contractors which history will show have been wanting to pay less than minimum wages in this country. If they did a job for 75 cents an hour they would be trying their best to get as many men as they could to work for 40 cents an hour, or if they could get them to work for 10 cents an hour they would do that. That is the kind of contractors, not only in highway construction but in the construction of Federal buildings and the repair and maintenance of Federal buildings that we have at this time, and that are causing all the trouble in the industry. I have had some experience with painting contractors in my own State. When they come from other States they say they are paying the prevailing wages. It is almost impossible to determine whether they are or not, but after they leave and some painter has a fall from a scaffold and has his back broken, we find after the contract is finished that this contractor had no workmen's compensation and this man is on relief for the rest of his life with a broken back. It is about time, I think, we had more supervision than we have at the present time. One of the faults I find with the law is that it has not been enforced. In my opinion, the Department of Labor ought to have more help, and if this law were enforced, I think everyone who is working for a living would be much better off. At least we would be guaranteeing some of these men a living wage and not a starvation wage.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. BOLAND. I wish to associate myself with the gentleman's remarks.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, I want to associate myself with the remarks made by the distinguished gentleman from Rhode Island [Mr. FOGARTY]. I compliment him for the fight he waged in the last session of the Congress in retaining in the bill, then under consideration, the provisions of the Davis-Bacon Act. I commend him for carrying that effort on the floor today to accomplish what was done in the last session.

Mr. Speaker, the Committee on Public Works by a majority vote has seen fit to write the provisions of the Davis-

Bacon Act into the proposal now before us. This decision came after lengthy hearings and much testimony. It appears to me that the committee was on solid ground when it stated that it saw no reason why the act should not apply to the highway construction program when it now applies to all direct Federal construction as well as to contracts for school, hospital, housing, and airport projects constructed with Federal-aid funds. The highway program is to be financed by 90 percent Federal funds and I believe that, under this circumstance, the Congress ought to declare that the prevailing rate of wages in the immediate locality ought to be paid those employed under contracts let as a result of the Federal Highway Act.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I want to discuss briefly the question of the application of the Davis-Bacon Act. The time is very limited. I may get a little more time later. But I want to call one or two things to your attention now, and I will do it as briefly as possible.

In the first place, if you adopt the Davis-Bacon provision, what you are doing is to impose another step on the march to do away with the powers and the sovereignty of the States, because under this bill you not only impose the provisions of the Davis-Bacon Act on the Federal money which you are disposing of, but you are requiring the States, out of their 10 percent, to fix the same wage that is required under the Davis-Bacon Act. There is a direct and positive invasion of the sovereignty of the States in telling them how they shall spend their own money and what rate of wage they shall pay.

I shall not go into it further because I do not have the time. But I call attention to the abuse of the application of the Davis-Bacon Act, which is the greatest difficulty in the way of its use in this work.

I have had experience here and many of you have. Let me tell you of one experience with the fraudulent manner in which the Bacon-Davis Act is applied by the Department of Labor throughout the country.

A hospital was built in Winchester, Va. Winchester is some 60 or 75 miles from Washington, and in that instance there was a rate of wage in Winchester, a well-known and settled rate of wage; yet the Department of Labor fixed the wage prevailing in the District of Columbia 75 miles away.

That is not an honest administration of the act.

In my own district, Warrenton, 50 miles from Washington, there was a distinct rate of wage, well established and in operation. They fixed there the rate in the District of Columbia, which increased the cost of that project tremendously.

In the city of Charlottesville, which is 60 or 75 miles from the city of Richmond, Charlottesville being a city of 25,000 or 30,000 people, where they had an actual prevailing rate of wage, well known to everybody there, workers and

contractors alike, agreeable to everybody, satisfactory to everybody, yet the Department of Labor here in Washington undertook to fix the rate of wage there that existed in the city of Richmond.

That is not an honest administration of the act. Everybody knows it is not an honest administration of the act. Many of you have had similar experiences to those I have had.

Now, why impose in this bill where you are supposed to be building roads, why impose on this an added cost, a considerably added cost?

Are we setting out here to build roads? Or are we setting out here to do something for the utilities on the one hand and the labor unions on the other? If we are going to pass a bill let us build roads and let us forget these minority pressure groups that are coming in here trying to make us spend more money and build fewer miles of roads. That is what it comes down to in the last analysis.

Mr. WITHROW. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. If I have any more time, but I have a number of other things I want to say.

Mr. WITHROW. I think this Bacon-Davis provision is different than the other Bacon-Davis provisions; I doubt very much if they could do the things that you are stating here under the provision in this bill.

Mr. SMITH of Virginia. My friend, if they can do what they have been doing, they can do anything. We have been saying all along that the Supreme Court could not do this or that, but it looks to me like they are doing everything.

Now, this same crowd down in the Labor Department will work the same way. I know of one instance involving the Army. I went to the Army and called it an outrage. The Army agreed with me that it was just as much of an outrage as I had said. I asked them why they did not do something about it. He said he had gone to the Secretary of Labor and told him that what he was doing was not related to prevailing wages in the vicinity and the Secretary of Labor said to him: "This is our business assigned to us by the Congress. You people just keep your nose out of it."

Now, how can you ever trust such administrators? Are you going to yield merely to the insistence of these pressure minority groups such as the utilities and the labor unions?

Now, if you expect to build roads with this money do not expect to hand out favors, do not expect to put additional expense on the construction of these roads so that you will get the distribution of more favors and the construction of fewer roads.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, the gentleman from Virginia [Mr. SMITH] was talking about wage rates in Winchester. Within the last 2 or 3 days a representative of some of the workers who expect to be employed under this bill came to see me at my office. I asked him what the prevailing rate of wage was in his line. He said \$3.60 an hour. Assuming that the wage in Win-

chester was \$2 an hour, as I understand the gentleman, the Secretary here can, and probably would, because that Department is created to look after the workers, fix the wage at \$3.60.

Now, one more question. Do the taxpayers in the vicinity of Winchester contribute toward the construction of these highways?

Mr. SMITH of Virginia. If the gentleman will yield to answer, of course, that is exactly what is going to happen, just as the gentleman has described it, because that is what has been happening ever since the Davis-Bacon Act was passed. Because of the interruption a while ago, I did not get the opportunity to say that it not only has the effect which I have mentioned but these roads are going to be built in the rural areas. They are a source of work for your country folks. Some of you represent city folks, but a whole lot of you represent country folks, and those country folks expect to get the right to work in that neighborhood. They are not going to get it if you fix the prevailing rates in the metropolitan area and the metropolitan contractor gets the work to the exclusion of the rural contractors and rural labor.

Mr. HOFFMAN of Michigan. Do those people who live in Winchester help pay for the construction of these highways?

Mr. SMITH of Virginia. Yes; they pay 10 percent of it.

Mr. HOFFMAN of Michigan. All right. What is their wage, who fixes it, how much is it? Do they get the \$3.60 fixed by the Secretary of Labor?

Mr. SMITH of Virginia. The prevailing wage in California is going to be fixed by somebody sitting down here in the District of Columbia.

Mr. HOFFMAN of Michigan. My point is this: The taxpayers in Winchester contribute toward the construction of the highway and help pay the wage fixed by the Secretary of Labor. Now, do they get the same wage that the fellows from the outside who are working on the highway get?

Mr. SMITH of Virginia. They may or may not, I do not know.

Mr. HOFFMAN of Michigan. Of course, they will not, unless they are members of the union. They will be discriminated against because they may not be members of the union, or because their dues or special assessments have not been paid to date. The result is that though they will be taxed to build the highway, they would be denied the right to work on the job, that is, unless the provisions of the Virginia statute, that is, the right-to-work law, are correctly interpreted and adequately enforced.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Speaker, I did not get the opportunity to complete my question which I was endeavoring to ask the gentleman from Virginia [Mr. SMITH]. I would like to call his attention to the fact that this Davis-Bacon Act differs from the other Davis-Bacon Act in that it contains this language: "in the immediate locality." Now by any stretch of the imagination can you presume that the Secretary of Labor will say that the wages in the Washington,

D. C., area shall be the prevailing wages in Richmond, Va., or likewise, that he will say the prevailing wage in Washington is the prevailing wage in the immediate locality of Winchester? I think that is bordering on the ridiculous and I am sure it will not happen. I do not think you will have that sort of abuse. It is manifestly unfair to make such a statement or to take that position in this particular case. I do not think those abuses will prevail under the Davis-Bacon Act as it is written into this bill.

Mr. FOGARTY. Mr. Speaker, will the gentleman yield?

Mr. WITHROW. I yield to the distinguished gentleman from Rhode Island.

Mr. FOGARTY. The gentleman is 100 percent right. Another point I had hoped the gentleman would make is that the Secretary of Labor will not arbitrarily state what these prevailing wages are to be. The only way he can do that is on advice from these local communities State by State. He accepts their recommendations. So it is the State recommendation that he is putting into effect. That is the only way he sets these wages.

Mr. WITHROW. I thank the gentleman and am in complete agreement with him.

Mr. Speaker, I want to take this opportunity to commend the chairman of our committee [Mr. FALLON], the distinguished gentleman from Maryland, and the other members of our committee for the remarkable manner in which hearings on the highway measure have been conducted. Although, I am not entirely in agreement with the bill as recommended by the committee, I am supporting H. R. 10660 and will vote for it.

February 22, 1955, President Eisenhower delivered his message asking for an expanded Federal highway system. In 1944 the Congress recognizing the necessity for an expanded highway system, authorized the selection of a special network not to exceed 40,000 miles in length which would be so located as to connect by routes as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense, and to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico.

The result was the creation of the national system of interstate highways embracing about 1.2 percent of total road mileage, joining 42 State capital cities and 90 percent of all cities over 50,000 population. The interstate system carries more than a seventh of all traffic, one-fifth of the rural traffic, serves 65 percent of the urban and 45 percent of the rural population, and is the key network from the standpoint of Federal interest in productivity and national defense. Approximately 37,600 miles have been designated to date, the remaining 2,400 miles are reserved for future additions.

The capacity of the interstate highways to evacuate urban populations in an emergency is of the utmost importance. No urban areas in the country today have highway facilities equal to this task. The rapid completion of this 40,000 mile interstate system, including

the necessary urban connection, is, therefore, vital as a civil-defense measure.

We now have more than 58 million motor vehicles registered, which is one for every 700 feet of every lane in both directions on all streets and highways in the Nation. Vehicle registrations are expected to continue their upward surge, reaching 81 million by 1965, an increase of 40 percent. These estimates, I believe are conservative, and represent the basis upon which the Nation's highway improvement program should be planned. To implement the expanded road program, our committee has recommended the passage of H. R. 10660.

The measure contains two sections. Section 1 has to do with the actual program, while section 2 deals almost entirely with the finances of the program. Section 1 was considered by the Public Works Committee, while section 2 was considered by the Ways and Means Committee. Section 2 containing the tax features is being considered under a closed rule, which will permit only committee amendments. Section 1 is being considered under an open rule, which will permit amendments.

I am including a table—table 1—which outlines (A) the regular Federal aids for the next 13 years, which will be made the same as they are today; namely, the State contribution of 50 percent as matched by the Federal Government's 50 percent. Table (B) has to do with

the interstate system, which likewise is a table extending over a period of 13 years. However, the yardstick now used for Federal aid on the interstate system is now 40 percent contribution on the part of the State and 60 percent on the part of the Federal Government. This has been changed in H. R. 10660 so that the contribution is 10 percent on the part of the State and 90 percent on the part of the Federal Government.

TABLE 1.—H. R. 10660, authorizations and proposed authorizations

(A) Regular Federal aid (13 years, 1957 to and including 1969):	
1957 (in addition to the \$700 million already authorized for 1957 in the 1954 act)-----	\$25,000,000
1958-----	750,000,000
1959-----	775,000,000
1960-----	800,000,000
1961-----	825,000,000
1962-----	850,000,000
1963-----	875,000,000
1964-----	900,000,000
1965-----	925,000,000
1966-----	950,000,000
1967-----	975,000,000
1968-----	1,000,000,000
1969-----	1,025,000,000
Total-----	10,675,000,000

H. R. 10660 only authorizes funds for 1957, 1958, and 1959, but expresses an intent of Congress with respect to future authorizations to increase progressively at \$25 million per year.

(B) Interstate system (13 years, 1957 to and including 1969):

1957 (in addition to the \$175 million already authorized for 1957 in the 1954 act)-----	\$1,025,000,000
1958-----	1,700,000,000
1959-----	2,000,000,000
1960-----	2,200,000,000
1961-----	2,200,000,000
1962-----	2,200,000,000
1963-----	2,200,000,000
1964-----	2,300,000,000
1965-----	2,300,000,000
1966-----	2,200,000,000
1967-----	2,000,000,000
1968-----	1,500,000,000
1969-----	1,000,000,000

Total-----	24,825,000,000
Federal domain roads at \$81 million each year (13 years, 1957 to and including 1969): \$81,000,000 for 13 years-----	1,053,000,000
Total-----	36,553,000,000

H. R. 10660 only authorizes funds for 1958 and 1959, but expresses an intent of Congress to continue these authorizations for future years at not less than the amounts authorized.

Section 2 of H. R. 10660, which is being considered under the closed rule, has to do with the financing of the expanded highway road program. The following table—table 2—points out the taxes involved and the tax increases. The taxes are collected on a 16-year program. It is truly a pay-as-you-go program.

TABLE 2.—Estimated tax receipts allocated to highway trust fund, fiscal years 1957-73

(In millions of dollars)

Fiscal year	Present law taxes					New or increased taxes								Total receipts	
	Gasoline, 2 cents per gallon	Diesel fuel, 2 cents per gallon	Tires, 5 cents per pound	Inner tubes, 9 cents per pound	Total, present law taxes	Gasoline, 1 cent per gallon	Diesel fuel, 1 cent per gallon	Tires, 3 cents per pound	Tread rubber, 3 cents per pound	Trucks, buses, truck trailers, etc.		Trucks, etc., over 26,000 pounds, \$1.50 per thousand pounds annual tax	Total, new or increased taxes	Annual	Cumulative
										3 percent of manufacturers' price (from 5 to 8 percent)	2 percent of manufacturers' price (from 8 to 10 percent)				
1957-----	846	22			868	407	10	95	8		47	45	612	1,480	1,480
1958-----	994	27	184	18	1,223	472	13	98	9	75	50	46	763	1,986	3,466
1959-----	1,031	28	191	18	1,268	489	13	100	11	81	54	47	795	2,063	5,529
1960-----	1,064	29	197	9	1,299	505	13	103	9	78	52	48	808	2,107	7,636
1961-----	1,099	30	204	9	1,342	522	14	108	11	84	56	49	844	2,186	9,822
1962-----	1,133	31	210	9	1,383	538	15	111	8	84	56	50	862	2,245	12,067
1963-----	1,169	32	217	9	1,427	555	15	111	12	87	58	52	890	2,317	14,384
1964-----	1,203	33	223	9	1,468	571	15	116	11	90	60	53	916	2,384	16,768
1965-----	1,237	34	229	9	1,509	589	16	124	14	87	58	55	943	2,452	19,220
1966-----	1,269	35	235	9	1,548	604	17	127	11	96	64	56	975	2,523	21,743
1967-----	1,307	36	242	9	1,594	622	17	129	12	96	64	57	997	2,591	24,334
1968-----	1,341	37	248	9	1,635	638	17	132	14	96	64	59	1,020	2,655	26,989
1969-----	1,375	37	255	9	1,676	654	18	135	11	99	66	60	1,043	2,719	29,708
1970-----	1,407	38	261	9	1,715	669	18	135	14	99	66	62	1,063	2,778	32,486
1971-----	1,436	39	266	9	1,750	683	18	140	11	99	66	63	1,080	2,830	35,316
1972-----	1,465	47	273	9	1,979	777	22	145	14	105	76	64	1,203	3,182	38,498
Total-----	10,561	535	3,435	153	23,684	9,295	251	1,909	180	1,356	957	866	14,814	38,498	-----

I would much prefer to finance the program by a bond issue for a portion of the cost for the following reason. Seventy percent of the building of a road is the cost involved in acquiring and constructing the right-of-way. This is permanent—this is lasting. Thirty percent, or the balance, is the cost of surfacing the right-of-way. This is the only portion of road construction that can, by any stretch of the imagination, be considered as temporary. I was very much in agreement with President Eisenhower

that a major part of the highway costs should be paid through a bond issue.

I would like to call your attention to table 2. The 2-cent Federal gas tax now raises more than \$19 billion over this 16-year period. The additional 1-cent gasoline tax called for in H. R. 10660 would add more than \$9 billion more over the 16-year period. Gasoline taxes, namely, the 2-cent present gasoline tax and the additional 1-cent gasoline tax to be imposed, produces more than \$28 billion of the \$38 billion called for in this measure.

Gasoline is a commodity which is already being taxed at a staggeringly high rate when compared with all other automobile products and supplies. Why should the tax on gasoline constantly go up and up—to 40 and 45 percent of the retail price, while all other automotive excises—which are not duplicated at State level—must be held so sacredly to a conservative level of 10 percent or less. Although, I shall vote for this measure, I feel very deeply that by levying this additional 1-cent tax per gallon on gasoline, we are

further invading a field of taxation that rightfully belongs to the several States.

Mr. COLMER. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. HOLLAND].

Mr. HOLLAND. Mr. Speaker, the requirements of the Davis-Bacon Act specifying that all contractors on Federal construction must pay their employees the prevailing wage existing in the community in which a Federal project is located is an accepted requirement of all legitimate contractors.

There has been some opposition by those unprincipled contractors who would like to underbid on Government work by paying their employees far below livable wages. Naturally, their bid would be much lower than that of a conscientious contractor who desires to give his employees the high standard of living to which they are entitled in a country of great wealth such as the United States.

In this day of large surpluses on the farm, the purchasing power of the worker plays even a more important part in helping the farmer than the question of parity. If the workers of America receive a sufficient wage they will purchase the products of the farmers in quantities required to feed their families. Much of the surplus of the farmer would then disappear.

Too much stress has been put upon this section of the road bill, implying that labor unions are trying to impose upon the American taxpayers a schedule of wages far beyond the amount that should be paid. This is far from the truth.

In the States where State contracts are denied bidders who do not meet the State-established going wage of the community in which their factory, mill, or project is located, this program has met with great success.

In the great Commonwealth of Pennsylvania where I had the honor of being a member of the general assembly for over 21 years, this practice has existed under both Democratic and Republican administrations. It has been warmly received by the general contractor and by the bidders of material used by the Commonwealth.

As an example, in the western part of Pennsylvania, the head of the highway department meets with the American General Contractors Association and representatives of labor—both organized and unorganized. Then agreement is reached on what should be the minimum wage considered for all classes of labor required under the contract. They also meet in the eastern part of Pennsylvania with the American General Contractors Association and labor and follow the same procedure.

In other parts of the State the highway department meets with the Pennsylvania Constructors Association and representatives of labor. Many members of this association have no union contract, but they agree on the standard of wages that should be paid in their community.

In counties not represented by any of the above organizations, the highway department makes a sampling of wages

paid by local employers and then establishes the rate to be paid to workers in these communities.

I am surprised that some Members of the House oppose this section of the highway bill. It is not merely a protection for labor but a protection to the respectable contractors against the fly-by-night contractor who has no ethics and merely enters the picture to use an underworld expression "to make a quick buck." This type of individual is not concerned with human welfare. He knows nothing about the economic problems of America. Neither is he concerned with the purchasing power in relation to productivity of the worker.

Mr. Speaker, I believe that the Members of this House who oppose this section of the bill will be committing a great disservice, not only to the workers but also to the legitimate responsible contractors who take pride in their work and who, over the years, have striven to establish a reputation of the highest workmanship and service.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. FALLON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10660) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, and trucks and buses; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 10660, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FALLON. Mr. Chairman, I yield myself such time as I may require.

Mr. DONDERO. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and thirty-five Members are present, a quorum.

The Chair recognizes the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, the Public Works Committee has approved a bill—H. R. 10660—to authorize a vast highway program which our country needs so urgently.

A separate bill—H. R. 9075—was introduced in the House this year by Mr. Boggs, of Louisiana, and then referred to the Ways and Means Committee which, after extensive public hearings conducted by that Committee in the usual manner, was approved unanimously by the Ways and Means Committee and ordered reported to the House on March 19. That bill—H. R. 9075—as reported to the House has been consolidated, with-

out change, into the Public Works Committee highway authorization bill, and the combined measure—H. R. 10660—is now before us for consideration. Title I of H. R. 10660 provides authorizations for the highway program and will be handled by the Public Works Committee. Title II of H. R. 10660 is the tax revenue section and will be explained and handled here today by the Ways and Means Committee under Chairman COOPER, of Tennessee. The committees will jointly handle this combined bill and divide up the time allotted for debate on the bill. Questions concerning title II of the bill—the revenue section—should be held by the Members for explanation by the gentlemen from Tennessee [Mr. COOPER], and I will confine myself to the authorization portion of the bill—title I.

Title I provides for authorizations to construct the Interstate System over a 13-year period to bring this 40,000-mile system of controlled-access roads up to a standard of construction which our engineers consider will be adequate to meet the traffic needs of the year 1975. This system, limited to 40,000 miles, was authorized by the Congress in the Federal Aid Act of 1944. It was developed and practically all of the mileage selected by the States, the Bureau of Public Roads, and the Department of Defense in 1947. It connects all of our important producing centers, 90 percent of all our cities over 50,000 population, and directly serves more than half our total population. A key feature of the system's concept is that it will be built for complete adequacy over a reasonable future period with provisions whereby these facilities can thereafter be further expanded as growth continues to occur, with a minimum of cost and a maximum of salvage of the facilities already in place.

We must build this system of highways if we are to continue our economic growth and expansion. In recent years, our committee has heard almost continuous testimony from all the responsible groups in our society about the urgent, almost emergency, need for initiation of a program of highway modernization to prevent our highways from becoming jammed and choked with traffic to such an extent that our economy will become stagnated. The growth of highway use has skyrocketed and continues to increase at a much faster rate than our current measures are keeping highway improvements abreast of highway use. Only 10 years ago we had 34 million registered motor vehicles on our highways, but today we have 62 million and can expect to have 85 million in another 10 years—even before this program which we are proposing is finished. This growth in vehicle numbers has been occurring with almost no growth in the miles of highways on which to drive them, and this is the basic reason for the congestion about which you know and hear as much as I. Just to illustrate for you what has happened, it has been calculated by our committee staff that since the end of World War II we have built more automobiles and put them onto our highways than could be parked bumper to bumper on all the new highway miles

which we have added to our systems in the same period of time.

But congestion of itself, while annoying and irritating to all of us, is the least part of the price we are paying for the substandard highway system on which our economic life is so dependent. The tragedy of 38,300 highway deaths last year and 1,350,000 injuries with 100,000 disabled for life cannot truly be measured with a dollar sign, but if we should put a cold, impersonal price tag on last year's highway accident costs we would have to produce \$4,700,000,000 to cover it, according to the National Safety Council. But the most alarming thing about this picture is that last year's high toll is still increasing—traffic deaths are running 16 percent ahead of last year and have been increasing for each of the last 12 months. At this rate we shall reach the tragic alltime record of 42,000 highway deaths in 1956. The monetary cost alone is more than two times the annual expenditure which this bill proposes for the purpose of saving many of these lives and reducing the wastage of our resources from this cause. The annual savings from this source alone will more than equal the annual expenditure. Even without capitalizing, this is a 100-percent annual dividend, which is unquestionably a good investment anywhere.

It is estimated by competent authorities that when a vehicle is operated on the type of highway systems proposed in this bill as contrasted to our present inadequate systems, the operator of a passenger car will save a cent a mile and a trucker 4 cents a mile. The expenditures proposed in the bill will cost the average motorist less than the amounts which he will save in reduced operating cost. The program which our committee is recommending to you will give our Nation the highways we need for economic growth, national military defense, and the public safety and welfare.

While I have emphasized this interstate system, because of its closer relationship to the national responsibility as distinguished from the individual State interests, the bill continues authorizations for the long-established regular Federal-aid programs on the primary and secondary Federal-aid systems and their extensions into urban areas, at annual rates which are slightly higher than in the last such bill enacted in 1954. In such a joint Federal-State program the Federal Government will carry the major responsibility for the road system of predominant national concern and the States will continue to carry the major load of responsibility for the road systems which are primarily of local concern. Thus the proven and satisfactory Federal-State partnership in the highway field is continued and no major change is contemplated in this well-established relationship.

I will now go through the bill with a comment on each section to explain its principal features.

This is a clean bill superseding H. R. 8336. Title I of H. R. 10660, as reported favorably by the House Committee on Public Works, contains the authorizations for the Federal-aid highway program. Title II contains the substantive

provisions of H. R. 9075 as reported unanimously by the Committee on Ways and Means to provide the tax revenues necessary to finance the highway program. Title III contains separability provisions.

A brief section-by-section summary of title I is as follows:

Section 101, short title for title I: Title I of the bill may be cited as the "Federal Highway Act of 1956."

Section 102, Federal-aid highways: This section authorizes for the Federal-aid primary and secondary systems and extensions thereof within urban areas, the following: \$25 million additional for 1957, \$750 million for 1958, \$775 million for 1959. These funds would be expended in line with existing procedures. The existing authority to make 10-percent transfers of apportionments is increased to 20 percent. The section expresses the congressional intent to increase the above annual authorizations by at least \$25 million annually over a 10-year period ending in 1969.

Sections 103, 104, 105, and 106, Federal domain roads: These sections grant the following authorizations for Federal domain roads for each of the fiscal years 1958 and 1959:

Forest highways from \$22.5 million to \$25 million.

Forest development roads from \$24 million to \$27 million.

Park roads from \$12.5 million to \$16 million.

Parkways from \$11 million to \$16 million.

Indian roads \$10 million.

Public lands highways \$1 million.

Contract authority is granted for these authorizations. It is declared to be the intent of Congress to continue these authorizations at not less than the annual rates above indicated.

Section 107, emergency fund: This section increases the present \$10 million emergency relief authorization to \$30 million. This is standby authority for disasters.

Section 108, National System of Interstate and Defense Highways: This section changes the name of the National System of Interstate Highways to the National System of Interstate and Defense Highways referred to in the bill as the Interstate System. It authorizes annual authorizations for the Interstate System totaling \$24,825,000,000 for the 13-year period ending June 30, 1969. These funds would be apportioned for the first 2 years on the basis of House Document 120, which is a report of highway needs in the individual States as called for by section 13 of the Federal Aid Highway Act of 1954. Beginning in 1956, the States and the Bureau of Public Roads would commence another study based on standards adopted cooperatively by the States and the Bureau of Public Roads, and this new report when approved by the House and Senate Public Works Committees in the 1958 session would be used as the basis of apportioning the funds authorized for the fiscal years 1959, 1960, 1961, and 1962. Similarly, another report approved by the Senate and House Public Works Committees would form the basis of apportionments for the fiscal years 1963,

1964, 1965, and 1966. Similar reports approved annually in 1967, 1968, and 1969 would govern the apportionment of funds authorized for those years. Thus there would be constant review, approval, and control of the apportionment formula by the Congress, so that each State would receive its proportional share of the total funds in such amounts as to insure the same relative rate of progress in every State to permit completion in all States at the same time by the year 1972. These funds will be expended on a 90-10 Federal-State matching basis. This section prescribes maximum axle weight limitations to protect the Interstate System, but without affecting vehicles that could be lawfully operated on July 1, 1956. It directs the Secretary of Commerce to expedite tests being conducted for the purpose of determining maximum desirable dimensions and weights, and to make a report to Congress by March 1, 1959.

Section 109, declaration of policy with respect to reimbursement for certain highways: This section declares the intent and policy of Congress to equitably reimburse States for toll or free roads already constructed on the Interstate System to the required standards. The Secretary of Commerce is directed to make a study and report by January 1958 in order to provide Congress the information it would need in determining the time, method, and amounts of such reimbursement.

Section 110, acquisition of rights-of-way: This section authorizes the Secretary of Commerce, when requested by a State, to acquire rights-of-way for the Interstate System. Such rights-of-way would be later deeded back to the States.

Section 111, availability of funds to acquire rights-of-way: This section makes any of the Federal-aid funds available for advance acquisition of rights-of-way by the States.

Section 112, prevailing rate of wage: This section applies the Davis-Bacon Act, which requires minimum wage-rate determinations by the Secretary of Labor, to projects on the Interstate System.

Section 113, relocation of utility facilities: This section permits Federal funds to pay the regular Federal pro rata share of the cost of utility relocation on any of the Federal-aid systems whenever a State pays for such costs.

Section 114, progress reports on Interstate System: The Secretary of Commerce is directed under this section to make progress reports for each Congress beginning with the calendar year 1958.

Section 115, agreements limiting use of rights-of-way: This section includes safeguarding provisions to insure retention of control of access on the Interstate System and that the users thereof will receive the benefits of free competition in purchasing supplies and services.

Section 116, toll roads, bridges, and tunnels: This section permits toll roads, bridges, and tunnels to be incorporated into the Interstate System for integration purposes, but makes no change in existing law which requires highways constructed with Federal aid to be free from tolls. In doing this, funds are conserved through making the fullest use

of all existing highway facilities on the Interstate System which meet the standards for this system. This avoids the necessity for construction of duplicating roads which would deplete the funds so badly needed for other sections of the system and protects and preserves the large investments which have been made in toll facilities during the past few years.

Section 117, definition of construction: This section broadens the existing definition to include geodetic markers and certain relocation costs incidental to construction or acquisition of rights-of-way.

Section 118, archeological salvage: This section permits Federal-aid funds to participate in archeological salvage.

Section 119, mapping: This section provides that the Secretary of Commerce shall authorize the use of commercial photogrammetric methods to the fullest extent practicable.

Section 120, information from States: This section provides that any State or Federal agency shall furnish information relating to the Interstate System to the Senate and House Public Works Committees at their request, and provides a penalty of withholding Federal-aid funds for noncompliance.

Section 121, relationship of this title to other acts: All provisions of existing Federal-aid road legislation not inconsistent with this title shall remain in full force and effect, and inconsistent provisions are repealed.

There are of course differences of opinion about certain sections of the bill, and many of you have different ideas about how certain sections should be phrased. However, the bill is the result of our joint efforts as a committee, and so naturally will reflect in varying degrees the different thinking of 34 different Members. We think it is a good bill because it, in our opinion, will build for our country the system of roads we so urgently need. Significantly, we have had no dissent on the central point of the bill—that is, the authorization of a program to build these highways—and neither have we had any dissent from this point in our committee mail, our individual mail, or in the public press. The authorizations contained in this bill on a self-financing basis, are the really important points upon which we must concentrate. This is a program which will provide substantial savings in human life and property and benefits to the national security and the national welfare. I urge most earnestly the passage of this bill.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from North Carolina.

Mr. BONNER. With respect to the Bacon-Davis Act I am, of course, not opposed to fair conditions, but I am opposed, as the gentleman from Virginia has stated, to going off somewhere and using wage rates that would be disturbed by the wage rates in another locality 60 or 75 miles away. What is the definition of the word "immediate"?

Mr. FALLON. I did not offer that amendment to the bill.

Mr. BONNER. I think it is a fair question to ask.

Mr. FALLON. My definition of "immediate" would be within a reasonable mileage around the area in which the project is being constructed.

Mr. BONNER. But what is a "reasonable" mileage?

Mr. FALLON. My definition of "reasonable" would be not more than 50 miles.

Mr. BONNER. Would be what?

Mr. FALLON. Not more than 50 miles.

Mr. BONNER. For instance, there have been instances where a project in city A was being constructed, between A and C. There was a city B that had a wage rate. They went all the way over from A to set up the wage rate existing in C and bypassed B. It disturbs the local business, local construction, and other things.

Mr. FALLON. I might say to the gentleman that the author of the amendment will speak on the bill and probably emphasize the Bacon-Davis Act.

Mr. BONNER. I would be perfectly in accord with an interpretation which meant within the immediate vicinity, but certainly not a foreign vicinity.

Mr. DONDERO. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the gentleman from Maryland, the acting chairman of our committee, has made a very detailed explanation of this bill and all the sections in it. There is very little I could add to what he has already said by way of information and as to what the bill contains.

I do, however, want to say a few things very briefly in regard to the subject before the House today, namely, the subject of roads. This subject is as old as civilization itself. Not long ago, in fact last October, six members of the Committee on Public Works attended a world conference on roads in the city of Rome, Italy. While there we had the opportunity to ride over a road that has been in use 2,267 years; is still in use; and is still a good road. I refer to the road that was built by the Roman Emperor Claudius Appius, who gave his name to the road. It is known to the world as the "Appian Way." It was built with slave labor. It was built in order to have a highway or an easy passage from what then practically amounted to the capital of the world to other sections of Italy and outlying areas. As I say, it is still a good road.

Centuries later, and long before the day of the automobile even was dreamed about, a philosopher and statesman of another country of Europe believed that good roads occupied a place among the important things essential in keeping a nation alive in this world. I refer to Lord Bacon of England who made a statement that I have quoted from time to time. I think it should be quoted again. He said:

There be three things that make a nation great and strong, namely, a fertile soil, busy workshops and the easy conveyance of men and goods from place to place.

The last one, of course, refers to good roads. If good roads were important more than 200 years ago to the people who then lived in this world, how much more important are they today in this

motor age; this automobile age, in which you and I live? So with greater force we apply what Bacon had to say, namely that the easy conveyance of men and goods from place to place is one of the three essentials to make a nation great and strong.

The bill before us today has for its purpose the building of better and safer roads throughout our country in order that we might remain a large, strong, and a greater nation.

As the chairman has already pointed out, with 62 million cars on the roads, and adding about 3 million more every year, we can well understand the congestion that you and I are compelled to encounter when we drive on the highways of the United States. A test was made in a metropolitan area as to how much gasoline is wasted and how much time on the part of our people who must travel from place to place, either to their place of employment or their place of business. It was found that 25 percent of the gas consumed was lost or wasted waiting for traffic lights; waiting at stop signs; and waiting for the traffic to move because of the congestion on the highway. One of the objects of this bill is to try to remedy or relieve that very grave situation so that there may be some saving to the man who drives an automobile no matter where he lives or what business he is engaged in.

As the chairman has already pointed out, the system of highways that we propose to build under this bill, the 40,000 miles in the interstate system, will pay for themselves within a reasonable length of time and give our people safer, more adequate highways.

We are told that about 70 percent of the economy of the United States now moves by motor vehicle. That is a tremendous amount of the business of the country. It can only move on good roads. While there may be some portions of this bill I do not like, nevertheless I am supporting the measure and hope it will be passed and become the law for the benefit of the American people.

I can be a little selfish about this matter also, coming from the automobile capital of the world. The five or six million cars that the industry builds every year must operate on the highways of this country. If we do not have those highways, of course, they cannot be operated. Out of 6 million cars built each year, about 3 million are added to the gross total of the cars upon our roads, while 3 million old or destroyed cars leave the highways each year. A net of 3 million cars added to the total each year means that in 10 years we will have 30 million more cars on the highways than we have today or about 50 percent more. Well, you are as good a judge as I am as to what the conditions will be if the highways of the country are not improved over what they are today. It would be almost impossible to drive.

Now, touching on the human equation involved in this bill, we are killing more than 4 people every hour. Before this debate ends at 5 o'clock this afternoon 20 more of our people will be dead from accidents on the highways of our country. We are now injuring more than 9 million of our people every year. Some

of them will be permanently disabled. Besides the loss of life and those who are injured, consider the cost of the hospital bills and the destruction of property. The amount is almost unbelievable, fantastic, and incredible. We are destroying more property in value than we are spending upon the roads of the United States today. Forty thousand miles is only about 1 or 2 percent of the total highways in the country. We have a little over 700,000 miles, as I am informed, of hard-surface or paved highways. We have 3 million miles of highway in the country, paved and unpaved. This system, as we all know, will connect 42 out of the 48 State capitals and will touch about 90 percent of very city of the United States of 50,000 population or more. This indicates the tremendous network involved in this bill and what it will do to provide safer and better highways for our people throughout the entire country. No State is omitted.

Mr. Chairman, I have said about all I care to say by way of a preliminary statement. We will have some debate upon the Davis-Bacon provision of the bill. I think it is a great mistake to include this section in the bill. There is no intention or even a desire on the part of anybody in this House, certainly not myself, to prevent the laboring people of our country from receiving a fair wage. They are now being paid the prevailing wage as fixed by the States. This amendment, which I will offer at the proper place, proposes to strike out Federal wage fixing and leave the question of the determination of the prevailing wage to the States, where it has been for the last 40 years.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. SCHERER. The gentleman said that there are a number of provisions in this bill to which he is opposed. Now, the fact is that the main features of the bill are agreed upon by most interests; the features that will actually build the roads. Can we not say that the disagreement extends to what we might call fringe provisions of this bill?

Mr. DONDERO. As I understand, a compromise has been worked out, or will be worked out, so that practically the only section that we are in violent disagreement about is the Davis-Bacon provision.

Mr. SCHERER. In the main provision of this bill there is no objection to, namely, the distribution of funds on the basis of need to build the highways where the traffic exists.

Mr. DONDERO. None whatever, and that is the only reason, may I say, involving the question of national security and safety, why the Federal Government is now providing 90 percent and the States only 10 percent of this 40,000-mile system or the 40,000 miles provided in the bill.

Mr. SCHERER. In other words, the controversy that existed last year on the floor of this House with reference to some of the major provisions of the bill, which provisions actually did prevent us getting a bill, have now been resolved by all interests concerned.

Mr. DONDERO. I believe so. I just want to add one thing before I sit down, and that is this: The Committee on Public Works spent, I think, 5½ months of this year and last year combined in trying to bring to the floor of the House a road bill which would be satisfactory to our people and to every interest represented in our economy. We went over it carefully. There is great need for this legislation and I hope the bill will pass unanimously.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FALLON. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. STEED].

The CHAIRMAN. I think it might be well for the Chair to state at this time that the Chair believes it would be more orderly to dispose of the Public Works interest in this bill before turning to that part of the bill to be handled by the Committee on Ways and Means. If that meets the approval of the committee, we shall recognize the gentleman from Maryland [Mr. FALLON] and the gentleman from Michigan [Mr. DONDERO] until the 3 hours that they control have been consumed.

Mr. STEED. Mr. Chairman, my purpose in taking the floor to discuss the bill now before the committee is in the hope that I may be able to add a few remarks that will be helpful to the Members who have not had the opportunity to know the bill as those of us on the committee have known it through giving consideration to the bill and its various provisions.

To me, after having gone through the lengthy hearings and discussions both in the subcommittee and the full committee it seems that the one important thing to keep in mind is not to lose sight of the over-all scope of this bill and what it proposes to do. The intensity with which some of the side issues or collateral issues have been discussed serves sometimes to take our attention from the main purpose involved; and I hope that the Members as we proceed with consideration of the bill, will keep in mind the major premise involved herein and not permit themselves to be sidetracked by some of these side issues.

I think most of us on the committee found ourselves in the position of having to make concessions on points here and there to the end that we would get a bill of this nature in shape to bring to the House.

I know of no piece of legislation of such magnitude as this since I have been in the House. I know of no piece of legislation that has received the close and careful scrutiny that this bill has received. I think the members of the committee will agree that our chairman was a most patient and considerate chairman and that the members devoted many, many hard and tedious hours in their efforts to bring a bill in here that would do the job that needs to be done and do it with the least amount of harm or friction.

There are some things in the bill that I think are very important and I should like to call attention to them. We know that we have not drafted a perfect bill. We know that we are not wise enough to

bring in a pattern, a blueprint, that can do the job of building roads for 13 years, and have in it all the answers. We know that like the highway legislation we enacted in years gone by, amendments have to be made. I believe that since the first Federal highway legislation was enacted by Congress in 1914 up to the present time, Congress has seen fit at one time or another to make some 69 amendments to that original law. I think the House may rest assured that as we go along with this program, some of the fears and some of the problems we are discussing here today and to which we may not have the best answer today will be answered by Congress as the situation will require in the years ahead. We have kept that very much in mind in writing this bill. We have in it provisions to give the Congress the information it will need so that we can take advantage of all the experience that we get as we proceed with the program; and we will have access to all the facts that will reveal how this program works.

There will be no time that I can see when the Congress will not be able to make whatever adjustments experience dictates should be made. We have here, for instance, a proviso that an annual report in detail will be made to the Congress showing what has happened, where the money is going, and how it is being spent. We have reevaluation studies to be made that will be available to the Congress. So we have tried the best we can to set up a system here so that we can have the advantage all the time, every year Congress is in session, of knowing how the program is working and what needs to be done to make it work better.

One other thing I think we ought to reemphasize is this: Since the most glamorous part of this bill is the section which provides for this 40,000-mile system of superhighways, it is easy to lose sight of the fact that the bill does many other things besides providing for the construction of superhighways. Not only are we setting up a superhighway system but at the same time we are going ahead with an increased and enlarged program for all the other roads in this country in which Federal legislation is involved and with which it deals.

For instance, we are providing an increasing amount each year for farm-to-market roads, secondary roads, primary roads, and all other roads. As the program develops and as we come to the end of the time when the superhighway system is completed, we will then have built up the remainder of the road program of this Nation to an all-time high. So I think it is important for you to keep in mind that we are building all roads in this bill and that we are not making secondary or primary roads sacrifice for the sake of building these superhighways.

I find that many people are inclined to believe that we have forgotten all the other roads in the interest of superhighways, but if you will read the bill and study it you will find we are doing more here for all roads than ever was proposed be done before in any legislation that has ever come before the Congress.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I want to compliment my colleague upon his fine statement and also upon the job he has done during the course of the hearings on this bill. I know personally that he has worked diligently many hours and many days. I think he and his colleagues on the committee are to be commended on the extent to which they have worked out the major difficulties and the manner in which they have brought this piece of legislation before the House.

Mr. STEED. I thank the gentleman. Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I should like to join my colleague from Oklahoma in expressing the appreciation which I am sure all the Members have in their hearts to the members of this committee and particularly to my good friend, who represents the Fourth District in Oklahoma, and who I know has put in long hours, many tedious hours of study and of work on this bill. I think you have done an outstanding job of legislating. I certainly want to salute the gentleman, too, for the courageous fight he has conducted in the committee to give credit to Oklahoma for her turnpike program in connection with the Interstate System.

Mr. MCGREGOR. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Ohio.

Mr. MCGREGOR. I concur in what has been said with regard to my distinguished colleague on the committee, the gentleman from Oklahoma. I recognize the fact that he has put in many, many hours on various sections of the bill. Especially he has been most helpful to all of us in our endeavor to arrive at a compromise and an equitable solution relative to the toll road and freeway proposals. We can give a lot of credit to him for getting a compromise on this section relative to reimbursement. We were all in accord that reimbursement possibly should be made, but he joined with us in saying and feeling and recommending that before we made a definite commitment on reimbursement we would cost either in dollars and cents or in mileage.

I join with the gentleman in paying compliment to the distinguished Member from Oklahoma.

Mr. STEED. I thank the gentleman. I appreciate these kind words, but I think it is only fair to point out that this bill contains contributions from most of the members of the committee. We have also had the benefit of the advice and help of, as I figured it out one day, about 160 organizations and firms who have shown an interest in this bill in one way or another and made contributions to the committee in bringing it out. Furthermore, there are many important things in this bill which are direct contributions by the members of the committee themselves. I think by-and-large there is one thing that can be said

and that is that this is truly a bill which was put together by our chairman and the members of his committee in the finest sense that legislation can be prepared and brought to the floor of the House.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. DONDERO. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. MCGREGOR].

Mr. MCGREGOR. Mr. Chairman, I think we could take all afternoon in eulogizing not only the various members of our particular Committee of Public Works but also that group which possibly might be categorized as "special interests" in submitting to the Committee on Public Works and the subcommittee on roads their position. Some of us felt possibly at times that it was a little hot and probably but if we were in their position, we would be a little hot too—yet, every single one of them that submitted information to us did so in a spirit of helpfulness. I am sure I speak for all the members of the committee when I say we do appreciate it even if at times we were possibly a little aggravated—but to you all many thanks—you helped a lot.

I would like to say a word relative to a chap who had the patience of Job. It was my privilege many times to be sitting next to him, and it was the privilege of another gentleman on the other side to be sitting next to him. That other gentleman and the Member from Ohio differed on many, many occasions and GEORGE FALLON, who was the acting chairman and between us, had a tremendous job on his hands when he was listening to the Member from Ohio, trying to keep his Irish temper down; and the other Member who was sitting on the other side, trying to keep him quiet. So I certainly want to join with the group in eulogizing Chairman FALLON.

Mr. Chairman, I want to read an editorial, if I may, to make certain that it gets in the proper place. This is an editorial appearing on the editorial page of the Pittsburgh Sun-Telegraph of Friday, April 20, 1956. It is entitled "Earned Praise."

EARNED PRAISE

Representative GEORGE H. FALLON, Democrat, of Maryland, deserves a national round of applause for the Federal highway bill just reported out by the House Committee on Public Works.

FALLON wrote the bill and introduced it in January.

Since then he has guided it patiently through his own Subcommittee on Roads and through the full committee.

We use the word "patiently" in its fullest sense.

A less patient and fair legislator would have thrown up his hands weeks ago.

FALLON's method was to give everyone concerned a hearing, whether he were in or out of Congress, on or off his committee.

The pace at which the highway bill went through the legislative processes frequently was exasperating to those who regard the reconstruction of the Nation's roads as a national emergency.

Yet it is doubtful if the bill which finally emerged would have been as good a bill as it is if FALLON had tried to gavel it past his colleagues.

Now that it is before the House for a vote, it must be regarded as a bill that has been written and rewritten, studied and restudied, explained and reexplained.

The Hearst newspapers think it's as good a bill as could have been written, and we applaud Representative FALLON for it.

So I join the many applauding our chairman, Hon. GEORGE FALLON, of Maryland.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MCGREGOR. I yield to the distinguished ranking minority member of our committee.

Mr. DONDERO. I want to join my colleague from Ohio in everything he has said with reference to our acting chairman [Mr. FALLON], and also to our able friend from Oklahoma [Mr. STEED], in the part they have played in bringing about this legislation. It has not been an easy matter. It was difficult. Both of them poured oil on the troubled waters during the consideration of the bill, and it is a pleasure for me to add that I confirm every compliment paid to them.

Mr. MCGREGOR. I thank the gentleman for his contribution.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. MCGREGOR. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I want to join in paying tribute to our chairman and the members of the subcommittee who did such a fine job on this bill, as well as all members of the committee who took their time to bring out a bill that has great merit. Particularly I want to emphasize the fact that our chairman has shown great patience, as stated earlier by the gentleman, in the handling of this bill and in allowing each member time to fully explore all the possibilities in the legislation.

Mr. MCGREGOR. I thank the gentleman.

Mr. Chairman, I also want to pay respect to the senior minority member of the committee, the distinguished gentleman from Michigan [Mr. DONDERO] who has shown a great deal of patience. He has been a hard worker for an adequate highway legislation for many years. I am sure that we appreciate his endeavors and we certainly will miss his calming words and guidance.

I see two other Members present who I think are deserving of a great deal of credit. That is the chairman and the ranking minority member of the Ways and Means Committee, the gentleman from Tennessee [Mr. COOPER], and the distinguished gentleman from New York [Mr. REED]. Those gentlemen, along with the subcommittee chairman, the gentleman from Louisiana [Mr. BOGGS]. These gentlemen, in my opinion, have done a very fine job with a very difficult problem. It is not pleasant to put taxes on anyone, but when they directed this revenue-raising feature of this bill through their committee by unanimous vote, I think the country as a whole will accept it, and I want to publicly thank those gentlemen, as well as the members of their committee—a job well done.

Now, Mr. Chairman, I would like to take a few minutes to talk about this bill. This is a good bill. There are a

lot of things in it that possibly I do not like in their entirety. If I had my full way and brought out a bill, there are many members of this committee who would disagree with me and what I recommended. But this bill as written is a compromise, as we have suggested in the legislation. Various sections are the result of study and "give and take." The compromises that will be presented to you for your consideration are the privileges of this great Republic that we live in, where those with differences of opinion can get together and agree on something we can present to the people and will be of benefit to all.

We have heard so much about the scraps and differences between the various groups of transportation. I have been contacted at least 20 times since entering this chamber. They say, "Congressman, what is the final result of the weight limits," and so forth, because I am getting so many wires from people back home. I want to refer to a letter from Mr. John V. Lawrence. The gentleman from Louisiana has a statement which is in conformity with this, and I think it will be placed in the Record. This letter is signed by the president of the American Trucking Association, and he says:

We want you to know that the trucking industry is perfectly willing to accept and, in fact, supports section 108 (J) of the highway bill reported out by the House Public Works Committee, having to do with truck weights.

We were opposed to this section as originally written because it would have created endless difficulties for truck operators, the States, and the Bureau of Public Roads. Therefore, we had advocated complete elimination of the section, and we were joined in this position by numerous interests, including the Bureau of Public Roads, the American Association of State Highway Officials, the American Municipal Association, and the American Automobile Association.

However, the revised section as reported by the Public Works Committee accomplishes the objective—protection of the highways—without getting involved in other factors that would have caused the difficulties. The new provision limits the axle weights and, as the Bureau of Public Roads stated, "The axle load of vehicles is the principal determinant of the supporting capacity that must be provided in the surfaces and foundations of roads."

Interests which are unfriendly to the trucking industry and are, in fact, unfriendly to the entire highway program may attempt to have the section amended to affect such factors as dimensions and gross weights which, as any highway engineer will testify, have nothing to do with protecting highway surfaces. Regulation of these other factors should be left in the hands of the States, which know best how to deal with the complications that arise.

Therefore, we urge you to support the section as it was reported by the Public Works Committee and resist changes designed, not to protect the highways, but to create difficulties.

Very truly yours,

JOHN V. LAWRENCE.

I was contacted by some folks who were supposed to have been in opposition to that particular section and I asked: "What is your position?" and I am not carrying the ball for any one group any more than I am carrying the ball for all of you because I hope that we can work out a compromise. That is

what we want to do, get a good road bill. I read this statement as given to me:

I have been advised by an authorized representative of the railroad industry that in their opinion the interest of the American taxpayer would have been better served had the original wording of section 7J been retained.

The Public Works Committee, after due consideration, decided to delete from the section those limitations pertaining to total weight and dimensions of vehicles. The single and tandem axle limitation remains the same, statements to the contrary notwithstanding.

The railroad industry has no intention of seeking modification or change in the wording of section 108J as reported by the committee, when the measure comes before the House.

That is the result of the various segments of the transportation world getting together and exchanging views, so a program might be put into effect. That exchange of views you now have in this particular bill—a compromise that as far as they are concerned there will be no attempt to amend or strike from the bill that section, here on the floor of the House today or tomorrow.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. MCGREGOR. I yield to the gentleman from Ohio.

Mr. VANIK. I wish to ask my distinguished colleague from Ohio a question relating to lines 19 and 20 on page 29 of the bill, where provision is made for the elimination of the hazards of railroad grade crossings. Does this bill disturb the present law under which railroads are contributing to the cost of the elimination of railroad crossings? Does this provision disturb that section of the law?

Mr. MCGREGOR. I might say to the gentleman that the amendment to which he refers on page 29, section 117, contains a new definition of construction that was presented by a Member and it does completely change the term "construction."

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MCGREGOR. I yield.

Mr. JONES of Alabama. May I say to the gentleman that this does not change the basic act with respect to the allocation of funds with reimbursement of the railroads; it carries the traditional 90-10 formula. I think that is what the gentleman is interested in.

Mr. MCGREGOR. The gentleman says it does not change the formula.

Mr. JONES of Alabama. No, it does not; the section here read does not refer to the apportionment formula whatsoever, so there is no change in respect to that. Under the Ramseyer rule changes must be set out in the report. None is indicated; therefore, there is no change, and I can assure the gentleman from Ohio that he need not be apprehensive over that section.

Mr. MCGREGOR. The Ramseyer rule is still in effect. In this particular section we are only amending section 1 of the Highway Act which has to do with the definition of construction. As of now, in my opinion, it in no way interferes with existing law as it affects the allocation of cost formula, but I certainly

will be glad to check for sure and advise the gentleman.

Mr. VANIK. I thank the gentleman from Ohio.

Mr. MCGREGOR. Mr. Chairman, I would like to make a brief summary of portions of H. R. 10660.

The highway bill is H. R. 10660. This is a combination of H. R. 8836, the Fallon bill, which is the highway authorization bill reported by the Public Works Committee, and H. R. 9075, the revenue-raising bill, the Boggs bill which was reported by the Ways and Means Committee. The first title of H. R. 10660 relates to the authorization as contained in the Fallon bill as amended.

PRIMARY, SECONDARY, URBAN

Sections 101 through 107 of the bill are approximately the same as the 1954 Highway Act which deals with the primary, secondary, and urban systems of roads as now in effect, with the exception that the funds involved are increased in the new legislation. The amount authorized for the primary, secondary, and urban systems, in addition to the \$700 million already authorized for 1957 by the 1954 act is increased by \$25 million.

It is established as the intent of Congress that starting in 1957 and continuing through 1969 the total amounts intended for the primary, secondary, and urban systems be progressively increased in the amount of \$25 million per year. Thus the total Federal funds involved for these systems during this period is \$11,375,000,000.

CONGRESSIONAL REVIEW

It was the opinion of the committee that the Congress should review every 2 years the authorization on the primary, secondary, and urban systems.

Included in the sections up to 107 are increases for forest highway roads, trails, national parks, and so forth, and also some clarifying amendments relative to Indian land and other Federal-domain roads. These sections also include a \$30 million authorization for an emergency fund for highway repairs in disaster areas.

INTERSTATE SYSTEM

Section 108 to section 201 deals with the interstate system as set forth in H. R. 8836, the Fallon measure as amended. The authorizations of this section establishes a Federal expenditure, over the 13-year period 1957 up to and including 1969, for the interstate system of \$24,825,000,000. The matching as it deals with the interstate system is 90 percent Federal funds and 10 percent State funds. In reality the total expenditure of the two programs as far as Federal funds are concerned is approximately \$36,500,000,000.

MAXIMUM AXLE WEIGHT LIMITATIONS

In the bill will be found new subject matter relating to Federal axle weight limitations on vehicles using the highways. From available information, and taking into consideration the sponsor of the amendment, it would be my opinion that it was submitted upon the recommendation, and with the approval of, the trucking industry. This section

would deny Federal funds to the interstate system in any State which permits single axle loads in excess of 18,000 pounds or tandem axle loads in excess of 32,000 pounds, or which exceeds present State statutory regulations in effect July 1, 1956, whichever is the greater. The enactment of this provision will not deprive any vehicle of any legal right it presently enjoys. It is an effort on the part of the Federal Government to insure that the highway facilities to be constructed with this large sum of Federal money shall serve out their economic life and not be prematurely destroyed by excessive loads and the question of safety for the traveling public shall be properly recognized. The bill takes into consideration the research that is now going on, the results of which will be known to the Congress not later than March 1, 1959, and instructs the Secretary of Commerce to make recommendations to the Congress not later than March 1, 1959, with respect to maximum desirable dimensions and weights of vehicles using the public highways.

REIMBURSEMENT FOR CERTAIN HIGHWAYS

The bill contains a section instructing the Secretary of Commerce to do necessary research regarding reimbursement of funds by the Federal Government to those States that have completed sections of the interstate system whether toll or free, subsequent to August 2, 1947, and meeting standards required on the interstate system and to report to the Congress his findings not later than January 2, 1958. It was recognized by the Committee that possibly there was equity in the reimbursement feature but sufficient factual data was not available to permit the establishment of a fair formula either in dollars or miles credited.

PREVAILING RATE OF WAGE

The bill contains a provision for bringing under the provisions of the Davis-Bacon Act contract work performed on the interstate system. This provision requires that the Secretary of Labor determine the prevailing wages to be paid on all contract involving interstate sections of the program.

RELOCATION OF UTILITY FACILITIES

The bill as written sets forth that whenever a State shall pay for the relo-

cation of utility facilities necessitated by the construction of a project in the Federal-aid primary or secondary system, or on a national system, Federal funds may be used to reimburse the State for such costs in the same proportion as Federal funds are expended on the project. The term utility includes publicly, privately, cooperatively owned utilities, which, of course, includes sewer systems, water systems, gas, telephone, including REA, light, and power. This leaves the determining power entirely in the hands of the States.

FREE COMPETITION

Other provisions relate to the filing of periodic reports on the progress of the interstate system; the use of right of ways incident to the interstate system and provisions which will insure that the users of the interstate system will receive the benefits of free competition in purchasing supplies and services at, or adjacent to, highways in such system.

CHECK BY CONGRESS

The bill provides that departments and agencies of any State and the executive branch of the Government shall furnish to the Committee on Public Works of the Senate or the House, or a subcommittee of each, such information as may be requested relating to the construction of the new interstate system.

TITLE II. REVENUE FEATURES

Incorporates the recommendations of the House Ways and Means Committee as contained in H. R. 9075 by Congressman Boggs. This revenue section, which in all probability will come to the floor of the House under a closed rule, contains provision for a 1-cent gas tax increase; a 1-cent diesel and special fuels increase; a 3-cent increase on all rubber used by highway vehicles; 2-percent ad valorem tax increase on trucks, buses, and trailers, which makes a total of 10 percent as now being paid by automobiles.

The bill places a new tax of 3 cents a pound on camelback or retreading material and a new permit fee of \$1.50 per thousand pounds on vehicles in excess of 26,000 pounds.

The total yield anticipated from the revenue measure over a 15-year period is approximately \$38 billion. It is to be

noted that nonhighway users on all of the above taxes are exempt.

This revenue section recognizes the withdrawal from general revenues after July 1, 1957 of one-half of the total yield of the 10-percent ad valorem tax on trucks, buses, and trailers and the total yield of the rubber tax on tires and the assignment of these revenues to the highway program. Prior to July 1, 1957, the revenue measure recognizes the dedication of only the 2-percent increase in ad valorem tax on trucks, buses and trailers and the 3-percent increase in rubber taxes.

This means, in a general statement, that a large amount of money that is now going to the general revenue fund will be designated to the highway trust fund after 1957.

PAY AS YOU GO

After study and attempting to analyze whether or not the revenue-raising feature will meet the authorization, it is the considered judgment that in the overall program we will be short about \$3.5 billion. However, it is the belief that possibly this amount can be collected by increased sales and use of the highways so I think, in all fairness, it should be said that the revenue bill as submitted by the Ways and Means Committee and incorporated in title II of this bill will meet the authorization and expenditures as set forth in title I.

In summary, the proposed legislation has the merit of providing for review by the Congress and the correction of any inequities that may develop as the program progresses. The bill is not perfect but I think the general public wants a highway bill and, in my opinion, the controversial features contained in this legislation are the results of various segments of our society compromising to obtain that which the people are asking, namely, better roads.

Mr. Chairman, I would like to include a chart showing the approximate apportionment of the Federal highway funds pursuant to the present bill, H. R. 10660, of the Federal Highway Act of 1954. This shows the old allotment of Public Law 350, which it was my privilege to author, and the allotment for 1957, plus the \$25 million included in this bill. It also includes, Mr. Chairman, the \$175 million for the interstate system in the fiscal year 1957.

Approximate apportionment of Federal highway funds pursuant to H. R. 10660 and Federal-Aid Highway Act of 1954

PRELIMINARY—SUBJECT TO SUCH REVISION AS MAY BE REQUIRED TO CONFORM TO SEC. 108 (F) OF H. R. 10660

[Millions of dollars]

State	Fiscal year 1957			Fiscal year 1958			Fiscal year 1959		
	Primary, secondary, and urban (\$725.0)	Interstate (\$1,200.0)	Total (\$1,925.0)	Primary, secondary, and urban (\$750.0)	Interstate (\$1,700.0)	Total (\$2,450.0)	Primary, secondary, and urban (\$775.0)	Interstate (\$2,000.0)	Total (\$2,775.0)
Alabama.....	14.7	19.6	34.3	14.9	26.7	41.6	15.5	31.4	46.9
Arizona.....	9.0	11.2	20.2	9.2	15.3	24.5	9.6	18.0	27.6
Arkansas.....	10.9	11.4	22.3	11.1	14.8	25.9	11.5	17.4	28.9
California.....	38.8	112.1	150.9	40.1	169.7	209.8	41.4	199.6	241.0
Colorado.....	11.3	9.2	20.5	12.0	11.4	23.4	12.3	13.4	25.7
Connecticut.....	6.6	26.2	32.8	6.9	40.6	47.5	7.1	47.8	54.9
Delaware.....	3.0	4.0	7.0	3.1	4.8	7.9	3.3	5.6	8.9
Florida.....	12.0	24.7	36.7	12.3	26.2	38.5	12.8	42.6	55.4
Georgia.....	16.9	34.9	51.8	17.2	61.2	68.4	17.7	60.2	77.9
Idaho.....	7.3	6.4	13.7	7.5	7.8	15.3	7.7	9.2	16.9
Illinois.....	32.1	55.1	87.2	33.0	77.9	110.9	34.1	91.6	125.7
Indiana.....	17.4	42.4	59.8	17.7	63.4	81.1	18.3	74.6	92.9
Iowa.....	15.9	15.7	31.6	16.1	20.2	36.3	16.6	23.8	40.4
Kansas.....	15.1	12.3	27.4	15.3	15.1	30.4	15.9	17.8	33.7

Approximate apportionment of Federal highway funds pursuant to H. R. 10660 and Federal-Aid Highway Act of 1954—Continued

PRELIMINARY—SUBJECT TO SUCH REVISION AS MAY BE REQUIRED TO CONFORM TO SEC. 108 (F) OF H. R. 10660—continued

[Millions of dollars]

State	Fiscal year 1957			Fiscal year 1958			Fiscal year 1959		
	Primary, secondary, and urban (\$725.0)	Interstate (\$1,200.0)	Total (\$1,925.0)	Primary, secondary, and urban (\$750.0)	Interstate (\$1,700.0)	Total (\$2,450.0)	Primary, secondary, and urban (\$775.0)	Interstate (\$2,000.0)	Total (\$2,775.0)
Kentucky.....	13.0	24.9	37.9	13.3	36.0	49.3	13.8	42.4	56.2
Louisiana.....	11.5	24.5	36.0	11.9	36.0	47.9	12.2	42.4	54.6
Maine.....	5.5	7.9	13.4	5.6	10.7	16.3	5.8	12.6	18.4
Maryland.....	7.8	21.3	29.1	8.0	31.8	39.8	8.3	37.4	45.7
Massachusetts.....	13.2	40.6	53.8	13.7	61.2	74.9	14.1	72.0	86.1
Michigan.....	24.9	63.3	88.2	25.5	94.7	120.2	26.3	111.4	137.7
Minnesota.....	17.6	25.2	42.8	17.8	35.4	53.2	18.4	41.6	60.0
Mississippi.....	11.7	13.7	25.4	11.9	18.0	29.9	12.3	21.2	33.5
Missouri.....	20.4	31.1	51.5	20.7	43.7	64.4	21.4	51.4	72.8
Montana.....	11.5	9.2	20.7	12.2	11.2	23.4	12.6	13.2	25.8
Nebraska.....	11.9	7.1	19.0	12.5	7.8	20.3	13.0	9.2	22.2
Nevada.....	7.1	5.1	12.2	7.5	5.4	12.9	7.7	6.4	14.1
New Hampshire.....	3.2	4.1	7.3	3.3	4.9	8.2	3.4	5.8	9.2
New Jersey.....	13.5	63.7	77.2	14.0	99.3	113.3	14.4	116.8	131.2
New Mexico.....	9.5	12.5	22.0	9.9	17.2	27.1	10.3	20.2	30.5
New York.....	45.6	71.1	116.7	47.1	97.8	144.9	48.7	115.0	163.7
North Carolina.....	17.5	15.3	32.8	17.9	18.0	35.9	18.5	21.2	39.7
North Dakota.....	8.6	6.6	15.2	8.6	7.8	16.4	9.0	9.2	18.2
Ohio.....	28.7	67.3	96.0	29.6	99.5	129.1	30.6	117.0	147.6
Oklahoma.....	14.1	19.7	33.8	14.3	27.5	41.8	14.8	32.4	47.2
Oregon.....	11.0	16.3	27.3	11.3	23.3	34.6	11.7	27.4	39.1
Pennsylvania.....	34.1	42.7	76.8	35.7	55.6	91.3	36.8	65.4	102.2
Rhode Island.....	3.9	6.5	10.4	4.1	9.0	13.1	4.2	10.6	14.8
South Carolina.....	9.3	10.4	19.7	9.5	13.4	22.9	9.7	15.8	25.5
South Dakota.....	9.2	6.3	15.5	9.2	7.0	16.2	9.5	8.2	17.7
Tennessee.....	15.3	20.4	35.7	15.6	27.7	43.3	16.1	32.6	48.7
Texas.....	44.2	48.3	92.5	45.4	63.7	109.1	46.9	75.0	121.9
Utah.....	7.0	12.1	19.1	7.3	17.3	24.6	7.6	20.4	28.0
Vermont.....	3.0	8.9	11.9	3.0	12.9	15.9	3.2	15.2	18.4
Virginia.....	13.8	28.6	42.4	14.4	41.7	56.1	14.8	49.0	63.8
Washington.....	11.7	23.4	35.1	12.2	34.2	46.4	12.6	40.2	52.8
West Virginia.....	7.9	13.5	21.4	8.1	18.9	27.0	8.4	22.2	30.6
Wisconsin.....	16.6	18.1	34.7	17.0	23.6	40.6	17.6	27.8	45.4
Wyoming.....	7.1	14.7	21.8	7.5	21.6	29.1	7.7	25.4	33.1
Hawaii.....	3.3	-----	3.3	3.4	-----	3.4	3.5	-----	3.5
District of Columbia.....	4.2	7.8	12.0	4.4	11.1	15.5	4.5	13.0	17.5
Puerto Rico.....	5.1	-----	5.1	5.2	-----	5.2	5.3	-----	5.3

Mr. Chairman, I know of no concentrated effort to defeat the general principles of this legislation. As stated before, there are many controversial issues, one of them being the matter of reimbursement for existing highways, toll or free. I am including in my remarks a telegram that I have just received from the American Association of State Highway Officials.

This association, I believe, is comprised of every highway department in every State of these United States. They carefully analyze legislation affecting highways and their records show that they give very serious and careful study before any recommendations are made. Our committee carefully analyzed the particular section to which this telegram refers, giving full recognition to the fact that many of our States possibly were entitled to reimbursement, but neither the committee nor the highway departments of the various States, nor the Bureau of Public Roads, had definite information on how to establish a formula of reimbursement. Without such formula, they had no idea what the costs might be in dollars or in mileage. Therefore, your committee in this bill has a section which is a compromise, and which in turn will give us an equitable formula under which we can operate.

I am most happy to include in these remarks the telegram from Mr. Whitton, president of the American Association of State Highway Officials, who, I note, states that his organization considers our

proposal in this bill an orderly approach to the problem:

WASHINGTON, D. C.

HON. J. HARRY MCGREGOR,
House Office Building:

Regarding the matter of reimbursement for existing highways, toll or free, the proposal in H. R. 10660 offers an orderly approach to the problem, especially in light of the lack of current specific information as how well existing highways will serve as part of the Interstate System and what the impact of financing might be. The highway departments will cooperate and work every way possible to expedite a complete study and analysis of the matter so that the Congress may have complete information upon which to consider reimbursement.

REX M. WHITTON,
President, American Association of State Highway Officials.

I would like to include at this point an editorial entitled "Pass the Highway Bill":

[From the Pittsburgh Sun-Telegraph of April 23, 1956]

PASS THE HIGHWAY BILL

The American people are on the verge of having their highway congestion problems settled.

The House Committee on Public Works has produced an excellent highway bill and the House will soon pass judgment on it.

The Hearst newspapers urgently recommend the passage of this legislation.

Its fundamental provisions—the allotment of Federal aid to the several road systems of the 48 States and the tax schedule which will finance that aid—have been intelligently prepared and are almost unanimously approved by everyone who understands the highway problem and its solution.

Other provisions, the fringe provisions, are more controversial because of the special in-

terests concerned, but in no case do they warrant a vote against the bill.

In the opinion of the Hearst newspapers, which have carefully followed and enthusiastically supported this legislation from its inception, the passage of this bill is in the national interest.

Any reasons that still exist to oppose it are based on such petty, narrow, self-serving reasons that those representatives who vote against it become subject to appraisal as petty, narrow, self-serving individuals.

We believe they will be so appraised by the public they are elected to serve.

Out of our knowledge of this subject may we say this:

A vote against this bill is a vote for chaos in the highway field.

A vote for it is a vote in the national interest of the United States and its people.

Mr. Chairman, I am just in receipt of a letter from one of the large farm organizations, and although this endorsement does not cover anyways near all of the various endorsements that have been given to this bill, yet I do feel it certainly covers a cross-section of our economy and under leave to extend my remarks I am enclosing that list:

THE NATIONAL GRANGE,
Washington, D. C., April 24, 1956.

HON. J. HARRY MCGREGOR,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN MCGREGOR: Because adequate highways will mean so much to the people of this Nation, a number of nationally known individuals reflecting the views of many others, have joined in expressing the urgent need for prompt action on pending highway legislation. Grim confirmation of the need is contained in the most recent safety statistics which show an increase of 16 percent in deaths on the roads last month. I have the privilege of transmitting this

message to you and to all other Members of Congress.

Differences of opinion exist among supporters of adequate highway legislation over vital secondary issues, but, nevertheless, as a group we are all ready to submit our cause to the final stages of democratic processes at this time.

Respectfully yours,

HERSCHEL D. NEWSOM,
Master.

AN URGENT HIGHWAY MESSAGE TO MEMBERS OF THE 84TH CONGRESS

Adequate highways are desperately needed in the United States and they are needed now.

They are needed for the defense and the economic development of this Nation.

They are needed to permit the continued advancement of the American way of life in all its cultural, social and spiritual aspects.

They are needed in the interest of the safety of the motor vehicle user and the pedestrian alike.

They are needed for peace or for war.

Good roads, or the lack of them, affect every man, woman and child in this country, directly or indirectly. Your own life, the lives of your children may depend upon safe and adequate roads—in your every day movements or in the event of atomic attack.

The President and congressional leaders on both sides have placed their support solidly behind action for an expanded, balanced Federal highway program.

There is now pending before Congress a proposal to meet these needs.

Under its terms, Federal funds will be authorized for a 13-year building program which will:

Provide the Nation with a modern 40,000 mile interstate system built to meet traffic needs of 20 years ahead.

Reduce congestion in our cities.

Step up the continuing program of improvement of farm-to-market roads.

Accelerate development of the entire Federal aid system, totaling 700,000 miles of roads, of both national and local importance in the United States.

Release State and local funds for the more rapid improvement of roads and streets of lesser traffic use, but still vital to our economy.

Reduce the cost of distribution.

Continue the partnership between Federal and State authorities which has protected States' rights and given us roads rendered obsolescent only by an ever upsurging traffic.

Every day of delay in the passage of this vitally required legislation:

Increases the chances of death, injury and property losses on our highways, figures which today reach the staggering total of 38,300 lives, 1,350,000 injuries, and economic losses of \$4.75 billion annually.

Adds to the final cost of rights-of-way which are going up in huge amounts as property valuations rise.

Creates indecision and delay on the part of highway officials everywhere who cannot go ahead with plans for construction until they know what the Congress is going to do.

Adds to the mounting deficiencies in the sheer capacity of our roadways to handle a constantly growing traffic.

Further delay is intolerable.

We urge you to join in carrying forward this all-American program now.

W. E. Adams, master, Idaho, State Grange, Eagle, Idaho.

Harold J. Arthur, master, Vermont State Grange, Burlington, Vt.

Fred W. Asay, president, Capital Stores, Inc., Topeka, Kans.

Murray A. Baldwin, director, Citizens Highway Committee, Fargo, N. Dak.

Thomas A. Ballentine, president, Louisville Taxicab & Transfer Co., Louisville, Ky.

Walter R. Bimson, chairman, Valley National Bank, Phoenix, Ariz.

W. Blackie, executive vice president, Caterpillar Tractor Co., Peoria, Ill.

Warren B. Bledsoe, president, National Rural Letter Carriers' Association, Washington, D. C.

C. R. Brock, president, Milk Industry Foundation, Washington, D. C.

Charles H. Brower, executive vice president, Batten, Barton, Durstine & Osborn, Inc., New York, N. Y.

Leo Burnett, chairman, Leo Burnett Co., Inc., Chicago, Ill.

Charles S. Burr, C. R. Burr Co., Manchester, Conn.

Harry B. Caldwell, master, North Carolina State Grange, Greensboro, N. C.

Dean Chaffin, director, Montana National Automobile Dealers Association, Bozeman, Mont.

Frank L. G. Clement, Governor of Tennessee, Nashville, Tenn.

Emil C. Chervenak, Service Fire Insurance Company of New York, New York, N. Y.

Albert E. Cobo, mayor, city of Detroit, Detroit, Mich.

L. L. Colbert, president, Chrysler Corp., Detroit, Mich.

Harry J. Cooper, director, public relations, Lions International, Chicago, Ill.

Walter B. Cooper, president, Colorado Good Roads Association.

Gardner Cowles, president, Cowles Magazines, Inc., New York, N. Y.

Charles T. Cownie, chairman, good roads commission, Greater Des Moines Committee, Des Moines, Iowa.

H. A. Crockard, chairman, Motor Vehicle Advisory Committee to California State Legislature, Berkeley, Calif.

C. H. Diefendorf, chairman, executive commission, Marine Trust Co. of Western New York, Buffalo, N. Y.

Arthur O. Dietz, chairman of the board, Commercial Investment Trust, Inc., New York, N. Y.

John W. Emeigh, secretary, National Rural Letter Carriers' Association, Roaring Spring, Pa.

Charles C. Freed, president, Freed Motor Co., Salt Lake City, Utah.

Lawrence FitzLee, president, Occidental Life Insurance Co. & Peninsular Life Insurance Co., Raleigh, N. C.

Roy Fruehauf, president, Fruehauf Trailer Co., Detroit, Mich.

Walter D. Fuller, chairman, Magazine Publishers Association, New York, N. Y.

H. L. Galles, Jr., Galles Motor Co., Albuquerque, N. Mex.

Herbert Garrecht, president, Klinke-Reed Dairies, Memphis, Tenn.

A. M. Ghormley, vice president, Carnation Co., Los Angeles, Calif.

Abe Goldstein, Georgia State Tire Dealers Association, Atlanta, Ga.

H. E. Hartfelder, president, Oak Farms Dairies, Dallas, Tex.

L. Roy Hawes, commissioner, Massachusetts Department of Agriculture, Boston, Mass.

W. R. Hearst, Jr., editor in chief, Hearst Publications, New York, N. Y.

Ernest Henderson, president, Sheraton Corporation of America, Boston, Mass.

Christian A. Herter, Governor of Massachusetts, Boston, Mass.

Conrad A. Hilton, president, Hilton Hotels Corp., Chicago, Ill.

Paul G. Hoffman, chairman of board, Studebaker-Packard Corp., Los Angeles, Calif.

Gilbert H. Hood, Jr., H. P. Hood & Sons, Inc., Boston, Mass.

Frederick L. Howde, president, Purdue University, Lafayette, Ind.

Mrs. J. Howard Hodge, safety chairman, General Federation of Women's Clubs, Midland, Tex.

William P. Howe, president, Howe Nurseries, Pennington, N. J.

Ray L. Hulick, vice president, National Rural Letter Carriers' Association, Albuquerque, N. Mex.

Lewis Webster Jones, president, Rutgers University, New Brunswick, N. J.

William G. Karnes, president, Beatrice Foods Co., Chicago, Ill.

Ridgway Kennedy, Jr., president, Abbotts Dairies, Inc., Philadelphia, Pa.

R. R. King, president, American Body & Trailer Corp., Oklahoma City, Okla.

Ezra C. Knowlton, Utah Sand & Gravel Association, Salt Lake City, Utah.

Walter J. Kohler, Governor of Wisconsin, Madison, Wis.

Arthur B. Langlie, Governor of Washington, Olympia, Wash.

Charles R. Lawson, National Rural Letter Carriers' Association, Bertrand, Nebr.

William G. Laffer, president, Clevite Corp., Cleveland, Ohio.

S. F. Laskey, president, Associated Equipment Distributors, Chicago, Ill.

Paul R. Lauritzen, director, Virginia National Automobile Dealers Association, Richmond, Va.

Kenneth Lindsay, president, Construction Industry Manufacturers Association, Inc., Chicago, Ill.

Henry Little, president, Campbell-Ewald Co., Detroit, Mich.

J. Saxton Lloyd, past president, National Automobile Dealers' Association, Daytona Beach, Fla.

E. J. Lucas, vice president, Kingham Trailer Co., Louisville, Ky.

Charles F. McCahill, senior vice president, Forest City Publishing Co., Cleveland, Ohio.

Mrs. Samuel J. McCartney, president, Pennsylvania Federation of Womens Clubs, Narberth, Pa.

H. J. McGinn, president, Eaton Manufacturing Co., Cleveland, Ohio.

R. D. McKay, president, R. D. McKay Motors Co., Inc., Wichita, Kans.

Vernon Marshall, president, American Association of Nurserymen, Arlington, Nebr.

J. Paul Mather, president, University of Massachusetts, Amherst, Mass.

F. C. Matthaal, chairman of board, American Metal Products Co., Detroit, Mich.

Geo. J. Meuhort, Mid-Continent Distributing Corp., Des Moines, Iowa.

John Moren, National Rural Letter Carriers Association, Howe, Okla.

Paul W. Morton, treasurer, National Rural Letter Carriers' Association, Freeport, Ohio.

Gilbert C. Morris, Fuller & Smith & Ross, Inc., New York, N. Y.

Robert Moses, head, New York City and State Park Agencies, New York, N. Y.

Timothy J. Murphy, commander in chief, Veterans of Foreign Wars, Kansas City, Mo.

Ross R. Ormsby, president, Rubber Manufacturers Association, New York, N. Y.

Ralph F. Peo, president, Houdaille Industries, Inc., Buffalo, N. Y.

Guy S. Peppiatt, president, Federal-Mogul-Bower Bearings, Inc., Detroit, Mich.

Carl A. Peterson, vice president, Country Club Dairy Co., Kansas City, Mo.

Carlton S. Pisch, president, American Institute of Consulting Engineers, New York, N. Y.

Datus E. Proper, vice president and general manager, Pearl Brewing Co., San Antonio, Tex.

Dr. Dorothea F. Radusch, D. D. S., international president, Zonta International, Minneapolis, Minn.

John A. Riggs, Jr., president J. A. Riggs Tractor Co., Little Rock, Ark.

W. F. Rockwell, chairman, Rockwell Manufacturing Co., Pittsburgh, Pa.

George Rommey, president, American Motors Corp., Detroit, Mich.

Chas. E. Sands, chairman, Wyoming Tire Dealers & Retreaders, Cheyenne, Wyo.

A. Sevener, director, Milk Industry Foundation, Iowa City, Iowa.

Harold F. Schnurle, vice president, Central Maine Power Co., Augusta, Maine.

George B. Schotte, chairman, Montana Fact Finding Committee for Highways, Streets, and Bridges, Helena, Mont.

Donald J. Simons, National Rural Letter Carriers' Association, Green Bay, Wis.

Clyde H. Stocking, vice president, American Association of Nurserymen, San Jose, Calif.

J. Earl Stowe, president, Earl Stowe Tire Co., Phoenix, Ariz.

S. D. DenUyl, president, Bohn Aluminum & Brass Corp., Detroit, Mich.

Louis J. Taber, chairman, Farmers and Traders Life Insurance Co., Syracuse, N. Y.

Ralph Veenema, Veenema & Wieggers, Inc., Paterson, N. J.

Joseph P. Tacconelli, owner, Joseph P. Tacconelli Co., Ardmore, Pa.

John J. Verschoor, vice president, South Dakota Retailers, and director of South Dakota National Automobile Dealers Association, Mitchell, S. Dak.

P. M. Talbott, president, National Retail Dry Goods Association, Washington, D. C.

Robert F. Wagner, mayor of New York City, and president, American Municipal Association.

Ray Teagarden, master, Kansas State Grange, LaCygne, Kans.

George B. Wallace, director, Oregon National Automobile Dealers Association, Portland, Oreg.

M. B. Terrey, president, American Brake-blok Division, American Brake Shoe Co., Detroit, Mich.

Martin W. Watson, owner, M. Watson General Construction, Topeka, Kans.

C. G. Titus, president, Titus Motor Co., Tacoma, Wash.

R. E. Weaver, president, National Sand & Gravel Association, Washington, D. C.

Ben West, mayor of Nashville, and chairman, committee on highways, American Municipal Association, Nashville, Tenn.

Mrs. Beulah Williams, chairman, midwest conference of women's divisions, chambers of commerce, St. Louis, Mo.

Mrs. Ashmead White, national chairman, Americanization Committee D. A. R., Bangor, Maine.

William L. Wilson, vice president, Universal CIT Credit Corp., New York, N. Y.

John Whickham, president, New York Good Roads Association, Albany, N. Y.

I. W. Wilson, president, Aluminum Company of America, Pittsburgh, Pa.

Will M. Whittington, former chairman, House Public Works Committee, Greenwood, Miss.

K. B. Woods, chairman, highway research board, Purdue University, Lafayette, Ind.

Mr. Chairman, I repeat, this bill is not perfect but I hope you all will listen attentively to the debate and recognize that we are endeavoring to at least make a start in the direction of an adequate highway bill which will be equitable and fair and certainly will save many fatalities, many accidents, many repair bills and many hours of time. I sincerely hope that this bill will pass this Congress by a large majority vote.

Mr. FALLON. Mr. Chairman, I yield 8 minutes to the distinguished gentleman from New Mexico [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Chairman, I am exceedingly happy today to be on this floor with a highway bill before us. We in the Roads Subcommittee have been working on it for about a year and a half and I think we had about as much trouble as any committee ever had handling such controversial bills as this has been.

Last year we had not only the operational part of the bill but we also had the financial provisions to consider. As I look back I think we discriminated

somewhat, although I did not think so at the time, because I voted for the bill. As a matter of fact, I believe we have to vote for almost any bill because the need is so great that we cannot let little squabbles, we cannot let little differences, interfere with the principal objective of getting this bill out.

I agree with what other members of this committee have said about our chairman, the gentleman from Maryland [Mr. FALLON]. He is a man who does not especially like praise and most certainly does not seek it; he is a very modest person or I would have a lot more to say about his ability. We had our ups and downs in the committee, but I think it was because the members of the committee freely and candidly expressed themselves. That is what we are here for, if we are to properly represent the people of the Nation. I congratulate all members of the committee because I think on both sides they have done a magnificent job. I do not have to tell you that I may and do disagree a great many times, but when the final call comes, in whatever form the bill may be, I am going to vote for it. When there are more than 100 persons a day dying on the highways, some of them through almost criminal negligence, virtually murder, it is about time the Congress of the United States exercises the power it has, and that we as the Representatives in the Congress do something about the cause of this shameful carnage. There are being sent to the hospitals about a million and a half maimed human beings a year due to injuries received in highway accidents. That is something that should not occur. I am advised by the specialists, who are supposed to know and who do know, that a large percentage of these accidents will be eliminated when we get 4-, 6-, or 8-lane roads. Certainly there will be many less accidents when we get rid of these 9-foot lanes and instead install lanes of not less than 12-foot width. When we come to that time we are going to eliminate a great many accidents.

Aside from the cost in human lives there is an enormous money and property loss suffered by the American people every year as a result of our deteriorated highways. A conservative estimate contained in the report by our committee places that annual loss at a figure in excess of \$4 billion. I have seen other estimates nearly twice as great as that, but we can be sure that the financial loss over the construction period authorized by this legislation would be more than double the amount we propose to invest in these better and more modern traffic arteries.

There is one highly essential feature in this legislation which I feel has been overlooked in some degree, due to the tendency to consider the legislation purely from the standpoint of dollars and of miles of road to be built. That has to do with the Nation's defense and the protection of the people of the country in event of all-out emergency such as war. I trust the day will never come when we will find it necessary to take the precautionary measures which this program is intended to implement, but

I am sure that this Congress is taking a great forward step when it has the foresight to provide better and more adequate means for evacuation of our population from congested centers. In event for need of that evacuation I believe this legislation will be responsible for saving literally millions of lives.

We encountered serious difficulties and bottlenecks in transportation during World War II. Our defense effort and military potential were seriously handicapped. We were forced to resort to many makeshift transport plans because of our highway deficiencies. Failure to pass this legislation would put upon the Congress the responsibility for such widespread disaster as might engulf this Nation in event of another emergency of that kind. I, for one, want no part of such a failure to be ascribed to me. I am sure that every Member of this House feels the same way about it.

I feel that our committee has included in this bill some provisions which can be considered as necessary safeguards. We have provided that additional surveys shall be made at intervals and that the Congress shall be provided with proper information on which to base an intelligent and thorough reappraisal of this highway program. Of course, we do not have the authority that would foreclose to subsequent Congresses the right to make changes in either the construction program or the financing provisions. What we have done in this legislation is to make sure that during its period of authorization the Congress shall be kept informed to the end that proper adjustments or changes can be made. Every effort has been made to avoid what might be construed as any intention on our part to usurp the prerogatives of any future Congress.

We have, however, worked out what I believe will result in completion of the overall road-building program, which will do the necessary job of providing at least the minimum required highway facilities for the entire Nation. If there should be an oversight in any regard it can be corrected.

The groundwork for this modernization of our highway system was laid 40 years ago with the passage of the first Federal-aid highway legislation. Another forward step was taken in 1944 when Congress authorized the interstate system. Again in 1954 we made progress by providing the largest authorization for construction of interstate highways up to that time. This is still another giant stride—the greatest to date—in our Nation's highway progress.

I want to congratulate the Ways and Means Committee for the magnificent job it has done. Last year was the first time when in any committee on which I had ever served I was permitted to say something about taxes. Frankly, I do not want to have any more to say about that matter in committee again. I will leave that to the gentleman from Tennessee [Mr. COOPER] who has been handling this so well during all of these years, and also to his associates on the Ways and Means Committee. I would make no suggestion about taxes, because practically everything I said I find was wrong. I think this bill should be passed

unanimously because the entire United States needs the bill. It is not 1 State—it is not 47 States—that needs this legislation, but all 48 States that need it. The quicker we get it passed, the earlier we get it to conference and get the conference report agreed to, the better off the people of this Nation will be.

We have been doing our highway building at such a slow rate that we are now about 20 years behind in the construction of roads when compared to other economic progress in this Nation. We are getting more powerful cars, they make greater speed, but they do not have very much space on the highways in which to perform. When this measure passes we can be very thankful that we have gotten out such a good bill. As the gentleman from Ohio [Mr. McGREGOR] has told you, all the organizations that were in opposition to it last year now say there is no opposition on their part, in fact they favor the bill. That applies not only to the railroads but to the truckers, the American Automobile Association, and the farmers' organizations. I think the committee has done a reasonably good job. As a matter of fact, that is putting it rather mildly.

There are some features of this bill with which I do not agree, and probably I will vote for some amendments that are to be offered, but I am for the main portion of the bill and, whether the amendments are agreed to or lost, I shall vote for the bill. That is what I propose to do. I voted for it last year and I certainly am going to vote for it this year because this is a much better bill. Everyone is satisfied. The people I hear from who will pay the taxes tell me: We do not object to the taxes if you will put the money in roads.

That is where we are going to put all the money this time. So I think they will all be very happy about the whole matter. The thing to do is to get this program started as quickly as possible.

Mr. McGREGOR. Mr. Chairman, I yield 6 minutes to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, the gentleman from Ohio [Mr. McGREGOR] mentioned an editorial which lauded the able work on this committee of our distinguished chairman, the gentleman from Maryland [Mr. FALLON]. That editorial, may I say, appeared not only in the one paper that the gentleman from Ohio mentioned, but was published in all Hearst newspapers from coast to coast, including those in my own State.

Mr. Chairman, the expanded highway bill now under consideration, if it becomes law, will launch on next July 1, only 60 days from now, the most gigantic and colossal public-works program ever undertaken in all the history of mankind. Even the enormous works programs of the Franklin Roosevelt era were pygmies compared to the gargantuan multibillion dollar public works undertakings that will be inaugurated by passage of this bill.

Passage of this bill will result in the entire 40,000 miles of the Nation's interstate highway system being built to perfection standards capable of adequately

carrying the traffic of 1980. Most of this interstate highway mileage will be developed into four-lane divided highways. These four-lane divided highways will connect 90 percent of all the Nation's cities that have 50,000 or more inhabitants and will tie together 42 of the Nation's 48 State capitals.

When this interstate highway program is completed 13 years from now, the American motorist can travel from the Canadian border in northern Maine to the Mexican border south of San Diego, Calif., a distance of 4,500 miles, over four-lane divided highways on which traffic will not be interrupted by a single stop light or endangered by a single cross road. Everywhere there will be overpasses and underpasses to handle cross highway traffic and limited access roads to assure safety on the heavily traveled highways near cities. The motorist, when these highways are completed, can travel from the Canadian border in Minnesota, Montana, Wisconsin or Michigan south to the Gulf of Mexico or the Mexican border over four-lane divided highways that have no cross roads or traffic lights.

The first benefit to the traveling public of this gigantic roads program will be a reduction of traffic accidents. Last year, 38,300 Americans, many of them children, were killed in traffic accidents and another 1,300,000 Americans were injured, some of them being permanently crippled. By 1965, because we will have 20 million more automobiles on our highways than now, the experts say that the traffic death toll will increase to 50,000 a year and the injured to 2 million a year unless highways are improved.

Traffic experts told our committee that if the highways proposed in this bill were in use today, that at least 1 out of every 10 highway deaths and injuries would be prevented. If Congress builds the highways this bill proposes, Congress will save by 1965, according to highway safety engineers, not less than 5,000 lives a year and will save 200,000 persons a year from suffering injuries in highway accidents.

Also, the highways proposed in this bill will save motorists millions of dollars of excessive wear and tear on tires and motor equipment, other millions of expenditures for costly automobile repairs necessitated by collisions and also save millions now spent on hospital and medical bills.

Also, as better highways lessen the number of accidents, automobile insurance rates will come down and the motorist will save on his insurance premiums.

These savings will go a long ways to offsetting for motorists any additional taxes that will be imposed on them by this bill.

This bill, however, will provide other benefits than these I already have mentioned. Enactment of this bill will help to insure a long era of high employment for American workers and great prosperity for the Nation's people.

Under this bill, the Federal Government will spend \$25 billion more on highway construction during the next 13 years than would be spent at the present rate of Federal highway spending.

Think of the impact on employment and prosperity this additional spending of \$2 billion a year is certain to have. For one thing, this spending will provide full-time employment to an additional 200,000 highway workers throughout the next 13-year period. In short, there are 200,000 new jobs in this bill for the construction workers of America. When working people are fully employed at good wages the Nation as a whole is prosperous.

The placing of the \$25 billion of increased spending power in this bill in the hands of the President in itself will help create that assurance of full employment and confidence in the future of America that is essential to continue prosperity.

Enactment of this bill will not only provide the Nation with more, wider, better, and safer highways; enactment of this bill, also, will assure continuance of the present high level of employment and general prosperity.

Mark Twain once said, "Everybody talks about the weather but nobody does anything about it." That statement, aptly, can be applied to roads. Everybody has talked for years about the need for more, better, and safer highways but nobody until now has done much about it. Our roads, all experts are agreed, have been wearing out faster than they have been rebuilt. They still are.

Until President Eisenhower entered the White House a little over 3 years ago, discussions of road-building programs were largely a procedure employed by politicians to levy more taxes on highway users without providing these highway users much improvement in roads to compensate them for these extra taxes they were compelled to pay.

During the 10 years prior to the Eisenhower administration, our Federal Government collected, on the average, more than two billion dollars a year in taxes from highway users but never spent, in any year, more than \$550 million for highway construction.

In short, every time our Federal Government collected \$4 from motorists in motor-vehicle taxes levied, and levied on them exclusively, it spent only 1 of those 4 tax dollars on highway construction. Of each \$2 billion collected each year in highway-user taxes, about one and one-half billion were spent for other things than building roads, including foreign aid programs.

Now, at long last, President Eisenhower has laid down a new, long overdue highway policy which says motorists will receive more roads for their tax dollars.

The general provisions in this bill, with some minor modifications, are those proposed to Congress 15 months ago by the Clay Commission report and by President Eisenhower in his highway message to the Congress. This is President Eisenhower's program which we are discussing today in debating this bill.

If this bill is passed by the Senate and the House and becomes law, I believe the highway construction program inaugurated will be regarded in future years as one of the greatest, if not the greatest, achievements of Congress in half a century.

Five years from now when the Eisenhower administration has completed its

second term and become past history, historians looking backward to the Eisenhower era will refer to this highway bill, I am sure, as one of the three greatest achievements of the Eisenhower administration. The other two great Eisenhower administration achievements, of course, will be his having kept our Nation out of war and at peace, and his having provided the American people with the greatest era of prosperity in the history of our Nation.

There are provisions in this bill I do not like. On the whole, however, it is a good bill and should, with reasonable amendments, be adopted.

President Eisenhower did not propose the tax provisions which are in this bill. He proposed that the highway construction authorized by this legislation should be completed in 10 years and financed by a bond issue that would be paid off in 30 years, by earmarking all present and future revenues from the present 2-cent-a-gallon Federal gasoline tax for use in bond retirement. Thus, under the Eisenhower bond proposal, the highway program would be carried out without any increase in present Federal highway user taxes.

Cabinet members indicated to our committee that the President would veto any highway bill that did not carry with it a plan for financing the roads program proposed. The financing could be done acceptably, the Cabinet members indicated, either by the President's bond issue plan without additional taxes or if not by a bond issue then by the levying of new and additional taxes.

The President's Cabinet members indicated that the President believed the bond issue to be the better of the two financing ways suggested.

The choice between the bonding plan and the levying of new and additional taxes came to a vote in the House of Representatives last year. The Democrats, by almost unanimous vote of the House Members of their party, rejected the President's bonding plan and insisted that the program be financed by new and additional taxes levied on highway users.

I, personally, believe that the President's bonding plan is the better way to finance this expanded highway program. Most Republicans feel about this as I do. But, we are confronted with a condition not a theory. The Democrats have said, in effect, that the House must vote for new and additional taxes of about \$850 million a year on motor users or there will be no highway bill at this session of Congress. They, the Democrats, have the votes to carry out this threat.

If we want this highway program enacted now, and most of us do, we Republicans must vote for these new and additional Democratic taxes even if we do not like them or otherwise there will be no highway bill this year.

I, like many of my Republican friends, do not like to vote for these new and additional taxes. I do not think these additional taxes are necessary. However, if I and others do not vote for these new and additional taxes, there will be no highway bill this year and the

40,000 deaths and about 1,500,000 bodily injury cases which are occurring annually on our highways will continue unreduced.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. I am very much interested in this tax proposal. The gentleman says that for the past 10 years only \$1 in \$4 of taxes collected were dedicated to road building; is that correct?

Mr. MACK of Washington. That is correct.

Mr. GROSS. How does this bill change that situation? How much more money will go into roads, money that is collected in taxes?

Mr. MACK of Washington. There will be approximately \$850 million a year derived from the additional taxes in this bill. This all will be spent on this expanded highway program.

I should like to say this. We are up against a condition and not a theory. The members of the Cabinet indicated that the President will veto a highway bill unless it has tax provisions or a bond issue to provide for financing this roads program. Unless Congress passes a bill that has either a bond issue financing plan or a tax financing plan Congress will not get a highway bill that the President will sign. On the other hand, the majority party has indicated it will not approve the bond plan of financing. Therefore we are confronted here today with the question, Shall we vote new and additional taxes or shall we abandon this proposed highway program?

Mr. GROSS. My question is this. How much more than \$1 in \$4 will go into this program?

Mr. MACK of Washington. All of the gasoline and diesel fuel tax money, as well as the increased taxes to be derived from a 1-cent increase in the taxes on gasoline and diesel fuel, will go into a trust fund to pay for the new highways as built.

Also receipts from the proposed 3-cent-a-pound increase in the tax on tires and the 3-cent-a-pound tax on camelback will go into this highway trust fund. Also, into the fund will go the revenues from the weight tax on heavy trucks, above 26,000 pounds, and the additional 2-percent excise tax on the wholesale price of trucks.

All of the money derived from the present 10-percent excise tax on new automobiles, from the present 8-percent excise tax on new trucks, and from the present 5-cent-a-pound tax on rubber will go, as heretofore, into the General Treasury, not into the highway trust fund. The motorists still under this bill will be paying huge sums of tax money that will not go into highway construction.

Mr. Chairman, I repeat that this highway bill provides for the greatest public-works program in the history of mankind, and is so vast as to baffle the imagination of man. The interstate highway funds which will be spent in the 11 Western States during the next 12 years under this bill total \$4,883,078,000. Here

is what each of the 11 States will receive during this 12-year period:

Arizona.....	\$223,435,000
California.....	2,477,535,000
Colorado.....	166,327,000
Idaho.....	114,195,000
Montana.....	163,845,000
Nevada.....	79,440,000
New Mexico.....	250,732,000
Oregon.....	340,103,000
Utah.....	253,215,000
Washington.....	498,983,000
Wyoming.....	315,278,000

At the present time, Washington State is receiving slightly less than \$13 million a year in Federal highway grant money. Under the bill we are now considering, Washington State will be allocated more than \$30 million a year during the next 2 years and about \$40 million a year by 5 years from now in place of the present \$13 million a year.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. MCGREGOR. Mr. Chairman, I yield the gentleman from Illinois [Mr. SPRINGER] such time as he may require.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Chairman, I advocated a Federal highway program when I first came to Congress in 1951.

I have been for such a program ever since. It was apparent then as it is now to anyone driving over the highways of the country that there are serious inadequacies and deficiencies.

This has been piling up to such an extent that in 1954 Congress increased Federal aid for highway construction to the largest total in history.

There are several provisions in this bill which will expedite the highway building program to help remove some of the bottlenecks. In the first place the interstate funds authorized for the fiscal years 1957 and 1958 are to be given to the State immediately upon enactment of this act. The apportionment of the same funds for fiscal 1959 through 1969 are to be made as far in advance of the beginning of the fiscal year but not more than 18 months prior thereto. This is a far-seeing move which will help a great deal.

In the second place the advance acquisition of rights-of-way is essential and in the public interest. This will also allow the lands to be acquired at the most reasonable cost. Past experience indicates that delay in acquisition always results in much higher acquisition costs. A provision is included in this bill authorizing the Secretary of Commerce to make available any of the Federal aid system funds, including the interstate funds, for the reimbursement of the cost of such acquisitions, providing that actual construction follows within 5 years.

Thirdly, a provision has also been included whereby funds may be advanced to the States to finance the acquisition of rights-of-way as well as the cost of construction as it proceeds.

I could hardly believe the report of the National Safety Council's estimate

that 42,000 people will be killed this year in traffic accidents in the United States. Also there will be approximately 1½ million who will be injured or crippled. The economic costs last year were almost \$5 billion which included wage loss, medical expense, property damage, and the cost of insurance.

It is almost an assured fact that a great reduction can be made percentage-wise in the number of traffic accidents in a year, once the Federal highway system is fully instituted.

We are rapidly entering a full atomic age. All of us hope there will never be a world war III, but if such an event does occur it would be possible for an enemy to knock out our major railroad centers. Our only possibility of getting troops and materiel from one part of the country to the other would be by fast highway express such as is planned in this bill. The building of this Federal highway program will seriously relieve this one major deficiency in our national defense.

Mr. Chairman, for all of these reasons this bill is not only one which we can all support, but it is definitely in the national interests.

Mr. MCGREGOR. Mr. Chairman, I yield to the gentleman from Ohio [Mr. HENDERSON] such time as he may require.

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. HENDERSON. Mr. Chairman, America is driving modern motor cars on antiquated roads. No matter how safe the manufacturer constructs a vehicle, accidents caused by poor roads and narrow bridges and blind alleys and dangerous intersections will continue to take an appalling toll of lives. People at home have clamored for a better system of roads and the local, State and Federal Governments have been tardy in responding to that clamor. The day of reckoning has come. The point has been reached where the effectiveness of any developments in motor vehicles, their features of comfort, safety, power, and beauty can contribute little to the future of vehicular transportation until an adequate system of roads is built. The responsibility for building roads has been recognized traditionally to assume a local, a State, and a Federal character.

There are some features of the legislation before this Congress today which leave unanswered questions. Representing the southeastern part of Ohio as Congressman for the 15th District, I am most hopeful that this legislation, if enacted, will be beneficial to that district, that it will provide for improved and safer roads in the hilly country of rural Ohio as well as in the flatlands of that great State, that it will connect the hamlets and villages which I represent, as well as the metropolitan areas further to the north and to the west of my district.

It will be the responsibility and the duty of the people of my district to pay a proportionate share for the roads provided by this bill. As they drive their cars, as they purchase gasoline and tires, the additional taxes added to their pur-

chases by the provisions of this legislation will be used for the building of roads in America. I want to see that the people of southeastern Ohio benefit to as great an extent as possible from the expenditure of their tax dollars. The thought has come to my mind many times that a Federal highway program exacts far more from the people of the State of Ohio than does a State highway program. But I recognize also that we are not a single State, that our commerce, which has caused our factories and industries to prosper, is not confined within our borders as a sovereign State, but rather is conducted with the other States of the Union. Ohio, because of its position along the natural traffic routes between the east coast and the west coast, has gained industry-wise with the flow of traffic through the State.

I have listened to my colleagues here on the floor point out the areas of agreement and the areas of disagreement in this legislation, and the need which they found for compromise and adjustment. They have brought to the floor after months of study a highway bill which, in their opinion, will best meet the needs of all America. I regret that in this era of high taxes and expensive government, that in order to finance this measure it is necessary to increase the tax on gasoline and other vehicles, as well as upon tires and retread material.

Quite recently I conducted a poll of the people of my 15th District of Ohio. One of the questions was this:

Do you favor increased Federal aid for new highways financed by increased taxes (on gasoline, tires, etc.) for highway users?

To that question I received 4,229 responses and of those responses, 2,377 voted in the affirmative, which is a percentage of 56.2 percent.

The bill before us is probably the only type of legislation which can be successfully enacted in this Congress. Congress has many diverse points of views. Some are economic while others are political. Both seem to have been at work here.

The financing of this broad program has been the point of controversy which defeated our efforts last year. The committees which considered this bill have now recommended that the burden of cost should be applied in accordance with the extent of the use of our road system. Undeniably, this will result in an increase in taxation on those items which are directly required by highway users.

The plan which had been advanced by the administration had geared highway costs to our national economy rather than to a strict formula of use. The financing would have come from a growing America which it is hoped will continue to receive governmental revenue in excess of its expenditures as we seek to economize in other fields. This would have been accomplished because of increased productivity which will provide for more tax revenue. Thus, the plan envisioned not higher and additional taxes, but simply more tax revenues.

The majority party has seen fit to insist that additional taxes be levied in accordance with the amount of fuel used

when the administration's measure would not have disturbed the established tax pattern. If we are to have a highway program this year, it seems, we must abide by the Democrat determination to have a new tax as well.

Mr. FALLON. Mr. Chairman, I yield the gentleman from Alabama [Mr. JONES] 5 minutes.

Mr. JONES of Alabama. Mr. Chairman, this bill carries forward the traditional and historic authorization for the construction of the so-called ABC roads, or farm-to-market roads, the urban roads and the primary system. In addition, it carries the largest authorization yet made for the Interstate System of roads which were the result of the 1944 Road Act. That Road Act recognized a new principle in road construction and a new philosophy. It recognized that we must have a network of highways that were adequate to be implemented with the continental defense program.

We authorized in a subsequent act a designated network of 40,000 miles of roads which would carry approximately 14 percent of all the traffic. Since that authorization, we have seen the number of vehicles increase by leaps and bounds until at the present time we have 55 million vehicles. We are increasing that number at the rate of 3 million per year. So it has become an acute problem; acute not only for the orderly flow of traffic, but acute also for the defense need. Indeed, it becomes a matter of necessity that the Federal Government devote large sums of money to aid the States in the construction of highways that would connect the principal large, metropolitan centers of population, one with the other.

Some of you, I am quite sure, are apprehensive in view of the fact that there is an authorization of 40,000 miles of road. Under the act of 1954 we authorized for the first time \$175 million to accelerate and to encourage the States to make the matching on a 50-50 basis on their Interstate System. As a result of the construction by the States of the Interstate System either by toll roads or freeways the total mileage has been reduced under this bill to 34,500 miles, but we are hopeful, since the road bill is a biennial matter, that we will take into account the experience of the Bureau of Public Roads with other roads acts, together with what they have done in the preceding 2 years, in trying to rectify any mishaps that may come either with the law or the administration of the law.

I think this bill is a vast improvement over the bill that you had for consideration last year and which you rejected, not only with regard to the highway provisions but also the financing section of the bill. I see no major objections to the bill. We have had our differences in the committee but I think those differences are at the threshold of being resolved.

Let me call your attention to one section of the bill that has been a source of great controversy and misunderstanding. That is section 113, relating to the cost of relocating utilities. A number of Members have talked to me

about the small utilities, about the reimbursement by the Federal Government.

I hope you will keep this in mind. There are some 20 States in the Union that have statutes that provide that if a utility or utilities occupy the public thoroughfare they do so without cost to themselves and, in the event there is need for enlargement of the highway that will require the utilities to remove their poles and other appurtenances remaining on the highway they will do it at their own expense.

There are five additional States that have statutes that are silent as to whether or not the utilities will pay the relocation cost, but in each of those States the State supreme court has held that under the common law the utilities were bound to pay the relocation cost.

The remaining States of the Union up to a total of 42 States provide that the occupancy of the highway by a public utility must be a matter of contract between the State and the utility, and in each instance the burden is on the utility to pay any relocation cost made necessary by enlargement of the highway. The remaining 6 States in the Union have situations either by contract or by agreement. That is the situation we find ourselves in.

Let us not forget that under the existing law and the policy of the administration, both this administration and past administrations, the States may reimburse the utilities for relocation costs, and if that is a proper charge to be participated in by the States, the Federal Government can put up its share of the money. That is existing law and the practice and policy of matching State funds for relocation.

In the fiscal years 1949 through 1953, the Federal Government has expended to reimburse the States the sum total of only \$652,000. The problem raised in section 113 we hope will be resolved by an amendment which I expect to offer tomorrow which will leave the question remaining with the State. It will provide that the State statutes will not be violated by the provisions of section 113, nor would that section place in jeopardy the contracts that the States presently have with the utilities. I am quite sure that every member of the committee wants to preserve the integrity and sovereignty of the States and leave it up to them to resolve this question rather than to defer it to us to write in every possible contingency that may be expected from every quarter with reference to the problems that may arise in the relocation of utilities.

That leaves only one outstanding controversial problem, as I understand it, and that is the provision of the Bacon-Davis Act.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. MCGREGOR. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield.

Mr. SCHERER. If the amendment, which you say you are going to intro-

duce, is adopted, then, as I understand it, you will favor the present section as written.

Mr. JONES of Alabama. Yes, because I think that will clarify the situation and permit the States to carry out the practices they think are necessary, wise, or prudent rather than defer the problem for us to settle here. Also, let me remind you once again, the Federal Government does not construct any highways. This bill is an assistance or aid program to the States. The States can either elect to build roads under the provisions of this law or they can reject them. I hope we do not do violence to the authority of the State to exercise its own discretion in this matter—which history has proven under existing law is a wise provision of the law. There have been no complaints raised against the administration of the act nor of its application. So I think that the experience of the Bureau of Public Roads is sufficient evidence to demonstrate to us that it is a field which we should not invade.

Mr. MCGREGOR. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield.

Mr. MCGREGOR. I concur in the statement made by the gentleman from Alabama, and I wish to make public the statement that he has sincerely endeavored to compromise whatever differences and misunderstandings have arisen relative to this particular section. I am sure he will agree with us that it was certainly never the intent of anyone to take away from the States that which belongs to them. I am certain that the amendment which the gentleman intends to offer will provide for a continuation of the program that is now the practice and certainly will preserve to the States the rights which they now have.

Mr. JONES of Alabama. That is my objective, and I assure the gentleman the amendment which I am going to offer will further that purpose.

Mr. MCGREGOR. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Chairman, I believe the bill we have before us today is truly a bipartisan approach to the biggest problem that has ever confronted our country. I could well say, as others have, that in this committee which has considered the legislation for the past 2 years we have had many very vexatious situations confront us. But we have a chairman who has a great deal of tolerance. He bided his time until finally we come to you with a bill which I believe can stand the test of time and do the job which has been needed so much in this country for many years.

Our highway construction was practically brought to a standstill during World War II, and has never been able to build up again the proper momentum necessary to keep up with the increased automobile traffic on our highways. It has been said that we are not only building highways but we are protecting the lives of our people. Thousands of people are being killed on our highways every year. Untold billions of dollars of damage are being wrought on property through various types of losses, that run into a figure at least as large as the cost of the proj-

ects, over a period of years. I believe that we should look again at our local situations, as it will reflect itself in construction in our various States, because the cost of the interstate highway system as such only amounts to about one-half of the money which will be expended over the next 13 years in highway construction. All of the highways now in the interstate system, being built with State and Federal matching funds, will be shifted to the cost of this interstate program, making available to the States all of their own gas-tax money for highway construction. In my State of California, 40 percent of all the taxes collected from gasoline are now being expended on interstate highways. This money will be released to be expended on primary, secondary, and urban highways.

I believe we have brought to you a bill which you can support. I know there are two controversial subjects in the bill which more than likely will precipitate amendments on the floor. However, I would recommend that we stay with our guns and accept the bill as the committee has recommended.

Mr. Chairman, we are today considering H. R. 10660, which is the result of long study by the Public Works Committee of the House. Last year this committee was given the responsibility of passing an authorization bill and providing for the financing of the program. The bill we have before us today is in two parts. Title 1 adopted by the Public Works Committee, carries the authorizing program and title 2, which was passed unanimously by the Ways and Means Committee, provides for the funds to carry out this program.

HIGHWAYS INADEQUATE

There are two basic facts which are recognized and agreed upon by all concerned. First, the whole economy of the United States is directly dependent upon motor-vehicle transportation. Secondly, we are failing to keep our highway systems adequate to meet our needs and the backlog of deficiencies required to be overcome has been and is constantly piling up at an alarming degree. Unless drastic steps are taken immediately, we will fall further and further behind and traffic jams will soon stagnate our growing economy.

Our committee believes that H. R. 10660 represents the best immediate step which can be taken by Congress to solve the highway problem on a pay-as-you-go basis which should not result in increasing the national debt. It is the result of the combined ideas of the members after considering carefully various solutions which were proposed to the committee. It is believed to be a workable program and sound in all respects.

STUDY DIRECTED IN 1954

In 1954 Congress was conscious that the Nation's highway problem was reaching gigantic proportions. As a result the Public Works Committee, on which I am privileged to serve, authorized expenditure of an amount equal to all funds collected from highway users.

The Federal-Aid Highway Act of 1954 increased Federal aid to the largest sums in history and the Secretary of Commerce was directed, in section 13 of that

act to prepare a study of all highway needs. The President likewise recognized the problem as did the governors of the States at the governors conference at Bolton Landing, N. Y., in July of 1954 when the President directed attention to the problem and, subsequently, took a further step by appointment of an Advisory Committee on a National Highway Program headed by Gen. Lucius D. Clay. This special committee submitted its report in January 1955, entitled "A Ten-Year National Highway Program," House Document No. 93, 84th Congress.

LOSS TO LIFE AND PROPERTY

Highway construction was greatly curtailed during World War II and subsequently has not progressed in accordance with motor vehicle registration. In 1946 there were 34 million vehicles registered in the United States. Today there are 62 million and it is anticipated within 10 years the registration will reach 85 million. It is imperative that legislation such as we here present be enacted. Highway accidents are claiming 100 lives daily and 3,000 people are being injured every day on our highways.

The National Safety Council reported deaths in February 1956 at 2,630, an increase of 16 percent over the same month a year ago. Deaths continue to increase and from a previous peak of 39,969 fatalities, it is expected that 42,000 people will be killed during the present year. Approximately another 1½ million will be crippled. The economic loss from highway accidents is approaching \$5 billion a year and is broken down as follows:

Wage loss.....	\$1,250,000,000
Medical expense.....	100,000,000
Property damage.....	1,600,000,000
Overhead cost of insurance (not claims).....	1,400,000,000

Good, safe highways will eliminate a great portion of this loss.

INCREASED ALLOCATIONS

The construction of primary, secondary, and urban highways will be greatly accelerated. House bill 10660 provides for an increase of \$25 million in present authorizations for the fiscal year ending June 30, 1957 and additional increases of \$25 million for fiscal 1958 and 1959 allocated at the prevailing matching basis ratio of, namely, 45 percent for the primary system, 30 percent for the secondary, and 25 percent for the extensions of these systems within urban areas. For instance, the amount of money that will be allocated to California under this proposal for fiscal 1957 and 1958 will be \$41,485,000. Moneys provided for the interstate system will amount to \$271,955,000 for the same fiscal years, making a grand total of Federal funds that would go to California for fiscal years 1957 and 1958 of \$313,440,000.

The previous law has provided there may be transfers from 1 of the 3 categories, primary, secondary, and urban highways, where such transfer is necessary. The committee has seen fit to increase this to 20 percent, which will give more flexibility to the highway commissions of the various States to more efficiently cope with the highway needs.

FOREST ROADS AND HIGHWAYS

We gave particular attention to the forest highways and roads and trails. Federal highway forest funds are increased from \$22½ million to \$25 million annually, and the forest-development roads and trails have a corresponding increase from \$24 million to \$27 million a year. This will encourage development on roads for facilities to further tap our natural resources. Funds have been increased for our parkways and other public highways.

EMERGENCY DISASTER FUNDS

Of great interest to the areas that were stricken by floods throughout the United States, the emergency funds for highway damage resulting from disaster have been increased from \$10 million a year to \$30 million. The funds will be appropriated annually and allocated to the States on a 50-50 basis for disaster relief.

INTERSTATE HIGHWAY SYSTEM

This bill authorizes completion of the 40,000-mile National System of Interstate and Defense Highways. The interstate system is the backbone of our Nation's highways. It comprises routes of greatest importance to the economy and welfare of our country in that it connects 42 State capitals and 90 percent of all cities over 50,000 in population. While it only represents 1.2 percent of the total road mileage in the United States, it will carry 20 percent of the Nation's traffic load.

This is a long-range planning program. The construction will extend over a period of 13 years and is expected to cost \$24,825,000,000. This is the largest public works program that has ever been developed and more than likely will be the largest program of its type. It will be started immediately upon the passage of the legislation. It is expected that in the fiscal years 1957 and 1958 there will be expended on the interstate system in California \$271,955,000. The law also provides that load limits will be restricted so that the highways will be protected from unnecessary overloading.

There is a provision in the bill which provides for the reimbursement to States for highways and toll roads constructed subsequent to August 2, 1947. A 2-year study will be necessary, at which time the recommendations will be made to Congress.

DAVIS-BACON ACT

There are two provisions in the bill that may cause controversy, but I believe that the committee has developed recommendations which should be supported. One of these is section 108, containing the provision of the Davis-Bacon Act that wages shall not be less than the prevailing wage of similar construction in the immediate locality. The provisions of the Davis-Bacon Act now apply to contracts for schools, hospitals, housing and airport projects constructed with Federal aid funds.

UTILITY RELOCATION

The other provision in conflict was the relocation of utilities as the result of highway projects. These utilities, both privately and publicly owned, serve

the general public. Under the provisions of this act, the State authorities will be privileged to reimburse, in accordance with their own agreements, a portion of the cost of removing and relocating the utilities such as water, sewer, telephone and power lines.

In the State of California we have for years assisted in the relocation of utilities along our highways.

HIGHWAY TRUST FUND

Last year the highway bill was defeated, largely because of the matter of financing. This year I believe we have developed a bill which is reasonable and well thought out and one which will meet the challenge of our increasing population.

The proposed tax increases on highway users are minor compared to the overall benefits which will be derived.

An important section of title II, the revenue portion, specifies that all moneys collected under this act shall be placed in a highway trust fund and be expended only on highway development.

GREATEST PEACETIME PROGRAM

This bill represents the cross section of thinking of the most interested groups in our country. It is the result of many weeks and months of study and consideration of testimony.

The committee has recognized that there must be honest and efficient administration of the program. I personally feel that with such administration we can go forward with the greatest peacetime highway program ever undertaken.

Mr. FALLON. Mr. Speaker, I yield to the gentleman from Ohio for a consent request.

Mr. VANIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. VANIK. Mr. Chairman, while I am committed to support this legislation in almost any form in which it may develop before passage, I am in hearty disagreement with many phases of the bill which is before the House. It seems to me that the bill represents just about all of the interests of the various lobby groups which are affected by this legislation.

MAXIMUM AXLE WEIGHT LIMITATIONS

Subsection (j) of section 108 in the bill provides that no authorized funds shall be apportioned to any State within the boundaries of which the interstate system may lawfully be used by vehicles with weight in excess of 18,000 pounds carried on any one axle, or with a tandem axle weight in excess of 32,000 pounds, or the maximum corresponding axle weight permitted for vehicles using the public highways of such State under laws or regulations established by appropriate State authority in effect on July 1, 1956, whichever is the greater. This section in effect supersedes the authority of any State to provide for a lesser maximum axle weight limitation.

This legislation also fails to place any limitation upon overall width or length of trucking equipment on the interstate

highway system. While it is worded in the nature of a limitation I am seriously afraid that the purpose of this language is to provide an authority. There is nothing in this section which limits the number of axles which may lawfully be used by vehicles, the only requirement being that the weight on one axle must not exceed 18,000 pounds.

I appreciate the plight of the trucking industry and its effort to bring about a standardization of road use laws throughout the Nation. In my judgment, standardization, even if in the form of limitation, would be useful to the entire industry. It seems to me, however, that this subject should be covered by comprehensive legislation on the trucking use of the highways of the interstate system.

DEFINITION OF CONSTRUCTION

The definition of the term "construction" in section 1 of the Federal-Aid Highway Act of 1944 by adding after the language "cost of rights-of-way" the following language: "cost of relocation of building tenants, cost of demolition of structures or removal of usable buildings to new sites, including the cost of such sites" create new and costly elements of damage heretofore limited in the term "cost of rights-of-way."

At the present time the cost of rights-of-way include most of these elements in accordance with the laws of the several States. The insertion of the language in question gives to persons seeking damages for condemnation elements of damage which go far beyond established concepts on the cost of rights-of-way, providing the owner of such property with the cost of demolition or the cost of moving his building to another location including a new site. This legislation goes so far as to give to the tenant of a room in an appropriated building a cause of action based upon the cost of his finding a room elsewhere. The language in question would impose severe and tremendous added costs to the already high cost of rights-of-way acquisition. It seems to me that while the language may be very useful in several urban communities including my own city, the overall effect would be very harmful in that it would supplement the Eminent Domain law of the several States with new causes for claim and new standards for evaluating damage resulting from rights-of-way acquisition.

LIMITED USE OF RIGHTS-OF-WAY

Section 115 very properly provides that all agreements between the Secretary of Commerce and the State highway department for the construction of projects on the interstate system shall contain a clause providing that the State will not add any points to, or exit from, the project in addition to those approved by the Secretary of Commerce in the plans for such project. This language is properly designed to protect the development of a limited access system.

However, in the second sentence of section 115 this language is almost completely abrogated by the following language:

Such agreements shall also contain provisions to insure that the users of the Interstate System will receive the benefits of free

competition in purchasing supplies and services at or adjacent to highways in such system, and such agreements shall also contain a clause providing that the State will not permit automotive service stations or other commercial establishments for serving motor vehicle users to be constructed or located on the rights-of-way of the Interstate System.

The second part of this sentence is very satisfactory, eliminating automotive service stations or other commercial establishments from the rights-of-way. The ostensible purpose of the first part of this sentence is to preclude a State from setting up a monopoly system of service along the Interstate System of Highways. While I have no disagreement with the ostensible purpose of this provision, it seems to me that the insertion of this language providing that the users of the system will receive the benefits of free competition at or adjacent to highways in such system, defeats the purpose of the first sentence of that section which seeks to establish limited access highways.

It would seem to me that it would be in the interest of sound legislation if the Interstate Highway System provided for under this act were planned as a limited access highway in its entirety. With the language of the second sentence of section 115 in the bill, it is entirely possible that fee holders of property adjacent to the highway right-of-way will develop billions of access points to the highway and therefore defeat its purpose as a free-moving artery.

In acquiring highway rights-of-way, it should be provided by law that when a portion of a parcel of property is purchased, the purchase agreement should include the purchase of reservations on the remainder of the property, that portion which will abut or remain adjacent to the highways to restrict its use for agricultural or noncommercial purposes and with the specific reservation that it shall not have access to the new interstate highway. For further protection, the State should be compelled to provide firm zoning authority by local political subdivisions during which interstate highways may pass providing that the area shall be zoned against all forms of business or local enterprise which would acquire access to the highways or derive business therefrom. Otherwise, we will build new interstate highways which will have the ultimate fate of Highway No. 1 from Richmond to Baltimore—a maze of neon and other distracting highway nuisances.

There is a definite relationship between good highway construction and zoning. A beautiful broad new highway built at tremendous expense can end up as a local business street with drive-in markets, supermarkets, drive-in theaters and hot dog stands. It seems ridiculous for the State to buy land for highway improvement at gravel-pit and oil-land prices only to have the abutting owner reap a harvest by selling or renting his land to businesses which desire to locate along the highway. While I do not believe that local zoning authorities should lose control over the zoning of lands adjacent to the roads of the highway system, I feel that it would be a very desirable exercise of legislative

power to make the granting of funds contingent upon restrictions being made on the use of land abutting or adjoining the land of the Interstate Highway System which will provide that such land shall not be used in conflict with the purpose of the free-moving highway. This type of legislation would permit State highway departments to bypass urban communities with an assurance that a new community will not grow up along the new highway. It would serve the highway program well to provide for the purchase of covenants by the owners of highway abutting real estate to insure that no business or commercial use will be made of the abutting land as well as any other use which may be adverse or nonconforming to the free and uninterrupted use of the highway.

If local retail business and commercial establishments will find their way into the new and improved Interstate Highway System, traffic lights and access points which will be established will be far more hazardous than intersecting highways. This legislation should strongly state that the purpose of the Interstate Highway System is to principally transport people. Let the highway traveler turn off of the interstate system if he requires food, motor-vehicle service, lodging or Stuckey's pecans. The finest example of a preserved limited-access highway that I know of is the Queen's Highway, which extends from the Buffalo Peace Bridge to the city of Toronto. The only business activity permitted on this highway is the sale of agricultural products at stands established at regular points and several motor-fuel areas.

Another great advantage in limiting the use of land abutting or adjacent to the use and access of the Interstate Highway System is that it will keep the value of such adjacent or abutting land at a low valuation in the event additional lanes of highway must be established and additional rights-of-way land must be acquired. There is a definite connection between the nature of the zoning along the highway right-of-way, the extension of the limited-access principle and the success of this entire program.

In most of the larger urban communities, there are current drives to provide adequate low-cost housing, clear the slums, and provide urban redevelopment as well as off-street parking. Several separate agencies are condemning and acquiring land for their specialized purposes. In the acquisition of the land or right-of-way through cities, it would seem to be in the interest of efficiency that a sense of coordination be developed between the several land acquisitions involved—that there be some linking together of these efforts so that in a single sweep, the land or right-of-way be simultaneously acquired for as many of these purposes as practicable. This will permit a planned redesign of the city with a single relocation of utility facilities and functions which have to be moved. There is a definite relationship between planning for highways and planning for slum clearance, for off-street parking, and urban redevelopment. These relationships must be recognized.

RELOCATION OF UTILITY FACILITIES

Perhaps the most objectionable language in the bill as recommended out of committee is the language which makes Federal funds available for reimbursement for the relocation of utility facilities. This language is in the nature of a gift of Federal funds to the private and a few public utilities in America.

The public utilities generally use the highway right-of-way without cost and therefore receive a considerable subsidy from the public. If it were not for the public-utility use of highway rights-of-way, they would be compelled to buy rights-of-way along their surface transmission lines. In addition, by constructing their facilities along highway rights-of-way, they are provided at public expense with access roads which permit them to service and maintain their utility facilities. The utilities in many instances will receive great benefit in the relocation of their transmission facilities along highway rights-of-way necessitated by highway improvement. Why should the highway user assume the added cost of relocating their facilities?

Most public utilities operate on a cost-plus basis and are permitted to charge utility rates based upon the cost of operation, and in many cases the reproduction new cost of their facilities which may be many times the cost of their original investment. The highway user group is not always the same as the utility user group. The effect of these provisions would be to charge the highway user of 47 other States for the relocation of a utility in one State. Furthermore, there are highway users who may derive no benefit whatsoever from the relocation of public utilities along the public highway system.

There is an even more important objection against this legislation. This language would create pressure for new and unseen obligations on the part of all governments throughout the country to assume all costs of utility relocations, and the burden may ultimately become billions of dollars.

After a diligent search of the testimony before the House committee on this legislation this year, I failed to find any testimony which supports the inclusion of the language to make Federal funds available to the States for the relocation of utility facilities. In a question which I addressed to my distinguished colleague from the State of Ohio, Hon. CLARENCE BROWN, this afternoon on the cost in dollars of relocation of utility facilities, his reply was "not more than 1 percent." It is my judgment that the cost may be closer to 10 percent and that with the inclusion of this language, the highway construction program may result in a \$41 billion program instead of a \$51½ billion program. It stands to reason that whatever funds are not dissipated for this purpose will be available for more extensive highway construction and reconstruction, and the removal of this language from the bill would provide for more highways by at least 10 percent. The utilities of America have done a pretty good job of looking out for themselves and this legislation is no exception.

I hope that before this committee concludes its work, this bill will be made more palatable.

Mr. FALLON. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, the bill we have before us today is, as has been pointed out by previous speakers, an authorization for contractual obligations that will have to be honored by the Congress for the largest public-works program in the history of the United States, and presumably in the history of the world. It is the largest authorization of expenditure ever approved by the Congress other than military appropriations.

I think there is nothing at all improper in the time that has been devoted by this Congress to the very serious study of this issue, especially in view of the enormous expenditure involved.

The major effort in the 1st session of the 84th Congress was to determine the feasibility of the plan submitted by the President of the United States, the so-called bond plan for highway construction. That plan was rejected. An alternative plan was submitted to the House at that time, but because it was thrust upon us so quickly without sufficient opportunity to consider all of its ramifications it was also rejected by the House last year.

I think the bill we have before us today makes it clear that the House was wise in rejecting the bill last year, because the current bill contains many decided improvements over the 1954 bill that came to a final vote in the House.

CONGRESSIONAL CONTROL

The most important improvement is the greater control of the funds and the allocations under the present bill. We have a better understanding of the control the Congress will be able to exercise.

Our hearings this year made it clear that the allocations as submitted in the so-called Clay plan could not be relied on as accurate; that there were some major errors involved and that if we had passed the plan submitted to us last year we would have been tied down to those errors and would have had a hard job extricating ourselves from the trouble.

The pending bill provides that the allocations to the States of approximately \$25 billion for the interstate road program will be restudied and resubmitted to the Congress on or about the first of January 1958. They will not go into effect until they have been submitted and affirmatively approved by the Committee on Public Works.

There is no question in my mind that there will be some major corrections in some of these allocations as a result of this resurvey.

The bill provides also that new estimates must be submitted twice more at 4-year intervals, in 1962 and in 1966.

We will have a continuing check upon the way the program works.

I could elaborate on the necessity for these checks and the greater control that Congress should take over the workings of the program, but I think that what I have already outlined gives a clear picture of the improvement this bill

presents in comparison with the previous program.

OTHER IMPROVEMENTS

There are other improvements not quite as important: There is a better allocation, for instance, for forest roads, and trails, and highways that will help the long-range program in that field.

I think we have in this bill resolved the issue with regard to utility reimbursement that has been debated to some extent. We are approaching a solution to this program that I believe will satisfy those who have participated in the discussion of the issue, both for or against reimbursement authorization.

Then, too, in the discussion we have heard reference to the application of the Bacon-Davis law. Certain Members who have spoken on this point seem to be of the opinion that the application of the Davis-Bacon Act as provided in the bill before us is a complete and blanket authority along the lines as that act now applies in connection with other Federal construction today. The debate on that amendment when it is offered will, I believe, clarify the situation. It will make clear the restrictions that have been put in to take care of the various situations. The debate will show that the proposed substitute for the Davis-Bacon Act which it has been indicated will be offered by some of my colleagues involves some very dangerous precedents for our States that are not at present engaged in wage fixing operations and it would, I think, be more violative of the principles of States rights than the present Davis-Bacon Act.

SHORTCOMINGS

This overall road program that we have provided in this bill does have some major defects. For instance, there is too much emphasis on the immediate application of an interstate system with a tendency to hold back the development of primary and secondary roads that should, in my opinion, go hand-in-hand with the interstate system. Unfortunately, my views of that particular point did not prevail. I will continue to try to work for greater emphasis on primary and secondary roads. For the time being we have to make a start under the best agreement that can be worked out.

I hope that we will not accept the idea that the authorization of this program as contained in the bill before us solves all of our highway problems. It is a major step in that direction, but it is by no means a permanent solution. Some three-quarters of the traffic of the country today will be on roads that are not a part of the interstate system. Perhaps the percentage is more than that. Those highway users will get some major benefits from this bill, but I do not think they get the proper attention from the Congress in the way of an accelerated road program that they should. Therefore, 2 years from now when we come to reconsider and renew the Federal aid program for primary, urban, and secondary roads, I hope that we can make some changes in that program which will help accelerate the type of road program that is needed to complement our interstate system. The interstate system will at

that time be just beginning, so far as construction is concerned.

I want to express my appreciation for the good work of all of the members of the committee who have collaborated in bringing in this bill. This bill contains the imprint of the various members of the committee. We had some rather severe and hard fights among ourselves over various issues, but I do believe we have before you the best legislative result that can under the circumstances be achieved at this time.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Referring to section 113, being one of the so-called controversial sections, there appears to be the possibility under this section that in one State a utility will have to pay for the removal of its own lines, or whatever property may be involved, and that in other States the same utility might not have to pay for such removal or relocation.

Mr. SMITH of Mississippi. That is true, but it is a condition that exists today. We leave the decision up to the States. What we are attempting to do under the present language of the bill and under an amendment that I understand will be offered is to confirm that right of the States to make their own decisions. Of course, that means utilities will be treated differently in various States; however, that is something that we decided in the interest of the States the States should decide for themselves.

Mr. REES of Kansas. What would a State gain by reason of the utility taking care of its own expenses?

Mr. SMITH of Mississippi. Some States believe that the utility should pay for it, that it is an obligation on the part of the utility. They believe that large sums of money can be saved which may be used for highway purposes. Other States believe the opposite.

Mr. REES of Kansas. I am thinking Federal funds would be used in either situation.

Mr. SMITH of Mississippi. Federal funds are available for that now.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Notwithstanding the fact the State has a State statute that the utilities might relocate their facilities, may still reimburse the utilities for relocation, particularly in those communities or unincorporated communities that do not have a corporate function, therefore they can relieve those hardship or distress cases, so what the gentleman from Kansas has in mind, if he insists on that kind of a proposition, the States will be precluded from doing the things that he wants to be done.

Mr. REES of Kansas. What I am thinking of, and as I understand, is that a good share of the funds expended are Federal funds in any event. I am wondering if the States would, as such, gain anything if they require the utility to pay its own expenses, since most funds allocated to the States are Federal funds.

Mr. SMITH of Mississippi. It is not assumed that Federal funds would be used to pay the entire cost of relocation, and a good part of this relocation matter concerns problems off the interstate system, too, where it is a 50-50 proposition. It was not the intent of the sponsors of the amendment in the bill to ever provide that the Federal Government would pay the entire cost of the relocation or perhaps even 90 percent.

Mr. REES of Kansas. I thank the gentleman from Mississippi.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SCHERER].

Mr. SCHERER. Mr. Chairman, at this time in the debate we are wont to become repetitious, but I just want to make this observation. I think the heart of this bill is in the fact that for the first time in the history of this country we are distributing funds on the basis of need; that we are going to build the roads where they are needed and where the traffic is. We are not distributing funds to New York or California or Florida as such, but we are distributing them as I have said on the basis of need.

Mr. Chairman, I do not think that there should be but a handful of votes, if that many, against this bill, because I want to point out, that the controversies existing over the major provisions of this bill have been fully reconciled. There are only, as I said before, two fringe provisions in this bill that are still in controversy.

Now, let us look at the major provisions that have been reconciled. The method of financing the program has been agreed upon, and that was the reason this bill was defeated the last time, because there was violent disagreement over the method of financing this road program. I know of no persons either in the committee or outside the committee who disagree seriously with the financing provisions in this bill. Secondly, there is no disagreement over the distribution and apportionment of the funds among the several States or between the different Federal-aid systems. The proposed method of reimbursing the States which have built toll and freeways has also been reconciled. For a while we thought in committee that that question would prevent a bill from even reaching the floor, but now that highly controversial provision has been resolved. In the last few days the question of maximum weights and size of trucks has also been reconciled. With the statement by the gentleman from Alabama a few minutes ago, who led in the committee, along with the gentleman from Texas [Mr. GENTRY], the opposition to the reimbursement of utilities for relocation costs, it appears as if that controversy has now been resolved. This leaves only one major controversy for this House to decide, and that is the question over the Davis-Bacon amendment.

As I see it, as I said in the beginning, there should be practically no votes against this highway bill. I think we should point out at this time to the rest of the Members of the House the fact that the main controversial provisions of this bill have now been reconciled.

Mr. FALLON. Mr. Chairman, I yield such time as he may require to the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KLUCZYNSKI. Mr. Chairman, as a member of the House Committee on Public Works and a member of the Subcommittee on Roads, I am very happy to have before this august body today, H. R. 10660 known as the Federal Highway Act of 1956.

Extensive hearings were held on this important legislation, considered to be the largest road-building program in the history of the world.

The gentleman from Maryland [Mr. FALLON], the sponsor of H. R. 10660, and chairman of the Subcommittee on Roads, should be congratulated for making it possible to consider this important measure and afford us an opportunity to consider and debate the bill.

The chairman of the subcommittee has been fair at all times with the hearings. He gave everybody an opportunity to be heard who expressed a desire so to do.

It is generally believed that we must build adequate roads. By the word "adequate" is meant a highway system constructed to handle modern traffic safely. It means straight, wide, graded, divided highways, with control of access wherever this is needed.

If highways could be built by direct appropriations that would be favored. If they could be constructed through the issuance of revenue bonds that would be favored. If they could be established by increased taxation that also would be favored.

All of these plans were given consideration and it was the general belief that the only way a bill of this kind can be enacted is through the medium of taxation. This seemed to be the least objectionable of all the plans considered.

The Fallon bill levies tax increases and will pay 90 percent of the cost. Because the House Public Works Committee, despite crushing pressure, has had the courage to report it favorably after many days of intense and sometimes heated private discussions, I am in favor of the enactment of the measure for adequate Federal highways, no matter how it is financed.

When the pressure was at its heaviest, one of the committee members made this remark: "We have heard from everyone except the public." No one can speak adequately for the public except their Representatives in Congress. The public has no organized lobby or pressure groups and I am confident that we will give the public proper representation in the consideration of H. R. 10660 on the floor of the House today and tomorrow.

The public realizes it will have to pay the increased taxes no matter upon what industries or articles they may be levied. The public also knows that you spend the money in building the roads and they will pay for them and nonetheless will bless you for the benefits conferred upon

them in according them safe means of highway transportation.

The American people are on the verge of having their highway problem settled.

Its fundamental provisions—the allotment of Federal aid to the several road systems of the 48 States and the tax schedule which will finance that aid—have been intelligently prepared and are almost unanimously approved by everyone who understands the highway problem and its solution.

The passage of this bill is in the national interest.

The House Committee on Public Works has produced an excellent highway bill and you, the Members of the House, will now pass judgment thereon.

Mr. Chairman, I sincerely hope this measure is passed by an overwhelming majority; and stop the slaughter on the highways.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. CRAMER], a member of the committee.

Mr. CRAMER. Mr. Chairman, this is perhaps one of the most important and constructive pieces of legislation to come before this session of Congress. There is no question that this is the greatest public works program in the history of the world; in excess of \$51 billion to be spent in the next 13 years; a construction program for the first time in the history of America that will give us a consolidated and well-rounded nationwide highway program; 40,000 miles of interstate highways alone to be constructed, as one of the principal reasons, to give us an adequate national defense highway system.

That is important not only from the standpoint of transporting civilians and their goods and national defense materiel, but also from the standpoint of the evacuation of the cities, if necessary, in time of attack by the enemy. These are matters with which we must be concerned today and vitally concerned. In addition to that, this highway system will connect 90 percent of all the cities in the entire United States with a population in excess of 50,000. It will connect 42 of the 48 State capitals. It will help prevent in the future the killing on our highways which in this particular year will come to some 42,000 people, it is estimated.

These are some reasons why this program is so tremendously important to all of the people of the Nation.

It has been said that this is a measure in which most of the controversial differences have been compromised up to date. I believe that is true. As the gentleman from Ohio [Mr. SCHERER] has just pointed out, practically every controversial provision has been worked out on a compromise basis. And when I say compromise, we have sat in the Committee on Public Works not for 1 year but for a period of 2 years and discussed and debated this matter. We have tried to work out the differences. And today there seems to be but one issue left on which there is any question of debate, and that is the question of the Davis-Bacon provision.

Mr. Chairman, I say to you in all sincerity that this is a good bill. This is a

good bill because it is a bill that is born out of lengthy hearings, fair compromise and out of understanding, understanding of the great purpose that it is intended to serve. It is a good bill, because it has a great many new and beneficial provisions. Today, your State road department is not authorized to do many things that the State road department and the Federal Government can do under this bill, which means better highways. Let me cite just one example of that. Today, for instance, you cannot purchase rights-of-way in advance of construction. Today, when you purchase rights-of-way you must do so only with reference to a given project approved for the present fiscal year.

This bill provides in section 111 which incorporated H. R. 8329, a bill which I introduced, into H. R. 10660 now under consideration that the State road departments may purchase rights-of-way for as much as 5 years in advance of construction. My bill was unanimously approved by the committee when incorporated as section 111 of this bill. What does this mean in such States as Florida, which is growing so rapidly? It means that it is estimated that in this one provision alone there can be saved throughout the country during the 13-year period of construction, as much as \$1½ billion it has been estimated, just by giving the States authority to purchase rights-of-way in advance of construction. I am proud to have authored this section and I call it to your attention as one of the many new and beneficial provisions of H. R. 10660.

So we have a good bill and I believe practically all the Members of this House are going to support it.

As a specific example of what this bill will mean to the respective States and to the individual districts, I call to your attention that for fiscal 1957 and 1958 the State of Florida will receive beginning July 1 of this year a total for both years of \$70,796,000 in Federal allocation as compared to approximately \$28,500,000 in the past 2 years for highway systems within the State with the following allocations as to systems:

Interstate system.....	\$58,420,000
Primary system.....	5,640,000
Secondary system.....	3,686,000
Urban system.....	3,428,000

Further, the bill means in Federal contribution for all roads approximately \$50 million a year as an average, over the 13-year period of construction assuming that the \$25 million per year increase in other than interstate system road authorizations is carried out.

Over the 13-year period of construction, it means, so far as the interstate system is concerned, the completion of 1,173 miles of four-lane highways in Florida, including the links from Jacksonville to Miami—U. S. 1—a northern entrance to the State southward to Tampa-St. Petersburg—U. S. 301 or U. S. 41—a route from Daytona through Orlando and to Tampa—U. S. 92—and the cross State northern artery from Jacksonville through Lake City, Tallahassee, Pensacola, and on to New Orleans—U. S. 90—and a total expenditure of

over the 13-year period on the interstate system alone approximately \$528,772,000.

With regard to the improvements of other highways, the present allocation will be increased to \$12,334,000 and proportionately thereafter to the extent of some \$60 million more during the 13-year period for the construction of other than interstate highway construction than is presently being allocated.

This in effect means a total of approximately \$700 million of Federal matching funds for all road systems to be made available to the State of Florida for construction in the next 13 years and an increase of over \$500 million in excess of the present Federal program for these 13 years.

This demonstrates the magnitude and importance of this legislation to all the States with Florida as a typical example.

With regard to the first district and the Tampa Bay area, it will mean two 4-lane highways, one approaching from Orlando and one approaching from the north through Ocala. It will further make it possible for a connecting link between Tampa-St. Petersburg and Miami to be planned as a part of the interstate system. It further assures the construction of a third bay bridge across Tampa Bay from Tampa to St. Petersburg.

This highway legislation thus promises not only to open up the State of Florida to many more thousands of tourists per year but also to provide a great impetus for the State's future growth by providing adequate highways for transportation of Florida's products to market and the import of other States' products to Florida. It is certain to add considerable impetus to the already expanding economy of the State and the expansion of industry as well as agriculture in the growth of our great State.

It also means that for the first time under any road legislation, Florida receives in return an amount approximately equal to its contribution to the Federal Government in road-user taxes.

Mr. DONDERO. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Chairman, we have spent billions of dollars to defend our Nation against aggression in the fervent prayer that war will thus be avoided and the lives of our citizens spared. Each year we spend millions of dollars and the best specialists in medical science dedicate themselves in an effort to eliminate or diminish the number of deaths caused by cancer, heart conditions, and other diseases which afflict our people. Yet, to a large degree our efforts have been insufficient to preserve the lives of those who ride our highways.

The demands of two wars in the last 15 years prevented the Nation from keeping up with the new and greater demands of our motorists. An expanded bold program must be inaugurated in the interests of our people.

Accidents on the highways in this century have killed more Americans than in all the wars since the Revolution. Since 1900, 1,149,414 deaths have occurred on our highways. Since 1775, 1,130,390 were killed in battle. Last year

alone, over 38,000 died in automobile accidents. This year, it is estimated that 42,000 will so lose their lives. One and one-half million persons were injured last year.

Improvements in some roads have already cut the accident rate 66 percent in those areas. Vigorous action is required to accomplish the tremendous task before us.

While this is an expensive program, even without the consideration of the tragic human losses, present-day accidents cause economic losses which are much greater. Last year alone, those losses in medical expenses, property damage, lost wages, and insurance overhead, exclusive of claims, amounted to \$5 billion.

We can no longer afford to ignore this problem. I strongly urge the enactment of this legislation.

Mr. FALLON. Mr. Chairman, I yield 4 minutes to the gentleman from Louisiana [Mr. THOMPSON].

Mr. THOMPSON of Louisiana. Mr. Chairman, I am not going to take up much time indicating whether I am for or against the many points in this highway legislation. We need highways in America and we need them badly. I had hoped last year we would bring out such a bill as would take care of a great part of the need we know exists.

I shall not belabor you or take your time discussing the points on which I agree and those on which I disagree with some members of the committee. I do feel that it should be made clear that the members of the committee on Public Works have worked long and hard, they and the members of The Committee on Ways and Means have earned the respect of everyone in the work they have done on this bill. The American people want a highway bill. Some think that highway users are now paying enough to build adequate highways.

In trying to ease off the competition of ideas on this bill, as the gentleman from Florida has just said, there are many compromises that have been reached in proper fashion and with propriety by the members of the committee. One such compromise that has helped to make this a better bill is the one having to do with the protection of highways insofar as weights and other dimensions are concerned. This agreement was made as a result of a committee amendment offered by me in Committee. I think each Member of the House of Representatives has received a letter from the American Trucking Association. The one I received reads as follows:

APRIL 19, 1956.

The Honorable T. ASHTON THOMPSON,
United States House of Representatives,
Washington, D. C.

MY DEAR MR. THOMPSON: We want you to know that the trucking industry is perfectly willing to accept and, in fact, supports section 7 (j) of the highway bill reported out by the House Public Works Committee, having to do with truck weights.

We were opposed to this section as originally written because it would have created endless difficulties for truck operators, the States and the Bureau of Public Roads. Therefore, we had advocated complete elimination of the section, and we were joined in this position by numerous inter-

ests, including the Bureau of Public Roads, the American Association of State Highway Officials, the American Municipal Association and the American Automobile Association.

However, the revised section as reported by the Public Works Committee accomplishes the objective—protection of the highways—without getting involved in other factors that would have caused the difficulties. The new provision limits the axle weights and, as the Bureau of Public Roads stated, "The axleload of vehicles is the principal determinant of the supporting capacity that must be provided in the surfaces and foundations of roads."

Interests which are unfriendly to the trucking industry and are, in fact, unfriendly to the entire highway program may attempt to have the section amended to affect such factors as dimensions and gross weights which, as any highway engineer will testify, have nothing to do with protecting highway surfaces. Regulation of these other factors should be left in the hands of the States, which know best how to deal with the complications that arise.

Therefore, we urge you to support the section as it was reported by the Public Works Committee and resist changes designed, not to protect the highways, but to create difficulties.

Very truly yours,

JOHN V. LAWRENCE.

I called on the Bureau of Public Roads to find out what their attitude was as to the measure of protection we would receive by this section as the committee reported it out. I received an answer from Mr. Kaltenbach, the Acting Commissioner of the Bureau of Public Roads, which reads as follows:

APRIL 23, 1956.

HON. J. ASHTON THOMPSON,
House of Representatives,
Washington, D. C.

DEAR MR. THOMPSON: Reference is made to your telephone call requesting information with respect to the limitations of axle weights proposed in section 108 (j) of H. R. 10660.

The axleload of vehicles is the principal determinant of the supporting capacity that must be provided in the surfaces and foundations of roads. All roads, of whatever design, are limited in their axleload supporting capacity. A particular road will support some particular magnitude of axleload in indefinite repetition. Axleloads in excess of this particular magnitude sufficiently repeated cause a fatigue of the road structure and eventually result in failure of the road.

To aid the States in designing highways and developing regulations with respect to sizes and weights of vehicles, the American Association of State Highway Officials, on April 1, 1946, adopted the Policy Concerning Maximum Dimensions, Weights, and Speeds of Motor Vehicles To Be Operated Over the Highways of the United States, and recommended the policy for uniform incorporation in the laws of all States. The Bureau of Public Roads subscribed to that policy.

The limitations of section 108 (j), namely 18,000 pounds for 1 axle and 32,000 pounds for a tandem axle, are taken from the above-mentioned policy. The single axle and tandem axle limitations are the limitations that are significant in the preservation of the highway structure, and consequently of the investment in it.

On the basis of present knowledge, and subject to possible changes upon the completion of the tests referred to in section 108 (k) of H. R. 10660, the Bureau of Public Roads believes that the limitations of single axle and tandem axle weights in section 108

(j) are adequate for the preservation of the Federal investment in the Interstate System.

Very truly yours,

HENRY J. KALTENBACH,
Acting Commissioner of Public Roads.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN], a member of the committee.

Mr. BALDWIN. Mr. Chairman, it has been my privilege during the past 2 years to serve as a member of the Committee on Public Works on this highway bill which is going down in history as the largest public-works bill ever to have come before this Congress. It has been a privilege to sit in a committee which has been able to compromise so many differences as it has proceeded through this bill.

The bill provides for the inauguration of a new formula for allocation of funds between the States, the needs formula, and that formula recognizes the fact that our major job is to complete this Interstate Highway System, and that the amount of funds allocated to each State should be the funds required to bring the interstate highways in that State up to the standard at which we are aiming, a standard of four-lane, divided highways with controlled access. This means to every section of the country a tremendous opportunity to have improved roads.

In northern California, the section of the country with which I am the most familiar, this will mean that Highway No. 40 as it crosses the Sierra Nevada will be expanded during the period of construction under this bill from a 2-lane road to a 4-lane road. Those who may be familiar with the northern part of the State of California know that this expansion from a 2-lane to a 4-lane highway across the Sierra Nevada will be of untold benefit to that whole area. At the present time, in the middle of the winter, we have at most only two through highways across the Sierra Nevadas. At the time of severe weather conditions sometimes this is reduced to one road, and sometimes neither road is open. This four-lane road across the Sierras will greatly improve winter traffic conditions plus the fact that it will greatly improve our defense standards in that area in case we may ever have to use the road for mass evacuation back into the interior.

There is a section of this bill that has not received much discussion as yet because there are other sections involving much larger monetary expenditures, but I would like to touch briefly on this section of the bill, which provides for funds for the national parks roads and trails and for parkways. This section provides an approximately 33 1/3 percent increase for national parks roads and trails and for parkways over the authorization of the bill 2 years ago. It was my privilege on the Roads Subcommittee to submit the amendment providing for this increase and this amendment received practically unanimous support in the subcommittee and then in the full committee. This is going to mean a great deal to those people, and there are millions of them, who go to the national parks each summer for recreation and

enjoyment of the out-of-doors. The pressure on the parks will steadily be greater. We certainly should take the required steps to see that the roads in the parks are adequate to accommodate the needs of our people. I think our expenditures per dollar are better spent on improvements in park facilities, perhaps, than for any other things for which we authorize funds.

One last thing, and that is the Bacon-Davis prevailing-wage provision. We have had numerous tests of support both here in the House and in our committee on the provision. Last year, by a decisive vote the House of Representatives twice voted for the Bacon-Davis provision. It was approved this year first in the roads subcommittee and then in the Committee on Public Works. In the roads committee, as I recall, the vote was about 3 to 1 in favor of the Bacon-Davis provision and in the full committee approximately 2 to 1. It seems to me there has been a clear expression of opinion as to the will of the House. I think this provision should be adopted exactly as it stands in the bill at the present time. Some question has been raised here today as to whether it will require increased costs to complete the roads with this provision in the bill. I can say from the standpoint of the State of California, which has about 2,000 miles of the 40,000 miles in the interstate system, that I checked both with the department of highways and the department of public works in that State and, according to the best estimates, it will make no difference in cost whatsoever in the construction of roads in the State of California. So I hope the House tomorrow, when we reach that section, will sustain the Bacon-Davis provision exactly as it now appears in the bill.

Mr. FALLON. Mr. Chairman, I yield to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, this is a good bill. It is the result of many weeks and hours of careful study by our Public Works Committee in both sessions of the present Congress.

I pay tribute to the membership of that committee and to their conscientious staff. All members, the distinguished chairman [Mr. BUCKLEY], and the author of this bill, the gentleman from Maryland [Mr. FALLON], have given the most careful consideration to the whole bill. The members of the committee had many differences of opinion on portions of H. R. 10660. Those differences we resolved in the best traditions of this House. The compromises which are found in the bill are a sincere and intelligent effort to bring onto the floor of the House the very best bill possible.

The bill provides in section 108 (j) for a freeze of weight of vehicles to 18,200 pounds per axle and 32,000 pounds for tandem axles, or such other weight as may be prescribed by the States on July 1, 1956, whichever is greater. I am informed by the trucking industry that this provision is entirely satisfactory to them. At the same time it protects the

highways until the completion of a study now being made to determine the effect of heavy truck traffic on road surfaces and the need for a change in present regulatory practices.

In section 112 the bill provides for payment of the prevailing wage in the immediate locality, as determined by the Secretary of Commerce. That provision serves a most significant function by giving important protection to the working men and women of this country. It protects them from exploitation by unscrupulous contractors and from low wages in the greatest single public-works program to date.

One vital function of this provision is to guarantee that people in areas which have high standards of living like the people of my own district—in the city of Detroit—will be protected from importation of cheap labor to reduce the living standards and break the wage scale which means so much to the worker and his family.

Now I hope my colleagues will remember that for many years almost every Federal contract has included this provision.

I have heard several of my distinguished colleagues argue that section 112 of the bill, providing for the payment of the prevailing wage, will be so administered by the Secretary of Commerce that wages paid by contractors working on projects under this program will be higher than those rates paid in the area by other contractors governed by State agencies, under similar provisions of State law. I do not agree with this contention, which experience proves is almost universally without merit.

This argument is plainly a charge of wrongdoing on the part of someone. Ordinarily I do not take up the cudgels on behalf of the present administration. But we in Congress must place some degree of reliance in the integrity of administrative and executive officers in our consideration of legislation of this sort.

But if there is such difference in wage scales, and if it favors the workers, I am for it. If true, that argument is the best proof in the world for the prevailing wage or so-called Bacon-Davis provision of this bill as set out in section 112.

To vote against this provision is to vote against creating an adequate wage scale in some of the low-wage areas, or to vote to make it possible to permit low-priced labor to come in to break the wage scale in high-wage areas.

Moreover, this provision as it is now is a guarantee for fair and uniform administration, together with recognition that wage scales vary throughout the country. It is only an effort to adhere to the scale prevailing in individual areas.

I have heard the utility relocation provision characterized as a giveaway to the big utilities. I am no advocate of giveaways to utilities, and I believe I have opposed them on every occasion, but I do recognize simple justice.

If the utilities are compelled to foot this cost of relocating facilities which must be moved under this program, they will merely go to the various State regu-

latory bodies and obtain a rate raise which will be passed on in turn to their ratepayers.

Section 113 affects not only the large utilities, but also small utilities, municipalities, large and small, and their taxpayers. Farm and REA co-ops, selling both electric power and telephone service, the TVA, and every sewer and water main owned by a municipality are equally affected.

This provision does not affect States rights, nor does it in any way change the organic law of any State. In effect, it recodifies into law the existing Federal practice of reimbursing States for such expenditures as they make in connection with compensating utilities for relocation of facilities on the same ratio as the Federal Government participates in other highway costs.

As we know, this bill is primarily a bill for construction of new highways, and not repair of old roads. For this reason, the utility facilities which are most affected are not those which are presently using highway rights-of-way without cost, but rather facilities now located on other lands which must be relocated for new roads. This is not an expense which can be reasonably anticipated by the utilities.

This is not a burden which ratepayers and municipal taxpayers should bear. I repeat, I do not very often side with the utilities, but the hardship this provision will alleviate is substantial, and it affects not the giants of the industry or their stockholders, but the ratepayers and taxpayers of the utilities and municipalities.

The bill is one which is gravely needed. The cost which an inadequate road program imposes upon us is far in excess of what this bill will cost. The need for highways is so clearly recognized by all of us that no testimony was taken on that subject in the committee during hearings on this bill.

I urge the membership of this House to support and pass H. R. 10660 unchanged for the good of all the people of this country.

Mr. FALLON. I yield such time as he may desire to the gentleman from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. BARTLETT. Mr. Chairman, every place—almost—will benefit by having more and better highways if the bill now being considered is enacted into law.

Every place—almost—will gain as a result of the expanded highway program contemplated by H. R. 10660.

The 48 States will benefit.

Hawaii and Puerto Rico will benefit. Additional taxes will be assessed against the residents of the States and of Hawaii and Puerto Rico to pay for highway construction.

Alaskans will pay more taxes too.

But their taxes will go to pay for roads elsewhere.

They will not benefit by H. R. 10660. They are not included within its provisions—except as they relate to taxation.

Mr. Chairman, the other day a Federal jury in Alaska acquitted a man who had been charged by the Government with willfully failing to file income tax returns and pay his taxes. His principle plea in defense was that taxation without representation runs counter to the fundamentals of our democracy and too long continued is in direct violation of the basic principles which first caused the organization of the Republic.

Alaskans are becoming restive, Mr. Chairman. They feel themselves to be, and they are, the equals of Americans anywhere. Yet their pleas for more home rule, for statehood if you please, have been ignored, or shoved aside for so long that I detect among them a welling up as it were over the political injustices to which they have been subjected.

This very measure offers further proof, sadly enough, that there is a lamentable lack of concern over a situation which should command the immediate attention of the Nation and of the administration and of the Congress.

I appreciate very deeply indeed the efforts of those who sought to add to H. R. 10660 an amendment which would have given Alaskans roads together with taxes instead of just taxes without roads, as is the case now. I am sensible of the fact that the departments concerned with the administration of this program and of the Territories did not seek inclusion of Alaska, and my efforts and the efforts of those who joined with me were thereby handicapped. The Department of Commerce made no statement whatsoever on this subject. The Department of the Interior asked only for general language which if adopted would merely have been an expression that it was the sense of the Congress that road building in Alaska should be stepped up. This, however, would have been within the framework of the existing organizational pattern and would not have meant that Alaska would be brought within the Federal Aid Highway System. Actually, there is no need for an expression of that sort. All that is needed is submission and approval of larger budgetary requests.

What Alaskans are seeking, Mr. Chairman, is identity with and a partnership in the road program which applies to the States, to the Commonwealth of Puerto Rico and to the Territory of Hawaii. Without it, we can never hope to have a highway system which will open Alaska up for the development to which its resources entitle it.

Let us assume, Mr. Chairman, that when the first Federal aid highway bill became law there had been excluded from its provisions one-fifth of the area of the entire United States. Let us further assume that the road needs of that part of the country had been served only by hit and miss appropriations for a period of 30 years or so, large enough only to build about 250 miles of new roads and to maintain the few existing miles. What would have happened? The answer is obvious. There would

have been no development. Not only would people not have been attracted there but the resident population would have moved elsewhere. Transportation is a vital key in the astounding progress America has made. No element of the transportation system, surely, is more important than highways. That is just the way it is in Alaska. It does contain 586,000 square miles or 365 million acres or just about one-fifth the land area of the 48 States combined. We had only about 250 miles of new roads—and these of the pioneer type—built between 1920 and 1940. A few hundred miles of new roads were added in the following decade but now new construction has virtually ceased.

If the Federal Government had deliberately decided to maintain Alaska as a wilderness, it could not have chosen a more effective means than to make sure no roads were built.

What is the situation now? It is that after having been under the American flag for 89 years there are less than 4,000 miles of roads of all sorts and descriptions. I submit that that is shocking proof of the failure of the system we have been using, and is proof likewise of the terrible neglect which Alaska has suffered. It has been treated not as it should have been as an organized, incorporated Territory of the United States and as such a constitutional member of this Union of ours but, if you please, as a distant, unwanted, uncared for colony.

How could it be expected that people would flock to Alaska to settle when after almost a century of United States rule they are substantially without surface transportation? Everywhere else in the United States—in Puerto Rico and in Hawaii—we have recognized and especially in this automobile age that development is so closely geared to adequacy of highway transportation that in many ways the two are synonymous. We have given no such recognition to the Alaska situation.

Mr. Chairman, the highways we do have have been improved, most of them, incredibly since the end of World War II. The Federal Government expended very considerable sums of money to surface the trunk highways. However, this was not done as it would have been elsewhere in the normal course of improving the highway system but only because military authorities insisted upon more adequate appropriations so there would be available for military traffic roads between the principal communities serving as defense centers which were at least black topped.

There are three principal road agencies in Alaska. The most important is the Alaska Road Commission, an operating agency of the Department of the Interior. It constructs and maintains roads on the public domain through direct congressional appropriations made to the Department of the Interior. The Bureau of Public Roads is responsible for forest highways in the two national forests of Alaska, comprising about 5 percent of the total land area. Then there is the Territorial Highway Department. As a matter of operating

expediency, the Alaska Road Commission and the Bureau of Public Roads provide construction and maintenance services for the Territorial Highway Department on a reimbursable basis.

Direct congressional appropriations to the Alaska Road Commission totaled in the years from 1913 through 1941 only \$18,197,389. In addition, during that period the Alaska Road Commission performed work for the National Park Service in the amount of \$1,517,583.07. Additionally, the Alaska Road Commission expended something over \$4 million in appropriated funds derived by imposition of license taxes on Alaska businesses collected by United States Clerks of the Court and deposited in the United States Treasury. In the last 10 years we have made one gain at least. Now Alaskans are permitted through their own legislature to collect these taxes locally and to appropriate highway funds more directly.

For many years there was a constitutional limitation on forest highway funds in Alaska. The Territory was denied its rightful share of such appropriations. That prohibition since has been removed.

Highway widening, black-topping and other improvements have naturally been of great assistance to the development of the civilian economy, including tourism, in the regions traversed by the highways. It is important to note, however, that actually even with these improvements there have been few additions to the total road mileage. And only the public domain has benefited. With the exception of one special-purpose appropriation, southeastern Alaska, the geographical boundaries of which are almost synonymous with Tongass National Forest, has continued on a starvation diet in respect to road money.

This random policy has had evil consequences not only for the Territory of Alaska but for the Nation. The valley and peak appropriation history for public domain roads, with the peak being visible for only a few years and then only to satisfy national defense needs, leaves Alaska in 1956 with only 3,700 miles of public domain highway of which 800 are paved. This is an area one-fifth as big as the United States. Alaska's area covers 586,000 square miles. Nevada, 110,540 square miles in extent, has 25,545 miles of rural roads. Delaware's 2,057 square miles have 3,842 miles of rural roads.

Had the Federal aid laws been extended to Alaska at the time of their inception it follows that the Territory now would have a comparable road system, that there would not have been the need for such heavy expenditures in the postwar years, and that the development of Alaska with a functioning highway system would long since have brought about a larger population.

In the national forests, over 35,000 square miles in area, there are only about 300 miles of roads.

Aside from the larger sums which would be available for road building were Alaska under the national system, there would be another great advantage.

Road building could proceed under a planned program. No such planning is possible now because of the ups and downs, chiefly downs, of the annual Interior Department appropriations. For example, the budgetary requests for the 1957 fiscal year calls for only \$500,000 for new road construction. This is the second year for which no appropriation request has been made for a highway already started to connect Cordova with the Richardson Highway.

The time has come to place Alaska under the Federal Aid Highway System.

We recognize the fact that despite our just entitlements there may be some concern over admission of Alaska to the system immediately on a basis of full equality because of the very considerable sums which Alaska would receive on account of its public domain area. Likewise, we recognize the fact that because the Federal Government has failed to give Alaska autonomy in ever so many fields, a fiscal problem would confront the territorial legislature if it were required to appropriate the considerably increased funds which would be necessary for carrying on maintenance and providing matching construction funds.

Before the committee I had proposed a formula which would have brought the Territory of Alaska within the scope of the Federal Aid Highway System in recognition of the factors above mentioned.

It is my earnest hope that the other body will consider this proposition and will adopt it. The benefits which will come from planned, accelerated highway construction in Alaska will not be only for the benefit of the Territory. They will flow back to the States. In any case, simple justice demands that Alaska no longer be excluded from laws which apply elsewhere. The era of neglect should be ended. The era of constructive action should begin.

Mr. Chairman, Alaskans are loyal, patriotic Americans. They are also direct descendants of the pioneers of our West who moved against great odds in the march to the Pacific. In the great Northwest Territory they are carving out a new American homeland. In their battle against the obstacles which always confront those in the far places they should not have to contend also against obstacles raised by their fellow citizens. They should be aided, not hindered. They should be treated as equals, not discriminated against. For them, taxation without representation is not just a sentence in the history books. It is very real. It is that which they are obliged to live with daily. Is it any wonder they have become impatient? Is it any wonder a jury listens to a plea based upon taxation without representation?

Mr. Chairman, if Alaskans are given the tools long since handed to their fellow Americans, if they are treated as equals and not as distant outlanders, they will make of this northern rampart, so essential to our defense, a great American community.

Mr. DONDERO. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. SCHWENGEL], a member of the committee.

Mr. SCHWENGEL. Mr. Chairman, it has been a great pleasure to have had the opportunity to work with the distinguished gentlemen who make up the Public Works Committee who have had under discussion the road bill for the past 2 years. I want to say for the benefit of the membership and as a freshman that it was a matter of great satisfaction for me to have an opportunity to sit with men who were of different political faiths who could discuss openly, reasonably, and honestly the great measures and questions involved in this important legislation.

I want to pay a special tribute to the ranking minority member of the committee, the gentleman from Michigan [Mr. DONDERO], who always has been very helpful to us, especially to me.

I would like also to pay a special tribute to the chairman of the Roads Committee whose patience at times must have been almost completely exhausted, but who served us very well and gave every member an opportunity to be heard. I think it is because of that, and his patience and demonstration of good will, and his interest in the final objective of the bill that made it possible for us to have such a good bill as we have and made it possible to find an area of compromise.

The subject of my remarks on this occasion is roads. Secretary of the Treasury Albert Gallatin in 1808, had this to say of highway construction:

No other single operation within the power of government can more effectively tend to strengthen and perpetuate that union, which secures external independence, domestic peace, and internal liberty.

Today we can add that adequate highways help insure, yes, they are necessary too, ever-expanding economy. One of the secrets of the great success of our economy is an almost complete freedom from impediments except for inadequacy, to the flow of people and goods. Men and goods move across State lines with the facility of intrastate movements. This freedom, combined with what is probably the most complete and most efficient transportation system in the world, are most important factors in maintaining our great prosperity.

One of the most pressing issues facing the Nation and its government at all levels today is that of a growing inadequacy of our highways. In fact, a recent comprehensive survey of all of the Nation's streets and highways indicates that we have an enormous backlog of needed improvements. Volumes could be said on this.

The inevitable question which follows is, How did we get that way? In the first place we have lagged farther and farther behind in the relative amount of highway work undertaken. During World War II and afterward, shortages of manpower and materials restricted the total street and highway effort. And during the postwar period an important factor has been the impact of inflation on highway construction. The net effect has been that we get less and less construction, relatively, for the actual dollars spent. What we are doing now nationally, is spending 7 mills on highway con-

struction for each mile traveled. This is but half the rate we were spending during the 1920's.

The need for improved highway facilities has increased markedly year after year, particularly during the years following the war. Each year sees a significant advance in the total number of vehicles in use. The Bureau of Public Roads forecast for the end of this year is 61 million vehicles, an increase of nearly 3 million vehicles over 1954, or 4.6 percent. The Bureau estimated that total registrations will reach 81 million 10 years hence. And it follows without question that such increases in the number of vehicles will result in significant surges in the vehicle-mileage totals. Thus, we are literally wearing out many of our roads physically, as well as outgrowing them numerically and from an engineering standpoint.

President Eisenhower recognized the seriousness of the general highway situation. At the 1954 governors' conference held at Lake George, N. Y., the Vice President delivered the President's highway proposal to the governors in attendance. The President requested the governors to study their respective highway needs and to make recommendations concerning those needs.

In September 1954, the President appointed the Advisory Committee on a National Highway Program, headed by Gen. Lucius D. Clay. The Committee was to cooperate with the governors and to propose a plan of action for submission to Congress.

The Advisory Committee's report was made public early in 1955. The report emphasized the urgency of the problem, and admonished that the state of inadequacy will be cumulative until we take major steps to meet it.

Much has been said of the necessity for this bill. I want to point out just two more things that I think are important. Although they probably have been called to your attention I want to mention them. One is this: We are going to pay for this highway system whether we build it or not. We will pay for it in lack of business and the slowing up of the economy of America if we do not build it; and, more important than that, it is not hard to imagine that we could pay for it in the lives and property saved by the increased safety facilities of this highway system.

One other point: Every group that testified before our committee testified to the need, the urgent need of this important system for America. There was no disagreement on that question that I recall. There was some disagreement on how to attain the goal, but on the question of need there was no disagreement.

So I say to you in the interest of the growing, expanding economy of America we should support this bill and see to it that it becomes a part of the law of America at a very early date so we can get started on the program.

A great seer left these words to mankind many years ago, and I want to share them with you:

No doctrine, faith, or knowledge is of value to man except as it bears fruit in action.

The American people demand action of you on this bill today.

Mr. DONDERO. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, my colleagues have said in praise of the work of the chairman and other members of the committee and thank them for their patience with me and also express my satisfaction in the 2 years I have spent on this committee. I, too, want a highway bill. Unfortunately I may have to differ with several members of the committee, but I do it only as a matter of principle. The statements and objections I make I will support by reference to the printed hearings which, unfortunately, were only made available to the membership at 9 o'clock this morning, which is unfortunate.

First, I think the Public Works Committee has considered a Labor Committee matter.

Second, there is no precedent for this bill we are considering today, that is, for the Bacon-Davis provision particularly, and I am directing my remarks to section 112. There is no precedent for the Davis-Bacon Act in relation to the building of highways.

Third, I want to tell you without bitterness but with disappointment that misrepresentations were made to our committee by representatives who appeared before it from a labor organization. Possibly they were misinformed.

Next I would like to say to you that none of us disagree about the prevailing wage matter. We all want the workers to have the prevailing wage, myself included. The amendment that will be proposed by the ranking minority member of the committee, the gentleman from Michigan [Mr. DONDERO] will include a prevailing wage set at the State level, not by a one-man bureaucracy here in Washington, the Secretary of Labor and the Department of Labor.

I want to mention another thing also. Is there anyone here who seriously believes that our States, which will spend 90 percent of the Federal money, are going to underpay their own people? Beyond that, may I say that I do not fear any labor retaliation. I do not think anyone on the floor of this House needs to be concerned about what labor is going to say when we direct our attention solely to the facts. Surely, no one can take exception to a presentation of the facts.

I shall direct myself specifically to several matters. The hearings have in them the information to which I shall refer. I want to refer if I may, to page 302, and I shall mention various pages, referring to them specifically. Further I will be glad to give you the documentation on anything I say.

At page 302 we are told that there are "inhuman working conditions" existing today similar to the twenties, and so forth, for our construction workers on highways; that there are ten caravans, predatory contractors, and so forth. This is directly contrary to the facts. In our committee we were never given a case that was substantiated.

This absurd statement was only exceeded by one made in reference to my beloved State of Texas, although that is not the reason for my feeling against some of the other things that were said. As I recall the remark made about my State, it was this—the very worst labor laws that exist in this entire country, which would actually drive us back to slavery, exist in Texas today. That situation, it was stated, exists in Texas today. As a matter of fact, we have a marvelous State highway department, and we have no slavery conditions.

As to specific examples, and I shall be brief, one contractor was accused of malpractice in New Hampshire. He was never there. Page 383 of the hearings.

Another incident, a contractor was accused by the workers of a condition in Massachusetts. That was not so and it was so disputed in the hearings.

Thirdly, and the most important example, since it was the witnesses' prime example, was the Aliquippa case in Pennsylvania. I direct my remarks to the court records. You will find this on pages 374 to 380. This was brought up by labor itself to prove what inequities were being worked on construction workers. What were the claims? Workers were being imported from a low-wage area, namely North Carolina. The fact: Five key personnel were brought in.

Secondly, the unions were discriminated against, the contractor would not deal with the unions. The fact: The contractor had a bona fide contract with the United Construction Workers of the United Mine Workers, District 50, which is in the record.

No. 3: Workers were paid less than the prevailing or union wages. The fact is they were paid union wages and prevailing wages or more, and never was the matter of pay brought up during the court dispute, but only when the labor representatives first appeared before our committee.

I can give more illustrations. We found out that this Aliquippa example had no substance at all, that it was a jurisdictional dispute between two unions, the AFL-CIO and the United Mine Workers. This bill should not be used as a vehicle for inter-union warfare. Let the unions work out their own problems in other ways without violence and through collective bargaining.

Next, this is a dangerous precedent since highway construction has never been performed under the Davis-Bacon provision when the 48 States are the contracting party. This State contract work never used or included the Davis-Bacon provisions. There are other Federal contracts that did. There are other Federal contracts entered into by the executive department, by the Government, the Army, the Navy, and post offices. There are others in grants-in-aid, those covering airports, hospitals, defense housing, multifamily rental housing. In none of these are the States contracting parties in highway construction. And highway construction is quite different than the other construction under the Davis-Bacon Act.

The present operation of our existing law, which certainly is true in Texas and I think it is true throughout the Nation, is excellent. The prevailing wages that now pertain in the various States as well as collective-bargaining agreements you will find on page 291. We have not found any legitimate wage complaints, and I want to call your attention to something else that we are overlooking. Highways cover a broad area of our country, not just localities like various building projects concerning which the Davis-Bacon Act has been applied in the past. They cover the entire country as well as the rural areas.

Next, how about the Labor Committee being side-stepped? Last year in our Committee on Public Works we endeavored to write a tax provision that met with disastrous results. This year we have a good tax bill, better than we had last year. The proper committee, Ways and Means, is now responsible. This year in our hearings we rather abruptly cut off the chairman of the Labor Committee, the gentleman from North Carolina, by telling him that the Davis-Bacon Act was not before us, and therefore he did not direct additional remarks on the Davis-Bacon Act at that time, but I might say to you that one of the finest statements made is on page 354 of the hearings, if you would like to refer to it.

Now, there is further investigation needed by the Committee on Labor. We found evidence of violence and wanton lawlessness where the State police stood by because they felt they could not interfere, it being a labor matter. This I could not understand. I am not a member of the Labor Committee, but I think they should investigate it. There are other things that ought to be examined by the Committee on Labor as to the violation of constitutional principles. In the interest of time, I will simply say this: Here we are about to put into effect a law which will give great authority to the Secretary of Labor, a law from which our people have no recourse in court. I do not think that is right. Surely it is not our intention to deny our people the right of court protection. There is no appeal from the decision of the Secretary of Labor, and for that reason, if the Dondero amendment fails, keeping wage matters within the States, it seems to me we should amend the Davis-Bacon Act, giving the right of judicial review. Even the Walsh-Healey Act now has been amended by Congress.

What is it that the unions want? I can refer you to pages 370 and 381 of the hearings. The Aliquippa case was purely a jurisdictional dispute. Could it be that the AFL wants to organize the entire country, and it is a fight between the AFL-CIO and United Mine Workers whether or not they can squeeze somebody out. I do not think that in the 48 States we want to put the Davis-Bacon Act into this highway bill. This is not an example of collective bargaining, as the representative of labor said. He said this is to protect the local wages that have been won by collective bargaining. At another place he said that the unions are not needed locally. See pages 340

and 336. Now, I do not believe that any State that is going to spend 90 percent of the Federal money is going to underpay its workers in their respective States. I submit they will not.

Now as to the higher cost. Some higher costs will not go into the pay envelopes, as so many here seem to be concerned about and whose concern I share. It is estimated that there are 20,000 rulings a year right now that the Secretary of Labor is putting out. Further, this bill will require 10,000 more contracts every year. Each contract will have 230 job classifications, more or less, and they will have to have persons to administer, inspect, and enforce it, and with reference to that I would like to call your attention to page 13 of the report. On page 13 of the report the Secretary of Labor is given the authority to enforce the Davis-Bacon Act. Yet this bill itself, section 112, gives this job to the Secretary of Commerce. Here again is a conflict which I do not think was intended.

Economically our localities will be greatly affected by Federal wage fixing. I, in a small way, was in the developing business, and have actually had roads put in. I know a little something about it. It occurs to me that when you have the Interstate System under the provisions of the Bacon-Davis Act, and you have localities under other contracts, you are going to have a man riding a scraper or other equipment going from one job to another under two pay systems. That is the way it is in practice. The answer is that Davis-Bacon is a lever to get the Federal wage rate fixed throughout the entire country, in all of our road programs. You cannot have these two systems existing side by side simultaneously. It seems to me that we need an amendment. The gentleman from Michigan [Mr. DONDERO] will offer an amendment. I think we should get behind it and pass it, and it provides for the prevailing wage.

Let me stress that. There are some who infer we are not interested in the workers. We are interested in the workers. We want them to have the prevailing wage and they will get it. There is no question about workers being underpaid, because these cases that they brought to us in which they said they were underpaid, have been found wanting for lack of evidence.

Mr. Chairman, I should like to call your attention to the Davis-Bacon minority views in the report, for your further understanding. If I am given more time later, I should be glad to answer questions, and also to document what I have said.

It seems to me that we are extending this far beyond the Interstate. We are giving the Secretary of Labor far more power than we intended to. I certainly recommend to your earnest consideration that we adopt the Dondero amendment replacing section 112; and failing that, let us revise the Davis-Bacon Act so that we may have judicial review, so that every one of our citizens will have his day in court, something he does not now have under the bureaucratic operation of the Davis-Bacon Act.

Mr. FALLON. Mr. Chairman, I yield 4 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I feel I would be remiss in my duty if I did not register a protest against some of the provisions of this bill. I want to congratulate the committee for the excellent job that they have done, but the bill is not perfect.

First of all, I want to protest the allocation of mileage to the State of West Virginia and to say to you that as is the case in a lot of other matters in legislation approved by Congress, West Virginia is just a mere stepchild. We get a little less than 200 miles out of 40,000 miles. That cannot be justified either on the basis of an equal distribution of mileage, nor can it be justified on a money basis, nor can it be justified on a population basis.

The only answer they can give me is that it costs about twice as much to build a mile of highway across West Virginia as it does to build a mile of highway in some of the other States such as Ohio, Indiana, or some others that have a more favorable topography.

Mr. Chairman, let me call your attention to this fact. It provides no north-south highways for the State of West Virginia. It provides not a single mile on Route 50, with over 170 miles across the northern part of the State. It does give 11 miles to a section on Route 11 for the benefit of Pennsylvanians and Virginians who want to get north or south on Route 11, around Winchester, and it approves 12 miles on Route 40, east-west, so that people may cross the northern panhandle of the State from Pennsylvania to Ohio.

There are 178 miles of this route from White Sulphur Springs on the Virginia border over the Midland Trail to Huntington, W. Va., on into Ohio. They propose to relocate 138 miles of that road from White Sulphur Springs to Charleston. The road follows the present right-of-way only approximately 3 miles. In some of the places they are 15 miles off the present right-of-way.

If you figure this on a dollar basis, West Virginia would get \$135 million out of the \$25 billion of Federal funds that is put in the program. Do you know that by the changing of that route from the present Route 60 you will destroy over \$200 million of property that is invested on Route 60 now in gasoline stations, automobile agencies, automobile service stations, motels, and restaurants? They have no recourse at all.

Do not tell me that when a man is coming from the West toward Washington and he crosses the Gauley River down in West Virginia 8 miles above Gauley Bridge he is going to turn off the highway and drive down to Gauley Bridge in order to spend the night there with a man who has a \$80,000 tourist installation. Everybody stops there now, almost. But that man will not have any business and his \$80,000 investment in it will be just wiped out.

The loss of property values in the State of West Virginia alone will more than offset the benefits that will come

to West Virginia through the building of this expressway. It is going to be fenced in with access roads only about every 20 miles. It is not going to mean anything to the State of West Virginia.

Mr. Chairman, it is my present intention to vote against the legislation despite the fact that I am an advocate of better roads. I cannot justify my position with the people back in West Virginia under the circumstances.

Mr. DONDERO. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. SHEEHAN].

Mr. SHEEHAN. Mr. Chairman, I should like to direct some questions to the ranking minority member of the committee in order to clarify section 109 of the bill, the section on the declaration of policy with respect to reimbursement for certain highways. This section is as follows:

It is hereby declared to be the intent and policy of the Congress to equitably reimburse those States for any portion of a highway which is on the interstate system, whether toll or free, the construction of which has been completed subsequent to August 2, 1947, or which is either in actual use or under construction by contract, for completion, awarded not later than June 30, 1957, and such highway meets the standards required by this title for the interstate system. The time, method, and amounts of such reimbursement shall be determined by the Congress following a study which the Secretary of Commerce is hereby authorized and directed to conduct, in cooperation with the State highway departments, and other agencies as may be required, to determine which highways in the interstate system measure up to the standards required by this title, including all related factors of cost, depreciation, participation of Federal funds, and any other items relevant thereto. A complete report of the results of such study shall be submitted to the Congress within 10 days subsequent to January 2, 1958. It is also declared to be the policy and intent of the Congress to provide funds necessary to make such reimbursements to the States as may be determined.

The State of Illinois through legislation has set up the Illinois Toll Road Commission, which is in the process of constructing toll roads in the State of Illinois. One of the toll roads will go through my congressional district, going out on a 25-mile stretch to O'Hare International Airport from the Chicago Loop.

This section very vitally affects my 11th Congressional District on the North West side of Chicago, and the county of Cook, because of the construction of the northwest superhighway under the jurisdiction of the Illinois Toll Road Commission.

One of the outstanding accomplishments under Gov. William S. Stratton's administration was the legislation to set up the Illinois Toll Road Commission as an independent agency to provide Illinois with modern superhighways.

Many years ago the city of Chicago and the county of Cook made plans for a Northwest superhighway which was to serve the residents of the northwest side, and which was at all times contemplated to be a public toll-free highway. When the Illinois Toll Road Commission was set up they agreed with the county of Cook to purchase part of this

original northwest highway to be incorporated into the toll road system. Approximately 14 miles of the northwest highway extends from the Loop to the boundaries of the 41st ward, at Cicero and Lawrence Avenues. In the original agreement with the toll road commission the commission was to take over the building of the road at that point, extending it approximately 7½ miles out to O'Hare Airport and then continuing as a part of the toll road highway system up to the Wisconsin boundary.

The residents of the 41st ward and the residents of the country towns objected to paying a toll as being discriminatory against the residents of the 41st ward and the adjoining suburbs.

Governor Stratton, Austin Wyman, and the other members of the Toll Road Commission, in order to provide the public transportation out to O'Hare Airport and in order to meet the objections of the northwest side residents, effected a compromise plan in which the Toll Road Commission would construct that part of the northwest superhighway from Cicero Avenue out to O'Hare Field and on the day of completion would sell it to the county of Cook and the city of Chicago, so that both of those local governing units could then make it a freeway. There does not seem to be much question in my mind that both of these agencies will cooperate with Governor Stratton and the Toll Road Commission's plans.

To clarify the situation for the people of Illinois, I should like to know if this bill definitely provides for the incorporation of either a part or the whole of this toll road into the Federal Highway System if it meets the requirements.

Mr. DONDERO. It would if the road which is being built now is a part of the designated Interstate Highway System. That system was designated by Congress in 1944. If it is a part of it, it would be considered.

Mr. SHEEHAN. On page 19, in section 109, provision is made as follows:

It is also declared to be the policy and intent of the Congress to provide funds necessary to make such reimbursements to the States as may be determined.

Due to the fact that the Illinois Legislature has set up a separate toll road commission which is independent of the State, would the money then be payable to the toll road commission or its bondholders so that the commission would be reimbursed?

Mr. DONDERO. I am quite sure such a report will be made, but I want the gentleman to understand that the provision in the bill on page 19 provides for a study to be made between now and January 2, 1958, with a report made to Congress with a recommendation as to what should be done and how it should be done. I am satisfied that the problem the gentleman presents will be considered favorably.

Mr. SHEEHAN. In other words, if the Secretary of Commerce recommends that this toll road system be taken over, the Congress ordinarily would O. K. it?

Mr. DONDERO. I would say so.

Mr. SHEEHAN. The toll road commission is going to build a toll road from

the beginning of the 41st ward out to O'Hare Airport, a distance of about 8 miles. If this connects with other Federal highways under the plan, could the Congress, under this bill, appropriate the money to buy that section connecting with other State and Federal highways?

Mr. DONDERO. Not under this bill, unless that stretch of 8 miles was a part of the Interstate System.

Mr. SHEEHAN. As I recall, it provides for connecting roads to the Interstate System, bridges, and so forth.

Mr. DONDERO. That would come under the interstate highway system.

Mr. SHEEHAN. That would come under the interstate highway system. It looks to me as if in the subject bill there unquestionably is provision for reimbursement to those States that have a toll road system or who have highways already constructed—providing such meet the specifications and also the requirements of the 1944 act—upon the recommendation of the Secretary of Commerce that such roads or portions of them be incorporated into the Federal Highway System.

Mr. DONDERO. The very provision in the bill is to give time to study the situation in the various States including the gentleman's State in order to make a recommendation which would satisfy the situation.

Mr. SHEEHAN. I thank the gentleman.

Mr. FALLON. Mr. Chairman, I yield to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Chairman, I rise to make known my support of the bill we are now discussing H. R. 10660, the highway bill of 1956. This legislation, I firmly believe, is as important as any this House will be called upon to consider this session. Our national economy, our national military strength, and the happiness and prosperity of the citizens of this Nation for generations to come depends in large measure, I believe, upon whether this House sees fit to pass the bill now before us. No one, I am sure, will take issue with the proposition that we are totally and completely dependent upon highway transportation today. No one, I am sure, will take issue with the proposition that this dependence will increase with each passing year. Likewise, we are agreed, I believe, that our highway system, by today's standards, is inadequate. It follows then, that in the future, it will prove inadequate in a much larger degree. Failure on our part to act today will not only prove disastrous for this Nation in our time, but the tragedy will be multiplied many times over in the years to come, and should the future thrust this Nation into combat with its enemies, our failure to act on this important measure could prove to be the difference between victory and defeat.

Mr. Chairman, it has been said that this problem is one which should be, and could be, properly left to the States. It has been said that roads are local and State problems, in which the Federal Government should take no part.

Mr. Chairman, the presence of the very need which I have just mentioned,

disproves that point without the slightest shadow of a doubt. It is proved that good roads and highways are a local problem. They are a problem of the municipalities, and they are the problem of the States. But they are in equal measure a problem of the entire Nation. If we pass the legislation which is before us now, we will, I think, have done our share toward meeting the problem faced by the Nation as a whole. We will not have solved conclusively and for all time the problem of good roads; there will still be a necessity for State action and there will be a need for municipal and local action. We are here dealing with the national highway system, which is interstate in character and upon which our national welfare depends. Let us not then deceive ourselves by avoiding our responsibility in an attempt to thrust it entirely upon the shoulders of those who determine State and local policy.

Mr. Chairman, I emphasize the need for this legislation and our responsibility with respect to it for a particular reason. That reason involves the difficulty of drawing up an act of this nature. We all know that this bill was not an easy one to prepare. There are problems of every kind connected with it and at times these problems seemed nearly insurmountable. The bill which the Public Works Committee, of which I am a member, has presented to the Congress, is one, which I believe, effectively solves or compromises these various incidental problems. Certainly I do not think that we can reach unanimity with respect to each and every one of them. I am sure that many of us would have preferred a stronger section here, a weaker section there, a little more protection here, a little less there.

But, Mr. Chairman, we cannot let ourselves become so ensnared with these minor, though-important problems, as to overlook the pressing, the urgent, and the undiminishing need for good highways. To the best of my knowledge, the bill which has been reported is largely satisfactory to all the groups and elements who are most concerned and most directly interested.

In the interests of our Nation's welfare, we must therefore each yield in some respect for the common good. It is with this spirit that I hope we can discuss this bill. It is with this spirit that I hope we can pass it. Perhaps there is room for improvement. If so, I shall be happy to see this bill amended, but let us not amend rashly or selfishly.

Mr. Chairman, I wish to mention one other point before I conclude: it is very important, I think, that this bill is on a pay-as-you-go basis. We are recognizing our responsibility in title 1, to build a modern Federal highway system. By the same token, in title 2, we are facing up to our responsibility to finance the construction of this system. We do not, and this legislation does not, increase the national debt beyond its present level. Sufficient revenue is provided by title 2, to enable these roads to be constructed over the period required without incurring additional debt, and without endangering our national solvency. This

revenue is provided in a way which I hope will be regarded as fair by those who will be required to contribute it. Certainly those who travel upon our highways for commercial or private purposes will reap a large harvest from this legislation, should it pass.

Therefore, Mr. Chairman, in the hope and in the belief that this legislation is as fair to all concerned, as liberal as is needed, and as financially prudent as is possible to make, I strongly recommend its passage.

Mr. FALLON. Mr. Chairman, I yield to the gentleman from Illinois [Mr. GRAY].

Mr. Chairman, the gentleman from Illinois [Mr. GRAY] does not seem to be on the floor. I yield to my colleague.

Mr. DONDERO. Mr. Chairman, I yield to the gentleman from Ohio [Mr. SCHENCK].

Mr. SCHENCK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. SCHENCK. Mr. Chairman, it is always difficult to objectively appraise the relative value and need for legislation to be considered here in the House of Representatives, because our reasons and points of view are frequently influenced by our own knowledge of various needs.

There is scarcely a person in this Nation, however, who is not directly concerned with our highway uses and program. Proper interstate transportation of people and commodities is a matter of deep concern to all our people. The interstate highways of our Nation are of special significance to our program of national defense. The terrible loss of life and injuries to people using our inadequate highways is a cost that cannot be estimated or assessed in dollars and cents. It is, therefore, quite impossible to overemphasize the importance and urgent need for a well-considered program for highway construction.

The legislation we are now considering, Mr. Chairman, is the result of extensive and thorough consideration for a period of months by two great committees of this House. The Committee on Public Works has held extensive hearings over a period of months during which a large number of highly qualified witnesses testified. This testimony properly represents all points of view. The committee then held weeks of executive sessions during which all this testimony was thoroughly studied and reviewed. The resulting construction program and provisions which came into being can, therefore, be viewed with great confidence by all Members of Congress.

Such a construction program, the largest single program ever included in one bill, will cost tremendous sums of money and this money must be provided by the most equitable means possible. The great Committee on Ways and Means considered each and every point of view with great care. The basic philosophy of pay as you ride was adopted as being the most sound method to fi-

nance this program. It was also determined, Mr. Chairman, that each of the users of the highways should pay their proportionate and proper share of the cost of this program.

As a Member of this House, Mr. Chairman, I want to express my sincere thanks to all the members of these two great committees all of whom have labored so hard and so long so that we here today may have this legislation before us for consideration.

Mr. Chairman, the urgent need for a proper highway program cannot be over-emphasized. The tremendous increase in highway traffic of all kinds compels the construction of adequate highways. Many present highways must be widened, straightened, and otherwise improved and made more safe. Many miles of new highways must be built. Thus the establishment of a properly considered, planned, and constructed network of adequate interstate highways is of special concern to everyone in this Nation, so that travel and business can be properly facilitated throughout the Nation.

It is my firm conviction, Mr. Chairman, that we will pay for these highways in many ways whether or not we build these roads. Therefore, Mr. Chairman, it is my sincere hope that this legislation will be approved promptly so that necessary engineering and planning can be started at the earliest possible date.

Mr. FALLON. Mr. Chairman, the gentleman to whom I had intended to yield time has left the Chamber. I do not know whether he will be back, but I have no further requests for time at this moment. I would like to use a minute, Mr. Chairman, to express my thanks to the minority side and the majority side of our committee who have worked so diligently and so hard for many, many weeks on this bill. I compliment the chairman of the Committee on Ways and Means and his committee for bringing such a comprehensive tax bill to us. I also compliment the Bureau of Public Roads who were with us on this legislation from the very beginning. They were helpful and contributed much to this bill. Also, I want to express my thanks to the State highway officials who were in contact with us almost daily not only during the hearings but also in many conferences. My thanks go to the municipal officials and also the American roadbuilders for the information which they furnished us through their task force.

Mr. DONDERO. Mr. Chairman, I want to confirm the statement made by the chairman of the committee in everything that he has said on behalf of all those who took part and furnished information to our committee in preparing this bill.

Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I strongly favor President Eisenhower's highway program and hope the highway bill promptly passes. May I congratulate the committee on the good job that they have done in adjusting the various differences of opinion as to method of implementing and financing the program. Particularly to be complimented

are the gentleman from Michigan, my good friend, GEORGE DONDERO; the gentleman from Maryland [Mr. FALLON]; and the gentleman from Ohio, Mr. HARRY MCGREGOR; and others who have gone out to the country and explained the program, that has made this legislation possible.

The Federal highway program is the dawn of a new era for all of America, and we should all be willing to do our share to obtain safe and efficient roads and highways for our good country.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. GEORGE], a member of the committee.

Mr. GEORGE. Mr. Chairman, 6 years ago I started service on the Public Works Committee, after completing 12 years of service in the Kansas Highway Department in various executive capacities. Frankly, at the first meeting of the Public Works Committee to consider the highway financing bill of 1950, I was shocked to discover that the Bureau of the Budget was recommending \$400 million Federal aid appropriation, when at that time we were collecting \$1.2 billion from the automobile users of the United States in gasoline and oil taxes. All of these State highway departments, all of the cities, and all of our governors knew that our highway systems were gradually slipping behind in highway construction. We were not anywhere near keeping up with the automotive expansion, traffic, travel, and speeds, nor were we building adequately to support weights of trucks. One thing that was stymieing the people of the country was not the fact that they were not paying enough taxes for highway construction, but the big end of our trouble was gasoline taxes were being diverted on the national level to pay general operating expenses.

This committee, in the last 6 years, has made rapid strides toward correcting that situation. Our committee increased the appropriation in 1950 \$100 million. The next time we considered it we increased it over \$800 million. Now today we are considering a bill which will give us a construction program of \$27 billion, which will take care of traffic to and through the major industrial centers of the United States. It is true that one-half of this money is going to be spent in the eight larger States of the country, but they also furnish half of the tax money that we are going to provide to build this system. This system is being built where the traffic load is greatest, and where the need on the basis of that load says that the highway system should be.

I am happy to have had an opportunity in helping this committee bring this program to the floor. We have had a tremendous time resolving our differences. I found myself at times in conflict with my experience as an administrative highway official and my duties as a Congressman, because I thought our committee was trying to write some things into this bill which, from an administrative standpoint, would make it tough on our highway departments and the Bureau of Public Roads to administer. But we are making rapid strides

toward solving this problem. I think we are on the right road. I hope we can push this bill through to a successful conclusion and build a good adequate highway system for the Nation. At least we are on the road toward such a program at the present time.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. GEORGE] has expired.

Mr. FALLON. Mr. Chairman, I yield 1 minute to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Chairman, I want to compliment the chairman of our subcommittee, a man who has been most patient. At times when tempers of people were quite high, he was very, very gracious, and we were able, through his excellent direction, to resolve those differences. It is very nice that the atmosphere of the committee when we passed the bill was in very good accord. I want to thank our chairman for the excellent work he has done on this committee.

Mr. MCGREGOR. Mr. Chairman, I yield myself 2 minutes.

While we are passing out compliments I think the membership of our committee on both sides of the aisle will agree with me when I pay my respects and thanks to the members of the staff of the Public Works Committee, and our own office staff. They worked long hours. They were very patient with us. I want them to know that we as members of that committee appreciate it. While I am doing that I want to say many thanks to the staff of the Ways and Means Committee for the patience that they have shown, particularly to this Member from Ohio. A number of times I called them at most all hours of the day and night.

Mr. FALLON. I would like to reemphasize everything the gentleman from Ohio has said. I do not know of any group of people on Capitol Hill who have worked harder than the staff of the Committee on Public Works and the Committee on Ways and Means, and I want to express on behalf of our subcommittee and the full committee, our deep appreciation.

Mr. MCGREGOR. Mr. Chairman, I yield back the balance of my time.

Mr. DONDERO. Mr. Chairman, I yield to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Chairman, the overall evaluation of H. R. 10660 must include the following general observations and criticisms, as I see it. We need new and improved highways; of this there is no doubt. Yet the staggering scope of this bill involving huge expenditures means that any defect or poor provision within the bill will be multiplied greatly. It is not enough, therefore, to legislate a highway bill; it must be the right kind of bill. To evaluate this highway bill and its provisions during 2 years of deliberations, I used two yardsticks to determine if the bill should be approved,

amended, or rejected. These two yardsticks are:

First. No violation of States rights. Self-explanatory.

Second. Pay-as-you-build financing. Not deficit financing or charge it to the future.

How, therefore, does this bill measure up?

As to the first yardstick:

(a) For the first time in highway building history the right of the State to construct the highways determining wages and working conditions, as necessary, is now transferred to the Secretary of Labor of the Federal Labor Agency. All such jurisdiction now reposing in 48 States, will be centrally lodged in one man—without the right of appeal and court protection which the constitutional separation of powers has always guaranteed our citizens. The provision accomplishing this is known as the Davis-Bacon Act and is included now as part of the highway bill.

(b) The cost of utility relocation, always a State matter, will now be borne by the Federal Government, the effect of which will be to nullify and replace existing State law and contracts with utilities. States necessarily will take the dollars offered by Uncle Sam.

(c) The definition of highway construction has been changed, adding the phrase "cost of relocation of building tenants," which means the Federal Government will now pay the cost, the payment of which will alter and delay present State condemnation procedures and jurisdiction. There is even some doubt as to the meaning of this new language.

(d) Truck weights and sizes are frozen at the present level, preventing State legislatures from doing as they see fit within their respective States.

The second yardstick, the pay-as-you-build principle, has been abandoned in two ways:

(a) The House Ways and Means Committee earmarked \$5 billion of Federal highway users' taxes which now pay other Government expenses and did not increase taxes in the new revenue measure so that the final deficit of the entire program, even with increased highway use and revenue, is estimated to be \$2 billion.

(b) After the financing features of the bill were completed, the Public Works Committee increased authorizations by adding the above-mentioned new provisions—see first yardstick, a, b, and c—in the bill thereby increasing the cost of the highway program an additional amount, tentatively estimated at \$5 billion.

Therefore the total deficit in the program is conservatively estimated at \$7 billion even though increasing highway traffic is expected to produce more revenue.

Considering the shortcomings clearly shown by these two yardsticks, there is serious doubt in my mind that this highway bill should be passed in its present form. As I see it, the bill could be changed and made an outstanding piece of legislation through the omission or amendment of the various above-mentioned detrimental provisions.

Surely it is not too much to expect that our States' jurisdiction should be maintained and that we pay for what we want. That is the kind of highway bill we should have.

I am opposed to the inclusion of the Davis-Bacon provision in the highway bill. There is no precedent in the 40-year highway construction history of this country for the fixing of wages by the Secretary of Labor in Washington, since never has the Davis-Bacon provision applied to any highway construction of which the individual State was a party. Rather, the wages and working conditions have been prescribed by the fine State highway departments or other appropriate State agencies of these 48 sovereign States in conformance with the local economies, known better by them than by a Federal agency. Such procedure has resulted in the very definition of "prevailing wage."

The proponents of the Davis-Bacon provision claim that all they want is the prevailing wage to be paid to workers on highways throughout the Nation. We submit that prevailing wages are being paid on highway construction today, by economic necessity, by collective-bargaining agreements, or by State prevailing wage laws or regulations. Today in addition to the Fair Labor Standards Act, which certainly applies to interstate construction programs, there are prevailing wage laws or regulations in 30 States. There are collective-bargaining agreements with highway construction unions in 25 States, some of which are also covered by prevailing wage laws. Altogether the States are doing a fine job in protecting the labor standards of our citizens on highway construction work. There is no need for "Federal protection." Members of Congress may well be alarmed at this attempt to put Federal wage fixing on the highway program as a violation of States' rights and the spirit underlying our Constitution.

The bureaucratic determination of wages by the Secretary of Labor is far from the declaration of principle underlying our Government which up to this point has permitted the individual States to construct their own highways. The testimony presented to the committee does not dispute the excellent highway construction by the States, although labor's representatives began their statement with blanket accusations against contractors and existing practice.

Why was this labor legislation not considered by the proper committee, the Committee on Education and Labor? Was it because the proponents of this Davis-Bacon rider lacked confidence in the ability and knowledge of the members of the Labor Committee? Did we permit ourselves to be led into a field in which the Public Works Committee members have no special knowledge? Not a single member of the Labor Committee is a member of our Public Works Committee. Here are the rosters of both committees:

Education and Labor: Graham A. Barden; Augustine B. Kelley; Adam C. Powell, Jr.; Cleveland M. Bailey; Carl D. Perkins; Roy W. Wier; Carl Elliott; Phil M. Landrum; Lee Metcalf; James B.

Bowler; Earl Chudoff; Edith Green; James Roosevelt; Herbert Zelenko; Harris B. McDowell, Jr.; Frank Thompson, Jr.; Stewart L. Udall; Samuel K. McConnell, Jr.; Ralph W. Gwinn; Wint Smith; Carroll D. Kearns; Harold H. Velde; Clare E. Hoffman; Albert H. Bosch; Joe Holt; John J. Rhodes; Stuyvesant Wainwright; Peter Frelinghuysen, Jr.; Sam Coon; Orvin B. Fjare.

Public Works: Charles A. Buckley; George H. Fallon; Clifford Davis; John A. Blatnik; Robert E. Jones; John J. Dempsey; Frank E. Smith; Thaddeus M. Machrowicz; John C. Kluczynski; Tom Steed; T. Ashton Thompson; Brady Gentry; M. G. Burnside; Iris F. Blitch; James C. Wright, Jr.; W. R. Hull, Jr.; Kenneth J. Gray; Frank M. Clark; Paul G. Rogers; George A. Dondero; J. Harry McGregor; James C. Auchincloss; Russell V. Mack; Hubert B. Scudder; Myron V. George; Frank J. Becker; Gordon H. Scherer; Gardner R. Withrow; William C. Cramer; John F. Baldwin, Jr.; Fred Schwengel; Bruce Alger; Alvin R. Bush; Donald W. Nicholson.

The House Rules and Manual, describing the functions of both committees under subsection 637 on rules, establishes wages and hours and labor standards as within the jurisdiction of the Labor Committee.

Considering labor matters is not the prescribed field for the Public Works Committee, which, of course, only weakens the argument of those who now hold that these hearings should be the basis on which to adopt the Davis-Bacon provision as a part of this highway bill. It would be as appropriate for the Labor Committee to pass public-works legislation as a rider to a labor bill as our action in evaluating labor legislation. This is not the first time, however, that this Public Works Committee has invaded the field of another committee, for as we all know last year the Public Works Committee usurped the functions of the House Ways and Means Committee, with wasteful and unproductive results. Further, meetings of the Public Works Committee on this subject were hurried and brief and by no means exhaustive.

What did come out of these hearings? Was this a question of paying highway construction workers the prevailing wage rate? No. It was simply part of a jurisdictional dispute between the powerful AFL-CIO, on the one hand, and John L. Lewis' United Construction Workers on the other. Further, the AFL-CIO intended to organize the unorganized by means of Federal wage fixing. This would embrace all rural areas not now touched by labor's jurisdiction throughout the 48 States. We challenge and call to the attention of Members of Congress the question now posed—Is the highway bill to be used as a vehicle for promoting union welfare and an AFL-CIO organizational drive on the open shop and unorganized areas of the country, particularly the South and West?

All Members will be interested to know that the hearings actually contain court records and examples cited by the proponents of this Federal wage-fixing rider showing their questionable objectives. This is mentioned because of the short-

ness of time between the end of the hearings and this debate with the hearings only recently being printed.

Taking the representatives of AFL-CIO at face value, what was our committee told? Stripped to essentials the accusations of the four powerful international unions, which were widely circulated in this Congress and represented before the committee, charged, first, that highway construction contractors exploited their workers by the payment of starvation wages; second, that contractors imported workers from low-wage areas and dislocated the local economy; and third, that they refused to be organized by the unions. Or to quote them:

With accelerated highway construction, intensified competition and entry of new firms into the field, we have witnessed the revival of the same inhuman conditions of the 1920's, for already these predatory contractors' tent caravans have dotted the landscapes of Federal-aid highway projects in Maine, New Hampshire, Massachusetts, Maryland, Pennsylvania, Indiana, Delaware, New Mexico, Arizona, and other States, solely because of their ability to obtain jobs by undercutting prevailing wage rates and importing distant cheap labor. Not only are some localities distressed with serious unemployment problems because of industry emigrating to low-wage areas, but this unemployment has been intensified by these construction crews immigrating from low-wage areas.

Or, as was further testified concerning Texas:

The very worst labor laws that exist in this entire country, and which would actually drive us back to slavery, exist in Texas now.

The absurdity of such statements must be self-evident to every Member of this Congress who is aware of the relatively high wages and earnings of highway-construction workers today, whether union or nonunion, as compared with workers in other industries. In support of this statement, we call your attention to information in the record of these hearings containing wage studies by the Bureau of Labor Statistics and information from the Department of Labor and the Department of Commerce on wages and earnings in highway construction. The specific examples cited by labor in the testimony completely repudiate the allegations. But, before treating such an example, the Members should also know that in many instances the hearings contain flat contradictions, plain misstatements of fact, evasive answers, and failure to provide additional information as promised. But most serious and disturbing of all, which the Members of Congress should know, was the misrepresentation of information contained in court records, to which the labor witnesses continually referred, knowing all the time these documents contained information to the contrary.

However, it would be that labor's lawyer and spokesman at these hearings was misinformed and did not intend to maliciously misrepresent and distort the facts when testifying before our committee in citing their foremost example of employer exploitation; but the record speaks for itself, and your attention

is respectfully called to the printed hearings.

In particular, the foremost example presented was Pennsylvania highway project F-161 (7) at Aliquippa, Beaver County, Pa., whose contractor was the Nello Teer Co. The basic charges made against the contractor were: First, using workers imported into Pennsylvania from low-wage areas; second, discriminating against union labor; and, third, paying wages which were less than local union rates. The court record showed the facts to be just opposite to the representations made by the witness, and are as follows: First, 300 workers were not imported from North Carolina to this job to be paid lower wages, as charged, but rather only 5 persons were brought to this job, and they were key personnel. The rest of the workers were local residents. Second, the record showed no discrimination against union labor, but that the contractor had a contract with the United Construction Workers of District 50, affiliate of United Mine Workers of America, and not the AFL-CIO, which evidently is the cause for the entire grievance of the AFL-CIO. Third, the court record showed wages were not less than the prevailing wage, but equal to union scale or higher, and complied with the laws of the State of Pennsylvania.

The record further showed that the AFL-CIO imported 300 pickets from other areas, mainly Pittsburgh, who picketed the job and who through violence and wanton lawlessness forced the contractor's employees of district 50 to leave their equipment and the job.

The violence and lawlessness arising in this jurisdictional warfare brings to focus again that the consideration of this entire wage-fixing provision should be before the Labor Committee and should be investigated at greater length. The court record also shows that the contractor, Nello Teer, was forced to get an injunction stopping the violence and permitting the resumption of work. When the union refused to abide by the injunction, an NLRB ruling was requested which then forced the AFL-CIO to a consent decree. As another self-contradiction before our committee the AFL-CIO labor lawyer never protested nor charged that any employee received less than the prevailing wage until coming before our committee. It is readily apparent that it is not the prevailing wage they want as they so frequently proclaim, but rather the complete organization of highway construction work by the AFL-CIO, even to the point of throwing out another union.

Based on this example at Aliquippa, which labor selected as exemplary, we on the committee and other Members of Congress may well ask why the Davis-Bacon provision should be included in the highway bill. The Aliquippa case was presented by labor itself as a good example of why Federal wage fixing was needed. The court record proves just the contrary. Further, it leaves unanswered why the AFL-CIO has the temerity to appear before a committee of Congress and mislead the committee. Further, the witness leaves unanswered, but the record does not, why the AFL-

CIO is dissatisfied. The reason, as borne out in the testimony, is simply interunion warfare. The record shows that the AFL-CIO disapproves the contractor's making a contract with the construction workers of the United Mine Workers Union. Could it be that the AFL-CIO further believes that the adoption of the Davis-Bacon provision would permit the AFL-CIO, a nationwide union, to extend union control throughout the rural districts of our several States in competition with the United Mine Workers construction workers? Surely the highway bill now under consideration is not to be the vehicle to provide such competitive union expansion with disregard for what is right and decent and has so successfully operated in the past. Nor should legislative action be taken based on such contradictory evidence. Is, therefore, the Davis-Bacon provision needed in the construction of highways? The answer is obviously "No."

Looking to the details of the Davis-Bacon provision itself, it is obvious that, first, it could well destroy the authority and present excellent operation of the 48 State highway departments. Certainly it would violate a time-honored State right. Further, the multitudinous job classifications, 250 and more, which the AFL-CIO want in order to protect their jurisdictional claims, would require many additional Government administrators, requiring time, and resulting in delay in the construction of highways.

It appears there would be, without question, many jurisdictional disputes over job classifications and work assignments. Thousands of rulings by the Secretary of Labor would result in many protests which could require Labor Department hearings, resulting in further delay. Should a contractor classify a worker contrary to the Labor Department's ruling, the result would be the blacklisting of the contractor and the possible cancellation of contract.

Most dangerous of all, there is no appeal from the ruling of the Secretary of Labor which violates the most basic of American principles, the constitutional separation and balance of powers. This is bureaucracy in its most dangerous form and is antithetical to all that Americans hold dear concerning freedom and the role of Government. Congress saw fit to amend the Walsh-Healey Act—a law similar to the Davis-Bacon Act—providing for judicial review of actions of the Secretary of Labor, but his decisions under the Davis-Bacon Act go unrestrained and unchecked, regardless of how capricious or arbitrary they may be. It cannot be said that the Labor Department hearings are equivalent to judicial review, for the Secretary of Labor in such hearings is at the same time the prosecutor, the judge, and jury. This again proves that the subject matter of Davis-Bacon or Federal wage fixing should be handled by the House Labor Committee which might well investigate the lack of jurisdictional review and the maladministration of this labor law by the Labor Department.

How about the increased cost of highways if the Davis-Bacon were added? It is variously estimated at two or four bil-

lion dollars, which means less highway for the money expended. The unfortunate part is that the administrative and bureaucratic red tape, which Federal wage fixing entails, causes waste from which no one benefits and for which the taxpayer must bear the burden. Even as many Members of Congress understand that the Public Works Committee would not increase authorizations, it is equally true that the Public Works Committee does not intend and should not cut the mileage of highway construction, which we feel will result from the increased cost of the Davis-Bacon provision.

Also, the local economies of our Nation would be knocked out of balance with the imposition of incorrect wage rates from Washington. No Federal administrator can be as accurate as the State and local authorities determining the prevailing wages. In this huge highway expenditure of money, 90 percent of which comes from the Federal Government, can anyone seriously and honestly contend that the States would underpay their own people by predetermining less than the prevailing wage?

Finally, as to labor itself, where is collective bargaining at this point? Is wage setting by the Secretary of Labor the good example of collective bargaining which the union witness proclaimed, or is it the reverse and destroys collective bargaining? Do workers want this, really? If wages are set by the Secretary of Labor and not by bargaining—since the wages would be set with or without union activity at the job site—cannot the Secretary also bureaucratically dictate wages to labor not of their liking? Could it be that the proponents of Davis-Bacon rider want to put the power of wage fixing in highway work in the Secretary of Labor and have "this Federal administrator fix their wages because they can control the fixer," as a most prominent Member of Congress and foremost authority speculated in testifying before our committee?

Members of Congress should bear in mind that the proponents of the Davis-Bacon rider have not only the present wording of the Davis-Bacon Act in mind but also some dangerous amendments to this law which are contained in H. R. 4566 now pending before the House Labor Committee. Among other things this bill not only would require the payment of prevailing wage rates as determined by the Secretary of Labor but also all sorts of fringe benefits, welfare payments, pension payments, and working conditions which may be found to be prevailing by the Secretary of Labor. His power would be greatly increased under this bill. Under such amendments to Davis-Bacon a powerful union could have its wage rates and working conditions complied with as a condition of obtaining Federal or Federal-aid contract regardless of whether that union represented the workmen in the area. Further, H. R. 4566 would require the payment of time and one-half after 8 hours a day and would extend the Davis-Bacon Act, as amended, to the entire Federal-State highway system and not just to the interstate system as the union witness assured the committee.

It is not a question alone of misadministration or maladministration by the Labor Department. This is simply a field better left to the States.

If there is any doubt left as to what the real purpose of the proponents of the Davis-Bacon provision is, may I call to your attention a significant development in the Public Works Committee in which the principle of prevailing wages was rejected in a States rights proposal. Specifically, this States rights amendment would have required the payment of prevailing wages on the Interstate System as determined by the appropriate State authority. Because this would protect States rights and the individual worker it was rejected in favor of Federal wage fixing by a Washington official. This States rights amendment reads:

All laborers and mechanics employed by contractors and subcontractors on the initial construction work performed on highway projects on the interstate system authorized under section 108 of this act shall be paid wages at rates not less than those prevailing on the same type of work in the immediate locality. Such prevailing wages shall be predetermined by the State highway department or other proper State agency, and shall be set out in each project advertisement for bids and each bid proposal form, and shall also be made a part of contract covering each project.

DAVIS-BACON NOT NEEDED

The setting of wage rates on State highway contracts is not in the realm of Federal Government and experience shows, documented by the testimony we heard, that the Davis-Bacon provision should not be a part of this highway bill. Therefore, it should be stricken from the bill.

Mr. DONDERO. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. POFF].

Mr. POFF. Mr. Chairman, I take this time only to direct a question to the ranking minority member of the committee. I believe the answer is known to all, but I want to clarify the record as to whether or not a new highway cutting across a right-of-way owned by a utility would not require reimbursement of the utility. As I understand it, whether section 113 is in or out of the bill the utility would be reimbursed just like any other private property owner. Is that correct?

Mr. DONDERO. I think they would be.

Mr. POFF. And in such case would not reimbursement include the cost of acquiring a new right-of-way and the cost of relocating the facilities less salvage, of course?

Mr. DONDERO. It all depends upon the situation. I look upon it this way, that this bill proposes to reimburse costs where costs were incurred by the establishment of the interstate system and no doubt the gentleman's proposal would come under that interpretation.

Mr. POFF. Yes; the utility owning the property right in the right-of-way, would be treated as a private individual owning a house situated on the proposed right-of-way of a new highway.

Mr. DONDERO. Approximately that is correct. We have no further requests for time, Mr. Chairman.

The CHAIRMAN. Under the rule, the gentleman from Tennessee [Mr. COOPER] will be recognized for 1 hour, and the gentleman from New York [Mr. REED] for 1 hour to control time allocated to the Committee on Ways and Means.

Mr. COOPER. Mr. Chairman, I yield myself 15 minutes.

The CHAIRMAN. The gentleman from Tennessee is recognized.

Mr. COOPER. Mr. Chairman, I would like to discuss and explain the provisions of title II of H. R. 10660. As you know, title II of the bill had its origin in H. R. 9075 which was introduced by the gentleman from Louisiana [Mr. Boggs]. As amended by the Committee on Ways and Means, H. R. 9075 was ordered reported unanimously on March 19, 1956—House Report 1899. In rewriting the bill in executive session, the Committee on Ways and Means gave full consideration to the testimony of the Secretaries of the Treasury and Commerce and of the interested public witnesses who appeared during the course of the five days of public hearings held in connection with the bill.

H. R. 9075 was combined with H. R. 8836, as amended by the Committee on Public Works, in H. R. 10660 which was introduced by the gentleman from Maryland [Mr. FALLON] on April 19, 1956.

Title II is substantively identical to the provisions of H. R. 9075 as it was reported by the Committee on Ways and Means. On April 20, 1956, I furnished the Chairman of the Committee on Public Works an explanation of title II for inclusion in the report on H. R. 10660. This explanation is the same as the report of the Committee on Ways and Means on H. R. 9075, except for certain changes to reflect the fact that H. R. 9075 has been included in H. R. 10660, and that two bills affected by title II of H. R. 10660 have become law since the Committee on Ways and Means reported H. R. 9075. These bills are now Public Laws 458 and 466, which relate to the Tax Rate Extension Act of 1956 and the farmers' gasoline tax refund respectively.

Title II of H. R. 10660 is designed to raise sufficient revenue from new and existing highway-user taxes to approximately match estimated Federal highway expenditures under H. R. 8836, the Federal highway bill of 1956, as it was introduced by the Honorable GEORGE FALLON. Therefore, the proposed highway program is self-financing. In this connection it is important to note that the Committee on Public Works has made no change in the provisions of H. R. 8836 as it now appears as title I of H. R. 10660 which requires changes in the revenue estimates contained in the original report of the Committee on Ways and Means on H. R. 9075 and in the explanation furnished by the Committee on Ways and Means and incorporated in the report accompanying H. R. 10660—House Report No. 2022.

To this end, title II of H. R. 10660 embodies a financing program which utilizes certain existing or basic highway taxes, increases in such taxes, and cer-

tain new taxes. As I will shortly explain, provision is made in title II for a highway trust fund into which will be paid amounts equivalent to the designated existing highway-user taxes, the increases in such taxes, and the new taxes.

EXISTING TAXES

The existing or basic highway-user taxes which will be utilized for financing the proposed Federal highway program under the provisions of title II are:

First. Gasoline, diesel fuel, and special motor fuels, which are taxed under existing law at 2 cents per gallon;

Second. Tires and inner tubes, which are taxed under existing law at the rate of 5 and 9 cents per pound, respectively.

NEW AND INCREASED TAXES

The new revenue sources are:

First. A 1-cent-a-gallon increase in the gasoline, special motor fuel, and diesel fuel taxes, raising these taxes to 3 cents;

Second. An increase of 3 cents a pound in the tax on tires of the type used on highway vehicles, as well as a new tax of 3 cents a pound on camelback for retreading such tires;

Third. A 2 percentage point increase in the manufacturers' tax on trucks, buses, and truck trailers; and

Fourth. A new annual tax of \$1.50 per 1,000 pounds of taxable gross weight on the use of trucks and buses weighing over 26,000 pounds which are registered—or required to be registered—for use on highways.

The rate changes made by the tax increases detailed above, and the rates applicable to the new taxes as well are effective for the 16-year period July 1, 1956, through June 30, 1972.

The provisions of Public Law 458, H. R. 9166, the Tax Rate Extension Act of 1956, which extends the rates on gasoline, diesel fuel, and special motor fuels of 2 cents per gallon, together with the existing rate of 8 percent on trucks, buses, and truck trailers, to April 1, 1957, are taken into account.

I would like to say just a few words in explanation of each of the increased or new taxes:

1. DIESEL AND SPECIAL MOTOR FUELS

The tax on diesel fuel already applies only in the case of diesel-powered highway vehicles. Title II makes no change in this. The tax on special motor fuels at the present time applies in the case of fuel used for the propulsion of motor vehicles, motorboats, and airplanes, however, the bill provides that the new 3-cent tax is to apply only to special motor fuel used in the propulsion of motor vehicles. The tax on special motor fuel used in the propulsion of motorboats or airplanes will remain at 2 cents. The effect of these provisions is to relieve nonhighway type vehicles and other equipment from the additional 1-cent-a-gallon tax in the case of both the diesel fuel and special motor fuel taxes.

Under the bill, the tax rates applicable to diesel and special motor fuels will revert to 1½ cents a gallon on July 1, 1972, the same rate which under Public Law 458 will be effective on April 1, 1957.

2. GASOLINE

Title II increases the tax on gasoline from 2 to 3 cents a gallon. However, this 3-cent-per-gallon rate will apply only in the case of gasoline for use in highway type vehicles. As in the case of diesel and special motor fuels, nonhighway type vehicles and equipment will be relieved from the additional 1-cent-a-gallon tax.

The 3-cent-a-gallon tax on gasoline will revert to 1½ cents a gallon on July 1, 1972.

3. TIRES, INNER TUBES, AND TREAD RUBBER

The bill divides tires into two categories:

First. Those of the type used on highway vehicles, which would be taxed at the rate of 8 cents a pound; and

Second. Tires used on nonhighway vehicles, such as tractor tires, which will continue to be taxed at 5 cents a pound.

No change is made in the 9 cents a pound rate on inner tubes.

The new tax on tread rubber is levied at the rate of 3 cents a pound. However, an exemption is provided for tread rubber which is sold for use otherwise than in the retreading of tires of the type used on highway-type vehicles.

In general, a highway vehicle is a vehicle which, if new, would be subject to the manufacturers' excise on trucks, buses, passenger cars, and so forth, or which is a motorcycle. This, of course, means that tires, such as bicycle tires, will not be subject to the increased tax of 3 cents per pound proposed under the bill. This will also be the case with respect to tread rubber since that tax will apply only in the case of tread rubber sold for use in the retreading of tires of the type used on highway vehicles.

On July 1, 1972, the tax on highway vehicle tires will revert to 5 cents a pound, and the new tax on tread rubber will become inapplicable.

4. TRUCKS, BUSES, TRUCK TRAILERS, ETC.

At the present time the ad valorem tax on trucks, buses, and truck trailers is 8 percent of the manufacturers' sales price. The bill raises this rate to 10 percent for the period June 30, 1956, to July 1, 1972, when a 5-percent rate becomes effective.

5. SPECIAL TAX ON HEAVY HIGHWAY VEHICLES

The new tax on the use of heavy trucks and buses will be applicable to vehicles which are registered or required to be registered for use on the public highways and which weigh more than 26,000 pounds. The rate for this tax is \$1.50 per year for each 1,000 pounds of taxable gross weight, or fraction thereof. Thus, a truck having a taxable gross weight of slightly more than 26,000 pounds would pay the minimum tax of \$40.50.

An exemption is provided from this transit buses if the bus in question is of use tax in the case of mass or local transit type, and at least 60 percent of the passenger fare revenue of the bus system involved is attributable to fares which are exempt from the excise tax on transportation of persons on the grounds that such fares do not exceed 35 cents or are commutation fares.

6. FLOOR-STOCK TAXES

Floor-stock taxes are provided with respect to the additional taxes and the new tax on tread rubber. They apply to inventories of dealers on hand on July 1, 1956, of—first, trucks, truck trailers, buses, and so forth, 2 percent; second, tires of the type used on highway vehicles, 3 cents a pound; third, tread rubber, 3 cents a pound; and fourth, gasoline, 1 cent a gallon but not applicable to retail inventories.

The floor-stock tax imposed on tread rubber will not apply to tread rubber used otherwise than in the retreading of tires of the type used on highway vehicles.

Floor-stock refunds are provided in the bill with respect to inventories, on hand on July 1, 1972, of the same items on which the floor-stock taxes are imposed.

To the extent administratively feasible, the new taxes and the increased taxes are limited to highway users. Generally, this is accomplished in the bill by basing the new and additional taxes upon fuels, tires, and so forth, sold for use in connection with highway-type vehicles. If this were not the case, extremely difficult apportionment problems would result. For example, it would be impossible to determine how much of a tire's life had been used on the public highways until the tire was entirely worn out. Complicating this difficulty is the fact that tires are often retreaded until the carcass is incapable of further use.

REFUNDS OR CREDITS

Special refunds or credits have been provided in the bill to cover cases where gasoline, diesel fuel, or special motor fuel, which is sold at the rate of 3 cents a gallon on the assumption that it would be used in highway vehicles or motor vehicles is used or resold for use for other purposes which, therefore, should be taxed at 2 cents a gallon. Similarly, a refund or credit is provided to cover the case of tread rubber which is taxed at 3 cents a pound, and subsequently used or resold for use otherwise than in retreading tires of the type used on highway vehicles.

The bill also provides a refund or credit for the additional 1-cent-a-gallon tax on gasoline, diesel, and special motor fuels used by local transit systems, but only if at least 60 percent of the total passenger fare revenue—excluding tax—of the system is derived from fares which are exempt from the transportation tax under section 4262 of the Internal Revenue Code of 1954. Under section 4262, commutation and season tickets and single fares of 35 cents or less are exempt from tax. The refund or credit thus allowed to local transit systems will be at the same ratio as the passenger fare revenues exempt from tax bears to the total passenger fare revenues of the transit system. As mentioned above, transit buses are also exempt from the tax on heavy trucks and buses.

TRUST FUND

The bill creates a fund to be known as the highway trust fund. In most respects, the highway trust fund thus es-

tablished is to be handled in a manner similar to that provided for the trust fund for the old-age and survivors insurance program. Generally, the highway trust fund will consist of the receipts of all of the basic, additional, and new taxes imposed by title II of H. R. 10660 for the period beginning July 1, 1956, and ending June 30, 1972. These include, first, the 2-cent basic and the 1-cent per gallon increase in the tax on gasoline, diesel, and special motor fuels; second, the 5-cent basic and 3-cent per pound increase in the tax on tires; third, the 2 percentage point increase in the manufacturers' excise tax on trucks, buses, and truck trailers; fourth, the new tax on tread rubber; fifth, the use tax on heavy trucks and buses; and sixth, the floor stock taxes imposed by the bill.

The bill further provides that funds may be appropriated from the general fund of the Treasury to the trust fund, as repayable advances, when required to meet the expenditures incurred under the highway program proposed in title I of H. R. 10660. Provision is also made for the repayment of such advances out of the trust fund to the general fund at such time as the Secretary of the Treasury determines that moneys are available in the trust fund for such purpose. Excess funds in the trust fund are to be invested in Government obligations at interest and advances are to be repaid with interest.

Since the administration has taken the revenues derived from the basic taxes on motor fuels, tires, tubes, and trucks, buses, and truck trailers into account in its budget estimates for the fiscal year 1957, it was necessary to make certain adjustments with respect to these basic taxes to avoid an adverse effect on the budget for that year. To this end title II of H. R. 10660 provides that only those amounts which are received from such taxes after June 30, 1956, and attributable to liabilities incurred after that date are to be paid into the trust fund. In addition, it is provided that the basic tax of 5 cents per pound on tires and the 9 cents per pound basic tax on tubes will not be paid into the trust fund until after June 30, 1957.

Another adjustment is made necessary by the fact that the bill fixes the manufacturers' excise tax on trucks, buses, and truck trailers at 10 percent of the manufacturers' sales price until June 30, 1972. The present rate of this tax is 8 percent and, while it was scheduled to revert to 5 percent on April 1 of this year, Public Law 458, the Tax Rate Extension Act of 1956, extends the 8-percent rate until April 1, 1957. Therefore, for the fiscal year 1958 and subsequent years the trust fund receipts will also include 3 percentage points of the ad valorem tax on trucks, buses, and truck trailers, or a total of 50 percent of the receipts derived from that tax.

Because of the adjustments referred to above, the provisions of title II will have no adverse effect upon the budget for the fiscal year 1957.

Under the bill, amounts in the trust fund are to be available, to the extent provided by appropriation acts, for expenditures after June 30, 1956, and be-

fore July 1, 1972, to meet obligations of the United States incurred under title I to the extent the expenditures are attributable to Federal-aid highways. The total of such expenditures is estimated at \$37,308 million. Tax receipts under title II are estimated at \$38,498 million for the 16-year period covered by the bill. Thus, tax allocations into the trust fund are expected to exceed highways expenditures by \$1,190 million. However, since it is estimated that interest to be paid on repayable advances made from the general fund of the Treasury to the trust fund will amount to \$674 million, a net balance of \$591 million will remain for additional highway expenditures in 1970 and subsequent years.

I should point out that revenues have been forecast on a conservative basis, while expenditures have been estimated on a liberal basis so that in all probability an even larger balance may result and be available for additional highway expenditures.

Title II contains a declaration of policy to the effect that it is the intention of Congress to bring about a balance of total receipts and total expenditures of the trust fund for the entire period involved, and states that if it hereafter appears that this balance will not be obtained, then Congress is to enact legislation in order to bring about such balance.

STUDIES

While the Committee on Ways and Means believes that the existing taxes, the new taxes, and the additional taxes reflected in title II of H. R. 10660 is the most equitable distribution of the tax burden among classes of highway users which can be obtained on the basis of present information, and while the bill imposes a special tax on heavy vehicles, the inadequacy of present data makes it difficult to determine with certainty whether or not more of a differential between classes of highway users is desirable. Therefore, the Committee on Ways and Means has called for the preparation of studies which will make such determinations possible in the future. To this end, title II requires the Secretary of Commerce, in cooperation with other Federal agencies, and with the State highway departments to make a study of the effects of highway use by various classes of users; and based on such effects the proportionate share of design, construction, and maintenance costs attributable to each of the various classes of highway users, together with the direct and indirect benefits derived by each class of users.

The Committee on Ways and Means has agreed to establish a subcommittee to receive this study, to examine its conclusions and make such recommendations for the redistribution of the tax burden as appears advisable in the light of this study.

I urge the House to pass H. R. 10660. The roads which will be built by the revenues which will be produced under title II are long overdue. The American people will derive large benefits in personal safety, convenience and an increased flow of goods and commerce under the provisions of this bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Iowa.

Mr. GROSS. On page 72 of the report I find this language:

Under H. R. 9075 all of the present tire and tube taxes and 37½ percent of the present manufacturers' excise taxes on trucks and buses will be diverted from the general revenue to the highway fund after July 1, 1957.

What becomes of the rest of the tax?

Mr. COOPER. Up until the time that the trust fund comes into operation it continues as at present, but after that date, generally speaking, all of the new increased taxes go into the trust fund. The tire and tube taxes together with half of the tax on trucks, buses, and trailers, will go into the trust fund, effective July 1, 1957.

Mr. GROSS. But only 37½ percent.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Arkansas.

Mr. MILLS. The answer, I think, to the gentleman's question is that the remaining 50 percent of the overall excise tax on trucks, buses, and trailers, goes into the general fund, as all of it does now.

Mr. COOPER. Just as at present.

Mr. GROSS. That is what I feared. You are continuing the old policy of not earmarking all the funds which come from the various taxes upon the operators of motor vehicles. We are not dedicating all of that to road-building purposes, are we?

Mr. MILLS. The gentleman from Iowa will be interested in knowing that the tax on trucks and heavy vehicles of that sort which is now 8 percent reverts to 5 percent on April 1, 1957, under existing law. We are making that tax 10 percent for a period of 16 years. We are leaving in the general fund that part of the tax that under permanent law goes to the general fund at the present time, but the extra 50 percent we are earmarking and putting in this trust. We are earmarking and putting in the trust the 3 cents on gasoline. We are doing that for motor fuels. We are doing that after July 1, 1957 for the tax on tires and tubes. So that we are earmarking actually more for this fund than the Secretary of the Treasury suggests that we should earmark for it.

Mr. GROSS. Is the gentleman going to speak on this proposal?

Mr. MILLS. I did not intend to.

Mr. REED of New York. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, our distinguished chairman of the Committee on Ways and Means [Mr. COOPER] has made a very exhaustive presentation of the technicalities of the bill. At this point I want to say to the House that he deserves great credit for the fine way in which he conducted the hearings on the revenue features of this bill. I also want to commend the members of both the minority and majority for their patience and hard work on this bill.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Arkansas.

Mr. MILLS. I would like the House to know that the able and tireless assistance of the gentleman from New York was most valuable in framing the revenue features of this bill. He offered several amendments in the committee during executive session that helped considerably to improve the revenue features of this program. The House should know that and I want to take this opportunity of so advising the House.

Mr. REED of New York. I thank the gentleman very much.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. COOPER. I certainly concur in the remarks that have just been made. I know my good friend, the distinguished gentleman from New York, the ranking minority member and former chairman of our committee, joins with me in feeling a great degree of pride in the fact that this bill was reported unanimously by our committee. This was due in no small part to his constructive work.

Mr. REED of New York. I am happy that it was so reported. I thank the gentleman very much.

Mr. Chairman, I strongly support President Eisenhower's recommendations for an interstate highway system. I believe that legislation to give effect to his recommendation has already been too long delayed. For this reason, I support H. R. 10660 because it appears to form the only practical basis for legislation at this time.

The Nation badly needs the bold approach to the highway program which President Eisenhower's recommendations represent. We all know that our highway system is badly out of date. Its present inadequacy is stifling the natural growth of our economy. Our present road system is taking a tragic toll of human lives. It is high time that this Congress take vigorous action to correct this situation.

Those of us from New York State know from personal experience the tremendous advantages of a modern highway system. The New York State Thruway will cover 427 miles when completed. Already, it has been estimated that the construction of more than \$150 million worth of new enterprises, with an annual payroll of more than \$100 million. These new enterprises have been estimated to employ about 30,000 people, and they range from a \$4 million television assembly plant at Batavia, N. Y., to a \$30 million shopping center at Yonkers, N. Y. This impetus to the economy of our State is truly extraordinary when it is realized that the thruway has not yet been completed.

Moreover, the thruway has resulted in greater speed and efficiency of transportation, combined with more economical operation. Not only has this been accomplished, but the accident rate has dropped in a truly extraordinary fashion. The accidental death rate on the Thruway for 1955 was 2.8 per 100 million vehicle-miles, compared to a rate

of 5.3 for New York State as a whole, and 6.5 for the United States. In other words, Mr. Chairman, this great new road has on the average cut in half the terrible accident toll which is occurring on our Nation's highways. Therefore, in terms of the preservation of human values, the proposed highway program of President Eisenhower deserves the support of all.

As has already been explained to the membership of this House, this bill contains a tax program designed to pay for the proposed highway system. I do not like to impose any new taxes upon the American people who are already overburdened in this regard. However, I support the tax program contained in this bill, although reluctantly, because I have become convinced that it forms the only basis upon which this essential highway program can be enacted. I do find some consolation in the fact that the increased tax costs to the average American will be more than made up by savings derived by him from the increased efficiency and safety of our roads.

The Committee on Ways and Means endeavored to distribute this new tax burden in as fair a manner as possible. When the bill was introduced, the new taxes fell equally on all highway users. The same tax increases applied to small tires and large truck tires equally. The same tax increase applied to gasoline and diesel fuel. In other words, exactly the same tax increase applied to the heavy-truck operator as applied to the average motorist. In my opinion, this was unfair. I do not think there can be any argument over the fact that big trucks wear out the roads faster than does the average passenger car. For this reason, I offered an amendment to require the heavy interstate type of truck to pay a somewhat larger portion of the cost of this program. This amendment which the committee adopted and which is contained in H. R. 10660, simply imposes a tax of \$1.50 for each thousand pounds of weight of trucks whose gross weight is 26,000 pounds or more. This new tax will bring in between \$800 million and \$900 million over the life of the program.

I would like to summarize briefly the other tax provisions in the bill. First, the present 2 cents per gallon tax on gasoline, diesel fuel, and special motor fuels, is increased to 3 cents. Secondly, the present 5 cents per pound tax on tires is increased to 8 cents. Third, a new tax of 3 cents per pound is imposed on tread rubber. It will be seen that this new 3 cents tax is equal to the 3 cents increase in tax on new tires. The committee was of the opinion that this action would serve to maintain the present competitive relationship between new tires and retread tires. Fourth, the present 8-percent manufacturer's excise tax on trucks, busses, trailers, and so forth, is increased to 10 percent. Finally, the bill imposes the new use tax on heavy trucks which I have already described.

I believe that it is important to emphasize that the bill provides for the establishment of a highway trust fund. The receipts from the taxes levied to finance this program will be required to

be placed in this trust fund. The existence of this fund will insure that these receipts will not be diverted to other purposes. Moreover, it will make it easier for the Congress as well as the public to know exactly how much the program is costing and to determine to what extent the costs are being met on a pay-as-we-build basis.

One aspect of this bill has given me as well as other members of our committee considerable concern. The majority has described this bill as a pay-as-we-go program. To some extent, it is. However, in certain important respects, it is not. For example, all of the present tire and tube taxes and a substantial portion of the present excise tax on trucks and busses will be diverted from the general revenue to the highway fund after July 1, 1957. These taxes together amount to about \$5 billion over the remaining life of the trust fund ending in 1972. The diversion of these taxes, which have always been regarded as ordinary excise taxes available for general purposes, will require new taxes of an equivalent amount to make up the deficiency in the general fund or will prevent general tax relief of this same amount. Therefore, the Congress must recognize that the diversion of these taxes to the highway fund represents a departure from the pay-as-we-build theory of raising new money to pay for the new expenditures required by the highway program.

I am heartily in favor of this bill and I hope it will pass the House by unanimous vote.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman.

Mr. SIMPSON of Pennsylvania. I was able to attend most of the meetings held in connection with the tax provisions of this very important piece of legislation. Every moment I was there the distinguished former chairman of the Ways and Means Committee, now the ranking minority Member, was present, and he contributed greatly to the proceedings in connection with this vital proposal of national interest. I commend him to the country for the continued sacrifices he is making on behalf of good government for all of the people of our country.

Mr. REED of New York. I thank the gentleman.

Mr. Chairman, I yield back the remainder of my time.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. Boggs].

Mr. BOGGS. Mr. Chairman, I do not plan to take all of this 15 minutes, as it is quite obvious that most of the Members of this body understand this legislation and seem to be in favor of it. By way of a review, however, I should like to point out some of the steps which have finally brought us to this happy state.

Last year you will recall the other body passed a bill which did not incorporate any revenue measures. Legislation was then introduced in this body and was referred to the Committee on Public Works. Thereupon the Chairman of the

Ways and Means Committee appointed a subcommittee which met with the Public Works Committee in an effort to draft the revenue provisions of the then Fallon bill.

Serving as chairman of that subcommittee it soon became rather obvious to me what the main problems were. No. 1 was whether or not we should consider or accept the bond proposal.

No. 2 was: If we accepted a pay-as-you-go proposal, what type of proposal should it be? And that involved a discussion of rate differentials and of other matters. Both in committee and subsequently on the floor of this body the bond proposal was rejected. I think this body was wise in so rejecting that proposal, because had we adopted it we would have spent about \$11 billion or \$12 billion in interest over a 30-year period and in addition we would not have gotten as many roads as we will get under this proposal. At the same time we also rejected the financing proposals incorporated in the Fallon bill last year.

This year, starting over again, the authorization proposals went to the Public Works Committee and the taxing proposals went to the Ways and Means Committee. We conducted very extensive hearings on the taxing proposals. I have been very pleased to note all of the compliments which have been paid here this afternoon. I think it is in order to compliment the members of the staff of the Treasury Department, of the respective committees, of the Joint Committee on Internal Revenue Taxation, and the Department of Commerce, and the Bureau of Roads. Those gentlemen had a very difficult task indeed: The problem of estimating revenues over a 15- or 16-year period to say the least is a unique one. The problem of estimating contractual costs and construction costs over a similar period of time was equally difficult. The problem of estimating cost differentials between different types of users of the highway was another problem that was certainly very difficult. And all of these other items, the exemptions particularly which we have written into this bill were matters that required the most astute technical knowledge, and in that endeavor we also had, as usual, the very able assistance of the Legislative Counsel's office.

So I believe this legislation is in its rather happy state today as compared to last year because: No. 1, there has been a general recognition on the part of Members of this body that one of the things that this Nation needs in its economic development and in its vast expansion is a highway program.

No. 2: The sound way to get that program is to pay for it over the period during which we are building it.

So, having reached that fundamental agreement our problem was not too difficult thereafter. I must say also that generally the industries that are being taxed, as well as the motorists, have come in through their spokesmen and have given their assent and their approval to this legislation. The rubber manufacturers, the automobile manufacturers, the truckers and the others have all recognized the vital importance

of this legislation to our country and to our people. I repeat, that we find ourselves more or less in agreement this afternoon because there has been general agreement in the country and a general recognition of the necessity for facing this problem.

Just by way of emphasis, I should like to point out several things that we have done in this legislation which I think mark very significant steps in the right direction.

No. 1: The creation of the so-called highway trust fund. For a great many years now highway users have complained, and I think with some justification since the conclusion of World War II and the Korean conflict, that vast revenues were being collected from them but were not being used for purposes of building highways. This bill recognizes that complaint and it establishes the highway trust fund which dedicates most of these funds to highway construction and for that purpose only.

The fund is set up by and large on the same theory and under the same type of basic administration as the social security trust fund. It is fiscally sound and is solvent over the 10-year period.

The other points of great significance have been the fact that we have ordered a fair and comprehensive study of highway costs as compared to use. I would like to pay particular tribute to the gentleman from Arkansas [Mr. Mills] who suggested that study. In my opinion, it will be invaluable to the Congress in years to come because we provide in the bill before us that succeeding Congresses will take a look at this program from time to time.

I might point out also, that throughout, in the matter of financing we have been highly conservative. It is very difficult, of course, to estimate revenues over a 15- or 16-year period, but throughout those estimates we have used averages which the respective industries tell us are highly conservative. It is not improbable, it is even probable, that our estimates are very low and the yield from these revenues will exceed our expectations. I might remind the Members of this body that we have been off on estimates in many things.

The Treasury Department estimates of revenue receipts this year, for fiscal 1956, prove to be off by \$4.5 billion, and it now appears that the estimates for next year will also be off. So, if our economy continues to expand—and I have every reason to believe that it will—financially we will be in very good shape to pay for these roads and we will not be mortgaging our future to pay for them.

In addition to that, we were informed by the Committee on Public Works, by their experts, that their estimates were considered liberal. By that I mean that in projecting the costs over a period of 10 or 12 or 13 years they anticipated certain increases in those costs which in their judgment were liberal. So, we figured the costs high and the revenues low in order to produce a sound piece of legislation.

Now, one final point, and I should like to read these figures to all of you.

The average motorist today is paying only 10 cents out of each dollar spent during the course of the year, because he owns an automobile, for highways. He is paying the other 90 cents for other costs. Yet, the average motorist is today paying for the roads which he ought to have and does not in the form of increased insurance costs which amount to far more to the individual motorist than all of the Federal and State highway users' taxes paid by him combined. I think few people realize that our safety rate on the American highways has dropped so low. I believe there were something like 40,000 Americans killed on the highways last year and billions and billions of dollars of property damage and other casualty losses. But the rates have sunk so low that the average motorist today is paying much more for insurance than he is paying in user taxes for his vehicle. Property damage, loss of life, personal injuries, doctor and hospital bills, loss of wages, increased costs which the creeping pace of commerce imposes, represent a fantastic burden upon the commerce of our country today. Now, it is estimated that these new revenue measures will cost the average motorist \$8.83 a year. In exchange therefor he will gain about \$20 or a net of about \$12 in savings in insurance, maintenance, less damage, less loss of time and wages, and other reduced costs. So, believe it or not, by building this highway system the average motorist can pay for it and save money at the same time by reducing his other costs which have become tremendous because of our present antiquated highway system.

Mr. Chairman, I am very pleased, indeed, that as the result of the joint effort of these two great committees and the work of the staffs of these committees, and the Treasury Department, and the Commerce Department, and of both parties working jointly we can soon, I hope, present to the American people a highway program which will spell progress for many years to come.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Virginia.

Mr. HARDY. I am grateful to the gentleman for his comment about the self-financing features of this program, and I was particularly glad to hear the observation that the revenue estimates were figured on the conservative side.

I would like to have an explanation of something I do not quite understand in the tabulation on page 53 of the report. Do I understand from the last column that it is anticipated that beginning in the fiscal year 1962 there will be a deficit in the financing of a little over half a billion dollars, which will increase and continue until 1972?

Mr. BOGGS. Yes; the gentleman is correct.

Mr. HARDY. So that the effect will be to temporarily increase the national debt, in order to finance the highway program?

Mr. BOGGS. That deserves a considerable amount of explanation. Let me

put it this way to the gentleman: Using the estimates to which I have just referred as being highly conservative, the program is fiscally sound over the 16-year period. Of course, there will be years in this program, unless it is changed somewhere down the line, when construction is at its peak, when we may have temporary deficits. But under the trust fund, in the surplus years—if the gentleman will refer again to that same chart at page 53, he will note that 1957, 1958, 1959, 1960, and 1961 are all surplus years. In 1 year it amounts to over \$1 billion. That money is invested in Government bonds at interest. In the deficit years it is borrowed from the general fund of the Treasury at interest. The net, however, is a surplus over the 16-year period, under our present estimates, of over \$½ billion.

Mr. COOPER. There will be an excess of receipts over expenditures of \$1.19 billion not taking into account interest.

Mr. HARDY. I thank the gentleman for that explanation. But on the assumption that these estimates are conservative and that the revenues will probably be in excess of what has been estimated, it presents a very pretty picture. Suppose, however, we should run the other way. I wonder if there should not be some tie-in between the amounts authorized and the receipts into the trust fund in the event the trust-fund income should fall down.

Mr. BOGGS. I might say to the gentleman that the authorizations are still on an annual basis—the authorizations in title I of the bill. For instance, there would be an intent for an annual increase of \$25 million through 1969. But that requires additional implementation.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Arkansas.

Mr. MILLS. I want the gentleman from Louisiana [Mr. Boggs] to call to the attention of the gentleman from Virginia [Mr. Hardy] the provision of the bill, which is there for the very purpose of the Congress being abreast of these developments. In the event that we have miscalculated for, say, fiscal year 1965 and thereafter, we shall look at the entire program again. We commit ourselves in this bill by a policy statement to provide such revenues as may be needed, additional revenues in the future, if necessary, to keep the program self-financing.

The gentleman, I think, may be assured that the statement of the gentleman from Louisiana [Mr. Boggs] is correct, that over the 16-year period these revenues going into the trust fund will at least equal if not exceed the amount of the expenditures. There will be periods, in all probability, certain fiscal years, when expenditures will exceed the receipts in those fiscal years. That is the way the highway program, by its nature, will work. Apparently that is what disturbs the gentleman from Virginia.

Mr. HARDY. Mr. Chairman, I am sure that these distinguished colleagues of mine are exercising their best judgment in projecting these figures into the future. But that is a rather difficult thing

to do. I certainly hope that the projections are on the conservative side. But I am wondering what would happen if they are not.

Mr. BOGGS. The gentleman from Arkansas [Mr. Mills] has answered the gentleman from Virginia.

Mr. HARDY. He has answered the gentleman from Virginia except for this: The policy of taking a look at the situation would require an affirmative action on the part of the Congress to undo the authorizations which this bill provides.

Mr. MILLS. No; not to undo the authorization. It might require affirmative action of Congress to provide some additional revenue in the future if these estimates do not develop to be correct. However, I remind the gentleman that our expenditures estimates include those where there is only an expression of intent and would require implementing legislation.

Mr. HARDY. Then the gentleman is taking the position that the authorization would be inflexible and we would have to find the revenue some other way.

Mr. MILLS. Well, in one way or another, if we go through with the expressed intent and we do not have the money, again I say that there is an expression of intent that the program is to be self-financing. We believe that it is as contained in the bill.

Mr. BOGGS. Mr. Chairman, the distinguished chairman of the Committee on Ways and Means, the Honorable JERE COOPER, has given an excellent technical discussion of title II of the bill, H. R. 10660. I would like to point out some of the advantages which will accrue to the various classes of highway users under title II of the bill.

As you will recall, Mr. Chairman, I was appointed chairman of the subcommittee of the Committee on Ways and Means designated to attend the sessions of the Committee on Public Works held last summer in connection with the original Fallon bill, for the purpose of offering such advice and cooperation as members of the Committee on Ways and Means and the staff of the committee could supply in connection with the financing plan then under consideration. As a result of my connection with this subcommittee, I became very familiar with the highway needs of the American people and the interests of the various classes of highway users who benefit from our highways. Let me say that I discovered that virtually every highway user group—from the American Automobile Association to the various trucking organizations—has for years recommended that the Federal excise taxes levied upon highway users be dedicated and set aside for the purpose of financing the improvement and extension of the Federal highway system. This recommendation is premised upon the intense feeling of highway groups that it is only fair to utilize the Federal excise taxes on gasoline, diesel fuel, special motor fuel, lubricating oil, passenger automobiles, trucks, buses and trailers, automobile parts and accessories, and tires and tubes, for the purpose of constructing roads.

Section 209 of title II of H. R. 10660, which establishes the highway trust fund, will carry this recommendation into effect. By its terms, the 38 billion, 498 million dollars in highway users' revenues, which will be raised over the 16-year period, from June 30, 1956, to July 1, 1972, will be dedicated to the building of highways. The specific taxes dedicated under the highway trust fund provision include the existing taxes on gasoline, diesel and special motor fuels, and tires and tubes, the increases in such taxes imposed by the bill, and the new taxes on tread rubber and the use of heavy trucks and buses, and the additional taxes on the sale of trucks, buses, and trailers. Thus, for the first time, the American motorist will pay these taxes with the assurance that he will be the direct beneficiary of every penny which he pays and he will pay with the knowledge that every cent derived from these taxes will be devoted exclusively to his personal convenience and safety.

In this connection, I think the Members of the House will find table 4 of the House Report No. 2022 accompanying H. R. 10660 of interest. As shown in this table, the burden of taxation imposed upon the highway users groups from existing Federal highway users taxes will amount to \$40,948,000,000 alone over the next 16 years. When the new and increased taxes imposed under the provisions of the bill are added to the existing tax burden, the figure rises to the tremendous sum of \$55,756,000,000. The difference between this figure and the \$38,498,000,000 figure, which will be dedicated to the highway trust fund, results from the fact that the existing highway users taxes on lubricating oil, the sale of passenger automobiles and automobile parts and accessories and the pre-Korean tax on trucks, buses, and trailers are not dedicated to the highway trust fund. The revenue from these taxes will continue to be paid into the general fund of the Treasury for other purposes.

In addition to the dedication of the present 2 cent per gallon tax on gasoline and other motor fuels, which was recommended by the President, the Committee on Ways and Means believes it only proper to use the existing taxes on tires and inner tubes in the financing of the expanded highway program envisioned by the bill. These taxes are just as clearly highway users taxes as the motor fuels which Congress has traditionally recognized as such. The dedication of the existing taxes on tires and inner tubes amounts to no more than a recognition of the fact that substantial benefits from the highway program will accrue to the economy as a whole. In addition, I need not recall to my distinguished colleagues that this highway program has been advocated because it is essential to the country's national defense.

The dedication of the tax on tires and tubes to the highway trust fund is made necessary for another reason. Up to now, the Federal Government has assisted in the financing of the highway

program by matching State funds on a 50-50 basis. Since the interstate program will be financed under the bill by matching State funds on a 90-10 basis, the dedication of more of the existing highway users taxes becomes imperative.

Because the revenues raised by this bill are to be dedicated to the highway program, the additional motor fuel taxes; the taxes on tires; tread rubber; the manufacturers tax on the sale of trucks, buses, and trailers; and the tax on the use of heavy trucks and buses have been limited to apply to highway users insofar as it is administratively practical to do so. In addition, special relief is provided in the case of increased motor fuel taxes and the tax on the use of heavy trucks and buses for mass transportation systems. This relief is provided because many such systems are already operating near or below the break-even point, and it was feared that the imposition of additional taxes upon these systems would adversely affect the continued provision of such transportation which is essential to the large urban and suburban population of the country.

Important as the point which I have been discussing is, Mr. Chairman, the most important attribute of the financing plan envisioned in title II of this bill is the fact that the American motorist will purchase exactly \$38,498,000,000 worth of roads for the same amount of taxes. This is to be contrasted with the President's bond financing program which would have provided only \$31,225,000,000 worth of roads at the cost of \$42,773,000,000. The interest charges which would have resulted from the President's proposal alone amounted to \$11,548,000,000, and the program proposed by the President would have tied up the revenues derived from the various motor fuel taxes for a 30-year period.

Another feature of the financing program of this bill, of which I am pleased, is that by reason of the self-financing nature of the proposal it pays for today's roads today. This leaves future generations of Americans free to provide for their own road needs unlike the President's proposal which would have saddled the next generation with the roads which the citizens of today will use and perhaps wear out.

I am also happy to be able to point out to the Members of this distinguished body that the financing proposal under discussion here today parallels the recommendation of the President's Commission on Intergovernmental Relations. The Commission recommended that the expanded highway program be financed on a pay-as-you-go basis and that Congress provide additional revenues for this purpose. This recommendation was buttressed by the Commission in pointing out that increased taxes are preferable to deficit financing as a means of supporting larger highway outlays by the National Government, because deficit financing can only result in high interest charges and operates to shift the burden of existing road needs to future generations who will have continuing highway and other governmental re-

sponsibilities of their own to worry about.

I believe the distribution of the tax burden which will be established under title II of H. R. 10660 to be the fairest obtainable on the basis of present information. It takes into account the benefits enjoyed by each class of highway user and establishes a differential at an annual ratio of from 25 to 30 to 1 in favor of the motorist as compared to the operators of large trucks. This differential recognizes the fact that the use of our highways by trucks increases the total cost of the program in the form of higher construction and maintenance costs and that the trucker receives substantial commercial benefits from our highways not enjoyed by the average motorist.

Interestingly enough, the average motorist is today paying only 10 cents out of each dollar spent during the course of the year because he owns an automobile for highways. Yet, the average motorist is today paying for the roads which he ought to have and does not in the form of increased insurance costs which average far more to the individual motorist than all of the Federal and State highway users taxes paid by him combined. Property damage, loss of life, personal injuries, and the resulting doctor and hospital bills, loss of wages, and the increased cost which the creeping pace of commerce imposes are also hidden cost items representing motorist payments for the roads which he does not have.

The increase of 1 cent per gallon in the tax on gasoline which will be imposed under title II of H. R. 10660 will represent only a 1-percent increase in the cost of owning an automobile for the average motorist who drives 10,000 miles a year. The total cost per year from all of the new increased and existing taxes utilized in the financing program of this bill to the average motorist will amount to only \$8.83 per year, 65 to 70 cents per month, or 2 cents a day. On the other hand, the savings which will accrue to the average motorist from the use of the interstate system alone will average \$20 per year. These savings come in the form of savings in insurance costs, depreciation, gasoline cost, and does not take into account the shorter time needed nor the real pleasure to be derived from an open, unobstructed, and safe highway on every trip taken.

Mr. Chairman, I believe the financing program envisioned in title II of this bill is not only fair and equitable, but is the best obtainable. I, therefore, urge its adoption by the House of Representatives.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include certain tables.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. Chairman, I have been here all afternoon and heard all the speeches.

It is very evident that this heretofore very complicated legislation is going to pass. It is very evident that those who have been responsible for its preparation believe that it is adequate, at least as near adequate as they can now make it. I am sure they feel in a whole-souled way that we have come now to a solution of this very important matter. I am glad that I had a very active part in its preparation.

We in Ohio probably have felt the necessity for the legislation coming on longer than almost any other State, and I will tell you why. If you have ever noticed the geography of Ohio, located right south of the Great Lakes, you will note that anybody wanting to come by automobile from New York or Pennsylvania or New England going west has to go through our great State of Ohio. Anybody coming back from Milwaukee or Chicago, going east, would come through our State of Ohio.

For many years, 30 years at least, that I can remember, we in Ohio tried to

prepare our roads to carry that traffic. We had many miles of brick-paved roads. Along in the spring of the year, after the winter frost would be coming out of the ground, along would come a big truck from the east or west and away to one side our bricks would fly and we would have to fix the roads, with nobody to help pay for it. We had to do that ourselves.

Now we have come to the place where the local governments should have to pay for their road repairs.

This program has ripened into a useful program, a national program. Every State will pay its part and those who use the roads will pay their part. I am not going to go into detail about that, Mr. Chairman.

I should like to stress one thing, however. I do not believe that in the debate today we have clarified absolutely this matter of what we are going to do for these public utilities. The purpose, I am sure, is to take care of them. But their problem is a rather personal and serious

one. As we come along with the road program, going east, west, north, and south, we are going to run into them. We are going to run into the telephone poles and electric light poles, and so forth. They do have a just complaint. We ought to listen to them and give them assistance and protection.

I think we can safely say from the debates today that the Congress has a right spirit toward the public utilities. We think the language is proper; at least, I hope so. If it is not, I for one will be ready to come forward with language that will relieve the situation if the need develops.

Mr. Chairman, I wish to insert a few tables that I think are very pertinent to the matter under discussion.

Mr. Chairman, I believe that the following tables with regard to the highway-tax program will be of interest to the Members of the House.

Title II of H. R. 10660 provides new or increased taxes from several different revenue sources. These are as follows:

Article	Unit of tax	Rates under—			Increase under H. R. 10660
		Present law		H. R. 10660	
		Before Apr. 1, 1957	On and after Apr. 1, 1957		
Gasoline	Gallon	2 cents	1½ cents	3 cents	1 or 1½ cents.
Diesel fuel	Gallon	2 cents	1½ cents	3 cents	1 or 1½ cents.
Special motor fuel	Gallon	2 cents	1½ cents	3 cents	1 or 1½ cents.
Tires	Pound	5 cents	5 cents	8 cents	3 cents.
Tread rubber (camelback)	Pound	0	0	3 cents	3 cents.
Trucks, buses, truck-trailers, etc.	Manufacturers' price.	8 percent	5 percent	10 percent	2 or 5 percent.
Use tax on vehicles and maximum load, where total weight is over 26,000 pounds.	1,000 pounds	0	0	\$1.50	\$1.50.

Estimated tax receipts allocated to highway trust fund, fiscal years 1957-72¹

[In millions of dollars]

Fiscal year	Present law taxes					New or increased taxes							Total receipts		
	Gasoline, 2 cents per gallon ²	Diesel fuel, 2 cents per gallon	Tires, 5 cents per pound	Inner tubes, 9 cents per pound	Total, present law taxes	Gasoline, 1 cent per gallon ³	Diesel fuel, 1 cent per gallon ⁴	Tires, 3 cents per pound ⁵	Tread rubber, 3 cents per pound ⁶	Trucks, buses, truck trailers, etc.		Trucks, etc., over 26,000 pounds, \$1.50 per thousand pounds annual tax	Total, new or increased taxes	Annual	Cumulative
										3 percent of manufacturers' price (from 5 to 8 percent) ⁷	2 percent of manufacturers' price (from 8 to 10 percent)				
1957	\$ 846	\$ 22			868	407	10	95	8		47	45	612	1,480	1,480
1958	994	27	184	18	1,223	472	13	98	9	75	50	46	763	1,986	3,466
1959	1,031	28	191	18	1,268	489	13	100	11	81	54	47	795	2,063	5,529
1960	1,064	29	197	9	1,299	505	13	103	9	78	52	48	808	2,107	7,636
1961	1,099	30	204	9	1,342	522	14	108	11	84	56	49	844	2,186	9,822
1962	1,133	31	210	9	1,383	538	15	111	8	84	56	50	862	2,245	12,067
1963	1,169	32	217	9	1,427	555	15	111	12	87	58	52	890	2,317	14,384
1964	1,203	33	223	9	1,468	571	15	116	11	90	60	53	916	2,384	16,768
1965	1,237	34	229	9	1,509	589	16	124	14	87	58	55	943	2,452	19,220
1966	1,269	35	235	9	1,548	604	17	127	11	96	64	56	975	2,523	21,743
1967	1,307	36	242	9	1,594	622	17	129	12	96	64	57	997	2,591	24,334
1968	1,341	37	248	9	1,635	638	17	132	14	96	64	59	1,020	2,655	26,989
1969	1,375	37	255	9	1,676	654	18	135	11	99	66	60	1,043	2,719	29,708
1970	1,407	38	261	9	1,715	669	18	135	14	99	66	62	1,063	2,778	32,486
1971	1,436	39	266	9	1,750	683	18	140	11	99	66	63	1,080	2,830	35,316
1972	\$ 1,650	\$ 47	273	9	1,979	¹⁰ 777	¹⁰ 22	¹⁰ 145	¹⁰ 14	¹⁰ 105	¹⁰ 76	¹⁰ 64	¹⁰ 1,203	¹⁰ 3,182	¹⁰ 38,498
Total	19,561	535	3,435	153	23,684	9,295	251	1,909	180	1,356	957	866	14,814	38,498	

¹ Essentially based on an assumed average rate of growth of about 3 percent compounded for the entire period. The rate of growth is not uniform, however, over the period. In the earlier years it is above 3 percent and in the later years below 3 percent.

² After deduction of refunds of tax on farm gasoline, estimated at 6 percent.

³ After deduction of all use in other than highway-type vehicles, estimated at 10 percent, and use by transit systems estimated at \$4 million annually.

⁴ After deduction for transit use estimated at \$1 million annually.

⁵ After deduction of tires for non-highway-type vehicles, estimated at 12 percent.

⁶ After deduction of rubber for tires for non-highway-type vehicles, estimated at 6 percent.

⁷ This is shown as an increased tax because the present rate does not extend beyond Mar. 31, 1957.

⁸ Excludes receipts from taxes accrued prior to July 1, 1956.

⁹ Including receipts after June 30, 1972, of taxes accrued on or before that date.

¹⁰ Including receipts after June 30, 1972, of taxes accrued on or before that date, less floor stocks refunds paid in 1973.

NOTE.—Derived from data presented to the Committee on Ways and Means by the Treasury Department and Bureau of Public Roads.

Estimated expenditures, receipts, and balances of the highway trust fund for the fiscal years 1957 to 1972, inclusive

[In millions of dollars]

Fiscal year	Highway expenditures ¹				Total funds available for highway expenditures	Total tax receipts	Excess (+) or deficit (-), tax receipts over highway expenditures	Interest credit (+) or charge (-) to trust fund ²	Net annual credits (+) or charges (-) to trust fund	Trust fund balance, credit (+) or debit (-) at end of year
	From existing authorizations and those made under H. R. 8836	Anticipated from expression of intent in H. R. 8836	Total expenditures under existing law and H. R. 8836 (including expression of intent)	Funds in excess of requirements, available for additional highway expenditures in 1970-72 ²						
1957	1,025		1,025		1,025	1,480	+455	+5	+460	+460
1958	1,480		1,480		1,480	1,986	+506	+16	+522	+982
1959	1,993		1,993		1,993	2,063	+70	+23	+93	+1,075
1960	2,190	285	2,475		2,475	2,107	-368	+20	-348	+727
1961	2,175	525	2,700		2,700	2,186	-514	+11	-503	+224
1962	2,360	665	3,025		3,025	2,245	-780	-4	-784	-560
1963	2,260	790	3,050		3,050	2,317	-733	-21	-754	-1,314
1964	2,225	850	3,075		3,075	2,384	-691	-37	-728	-2,042
1965	2,200	900	3,100		3,100	2,452	-648	-53	-701	-2,745
1966	2,200	925	3,125		3,125	2,523	-602	-68	-670	-3,413
1967	2,300	950	3,250		3,250	2,591	-659	-84	-743	-4,153
1968	2,100	975	3,075		3,075	2,655	-420	-98	-518	-4,674
1969	1,700	1,000	2,700		2,700	2,719	+19	-105	-86	-4,760
1970	1,000	600	1,600	425	2,025	2,778	+753	-99	+654	-4,106
1971	800	330	1,130	166	1,296	2,830	+1,534	-75	+1,459	-2,647
1972	325	180	505		505	3,182	+2,677	-30	+2,647	0
Total	28,333	8,975	37,308	591	37,899	38,498	+599	-599	0	0

¹ Including planning and administration expenditures.

² By "requirements" it is meant expenditures authorized under existing law, expenditures provided for (including an expression of intent) under H. R. 8836, and estimated interest payments to be made with respect to advances from the general fund.

³ Computed at 2 1/4 percent, current applicable interest rate.

NOTE.—Derived from data presented to the Committee on Ways and Means by the Treasury Department and Bureau of Public Roads.

Estimated tax receipts, fiscal years 1957-72

Fiscal year	New or increased taxes under this bill							Total, all taxes
	Gasoline	Diesel fuel	Tires	Tread rubber	Trucks, buses, and trailers	Trucks over 26,000 pounds	Total, new taxes	
Rates of tax								
	Cents per gallon	Cents per gallon	Cents per pound	Cents per pound	Manufacturers' price, percent	Per thousand pounds		
1957	1	1	3	3	2	\$1.50		
1958-72	1	1	3	3	5	1.50		
In millions of dollars								
1957	407	10	95	8	47	45	612	2,789
1958	472	13	98	9	125	46	763	2,895
1959	489	13	100	11	135	47	795	3,022
1960	505	13	103	9	130	48	808	3,075
1961	522	14	108	11	140	49	844	3,183
1962	538	15	111	8	140	50	862	3,247
1963	555	15	111	12	145	52	890	3,349
1964	571	15	116	11	150	53	916	3,430
1965	589	16	124	14	145	55	943	3,515
1966	604	17	127	11	100	56	975	3,609
1967	622	17	129	12	100	57	997	3,696
1968	638	17	132	14	100	59	1,020	3,779
1969	654	18	135	11	165	60	1,043	3,856
1970	669	18	135	14	165	62	1,063	3,941
1971	683	18	140	11	165	63	1,080	4,001
1972	777	22	145	14	175	64	1,197	4,369
Total	9,295	251	1,909	180	2,307	866	14,808	55,756

Approximate apportionment of Federal highway funds pursuant to H. R. 10660 and Federal Aid Highway Act of 1954

PRELIMINARY—SUBJECT TO SUCH REVISION AS MAY BE REQUIRED TO CONFORM TO SEC. 108 (F) OF H. R. 10660

[Millions of dollars]

State	Fiscal year 1957			Fiscal year 1958			Fiscal year 1959		
	Primary, secondary, and urban (\$725.0)	Interstate (\$1,200.0)	Total (\$1,925.0)	Primary, secondary, and urban (\$750.0)	Interstate (\$1,700.0)	Total (\$2,450.0)	Primary, secondary, and urban (\$775.0)	Interstate (\$2,000.0)	Total (\$2,775.0)
Alabama	14.7	19.6	34.3	14.9	26.7	41.6	15.5	31.4	46.9
Arizona	9.0	11.2	20.2	9.2	15.3	24.5	9.6	18.0	27.6
Arkansas	10.9	11.4	22.3	11.1	14.8	25.9	11.5	17.4	28.9
California	38.8	112.1	150.9	40.1	169.7	209.8	41.4	199.6	241.0
Colorado	11.3	9.2	20.5	12.0	11.4	23.4	12.3	13.4	25.7
Connecticut	6.6	26.2	32.8	6.9	40.6	47.5	7.1	47.8	54.9
Delaware	3.0	4.0	7.0	3.1	4.8	7.9	3.3	5.6	8.9
Florida	12.0	24.7	36.7	12.3	36.2	48.5	12.8	42.6	55.4
Georgia	16.9	34.9	51.8	17.2	51.2	68.4	17.7	60.2	77.9

Approximate apportionment of Federal highway funds pursuant to H. R. 10660 and Federal Aid Highway Act of 1954—Continued

PRELIMINARY—SUBJECT TO SUCH REVISION AS MAY BE REQUIRED TO CONFORM TO SEC. 108 (F) OF H. R. 10660—CONTINUED

[Millions of dollars]

State	Fiscal year 1957			Fiscal year 1958			Fiscal year 1959		
	Primary, secondary, and urban (\$725.0)	Interstate (\$1,200.0)	Total (\$1,925.0)	Primary, secondary, and urban (\$750.0)	Interstate (\$1,700.0)	Total (\$2,450.0)	Primary, secondary, and urban (\$775.0)	Interstate (\$2,000.0)	Total (\$2,775.0)
Idaho.....	7.3	6.4	13.7	7.5	7.8	15.3	7.7	9.2	16.9
Illinois.....	32.1	55.1	87.2	33.0	77.9	110.9	34.1	91.6	125.7
Indiana.....	37.4	42.4	79.8	17.7	63.4	81.1	18.3	74.6	92.9
Iowa.....	15.9	15.7	31.6	16.1	20.2	36.3	16.6	23.8	40.4
Kansas.....	15.1	12.3	27.4	15.3	15.1	30.4	15.9	17.8	33.7
Kentucky.....	13.0	24.9	37.9	13.3	36.0	49.3	13.8	42.4	56.2
Louisiana.....	11.5	24.5	36.0	11.9	36.0	47.9	12.2	42.4	54.6
Maine.....	5.5	7.9	13.4	5.6	10.7	16.3	5.8	12.6	18.4
Maryland.....	7.8	21.3	29.1	8.0	31.8	39.8	8.3	37.4	45.7
Massachusetts.....	13.2	40.6	53.8	13.7	61.2	74.9	14.1	72.0	86.1
Michigan.....	24.9	63.3	88.2	25.5	94.7	120.2	26.3	111.4	137.7
Minnesota.....	17.6	25.2	42.8	17.8	35.4	53.2	18.4	41.6	60.0
Mississippi.....	11.7	13.7	25.4	11.9	18.0	29.9	12.3	21.2	33.5
Missouri.....	20.4	31.1	51.5	20.7	43.7	64.4	21.4	51.4	72.8
Montana.....	11.5	9.2	20.7	12.2	11.2	23.4	12.6	13.2	25.8
Nebraska.....	11.9	7.1	19.0	12.5	7.8	20.3	13.0	9.2	22.2
Nevada.....	7.1	5.1	12.2	7.5	5.4	12.9	7.7	6.4	14.1
New Hampshire.....	3.2	4.1	7.3	3.3	4.9	8.2	3.4	5.8	9.2
New Jersey.....	13.5	63.7	77.2	14.0	99.3	113.3	14.4	116.8	131.2
New Mexico.....	9.5	12.5	22.0	9.9	17.2	27.1	10.3	20.2	30.5
New York.....	45.6	71.1	116.7	47.1	97.8	144.9	48.7	115.0	163.7
North Carolina.....	17.5	15.3	32.8	17.9	18.0	35.9	18.5	21.2	39.7
North Dakota.....	8.6	6.6	15.2	8.6	7.8	16.4	9.0	9.2	18.2
Ohio.....	28.7	67.3	96.0	29.6	99.5	129.1	30.6	117.0	147.6
Oklahoma.....	14.1	19.7	33.8	14.3	27.5	41.8	14.8	32.4	47.2
Oregon.....	11.0	16.3	27.3	11.3	23.3	34.6	11.7	27.4	39.1
Pennsylvania.....	34.1	42.7	76.8	35.7	55.6	91.3	36.8	65.4	102.2
Rhode Island.....	3.9	6.5	10.4	4.1	9.0	13.1	4.2	10.6	14.8
South Carolina.....	9.3	10.4	19.7	9.5	13.4	22.9	9.7	15.8	25.5
South Dakota.....	9.2	6.3	15.5	9.2	7.0	16.2	9.5	8.2	17.7
Tennessee.....	15.3	20.4	35.7	15.6	27.7	43.3	16.1	32.6	48.7
Texas.....	44.2	48.3	92.5	45.4	63.7	109.1	46.9	75.0	121.9
Utah.....	7.0	12.1	19.1	7.3	17.3	24.6	7.6	20.4	28.0
Vermont.....	3.0	8.9	11.9	3.0	12.9	15.9	3.2	15.2	18.4
Virginia.....	13.8	28.6	42.4	14.4	41.7	56.1	14.8	49.0	63.8
Washington.....	11.7	23.4	35.1	12.2	34.2	46.4	12.6	40.2	52.8
West Virginia.....	7.9	13.5	21.4	8.1	18.9	27.0	8.4	22.2	30.6
Wisconsin.....	16.6	18.1	34.7	17.0	23.6	40.6	17.6	27.8	45.4
Wyoming.....	7.1	14.7	21.8	7.5	21.6	29.1	7.7	25.4	33.1
Hawaii.....	3.3	.....	3.3	3.4	.....	3.4	3.5	.....	3.5
District of Columbia.....	4.2	7.8	12.0	4.4	11.1	15.5	4.5	13.0	17.5
Puerto Rico.....	5.1	.....	5.1	5.2	.....	5.2	5.3	.....	5.3

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, this is, indeed, a day I have looked forward to with great anticipation. A day when the Congress would finally be able to pass judgment upon the work done by the Committee on Public Works and the Committee on Ways and Means and their extensive hearings and deliberations on a much needed Federal highway construction program. I have heard various Members go into detail on this bill here today. In the time allotted to me, of course, I will not have the time to discuss this very important piece of legislation in detail. Instead, I will try to summarize it. I want to use this bouquet here in front of me as an illustration of my thoughts on this important piece of legislation. I first want to give a bouquet to the distinguished chairman of the Subcommittee on Roads, the gentleman from Maryland [Mr. FALLON], to the distinguished minority member of the committee from Michigan [Mr. DONDERO] who, incidentally, is leaving the House at the end of this session, and I would like to give a bouquet of roses to him and wish him much success and happiness throughout the rest of his life as he retires from the House. I would also like to give roses to the distinguished gentleman from Tennessee [Mr. COOPER] the chairman of the Committee on Ways and Means for his diligent efforts on behalf of this bill, and the distinguished

gentleman from Louisiana [Mr. BOGGS], chairman of the subcommittee handling title II of the bill and to all the members of the House Committee on Public Works and the Committee on Ways and Means. I want to say this very sincerely. I think all of these Members are entitled to a bouquet because for many, many months they have sat intently and have worked hard and listened to testimony and tried to work out a good bill to give the American people better roads.

I want to further use this bouquet here in front of you to illustrate what has transpired concerning a highway bill here in the House of Representatives. Last year our Committee on Public Works worked very hard and reported out a bill we believed acceptable to the people because we knew and the Congress knew that America needed better roads that would cut down highway fatalities, help alleviate crowded conditions, and provide jobs for the people in constructing those roads.

I made numerous speeches back in my congressional district and at each meeting, without exception, interest was expressed in behalf of the proposed highway bill. Everything looked rosy. But what happened? When the bill was referred to the floor of the House for debate we heard from the powerful interests of the trucking lobby and that removed one rose from our bouquet. Then we heard from the utility companies who had a complaint and their pressures removed another rose from our beautiful

bouquet. Then, we heard from the people who were opposed to the Davis-Bacon prevailing wage provision who took another rose from our bouquet. Then, we heard from the administration who wanted to pay \$11 billion in interest on a bond proposal for financing the highway program and that took another rose from our bouquet. Then, we heard from the airlines who wanted to be exempt from any tax and that took another rose from our beautiful bouquet. Then, we heard from those people who wanted better highways but who were not willing to pay for them with increased gasoline tax and that removed another rose from our bouquet. So, my friends, when we were all finished what did the bouquet look like? Nothing but stems that were completely barren. Now, what has happened to our bouquet since the highway bill was defeated last year?

The high rate of traffic fatalities on the small, crowded highways has continued. Instead of helping prevent the slaughter on the highways, it has increased. I hold here a clipping I received in this morning's mail from the Marion Daily Republican, a newspaper in my congressional district which carries a headline as follows: "Twenty-three killed in automobile crashes over weekend."

My friends, this staggering figure was just for the State of Illinois over one weekend. I dread to think what the total was in the 48 States. At the very

moment I was speaking on the floor of Congress last year urging the passage of the Federal highway construction bill, my aunt and uncle were preparing to go on a church class picnic and as they proceeded down one of our small, crowded two-lane highways, a carload of drunks pulled from behind a truck in the opposite lane and hit the car head on, killing both my aunt and uncle and the third party in the car.

I will not be foolish enough to try to tell you that 40,000 miles of super-highways throughout the United States will stop all fatalities. Of course, it will not, but I want to say without reservation that the building of a four-lane expressway with a divider between the two directions of traffic will definitely cut down on the spilling of human blood.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GRAY. Would the gentleman be so kind as to yield me 5 more minutes?

Mr. COOPER. Mr. Chairman, I yield 5 additional minutes to the gentleman.

Mr. GRAY. In addition to helping save lives, these new roads will help relieve some of the congestion.

And last but not least by any means, it will provide jobs for many of our unemployed people in the construction of these highways. We have 51,000 people receiving Government surplus food in 15 southern Illinois counties and these proposed highways will do much in cutting down public assistance and giving good American people an opportunity to provide a livelihood for themselves and their families.

Friends, the American people want and are entitled to good roads and we should give them the bouquet of roses to which they are entitled and need by voting unanimously for the passage of this highway bill and after you do this you can see the bouquet that was once only barren stems will be transformed into a beautiful and growing bouquet of roses.

Thank you very much.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I take this time to address myself to certain of the fiscal aspects of this bill. First, I want to commend the previous speakers from the Ways and Means Committee in their explanation of the financing of this bill, and join with them in their statements.

There were supplemental views filed to the Ways and Means Committee's report in which it was stated that as of the date that we passed the revenue features, the Public Works Committee had not yet completed the authorization bill. There were serious doubts in the minds of many of us whether or not the Public Works Committee would keep the bill itself within the revenue that was being raised under the revenue aspects of the bill. At this time I want to say I am very happy to state that the Public Works Committee has done as we really anticipated they would do, kept within the revenue raised in the other feature of the bill.

The reason I wanted to take this time is because there has been talk about two aspects of the authorization bill which might raise the cost of this highway program beyond the thirty-seven plus billions of dollars anticipated revenues. Those two particular provisions are: One, the utility relocation provision, and the Bacon-Davis provision.

I have seen many statements made recently of the cost to be paid out of Federal funds as a result of section 113.

The supplemental views filed to the report of the Committee of Public Works accompanying this bill H. R. 10660 made the statement that it would cost one and one-half billion. Newspaper articles estimated the cost might be from 2 to 4 billion dollars. I think this is a gross exaggeration. Actually we have studies that reveal the limit of these costs as a result of utility relocation, to be at the most one-half billion dollars.

In 1954 a study of utility relocation costs was made by the Secretary of Commerce at the direction of the House. The report of the Secretary—it appears in House Document 127 of the 84th Congress, shows that the total utility relocation cost before any reimbursement was 2.6 percent of the total road construction cost. Two-fifths of this amount or 1 percent of total road construction costs is paid under existing State law or practices, leaving 1.6 percent to be paid by the utilities.

To the extent that the States already pay relocation costs—and there are a few States that do—these costs are a reflection of the estimates of the cost of the roads to be built in the future and therefore were incorporated in the budget figures submitted to the Public Works Committee.

H. R. 10660 authorizes the appropriation of something like \$37.6 billion over a period of 13 years, or an average of \$2.89 billion annually. 1.6 percent of this amount would be an average of about \$46 million annually. You can multiply that out by 13 years. That is why I say the total amount that could possibly be required for utility relocation would be at the very highest \$600 million and not \$1½ billion.

This estimated cost is the cost of relocating the facilities that utilities are presently required to pay by various State laws and practices. It is the maximum amount that could possibly be expended out of Federal funds. In order for any of this amount to be paid out, of course, the States would have to change their existing laws or practices; and it is obviously impossible for 100 percent of the utility to be paid under State laws and practices in the foreseeable future. So in considering the question of the relocation of the utilities I do not believe the fiscal aspects of it have much bearing, although there are other important policy features that enter into the picture. I am only directing attention to the fiscal aspect of it.

The same argument prevails in regard to the Bacon-Davis provisions as they have been watered down in the present bill to reflect the prevailing local wage. The budgets that have been prepared by

the States upon which the Public Works Committee based its figures do take into consideration prevailing local wages, and for that reason, too, I am satisfied that the cost aspects of the Davis-Bacon amendment as amended by the Public Works Committee will not have any great bearing on the revenue features of this bill. I am not attempting to discuss the policy questions involved in Davis-Bacon, only the limited fiscal aspects of it.

So to reiterate, I am satisfied that the qualms of the minority set forth in our supplemental views have no basis. The Public Works Committee has done a good job; they have given us a bill that is well within the revenues provided by the Ways and Means Committee. The bill is well balanced in my judgment, and should be enacted into law.

Mr. REED of New York. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, this is the first highway bill since I have been a Member of Congress that I can support wholeheartedly because it is the first one in which urban States like New Jersey has shared fairly. Usually we in New Jersey pay twice as much in taxes as we ever get back in Federal grants.

Mr. Chairman, I want to say a word about the trust fund. As you know, all the tax revenues provided by this bill will go into this trust fund which is roughly set up to operate in the same way as does the trust fund under the old-age and survivors insurance act.

There are several advantages in handling the money from the taxes provided for in the bill in this way:

First. It will assure that the new taxes be used for roads alone.

Second. Congress will know whether the taxes levied for this purpose are sufficient. We can in future years increase these taxes if necessary, or reduce them if the revenue is greater than estimated.

Third. All of these taxes are easy ones to collect. Historically we find that easy-to-collect taxes have been left on the books long after the purpose for which they were levied had ended. We want to get rid of these taxes after the roads are built and this trust fund procedure should make it much easier to eliminate them then.

Fourth. If the proceeds of these taxes went into the general revenue fund there would be a false budget picture. We do not want to balance the budget with these taxes. In the early days of the program it is probable that more money will be collected than will be needed, but in the long run every nickel will be necessary. If these taxes went into the general revenue, it would result in a false picture of the budget. These taxes might serve to balance the budget in the next couple of years, and then unbalance it when the money to actually build the roads was called for. We do not want to do this.

In general, putting all of the proceeds of these taxes in such a trust fund to be used for the road program only should make us at all times know exactly where we stand.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I take this time to ask a few questions. I want to commend the statement of the gentleman from New Jersey [Mr. KEAN] who just preceded me.

I know we need an expanded highway program, but I am interested in what this is going to cost the taxpayers and where the money is going to go that is taken from the taxpayers. I am glad that the Committee on Ways and Means and the Committee on Public Works agreed upon a highway trust fund; but I should like to know just how much of the taxes collected from the operators of motor vehicles, all of the use taxes and so forth will actually go into the highway trust fund? I wonder if some one on the Committee on Ways and Means can tell me.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the able gentleman from Arkansas.

Mr. MILLS. If my friend from Iowa will turn to page 56 of the committee report he will find table 4 which sets forth the estimated tax receipts from selected excise taxes for the fiscal years from 1957 through 1972. He will see the amount that is estimated to be derived in each of the fiscal years with a total for each of the existing Federal excise taxes imposed on highway users. For example, gasoline would bring in over that period of time \$19,561 million.

Mr. GROSS. To what column is the gentleman referring?

Mr. MILLS. That is in the first column of table 4, page 56. Diesel fuel would bring to the fund \$535 million, lubricating oil \$759 million, the manufacturers' tax on passenger cars would bring in during that period of time to the general fund, not to the highway fund, \$11,284 million.

Mr. GROSS. Let me ask the gentleman at this point, Does that include revenues from the old taxes plus the new and additional taxes?

Mr. MILLS. There is no additional tax provided in this bill on passenger automobiles.

Mr. GROSS. No. But on gasoline there is and on lubricating oil there is.

Mr. MILLS. Yes; that is right.

Mr. GROSS. Does that include both?

Mr. MILLS. No, it includes only gasoline.

Mr. GROSS. What I want to get at is this: Do all the taxes presently being levied, all of the revenues derived from the taxes presently being levied under the old and new formulas, go into this trust fund?

Mr. MILLS. Just a moment. Let me set you straight. The first part of table 4, page 56, refers to the amount to be derived from all Federal excise taxes connected with highway use on the basis of existing law for the fiscal years 1957 through 1972. Now, at the bottom of the table, page 57, the amounts that are provided under the new and additional taxes provided in the bill presently before the Committee of the Whole are

shown. You will notice that the existing tax of 2 cents per gallon on gasoline brings in \$19,561 million. The additional 1 cent brings in \$9,295 million, but the trust fund will receive the benefit of both the present 2-cents-per-gallon tax and the additional 1-cent-per-gallon tax on gasoline. You can add those together in the case of gasoline, diesel fuel, your truck taxes, and your tire and tube taxes.

Mr. GROSS. And all of those funds are earmarked for the trust fund; is that correct?

Mr. MILLS. Lubricating oil is not earmarked for the trust fund. That goes into the general fund.

Mr. GROSS. Let me ask the gentleman why. Why is it not earmarked?

Mr. MILLS. I pointed out to the gentleman that the automobile tax was not, either. It was not thought by the committee that it was necessary to earmark all of the excise taxes that are presently levied on all highway use items for this particular fund. If we did that, we would have had far more money than could possibly have been utilized in the trust fund, and we would have been far short, on the basis of the estimates given us by the Secretary of the Treasury, in the general fund, so that we would have been taking from the general fund that which will be needed in the general fund and putting in the trust fund for highway purposes that which was not needed for highway purposes.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New Jersey.

Mr. KEAN. With reference to lubricating oil, the reason we did not put it in the bill for the trust fund was that so much lubricating oil is not used for highway purposes.

Mr. MILLS. The gentleman is right.

Mr. KEAN. It was impossible to allocate the amount used for highway purposes against the amount used for other purposes, and that is the reason why we did not put lubricating oil in the trust fund.

Mr. MILLS. The gentleman from New Jersey called attention to a very important point. Fifty percent of the lubricating tax is supposed to come from sources other than highway use.

Mr. GROSS. But I seem to get the impression here that somehow or other the Committee on Ways and Means is seeking to protect the Treasury against a deficiency that might accrue if revenues derived from the operators of motor vehicles were used for the building of highways. Is that correct?

Mr. MILLS. Mr. Chairman, will the gentleman yield on that one point?

Mr. GROSS. Yes.

Mr. MILLS. The committee is, it is true, endeavoring to protect the general fund against the entire road program being charged to existing revenues presently going into the general fund. Now, we were told by those who spoke for the President that if the Congress was not willing to take the bond proposal suggested by the President, the President would go along with us on a pay-as-you-go, but he did not want the cost of this

road structure charged to existing revenues. Then the question came up in the committee what new revenues will we raise, depending upon how much of existing revenues the Treasury and others speaking for the administration thought should be transferred from the general fund into the special fund. The Secretary of the Treasury did not want us, for example, to take the tax on trucks in excess of 2 percent. We did more than that. The Secretary did not want us to take the tax on tires and tubes, but we did do that. That is, any part of the old tax. He did not want us to take anything except the tax on gasoline presently levied and on other types of motor fuel such as diesel fuel. He was perfectly willing to give us that in the general fund. So actually this whole thing results more or less in a compromise on what we take from the general fund and put into this special fund.

Mr. GROSS. I will say to the gentleman that it is a little difficult for me to understand why, if as predicted there is to be a \$2 billion surplus in the Treasury this year, and no one is talking about paying anything on the public debt with that surplus—why we should continue to load the motorist with taxes to support the general fund of the Treasury. I do not understand it.

Mr. MILLS. The amount that the gentleman is talking about, if it is \$200 million or \$2 billion—

Mr. GROSS. \$2 billion, not \$200 million.

Mr. MILLS. It is my sincere hope will be applied to the reduction of the public debt.

Mr. GROSS. I hope so, too. But I hear no talk to that effect.

Mr. MILLS. I am satisfied on the basis of what the Secretary of the Treasury said to our committee both in public session and in executive session that he joins the gentleman and me in that hope. That is his hope; that whatever the surplus for this fiscal year may be it be utilized in reducing the public debt.

Mr. GROSS. I am concerned with the way we are loading down the operators of motor vehicles with taxes. I know that we need roads, but certainly we are loading the motorist down with taxes, and for a long time to come.

Mr. MILLS. There is no doubt but that the motorists of the country will be paying over this period of time more money in dollars than will be going into this trust fund and many more dollars than will be needed to carry out this new program.

But I should like to point out to the gentleman that our committee and Congress never heretofore have connected revenues and expenditures for road purposes as we are doing in this bill. It would be of interest to the gentleman I think to know that the original gasoline excise tax, and the original manufacturer's excise tax, and the original manufacturer's excise tax on automobiles and trucks and on tires and tubes were not levied in a road program initially. They were levied because the general fund of the treasury needed that revenue and it was obtainable from those sources.

Maybe that was wrong, but that is why it was done. Now we are directly relating to road purposes certain of the highway user excise taxes and to the extent that we need those user excise taxes that now exist we are taking them from the general fund of the treasury in the future and putting them into this road fund so that we can say that we are paying this load as we build these roads.

Mr. GROSS. I thank the gentleman from Arkansas.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, as one who has spent 10 years on the Committee on Roads, later the Committee on Public Works, I have a little idea how difficult it is to get a road bill that will satisfy everyone. I recall during my service on that committee that oftentimes the very organizations and companies in the United States that could not exist, could not sell their products were it not for the highways, would object to a highway bill. And I am not referring to the trucking industry in that statement, either. I am referring to other segments of our economy.

I know it is practically impossible to bring forth a bill that will satisfy everyone, particularly every organization or group interested in our highways. But at this time I should like to pay tribute to the Committee on Public Works and its members and to the Committee on Ways and Means and its members for bringing out what, in my opinion, is the best, most workable, most satisfactory highway bill that has ever been presented to this Congress in the history of our country. I know that there are provisions in this bill that will not satisfy everyone. In fact, I doubt if anyone would be completely satisfied with all of it and I doubt that any company or any segment of our industry primarily interested in the highway program is wholly satisfied with this bill. But I say this to you, if we start tampering with this bill or changing it in any appreciable or material way, you will find more dissatisfaction with it than there is now. The miracle to me is that these two committees have been able at last to bring forth a bill as workable and as satisfactory as this one is, and at the same time return to the highway user the greatest percentage of the money collected from him that has ever been returned in the history of our country.

As I understand, this bill will return to the benefit of those who use the highway, including the drivers of passenger cars as well as trucks and other vehicles, more for the building and rebuilding of our highways than has ever been returned from the Federal Treasury in the past.

So, in conclusion, I hope that this bill passes substantially in the form in which it was reported to this House. I again commend and thank the members of these two great committees.

Mr. REED of New York. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, I am deeply interested in this, and I want to emphasize something that was in my speech this afternoon. Each Member here represents many communities in his congressional district. These highways are going to go through those communities. Almost every one of these communities has a chamber of commerce trying to promote industrial expansion, trying to bring business and industry into their sections.

I just want to repeat an example which has happened on the thruway in the State of New York. I want you to think this over, because the thruway is not completed. It is well on its way but it is not completed. It has brought in construction in the various municipalities of more than \$150 million worth of new enterprises, a payroll of \$100 million in these towns, and the employment of 30,000 people. When these highways are built, every community is going to have more taxable property. You are going to have more revenue as a result of it. You are going to have an expansion of enterprise that is going to be a credit and a great monument to the work of these two committees here today.

Mr. Chairman, I have no more requests for time.

GENERAL LEAVE TO EXTEND

Mr. COOPER. Mr. Chairman, I ask unanimous consent that all Members may be allowed to extend their remarks in the Record before the vote on the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. KARSTEN. Mr. Chairman, in addressing this distinguished committee today, I would like, first of all, to pay tribute to the esteemed chairman of the Committees on Ways and Means and on Public Works for the able explanations they have made of the portions of H. R. 10660 for which their respective committees were responsible. The legislation before the committee today is, in my judgment, an outstanding example of two great committees of the House of Representatives working in cooperation toward a common objective, namely, the establishment of a pay-as-you-go Federal highway program.

H. R. 10660 provides a sound, long-range program for the pay-as-you-go development of our Federal highways. It will provide a blueprint for the establishment of a basic highway system that will be adequate for our present needs and will serve as a nucleus for the Nation's future development.

H. R. 10660 will provide a major contribution to our national security, it will enhance the economic well being of all our citizens and will improve the social welfare of our Nation.

In my remarks today, I would like to confine myself to a discussion generally of title II of the bill, relating to the financing features and specifically I would like to disclose why this legislation is not the President's highway program.

Paraphrasing, I would like to add that despite the fact that this highway program is not the President's program, it is my prediction that there will be no rash, ill-considered veto of the legisla-

tion. At least my colleagues on the other side of the aisle have not spoken of any threatened veto if this measure is not amended so as to be in conformity with the President's highway proposal.

H. R. 10660 is Congress' program for providing the American people with an adequate national highway system on a pay-as-you-go basis at a minimum cost to the American taxpayer. It is a program developed by the appropriate committees in the House of Representatives during this 84th Congress to give the people a highway system in keeping with the American standard of living and our Nation's economic needs. This highway program of the 84th Congress is in marked contrast to the highway program suggested by the President. H. R. 10660 will provide greater highway mileage at less expense than would be provided under the administration's proposal.

The Highway Revenue Act of 1956, as provided for in H. R. 10660, over the period from 1957 through 1972, would raise \$14.8 billion in new or increased taxes to be dedicated to highway development. In my service in the House of Representatives I have never known a tax-increase measure to receive more general support on the basis of its equity and fairness than has been given to this legislation. For this \$14.8 billion in new or increased taxes, plus the dedication to highway purposes of certain existing taxes, the Nation will receive approximately \$40 billion in badly needed new highways.

Let us turn now to an examination of the method by which the administration proposed to finance \$25 billion in new highways. In the President's message to the Congress of February 22, 1955, calling for legislation to authorize a national highway program it was proposed that motor fuel and lubricating oil taxes levied by the Federal Government be earmarked for the next 30 years in order to finance a 10-year highway development program. The dedication of these tax receipts for 30 years was for a 10-year development program that the President is quoted as having described as only being a "good start" in the development of the Nation's highways. If it is only a good start, we might well ask ourselves from what source we would obtain the necessary revenues to continue our highway program after the 10-year period in view of the fact that our motor fuel taxes would be committed for an additional 20 years.

Mr. Chairman, pay-as-we-go financing, as provided in H. R. 10660, as opposed to the 30-year mortgaging of our tax receipts from motor fuels, is not the only difference between the financing provisions of this bill and the program proposed by the administration. Included in the cost of the administration's program was \$11.5 billion in interest charges on the indebtedness that would have been sustained under the proposal. This \$11.5 billion was in excess of 50 percent of the principal that would have been used to build highways. These interest charges would not have added 1 mile of road to our highway system. These interest charges would not have

prevented one death or other tragedy on our highways. These interest charges would have contributed little, if anything, to our economic development.

In appearing before the Committee on Ways and Means during the committee's deliberations on the Highway Revenue Act of 1956, the Secretary of the Treasury criticized the legislation then under consideration as being \$7.9 billion short of the amount needed to make the highway system self-financing. He made this assertion despite previous testimony before the Public Works Committee and before the Ways and Means Committee that it was impossible to project revenue estimates 15 years in advance. He acknowledged the fact that in less than a 12-month period the Treasury Department had been over \$4 billion off in estimating budget figures for the immediately preceding fiscal year. The effect of the Secretary's charge that the Highway Revenue Act of 1956 provided insufficient revenues to make the highway program self-financing may be analyzed as follows: Under present law, for the 16-year period from 1957 through 1972 revenues from motor-related sources would equal approximately \$40 billion. The Secretary proposed raising an additional \$19 billion. The Secretary's position was that we should raise \$60 billion from motor-related sources in order to finance a highway-construction program of approximately \$40 billion.

Because of the urging by the Secretary of the Treasury for higher taxes to finance the highway-development program, inquiry was made of the Secretaries of the Treasury and Commerce as to the ways in which this additional revenue might be obtained. Neither had any suggestions to offer. Indeed, the Secretary of Commerce informed the committee that he had no data on which to base any recommendations that would apportion the tax burden among highway users in accordance with the cost they impose on our highway system. This statement came from the man who is responsible for the Federal highway program.

It is significant to note that by providing for pay-as-we-go financing it will be possible for Congress to periodically review the adequacy of tax collections to assure that they will be sufficient to defray the cost of the highway system. Under the administration's proposal, we would have been committed to a 30-year dedication of funds with little opportunity to make adjustments required by subsequent developments in the program. This is another aspect of the highway program as developed by the Congress that represents a substantial improvement over the recommendations of the administration.

To make sure that the highway program is soundly financed, H. R. 10660 creates a trust fund in which tax collections will be deposited and from which highway expenditures will be paid so that the Congress and the people may know at all times where we stand. It will be the policy of the Congress to re-examine periodically the adequacy of the highway financing legislation.

Mr. Chairman, we have heard a great deal of discussion in recent years from Republican sources about the dangers of inflation. Republican spokesmen claim to have stopped inflation but every time anyone suggests tax reduction, the specter of inflation is raised by the administration spokesmen as an argument against reducing the tax burden of our American citizens. These same Republican spokesmen have been strangely silent about the inflationary effects that would have stemmed from the administration's bond-financing proposal for the development of our highway system. The Republican administration was in effect advocating the expenditure of \$20 billion in 10 years to be financed by the issuance of bonds to be paid off in 30 years. Mr. Chairman, if that is not deficit financing of the worst sort, then I do not know what deficit financing is.

Mr. Chairman, H. R. 10660 will provide our American citizens with the highway system they need. It will do so on the basis of a soundly financed program that will help provide economic prosperity and growth to our Nation without creating inflationary pressures, without resorting to deficit financing, and without dedicating our tax collections for the next 32 years. This important legislation, Congress' highway program, should receive the support of every Member of this distinguished body.

Mr. MILLS. Mr. Chairman, the financing plan incorporated in title II of H. R. 10660 is self-financing over the 16-year period from June 30, 1956, to July 1972. The total revenues which will be paid into the highway trust fund for the 16-year period amount to approximately \$38.5 billion, of which about \$14.8 billion represents new or increased highway-user taxes. The remaining \$23.7 billion is derived from existing highway-user taxes. Expenditures from the fund for the same period are estimated at \$37.3 billion, leaving a balance of \$1,190,000,000. However, because of interest payments on repayable advances from the general fund of the Treasury, a net balance of \$599 million will remain for additional highway expenditures in 1970, and later years. In all probability this balance will be much larger since receipts are estimated on a conservative rate of growth, while highway expenditures are estimated on a liberal basis.

Like all tremendous undertakings, the highway-building program envisioned in title I of H. R. 10660 will not spring into full effect on July 1, 1956. The planning stage which will initially ensue the problem of letting contracts and making land acquisitions will cause expenditures from the highway trust fund to lag behind revenue collections representing the receipts of the trust fund during the first years of the program. During this period, except for the first few months, the trust fund will show a surplus after which, as the program gets underway and construction accelerates, expenditures will exceed receipts. This swing from an excess of receipts over expenditures to an excess of expenditures over receipts will result in the need for temporary advances from the general fund of the Treasury to the trust fund to be re-

paid in the last stage of the cycle when receipts again exceed expenditures as construction costs begin to fall off and until they ultimately disappear. The trust fund will thus experience three stages: surplus to deficit to surplus. Provision has been made in title II for the Treasury to borrow from the trust fund during the initial surplus stage. It is expected that interest on these loans will produce interest receipts for the fund amounting to \$75 million. To provide for the second stage, provision is made for the trust fund to secure repayable advances from the general fund of the Treasury which are expected to result in interest charges against the fund amounting to \$674 million, or \$599 million in excess of the interest earned on the initial fund surplus. It is the belief of the Committee on Ways and Means that the expenditures and the receipts will balance over the 16-year period covered by title II of the bill and, in addition, a substantial surplus will result. In any event, section 209 of the bill, which establishes the highway trust fund, contains a declaration of policy to the effect that if it appears that the total receipts of the fund will be less than the total expenditures from the fund that Congress shall enact legislation to bring about a balance.

In considering title II of this bill, I would like you to compare the financing plan incorporated herein with the President's proposal for financing the roads program. As you will recall, the President's financing program was premised upon the issuance of \$20,235,000,000 in bonds, with maturity dates running over a period of 30 years. To pay off these bonds and provide the additional \$11,020,000,000 needed for his construction program, the President's proposal would have tied up the revenues produced by the Federal motor fuel taxes for 30 years and saddled not only this generation but the next one as well with interest charges totaling \$11,548,000,000. In other words, the President was asking the American people to pay a total of \$42,773,000,000 in taxes for only \$31,225,000,000 worth of roads.

In addition to the existing 2 cents per gallon tax on gasoline and other motor fuels which is allocated to the highway trust fund, title II also dedicates the existing tax of 5 cents per pound on tires and the existing tax of 9 cents a pound on inner tubes to the trust fund. As you know, the President recommended that the existing taxes on gasoline and motor fuels be set aside to pay for his roads program.

The fact that the Committee on Ways and Means believes it proper to dedicate existing taxes on tires and tubes to aid in the financing of the roads program envisioned in title I of this bill has been the occasion for some comment. These taxes at existing rates will produce \$3,588,000,000 under the 16-year period covered by the financing program, or approximately \$223 million per year. The fact that 37½ percent of the existing tax on the sale by manufacturers of trucks, buses, and truck trailers is dedicated to the trust fund has also been the occasion for comment.

I would like to direct the attention of the House to the fact that title II of this bill is so drawn as to have absolutely no effect upon the budget for the fiscal year 1957. This is true because only the new or additional taxes imposed under title II of the bill will be paid into the trust fund beginning July 1, 1956. The additional existing taxes on motor fuels dedicated to the trust fund under the bill will be paid into the trust fund only to the extent that they represent liabilities accruing after July 1, 1956. Only for the fiscal year 1958 and subsequent years will the trust fund receive any revenues derived from the existing tax on tires and tubes. Nor will the trust fund receive any revenues from the ad valorem tax on trucks, buses, and truck trailers which can be denominated as revenue from existing taxes on this source of revenue. The explanation for this lies in the fact that the present ad valorem tax on trucks, buses, and truck trailers at 8 percent expires on April 1, 1957, and reverts to 5 percent. The President has not asked that it be extended beyond that date. Since title II provides a 10-percent tax in the case of such trucks, buses, and truck trailers sold on or after July 1, 1956, it in reality raises the tax 5 percentage points above what it would otherwise be under existing law. Therefore, it can be seen that only \$223 million per year of existing taxes are dedicated to the highway trust fund for the 16-year period in question. This dedication is justified because of the expanded nature of the proposed highway program which will involve matching State funds on a 90-10 basis for about two-thirds of the proposed program's entire cost, instead of the traditional matching on a 50-50 basis heretofore followed.

The certainty resulting from the trust fund concept permits the administration to plan future budgets in reliance upon fixed highway expenditures and with the knowledge that revenue will be provided without resort to deficit financing.

Because all the new, increased, and existing taxes involved are dedicated to the financing of the highways proposed in title I of the bill, limitations are provided which, for the most part, have the effect of restricting the application of the new or increased taxes to vehicles used on or suitable for use on highways. In general, a highway vehicle is a vehicle which, if new, would be subject to the manufacturers' excise tax on the sale of trucks, buses, passenger cars, and so forth, or which is a motorcycle. Accordingly, much of the heavy equipment used in mining, logging, and other off-highway operations, is not considered to be highway-type vehicles.

Because the base of each of the new or increased taxes imposed under title II of the bill is different, it is necessary to discuss each of them.

1. DIESEL FUEL

The existing 2 cents a gallon tax on diesel fuels already applies only in the case of liquids sold for use or which are used as a fuel in a diesel-powered highway vehicle. Accordingly, the entire 3-cent-a-gallon tax will apply to a liquid sold for use or used in a diesel-powered

highway vehicle whether or not such vehicle is in fact used on the highway. Tractors, earth-moving equipment, and bulldozers are not considered diesel-powered highway vehicles, and diesel fuel used in such equipment will not bear the increased tax.

2. SPECIAL MOTOR FUELS

In the case of special motor fuels, such as benzene, benzol, and liquefied petroleum gas the 2 cents a gallon tax under present law is imposed with respect to such fuel sold for use in the propulsion of a motorboat, airplane or motor vehicle. The increased tax of 1 cent a gallon imposed by title II will apply only to such fuels used for the propulsion of a motor vehicle. According to the long-established interpretation of the Internal Revenue Service, a motor vehicle does not include a vehicle ordinarily used to pull or push, but not to carry, a load. Accordingly, vehicles, such as farm tractors, construction equipment, and bulldozers are not motor vehicles for purposes of the special motor fuels tax. However, if a vehicle is designed to carry a load, it is now considered to be a motor vehicle, and fuels used in its propulsion, under this interpretation will be subject to the increased tax on special motor fuels, regardless of the fact that the vehicle is not used on highways.

Both of the foregoing taxes are retailers' taxes imposed at the time of the sale to the user.

3. GASOLINE

The existing tax on gasoline is a manufacturers tax imposed at the time of the sale by the manufacturers at the rate of 2 cents per gallon. A refund is provided under the provisions of Public Law 466, approved April 2, 1956, for gasoline used on a farm for farming purposes. The farm refund is not affected by title II of this bill. The increased tax of 1 cent per gallon imposed under the provisions of title II will apply when such fuel is sold for use in highway-type vehicles. As stated above, generally a highway-type vehicle is a vehicle subject to the manufacturers excise tax on trucks, buses, and automobiles. This means that the increased tax will apply to fuels sold for use in a highway truck, regardless of the fact that the truck is not used on highways. Much of the heavy equipment used in mining, logging, and other nonhighway operations will not bear either the increased manufacturers sales tax or the 1-cent increase in the tax on gasoline. Nor will gasoline used in stationary engines, tractors, bulldozers, or equipment such as road graders, bear the increased tax.

4. TIRES

The increased tax of 3 cents a pound imposed under title II on tires of the type used on highway vehicles applies to tires of that type, even though they are used on nonhighway equipment. Tires other than tires of the type used on highway vehicles, such as bicycle and tractor tires, will not be subject to the increased tax. The foregoing applies to the new tax on tread rubber when such tread rubber is sold for use or used in the recapping or retreading of tires of the highway type.

5. USE OF HEAVY TRUCKS AND BUSES

The tax on the use of heavy trucks and buses will apply only to the use of vehicles which are registered, or required to be registered, for use on highways. For this reason, nonhighway equipment and highway equipment which is not registered, or required to be registered, for use on the highway will not bear this tax.

As I have pointed out, the increased and new taxes imposed by the title have been restricted to the extent administratively feasible to highway vehicles—motor vehicles for the special motor fuels tax—because the revenues under this bill are devoted to the highway program. Some nonhighway use will be subject to the new and increased taxes because of the difficult administrative problems which would result from an attempt to base the taxes on the actual use to which either the vehicles, motor fuels, or tires are put. For example, it would be impossible to finally determine the use to which a tire is put until the tire is actually worn out, since, although initially placed on a nonhighway vehicle, it could be readily transferred to a highway vehicle. Complicating this problem is the fact that modern tires are often recapped until the carcass is unusable and the tire's useful life is thus extended, lasting, perhaps, 3 or 4 years. These, and other administrative difficulties, were considered by the Committee on Ways and Means in reaching its decision to base the new and increased taxes where possible on the type of vehicle, the type of tire, and the type of vehicle in which the motor fuels subject to tax would be used. The testimony of all interested parties, such as representatives of the mining, forestry, gasoline, tire, and automobile industries, were taken into account in reaching the committee's decision.

The manner in which relief provisions for nonhighway users are to be allowed, such as the benefit of the 2 cent rate on motor fuels, as well as the manner in which the exemption for transit systems is to be administered, are left to the regulatory authority of the Secretary of the Treasury and the Internal Revenue Service. This is in accordance with the traditional practice followed in revenue statutes. The Treasury and the Internal Revenue Service are in a better position to work out solutions satisfactory to all parties concerned under the latitude afforded by the regulatory power than they would be under a specific legislative proposal which, because of changing circumstances, might prove too restrictive. For example, it is possible, if thought feasible, for the Secretary of the Treasury's regulations to provide for direct purchases of gasoline at the 2 cent rate by nonhighway users.

Mr. Chairman, it is my belief that the taxes reflected in title II of H. R. 10660 represent the most equitable distribution of the tax burden among classes of highway users it is possible to obtain on the basis of presently available data. However, in order to be assured of this for the future there was written into the bill the requirement, now found in section 209 of title II, that the Secretary of Commerce make a study in cooperation with the

Interstate Commerce Commission and the State Highway Departments for the purpose of determining what, if any, changes should be made in the distribution of the tax burden in order to assure as equitable a distribution of the tax burden among the various classes of persons using the Federal-aid highways or otherwise deriving benefits from such highways as possible.

There was also incorporated in the bill a provision calling upon Congress to enact additional legislation if at any time during the course of the 16-year period covered by the bill it appears that the receipts of the trust fund and the expenditures from the fund will not balance.

It is my belief that these and other features of title II make this highway financing proposal the best that can be achieved by Congress at this time. I urge its adoption by the House.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

No amendments to title II are in order except those offered by the Committee on Ways and Means.

The Clerk read as follows:

Be it enacted, etc.—

TITLE I—FEDERAL HIGHWAY ACT OF 1956

SEC. 101. Short title for title I.

This title may be cited as the "Federal Highway Act of 1956."

Mr. FALLON. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

According to the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 10660) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 to authorize appropriations for continuing the construction of highways; to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, and trucks and buses; and for other purposes, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

RENEGOTIATION ACT AMENDMENTS TO ASSIST SMALL AND INDEPENDENT BUSINESS

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, today I am introducing a bill to amend the Re-

negotiation Act of 1951, as amended, for the purpose of assisting small and independent business. In this action I am joined by my Republican colleagues on the Select Committee on Small Business who are introducing identical bills. These Members, as you know, are the gentleman from New York [Mr. RIEHLMAN], the gentleman from Connecticut [Mr. SEELY-BROWN], the gentleman from Ohio [Mr. McCULLOCH], and the gentleman from Illinois [Mr. SHEEHAN]. The purpose and the effect of the amendments is, first, to encourage subcontracting in Government procurement and to provide incentives for small and independent business, secondly, to encourage prime contractors and subcontractors to subcontract the maximum proportion of their contracts and subcontracts and to provide the proper profit motives for small and independent business concerns, and thirdly, to expand the Government procurement base by providing much needed incentives and encouragement to small and independent business.

When these amendments become law, the Congress will have reaffirmed its long standing policy of assuring to small and independent business concerns a maximum proportion of the contracts for goods and services awarded by the various departments and agencies of the Federal Government.

In the midst of efforts to increase the small business share of military procurement, it has become evident that numerous phases of the Renegotiation Act operate to harm small business.

Since its enactment, the Renegotiation Act of 1951 has created inequities in the small business position and has served to deny to small business a fair opportunity to contribute its well recognized cost-savings skills in subcontracting operations.

It is the purpose of our amendments to reduce these unfair burdens upon small business and to stimulate small business participation in Government contracting, thus helping to reduce the net total cost of military procurement.

ENCOURAGEMENT OF SUBCONTRACTING

Many Members of Congress have been disturbed to find that the Renegotiation Act criteria for judging a contractor's performance, specifically, the requirement to consider the "extent of subcontracting," appears to have been interpreted so as to penalize a military contractor who, to any great extent, utilizes the skills of small-business subcontractors in an effort to reduce costs. It is evident that a clear expression of congressional intent to encourage efficient subcontracting would not only operate in the interest of small business, but would serve as incentive to reduce net costs in our national defense program.

The amendment offered to section 103 (e) of the Renegotiation Act of 1951, as amended, is designed to accomplish the purpose of encouraging subcontracting with small business by providing rewards to contractors in the form of proportionately higher profit allowances where it is evident that their small business subcontracting efforts are aimed at re-

ductions in the net cost of total production.

AWARDS TO LOW BIDDERS

Another serious consideration in the drafting of our proposals was the extent to which certain operating phases of the act tend to penalize the contractor who demonstrates the most efficiency. Thus, in the area of military procurement which is most highly competitive—that is, the type of procurement in which small business participates most actively—the successful low bidder for a contract continues to find himself exposed to the burdens of extra record-keeping and a Damocles sword of potential renegotiation liability.

We are all aware that active competition in our free-enterprise system is the most certain guaranty for economy in Government procurement operations. Therefore, our proposal is designed to encourage increased competition and bring the benefits of resulting lower prices to the Government by offering protection to the successful low bidder. By an addition to section 106 (a) of the act, we propose to make mandatory the exclusion of any contract or subcontract which has been awarded to the low bidder among three or more responsive bidders.

PRICE REDETERMINATION AND REVISION

As you know, many current contracts contain provisions for price redetermination or revision. Such types of contracts are generally used in the procurement of items for which there is insufficient production experience prior to the purchase of a particular item. Initial pricing in such contracts is based upon best estimates, but the contractor and military procurement agency agree to be guided by actual experience in making one or several subsequent price revisions to establish levels at which no more than reasonable profits shall accrue to the contractor. Obviously, the review and repricing procedure parallels the type of study made by the Renegotiation Board. The purpose of both procedures is identical. The requirement that a contractor who has been subjected to price redetermination repeat the process under renegotiation is to expose him to a form of double jeopardy and to impose upon him a further burden of excessive recordkeeping and financial insecurity.

Without question, this requirement is most burdensome on smaller businesses and discourages such firms from engaging in more active competition for Government contracts which they are well qualified to perform. Therefore, this amendment is designed to relieve such burdens and make mandatory the further exclusion of those contracts or subcontracts which, by their terms, are subject to price redetermination or price revision.

MINIMUM AMOUNTS SUBJECT TO RENEGOTIATION

It has become increasingly apparent that whatever degree of protection the Renegotiation Act currently affords is concentrated in the area of the most highly complex production, for example, the multimillion-dollar procurements of such items as supersonic mis-

siles—the areas of procurement where secrecy and complexity tend to limit direct competition. In spite of this, thousands of smaller firms engaged in the very highly competitive fields of components production, toolmaking, instrument manufacture, and the like, continue to bear the additional administrative costs and uncertainties which renegotiation procedures necessarily impose.

It is our considered opinion that such burdens on these smaller firms are unwise and unwarranted. We propose, therefore, that the minimum dollar value of nonexcluded contracts to which renegotiation is applicable be raised from the current level of \$500,000 to a new level of \$1 million. We do not believe that the profits of any firm at this level of business would be sufficient to warrant the costs involved in renegotiation from either the Government's viewpoint or from that of the concern which undergoes the renegotiation. Our present tax levels are assurance that no inordinate profits will be retained. In fact, it is very doubtful whether present taxes allow the smaller concerns to retain sufficient funds for growth and expansion.

We sincerely hope in the consideration of an extension of the Renegotiation Act, if it is decided to extend that act, that the Ways and Means Committee will afford small business concerns an opportunity to be heard. We especially request sympathetic consideration on the points which we have raised. In making our proposals we are aware that Public Law 216 of the 84th Congress, 1st session, authorizes and directs the Joint Committee on Internal Revenue Taxation to make a complete study of the Renegotiation Act in order to determine "whether there is any necessity of extending the Renegotiation Act of 1951 beyond December 31, 1956" and also "if any further extension is found necessary, the extent to which renegotiation of Government contracts should apply after such date."

It is because of the alternatives provided in the Renegotiation Act extension, as approved August 3, 1955, that we have offered for consideration proposals which we believe to be both necessary and desirable in any further extension of the Renegotiation Act.

The complete text of the bill follows:
A bill to amend the Renegotiation Act of 1951 to assist small business, and for other purposes

Be it enacted, etc.—

DECLARATION OF PURPOSE AND POLICY

SECTION 1. It is hereby declared to be the policy of the Congress, and the purpose of this act—

(1) to encourage subcontracting in Government procurement to provide incentives for small and independent business concerns,

(2) to encourage prime contractors and subcontractors to subcontract the maximum proportion of their contracts and subcontracts to provide the proper profit motives for small and independent business concerns as the cornerstone of our free enterprise system, and

(3) to expand the Government procurement base by providing incentives and encouragement to small and independent business concerns.

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The Congress hereby reaffirms its long-standing policy of assuring to small and independent business concerns a maximum proportion of the contracts for goods and services awarded by the various departments and agencies of the Federal Government.

ENCOURAGEMENT OF SUBCONTRACTING

SEC. 2. Section 103 (e) of the Renegotiation Act of 1951, as amended (setting forth factors to be taken into account in determining whether profits are excessive), is amended by adding at the end thereof the following: "In determining excessive profits, favorable recognition must be given to subcontracting to small and independent business concerns; and a contractor or subcontractor who achieves economies through the program of the Department of Defense and the Small Business Administration to increase the share of small and independent business concerns in military procurement shall, subject to other considerations set forth in this subsection, be provided incentive rewards through proportionately higher profit allowances. For purposes of the preceding sentence, the term 'small and independent business concerns' as of any time has the meaning then agreed to by the Department of Defense and the Small Business Administration."

MINIMUM AMOUNTS SUBJECT TO RENEGOTIATION

SEC. 3. (a) Paragraph (1) of section 105 (f) of the Renegotiation Act of 1951, as amended (relating to minimum amounts subject to renegotiation), is amended by striking out "or \$500,000 in the case of a fiscal year ending on or after June 30, 1953" each place it appears therein and inserting in lieu thereof "\$500,000 in the case of a fiscal year ending on or after June 30, 1953, and before July 1, 1956, or \$1,000,000 in the case of a fiscal year ending after June 30, 1956."

(b) The second sentence of paragraph (3) of such section 105 (f) is amended by inserting "the \$1,000,000 amount," after "the \$500,000 amount,".

EXEMPTION OF CERTAIN CONTRACTS AND SUBCONTRACTS SUBJECT TO PRICE REDETERMINATION OR AWARDED TO LOW BIDDERS

SEC. 4. Section 106 (a) of the Renegotiation Act of 1951, as amended (relating to mandatory exemptions from the act), is amended by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and the word "or" and by adding at the end thereof the following new paragraphs:

"(10) any fixed price or incentive-type contract or subcontract which, by its terms, is subject to price redetermination or price revision; or

"(11) any contract or subcontract which has been the subject of competitive bidding and has been awarded to the low bidder among three or more responsive and competitive bidders."

EFFECTIVE DATE

SEC. 5. The amendments made by sections 2 and 4 of this act shall apply only in respect of contracts with the Departments and subcontracts made after June 30, 1956.

BANK HOLDING COMPANY ACT OF 1956

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6227) to provide for the control and regulation of bank holding companies, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Strike out all after the enacting clause and insert: "That this act may be cited as the 'Bank Holding Company Act of 1956.'"

"DEFINITIONS

"SEC. 2 (a) 'Bank holding company' means any company (1) which directly or indirectly owns, controls, or holds with power to vote, 25 percent or more of the voting shares of each of two or more banks or of a company which is or becomes a bank holding company by virtue of this act, or (2) which controls in any manner the election of a majority of the directors of each of two or more banks, or (3) for the benefit of whose shareholders or members 25 percent or more of the voting shares of each of two or more banks or a bank holding company is held by trustees; and for the purposes of this act, any successor to any such company shall be deemed to be a bank holding company from the date as of which such predecessor company became a bank holding company. Notwithstanding the foregoing (A) no bank shall be a bank holding company by virtue of its ownership or control of shares in a fiduciary capacity, except where such shares are held for the benefit of the shareholders of such bank, (B) no company shall be a bank holding company which is registered under the Investment Company Act of 1940, and was so registered prior to May 15, 1955 (or which is affiliated with any such company in such manner as to constitute an affiliated company within the meaning of such act), unless such company (or such affiliated company), as the case may be, directly owns 25 percent or more of the voting shares of each of two or more banks, (C) no company shall be a bank holding company by virtue of its ownership or control of shares acquired by it in connection with its underwriting of securities and which are held only for such period of time as will permit the sale thereof upon a reasonable basis, (D) no company formed for the sole purpose of participating in a proxy solicitation shall be a bank holding company by virtue of its control of voting rights of shares acquired in the course of such solicitation, and (E) no company shall be a bank holding company if at least 80 percent of its total assets are composed of holdings in the field of agriculture.

"(b) 'Company' means any corporation, business trust, association, or similar organization, but shall not include (1) any corporation the majority of the shares of which are owned by the United States or by any State, or (2) any corporation or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, or educational purposes, no part of the net earnings of which inures to the benefit of any private share holders or individuals, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, or (3) any partnership.

"(c) 'Bank' means any national banking association or any State bank, savings bank, or trust company, but shall not include any organization operating under section 25 (a) of the Federal Reserve Act, or any organization which does not do business within the United States 'State member bank' means any State bank which is a member of the Federal Reserve System. 'District bank' means any State bank organized or operating under the Code of Law for the District of Columbia.

"(d) 'Subsidiary', with respect to a specified bank holding company, means (1) any company 25 percent or more of whose voting shares (excluding shares owned by the United States or by any company wholly owned by the United States) is owned or controlled by such bank holding company;

or (2) any company the election of a majority of whose directors is controlled in any manner by such bank holding company; or (3) any company 25 percent or more of whose voting shares are held by trustees for the benefit of the shareholders or members of such bank holding company.

"(e) The term 'successor' shall include any company which acquires directly or indirectly from a bank holding company shares of any bank, when and if the relationship between such company and the bank holding company is such that the transaction effects no substantial change in the control of the bank or beneficial ownership of such shares of such bank. The Board may, by regulation, further define the term 'successor' to the extent necessary to prevent evasion of the purposes of this act.

"(f) 'Board' means the Board of Governors of the Federal Reserve System.

"(g) 'Agriculture', as used in section 2 (a), includes farming in all its branches including fruitgrowing, dairying, the raising of livestock, bees, fur-bearing animals, or poultry, forestry or lumbering operations, and the production of naval stores, and operations directly related thereto.

"ACQUISITION OF BANK SHARES OR ASSETS

"Sec. 3. (a) It shall be unlawful except with the prior approval of the Board (1) for any action to be taken which results in a company becoming a bank holding company under section 2 (a) of this act; (2) for any bank holding company to acquire direct or indirect ownership or control of any voting shares of any bank if, after such acquisition, such company will directly or indirectly own or control more than 5 percent of the voting shares of such bank; (3) for any bank holding company or subsidiary thereof, other than a bank, to acquire all or substantially all of the assets of a bank; or (4) for any bank holding company to merge or consolidate with any other bank holding company. Notwithstanding the foregoing this prohibition shall not apply to (A) shares acquired by a bank, (1) in good faith in a fiduciary capacity, except where such shares are held for the benefit of the shareholders of such bank; or (11) in the regular course of securing or collecting a debt previously contracted in good faith, but any shares acquired after the date of enactment of this act in securing or collecting any such previously contracted debt shall be disposed of within a period of 2 years from the date on which they were acquired; or (B) additional shares acquired by a bank holding company in a bank in which such bank holding company owned or controlled a majority of the voting shares prior to such acquisition.

"(b) Upon receiving from a company any application for approval under this section, the Board shall give notice to the Comptroller of the Currency, if the applicant company or any bank the voting shares or assets of which are sought to be acquired is a national banking association or a District bank, or to the appropriate supervisory authority of the interested State, if the applicant company or any bank the voting shares or assets of which are sought to be acquired in a State bank, and shall allow 30 days within which the views and recommendations of the Comptroller of the Currency or the State supervisory authority, as the case may be, may be submitted. If the Comptroller of the Currency or the State supervisory authority so notified by the Board disapproves the application in writing within said 30 days, the Board shall forthwith give written notice of that fact to the applicant. Within 3 days after giving such notice to the applicant, the Board shall notify in writing the applicant and the disapproving authority of the date for commencement of a hearing by it on such application. Any such hearing shall be commenced not less than 10 nor more than 30 days after the Board has given written notice

to the applicant of the action of the disapproving authority. The length of any such hearing shall be determined by the Board, but it shall afford all interested parties a reasonable opportunity to testify at such hearing. At the conclusion thereof, the Board shall by order grant or deny the application on the basis of the record made at such hearing.

"(c) In determining whether or not to approve any acquisition or merger or consolidation under this section, the Board shall take into consideration the following factors: (1) the financial history and condition of the company or companies and the banks concerned; (2) their prospects; (3) the character of their management; (4) the convenience, needs, and welfare of the communities and the area concerned; and (5) whether or not the effect of such acquisition or merger or consolidation would be to expand the size or extent of the bank holding company system involved beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking.

"(d) Notwithstanding any other provision of this section, no application shall be approved under this section which will permit any bank holding company or any subsidiary thereof to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of any additional bank located outside of the State in which such bank holding company maintains its principal office and place of business or in which it conducts its principal operations unless the acquisition of such shares or assets of a State bank by an out-of-State bank holding company is specifically authorized by the statute laws of the State in which such bank is located, by language to that effect and not merely by implication.

"INTERESTS IN NONBANKING ORGANIZATIONS

"Sec. 4. (a) Except as otherwise provided in this act, no bank holding company shall—

"(1) after the date of enactment of this act acquire direct or indirect ownership or control of any voting shares of any company which is not a bank, or

"(2) after 2 years from the date of enactment of this act or from the date as of which it becomes a bank holding company, whichever is later, retain direct or indirect ownership or control of any voting shares of any company which is not a bank or a bank holding company or engage in any business other than that of banking or of managing or controlling banks or of furnishing services to or performing services for any bank of which it owns or controls 25 percent or more of the voting shares.

The Board is authorized, upon application by a bank holding company, to extend the period referred to in paragraph (2) above from time to time as to such bank holding company for not more than 1 year at a time if, in its judgment, such an extension would not be detrimental to the public interest, but no such extensions shall extend beyond a date 5 years after the date of enactment of this act or 5 years after the date as of which a company becomes a bank holding company, whichever is later.

"(b) After two years from the date of enactment of this act, no certificate evidencing shares of any bank holding company shall bear any statement purporting to represent shares of any other company except a bank or a bank holding company, nor shall the ownership, sale, or transfer of shares of any bank holding company be conditioned in any manner whatsoever upon the ownership, sale, or transfer of shares of any other company except a bank or a bank holding company.

"(c) The prohibitions in this section shall not apply—

"(1) to shares owned or acquired by a bank holding company in any company engaged solely in holding or operating prop-

erties used wholly or substantially by any bank with respect to which it is a bank holding company in its operations or acquired for such future use or engaged solely in conducting a safe deposit business, or solely in the business of furnishing services to or performing services for such holding company and banks with respect to which it is a bank holding company, or in liquidating assets acquired from such bank holding company and such banks;

"(2) to shares acquired by a bank holding company which is a bank, or by any banking subsidiary of a bank holding company, in satisfaction of a debt previously contracted in good faith, but such bank holding company or such subsidiaries shall dispose of such shares within a period of 2 years from the date on which they were acquired or from the date of enactment of this act, whichever is later;

"(3) to shares acquired by a bank holding company from any of its subsidiaries which subsidiary has been requested to dispose of such shares by any Federal or State authority having statutory power to examine such subsidiary, but such bank holding company shall dispose of such shares within a period of 2 years from the date on which they were acquired or from the date of enactment of this act, whichever is later;

"(4) to shares which are held or acquired by a bank holding company which is a bank or by any banking subsidiary of a bank holding company, in good faith in a fiduciary capacity, except where such shares are held for the benefit of the shareholders of such bank holding company or any of its subsidiaries, or to shares which are of the kinds and amounts eligible for investment by national banking associations under the provisions of section 5136 of the Revised Statutes, or to shares lawfully acquired and owned prior to the date of enactment of this act by a bank which is a bank holding company, or by any of its wholly owned subsidiaries;

"(5) to shares of any company which are held or acquired by a bank holding company which do not include more than 5 percent of the outstanding voting securities of such company, and do not have a value greater than 5 percent of the value of the total assets of the bank holding company, or to the ownership by a bank holding company of shares, securities, or obligations of an investment company which is not a bank holding company and which is not engaged in any business other than investing in securities, which securities do not include more than 5 percent of the outstanding voting securities of any company and do not include any single asset having a value greater than 5 percent of the value of the total assets of the bank holding company;

"(6) to shares of any company all the activities of which are of a financial, fiduciary, or insurance nature and which the Board after due notice and hearing, and on the basis of the record made at such hearing, by order has determined to be so closely related to the business of banking or of managing or controlling banks as to be a proper incident thereto and as to make it unnecessary for the prohibitions of this section to apply in order to carry out the purposes of this act;

"(7) to any bank holding company which is a labor, agricultural, or horticultural organization and which is exempt from taxation under section 501 of the Internal Revenue Code of 1954; or

"(8) to shares held or acquired by a bank holding company in any company which is organized under the laws of a foreign country and which is engaged principally in the banking business outside the United States.

"ADMINISTRATION

"Sec. 5. (a) Within 180 days after the date of enactment of this act, or within 180 days

after becoming a bank holding company, whichever is later, each bank holding company shall register with the Board on forms prescribed by the Board, which shall include such information with respect to the financial condition and operations, management, and intercompany relationships of the banking holding company and its subsidiaries, and related matters, as the Board may deem necessary or appropriate to carry out the purposes of this act. The Board may, in its discretion, extend the time within which a bank holding company shall register and file the requisite information.

"(b) The Board is authorized to issue such regulations and orders as may be necessary to enable it to administer and carry out the purposes of this act and prevent evasions thereof.

"(c) The Board from time to time may require reports under oath to keep it informed as to whether the provisions of this act and such regulations and orders issued thereunder have been complied with; and the Board may make examinations of each bank holding company and each subsidiary thereof, the cost of which shall be assessed against, and paid by, such holding company. The Board shall, as far as possible, use the reports of examinations made by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or the appropriate State bank supervisory authority for the purposes of this section.

"(d) Before the expiration of 2 years following the date of enactment of this act, and each year thereafter in the Board's annual report to the Congress, the Board shall report to the Congress the results of the administration of this act, stating what, if any, substantial difficulties have been encountered in carrying out the purposes of this act, and any recommendations as to changes in the law which in the opinion of the Board would be desirable.

"BORROWING BY BANK HOLDING COMPANY OR ITS SUBSIDIARIES

"Sec. 6. (a) From and after the date of enactment of this act, it shall be unlawful for a bank—

"(1) to invest any of its funds in the capital stock, bonds, debentures, or other obligations of a bank holding company of which it is a subsidiary, or of any other subsidiary of such bank holding company;

"(2) to accept the capital stock, bonds, debentures, or other obligations of a bank holding company of which it is a subsidiary or any other subsidiary of such bank holding company, as collateral security for advances made to any person or company: *Provided, however,* That any bank may accept such capital stock, bonds, debentures, or other obligations as security for debts previously contracted, but such collateral shall not be held for a period of over 2 years;

"(3) to purchase securities, other assets or obligations under repurchase agreement from a bank holding company of which it is a subsidiary or any other subsidiary of such bank holding company; and

"(4) to make any loan, discount or extension of credit to a bank holding company of which it is a subsidiary or to any other subsidiary of such bank holding company.

"Non-interest-bearing deposits to the credit of a bank shall not be deemed to be a loan or advance to the bank or deposit, nor shall the giving of immediate credit to a bank upon uncollected items received in the ordinary course of business be deemed to be a loan or advance to the depositing bank.

"(b) The provisions of this section shall not apply (1) to the capital stock, bonds, debentures, or other obligations of any company described in section 4 (c) (1) of this act, or (2) to any company whose subsidiary status has arisen out of a bona fide debt to the bank contracted prior to the date of the creation of such status, or (3) to any company whose subsidiary status exists by reason

of the ownership or control or voting shares thereof by the bank as executor, administrator, trustee, receiver, agent, or depositary, or in any other fiduciary capacity, except where such shares are held for the benefit of all or a majority of the stockholders of such bank.

"RESERVATION OF RIGHTS TO STATES

"Sec. 7. The enactment by the Congress of the Bank Holding Company Act of 1956 shall not be construed as preventing any State from exercising such powers and jurisdiction which it now has or may hereafter have with respect to banks, bank holding companies, and subsidiaries thereof.

"PENALTIES

"Sec. 8. Any company which willfully violates any provision of this act, or any regulation or order issued by the Board pursuant thereto, shall upon conviction be fined not more than \$1,000 for each day during which the violation continues. Any individual who willfully participates in a violation of any provision of this act shall upon conviction be fined not more than \$10,000 or imprisoned not more than 1 year, or both. Every officer, director, agent, and employee of a bank holding company shall be subject to the same penalties for false entries in any book, report, or statement of such bank holding company as are applicable to officers, directors, agents, and employees of member banks for false entries in any books, reports, or statements of member banks under section 1005 of title 18, United States Code.

"JUDICIAL REVIEW

"Sec. 9. Any party aggrieved by an order of the Board under this act may obtain a review of such order in the United States Court of Appeals within any circuit wherein such party has its principal place of business, or in the Court of Appeals in the District of Columbia, by filing in the court, within 60 days after the entry of the Board's order, a petition praying that the order of the Board be set aside. A copy of such petition shall be forthwith served upon the Board, and thereupon the Board shall certify and file in the court a transcript of the record made before the Board. Upon the filing of the transcript the court shall have jurisdiction to affirm, set aside, or modify the order of the Board and to require the Board to take such action with regard to the matter under review as the court deems proper. The findings of the Board as to the facts, if supported by substantial evidence, shall be conclusive.

"AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

"Sec. 10. (a) Subchapter O of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new part:

"Part VIII—Distributions pursuant to Bank Holding Company Act of 1956

"Sec. 1101. Distributions pursuant to Bank Holding Company Act of 1956.

"Sec. 1102. Special rules.

"Sec. 1103. Definitions.

"Sec. 1101. Distributions pursuant to Bank Holding Company Act of 1956.

"(a) Distributions of certain non-banking property.—

"(1) Distributions of prohibited property.—If—

"(A) a qualified bank holding corporation distributes prohibited property (other than stock received in an exchange to which subsection (c) (2) applies)—

"(i) to a shareholder (with respect to its stock held by such shareholder), without the surrender by such shareholder of stock in such corporation; or

"(ii) to a shareholder, in exchange for its preferred stock; or

"(iii) to a security holder, in exchange for its securities; and

"(B) the Board has, before the distribution, certified that the distribution of such

prohibited property is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act of 1956, then no gain to the shareholder or security holder from the receipt of such property shall be recognized.

"(2) Distributions of stock and securities received in an exchange to which subsection (c) (2) applies.—If—

"(A) a qualified bank holding corporation distributes—

"(i) common stock received in an exchange to which subsection (c) (2) applies to a shareholder (with respect to its stock held by such shareholder), without the surrender by such shareholder of stock in such corporation; or

"(ii) common stock received in an exchange to which subsection (c) (2) applies to a shareholder, in exchange for its common stock; or

"(iii) preferred stock or common stock received in an exchange to which subsection (c) (2) applies to a shareholder, in exchange for its preferred stock; or

"(iv) securities or preferred or common stock received in an exchange to which subsection (c) (2) applies to a security holder in exchange for its securities; and

"(B) any preferred stock received has substantially the same terms as the preferred stock exchanged, and any securities received have substantially the same terms as the securities exchanged, then, except as provided in subsection (f), no gain to the shareholder or security holder from the receipt of such stock or such securities or such stock and securities shall be recognized.

"(3) Non pro rata distributions: Paragraphs (1) and (2) shall apply to a distribution whether or not the distribution is pro rata with respect to all of the shareholders of the distributing qualified bank holding corporation.

"(4) Exception: This subsection shall not apply to any distribution by a corporation which has made any distribution pursuant to subsection (b).

"(5) Distributions involving gift or compensation.—

"In the case of a distribution to which paragraph (1) or (2) applies, but which—

"(A) results in a gift, see section 2501, and following, or

"(B) has the effect of the payment of compensation, see section 61 (a) (1).

"(b) Corporation ceasing to be a bank holding company.—

"(1) Distributions of property which cause a corporation to be a bank holding company: If—

"(A) a qualified bank holding corporation distributes property (other than stock received in an exchange to which subsection (c) (3) applies)—

"(i) to a shareholder (with respect to its stock held by such shareholder), without the surrender by such shareholder of stock in such corporation; or

"(ii) to a shareholder, in exchange for its preferred stock; or

"(iii) to a security holder, in exchange for its securities; and

"(B) the Board has, before the distribution, certified that—

"(i) such property is all or part of the property by reason of which such corporation controls (within the meaning of section 2 (a) of the Bank Holding Company Act of 1956) a bank or bank holding company, or such property is part of the property by reason of which such corporation did control a bank or a bank holding company before any property of the same kind was distributed under this subsection or exchanged under subsection (c) (3); and

"(ii) the distribution is necessary or appropriate to effectuate the policies of such act, then no gain to the shareholder or security holder from the receipt of such property shall be recognized.

"(2) Distributions of stock and securities received in an exchange to which subsection (c) (3) applies: If—

"(A) a qualified bank holding corporation distributes—

"(i) common stock received in an exchange to which subsection (c) (3) applies to a shareholder (with respect to its stock held by such shareholder), without the surrender by such shareholder of stock in such corporation; or

"(ii) common stock received in an exchange to which subsection (c) (3) applies to a shareholder, in exchange for its common stock; or

"(iii) preferred stock or common stock received in an exchange to which subsection (c) (3) applies to a shareholder, in exchange for its preferred stock; or

"(iv) securities or preferred or common stock received in an exchange to which subsection (c) (3) applies to a security holder, in exchange for its securities; and

"(B) any preferred stock received has substantially the same terms as the preferred stock exchanged, and any securities received have substantially the same terms as the securities exchanged,

then, except as provided in subsection (f), no gain to the shareholder or security holder from the receipt of such stock or such securities or such stock and securities shall be recognized.

"(3) Non pro rata distributions: Paragraphs (1) and (2) shall apply to a distribution whether or not the distribution is pro rata with respect to all of the shareholders of the distributing qualified bank holding corporation.

"(4) Exception: This subsection shall not apply to any distribution by a corporation which has made any distribution pursuant to subsection (a).

"(5) Distributions involving gift or compensation.—

"In the case of a distribution to which paragraph (1) or (2) applies, but which—

"(A) results in a gift, see section 2501, and following, or

"(B) has the effect of the payment of compensation, see section 61 (a) (1).

"(c) Property acquired after May 15, 1955.—

"(1) In general: Except as provided in paragraphs (2) and (3), subsection (a) or (b) shall not apply to—

"(A) any property acquired by the distributing corporation after May 15, 1955, unless (i) gain to such corporation with respect to the receipt of such property was not recognized by reason of subsection (a) or (b), or (ii) such property was received by it in exchange for all of its stock in an exchange to which paragraph (2) or (3) applies, or (iii) such property was acquired by the distributing corporation in a transaction in which gain was not recognized under section 305 (a) or section 332, or under section 354 with respect to a reorganization described in section 368 (a) (1) (E) or (F), or

"(B) any property which was acquired by the distributing corporation in a distribution with respect to stock acquired by such corporation after May 15, 1955, unless such stock was acquired by such corporation (i) in a distribution (with respect to stock held by it on May 15, 1955, or with respect to stock in respect of which all previous applications of this clause are satisfied) with respect to which gain to it was not recognized by reason of subsection (a) or (b), or (ii) in exchange for all of its stock in an exchange to which paragraph (2) or (3) applies, or (iii) in a transaction in which gain was not recognized under section 305 (a) or section 332, or under section 354 with respect to a reorganization described in section 368 (a) (1) (E) or (F), or

"(C) any property acquired by the distributing corporation in a transaction in

which gain was not recognized under section 332, unless such property was acquired from a corporation which, if it had been a qualified bank holding corporation, could have distributed such property under subsection (a) (1) or (b) (1).

"(2) Exchanges involving prohibited property.—If—

"(A) any qualified bank holding corporation exchanges (i) property, which, under subsection (a) (1), such corporation could distribute directly to its shareholders or security holders without the recognition of gain to such shareholders or security holders, and other property (except property described in subsection (b) (1) (B) (i)), for (ii) all of the stock of a second corporation created and availed of solely for the purpose of receiving such property;

"(B) immediately after the exchange, the qualified bank holding corporation distributes all of such stock in a manner prescribed in subsection (a) (2) (A); and

"(C) before such exchange, the Board has certified (with respect to the property exchanged which consists of property which, under subsection (a) (1), such corporation could distribute directly to its shareholders or security holders without the recognition of gain) that the exchange and distribution are necessary or appropriate to effectuate section 4 of the Bank Holding Company Act of 1956,

then paragraph (1) shall not apply with respect to such distribution.

"(3) Exchanges involving interests in banks.—If—

"(A) any qualified bank holding corporation exchanges (i) property which, under subsection (b) (1), such corporation could distribute directly to its shareholders or security holders without the recognition of gain to such shareholders or security holders, and other property (except prohibited property), for (ii) all of the stock of a second corporation created and availed of solely for the purpose of receiving such property;

"(B) immediately after the exchange, the qualified bank holding corporation distributes all of such stock in a manner prescribed in subsection (b) (2) (A); and

"(C) before such exchange, the Board has certified (with respect to the property exchanged which consists of property which, under subsection (b) (1), such corporation could distribute directly to its shareholders or security holders without the recognition of gain) that—

"(i) such property is all or part of the property by reason of which such corporation controls (within the meaning of section 2 (a) of the Bank Holding Company Act of 1956) a bank or bank holding company, or such property is part of the property by reason of which such corporation did control a bank or a bank holding company before any property of the same kind was distributed under subsection (b) (1) or exchanged under this paragraph; and

"(ii) the exchange and distribution are necessary or appropriate to effectuate the policies of such act,

then paragraph (1) shall not apply with respect to such distribution.

"(d) Distributions to avoid Federal income tax—

"(1) Prohibited property: Subsection (a) shall not apply to a distribution if, in connection with such distribution, the distributing corporation retains, or transfers after May 15, 1955, to any corporation, property (other than prohibited property) as part of a plan one of the principal purposes of which is the distribution of the earnings and profits of any corporation.

"(2) Banking property: Subsection (b) shall not apply to a distribution if, in connection with such distribution, the distributing corporation retains, or transfers after May 15, 1955, to any corporation, prop-

erty (other than property described in subsection (b) (1) (B) (i)) as part of a plan one of the principal purposes of which is the distribution of the earnings and profits of any corporation.

"(3) Certain contributions to capital: In the case of a distribution a portion of which is attributable to a transfer which is a contribution to the capital of a corporation, made after May 15, 1955, and prior to the date of the enactment of this part, if subsection (a) or (b) would apply to such distribution but for the fact that, under paragraph (1) or (2) (as the case may be) of this subsection, such contribution to capital is part of a plan one of the principal purposes of which is to distribute the earnings and profits of any corporation, then, notwithstanding paragraph (1) or (2), subsection (a) or (b) (as the case may be) shall apply to that portion of such distribution not attributable to such contribution to capital, and shall not apply to that portion of such distribution attributable to such contribution to capital.

"(e) Final certification.—

"(1) For subsection (a): Subsection (a) shall not apply with respect to any distribution by a corporation unless the Board certifies that, before the expiration of the period permitted under section 4 (a) of the Bank Holding Company Act of 1956 (including any extensions thereof granted to such corporation under such section 4 (a)), the corporation has disposed of all the property the disposition of which is necessary or appropriate to effectuate section 4 of such act (or would have been so necessary or appropriate if the corporation had continued to be a bank holding company).

"(2) For subsection (b)—

"(A) Subsection (b) shall not apply with respect to any distribution by any corporation unless the Board certifies that, before the expiration of the period specified in subparagraph (B), the corporation has ceased to be a bank holding company.

"(B) The period referred to in subparagraph (A) is the period which expires 2 years after the date of the enactment of this part or 2 years after the date on which the corporation becomes a bank holding company, whichever date is later. The Board is authorized, on application by any corporation, to extend such period from time to time with respect to such corporation for not more than 1 year at a time if, in its judgment, such an extension would not be detrimental to the public interest; except that such period may not in any case be extended beyond the date 5 years after the date of the enactment of this part or 5 years after the date on which the corporation becomes a bank holding company, whichever date is later.

"(f) Certain exchanges of securities: In the case of an exchange described in subsection (a) (2) (A) (iv) or subsection (b) (2) (A) (iv), subsection (a) or subsection (b) (as the case may be) shall apply only to the extent that the principal amount of the securities received does not exceed the principal amount of the securities exchanged.

"Sec. 1102. Special rules.

"(a) Basis of property acquired in distributions: If, by reason of section 1101, gain is not recognized with respect to the receipt of any property, then, under regulations prescribed by the Secretary or his delegate—

"(1) if the property is received by a shareholder with respect to stock, without the surrender by such shareholder of stock, the basis of the property received and of the stock with respect to which it is distributed shall, in the distributee's hands, be determined by allocating between such property and such stock the adjusted basis of such stock; or

"(2) if the property is received by a shareholder in exchange for stock or by a security holder in exchange for securities,

the basis of the property received shall, in the distributee's hands, be the same as the adjusted basis of the stock or securities exchanged, increased by—

“(A) the amount of the property received which was treated as a dividend, and

“(B) the amount of gain to the taxpayer recognized on the property received (not including any portion of such gain which was treated as a dividend).

“(b) Periods of limitation: The periods of limitation provided in section 6501 (relating to limitations on assessment and collection) shall not expire, with respect to any deficiency (including interest and additions to the tax) resulting solely from the receipt of property by shareholders in a distribution which is certified by the Board under subsection (a), (b), or (c) of section 1101, until 5 years after the distributing corporation notifies the Secretary or his delegate (in such manner and with such accompanying information as the Secretary or his delegate may by regulations prescribe) that the period (including extensions thereof) prescribed in section 4 (a) of the Bank Holding Company Act of 1956, or section 1101 (e) (2) (B), whichever is applicable, has expired; and such assessment may be made notwithstanding any provision of law or rule of law which would otherwise prevent such assessment.

“(c) Allocation of earnings and profits:

“(1) Distribution of stock in a controlled corporation: In the case of a distribution by a qualified bank holding corporation under section 1101 (a) (1) or (b) (1) of stock in a controlled corporation, proper allocation with respect to the earnings and profits of the distributing corporation and the controlled corporation shall be made under regulations prescribed by the Secretary or his delegate.

“(2) Exchanges described in section 1101 (c) (2) or (3): In the case of any exchange described in section 1101 (c) (2) or (3) proper allocation with respect to the earnings and profits of the corporation transferring the property and the corporation receiving such property shall be made under regulations prescribed by the Secretary or his delegate.

“(3) Definition of controlled corporation: For purposes of paragraph (1), the term “controlled corporation” means a corporation with respect to which at least 80 percent of the total combined voting power of all classes of stock entitled to vote and at least 80 percent of the total number of shares of all other classes of stock is owned by the distributing qualified bank holding corporation.

“(d) Itemization of property: In any certification under this part, the Board shall make such specification and itemization of property as may be necessary to carry out the provisions of this part.

“Sec. 1103. Definitions.

“(a) Bank holding company: For purposes of this part, the term “bank holding company” has the meaning assigned to such term by section 2 of the Bank Holding Company Act of 1956.

“(b) Qualified bank holding corporation:

“(1) In general: Except as provided in paragraph (2), for purposes of this part the term “qualified bank holding corporation” means any corporation (as defined in section 7701 (a) (3)) which is a bank holding company and which holds prohibited property acquired by it—

“(A) on or before May 15, 1955,

“(B) in a distribution in which gain to such corporation with respect to the receipt of such property was not recognized by reason of subsection (a) or (b) of section 1101, or

“(C) in exchange for all of its stock in an exchange described in section 1101 (c) (2) or (c) (3).

“(2) Limitations:

“(A) A bank holding company shall not be a qualified bank holding corporation, unless it would have been a bank holding company on May 15, 1955, if the Bank Holding Company Act of 1956 had been in effect on such date, or unless it is a bank holding company determined solely by reference to—

“(i) property acquired by it on or before May 15, 1955,

“(ii) property acquired by it in a distribution in which gain to such corporation with respect to the receipt of such property was not recognized by reason of subsection (a) or (b) of section 1101, and

“(iii) property acquired by it in exchange for all of its stock in an exchange described in section 1101 (c) (2) or (3).

“(B) A bank holding company shall not be a qualified bank holding corporation by reason of property described in subparagraph (B) of paragraph (1) or clause (ii) of subparagraph (A) of this paragraph, unless such property was acquired in a distribution with respect to stock, which stock was acquired by such bank holding company—

“(i) on or before May 15, 1955,

“(ii) in a distribution (with respect to stock held by it on May 15, 1955, or with respect to stock in respect of which all previous applications of this clause are satisfied) with respect to which gain to it was not recognized by reason of subsection (a) or (b) of section 1101, or

“(iii) in exchange for all of its stock in an exchange described in section 1101 (c) (2) or (3).

“(C) A corporation shall be treated as a qualified bank holding corporation only if the Board certifies that it satisfies the foregoing requirements of this subsection.

“(c) Prohibited property: For purposes of this part, the term “prohibited property” means, in the case of any bank holding company, property (other than nonexempt property) the disposition of which would be necessary or appropriate to effectuate section 4 of the Bank Holding Company Act of 1956 if such company continued to be a bank holding company beyond the period (including any extensions thereof) specified in subsection (a) of such section or in section 1101 (e) (2) (B) of this part, as the case may be. The term “prohibited property” does not include shares of any company held by a bank holding company to the extent that the prohibitions of section 4 of the Bank Holding Company Act of 1956 do not apply to the ownership by such bank holding company of such property by reason of subsection (c) (5) of such section.

“(d) Nonexempt property: For purposes of this part, the term “nonexempt property” means—

“(1) obligations (including notes, drafts, bills of exchange, and bankers' acceptances) having a maturity at the time of issuance of not exceeding 24 months, exclusive of days of grace;

“(2) securities issued by or guaranteed as to principal or interest by a government or subdivision thereof or by any instrumentality of a government or subdivision; or

“(3) money, and the right to receive money not evidenced by a security or obligation (other than a security or obligation described in paragraph (1) or (2)).

“(e) Board: For purposes of this part, the term “Board” means the Board of Governors of the Federal Reserve System.

“(b) The table of parts for subchapter O of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

“Part VIII. Distributions pursuant to Bank Holding Company Act of 1956.”

“(c) The amendments made by this section shall apply with respect to taxable years ending after the date of the enactment of this act.

“SAVING PROVISION

“Sec. 11. Nothing herein contained shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything herein contained constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct.

“SEPARABILITY OF PROVISIONS

“Sec. 12. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.”

Amend the title so as to read: “An act to define bank holding companies, control their future expansion, and require their divestment of their nonbanking interests.”

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MARTIN. Mr. Speaker, reserving the right to object, do these Senate amendments make any material changes in the legislation as it was passed by the House?

Mr. SPENCE. I think not. They make some change, but no material change. I can say that the independent bankers are very much interested in the bill and are anxious to have the bill passed.

Mr. MARTIN. Is the gentleman from Michigan [Mr. Wolcott] in favor of this?

Mr. SPENCE. I have spoken with the gentleman from Michigan [Mr. Wolcott] and he was in favor of this procedure.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

HYDROGEN BOMB TESTS

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, last Saturday, April 21, the titular leader of the Democratic Party, former Governor Adlai E. Stevenson made a rather astounding proposal in a speech before the American Society of Newspaper Editors. He severely criticized the foreign policy of the United States as administered by the Eisenhower Republican administration and climaxed his talk with the suggestion that the United States “give prompt and earnest consideration to stopping further tests of the hydrogen bomb.”

I do not know how much Governor Stevenson knows about nuclear warfare or the development of nuclear weapons.

I do not know whether he has information on the relative position of the United States and Russia in this respect.

But millions of Americans must have been disturbed and shocked to hear his proposal—made so blithely—and yet possessing such dangerous and far-reaching potentialities.

Now it is interesting to note what kind of reaction Governor Stevenson's speech received in Communist Russia and I have here in my hand a news dispatch from the United Press this morning. It was sent at 10:21 a. m. and it reads as follows:

Moscow.—Today's issue of the Communist organ Pravda contained extensive excerpts from Adlai Stevenson's speech attacking President Eisenhower's foreign policy.

Pravda did not comment on the speech, contenting itself with quotations of Stevenson's demand that the United States halt its hydrogen-bomb tests, his criticisms of the President and Secretary of State John Foster Dulles and his description of successful Soviet penetration of underdeveloped nations.

Yesterday's Pravda published a critical report of Mr. Eisenhower's ASNE speech in less than half the space it devoted to Stevenson today.

CERTAIN ACTIVITIES REGARDING POWER, DEPARTMENT OF THE INTERIOR

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. CHUDOFF] is recognized for 15 minutes.

Mr. CHUDOFF. Mr. Speaker, I have today introduced two bills designed to carry out the two legislative recommendations made by the Committee on Government Operations on its 13th Intermediate Report to the 84th Congress. This report is titled "Certain Activities Regarding Power, Department of the Interior—Changes in Powerline regulations."

The first bill is one to provide for the publication of advance notice of rules and regulations relating to lands and natural resources owned by the United States.

An investigation of the Subcommittee on Public Works and Resources of the Committee on Government Operations, described in the report, disclosed that certain very important changes in the Interior Department's powerline regulations, were obtained from the western power companies for Under Secretary of the Interior Clarence A. Davis, at his request, by a lobbyist of the Pacific Gas & Electric Co. These changes were highly detrimental to rural electric co-operatives and to public agencies which have a statutory preference right to federally generated power. They were then quietly engineered through the Department by Mr. Davis so that even the heads of the agencies in the Department which deal with land and power did not know what was going on. Preference customers and their representatives were kept completely in the dark until after the regulations were put into effect.

All this was possible because the provisions of the Administrative Procedure Act which provide for notice in the case

of rulemaking do not apply to lands and natural resources owned by the Government. These lands and resources, involving mining, oil and gas production, timber, grazing, recreation and hunting and fishing, to name only a few uses, are continually increasing in importance to our citizens and our economy. They must not be administered behind closed doors or through quietly arranged deals.

The first bill I have introduced will help to bring their administration into the open, where it should be, and will provide a definite step forward in the democratic administration of our public domain.

The second bill I have introduced is entitled "To facilitate the transmission of electric power by the United States."

This bill is designed to restore in the form of law a very important regulation which Mr. Davis repealed at the request of the Pacific Gas and Electric Co. The bill provides, as did the repealed regulation, that anyone who gets permission to build an electric power line, other than a low-voltage distribution line across lands of the United States must agree to let the Government utilize for the transmission of Government power any excess capacity in the line not needed by its owner so long as the owner does not need the capacity. It also allows the Government to increase the capacity of the lines to carry its power. In each case, of course, the Government must pay its share of the original and maintenance costs of the line. The bill gives reciprocal use of Government lines to the power companies on the same terms. It contains provisions to protect the power companies against pirating of its private customers by the Government.

I am sure that most, if not all, of us are aware of the great difficulties the Government has in securing reasonable wheeling agreements with the power companies who wish to monopolize and control power generated at Federal dams. Time after time Congress has had to appropriate or threaten to appropriate funds for duplicate lines before the companies have agreed to wheel. The repealed regulations provided an effective tool in securing reasonable wheeling arrangements. Under Secretary Davis, at the power companies' request, destroyed the tool. This bill will restore it and protect it from destruction by administrators who are bent on destroying the power policies established by Congress.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. SCOTT (at the request of Mr. SIMPSON of Pennsylvania), for balance of week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House following the legislative program and any special orders heretofore entered, was granted to Mrs. ROGERS of Massachusetts, for 5 minutes tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. SAYLOR.

Mr. ENGLE and to include extraneous matter.

Mr. MCGREGOR, the remarks he will make in the Committee of the Whole today and to include various charts and extraneous matter.

Mr. DONDERO, the remarks he will make in the Committee of the Whole today and to include charts and extraneous matter.

Mr. BAILEY.

Mr. MCCORMACK (at the request of Mr. ALBERT) and to include a letter.

Mr. EBERHARTER (at the request of Mr. CHUDOFF).

Mr. FJARE.

Mr. PRICE.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 76. Concurrent resolution amending Senate Concurrent Resolution 67, favoring the suspension of deportation in the cases of certain aliens; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 10754. An act to authorize the Honorable SAM RAYBURN, Speaker of the House of Representatives, to accept and wear the award of the Order of Sikatuna, Lakan Class, tendered by the Government of the Republic of the Philippines; and

H. J. Res. 457. Joint resolution for the relief of certain relatives of United States citizens.

ADJOURNMENT

Mr. GRAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 21 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, April 27, 1956, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1786. A letter from the Secretary of State, transmitting a draft of proposed legislation entitled "A bill to authorize an appropriation to provide for certain costs of United States participation in the International Bureau for the Publication of Customs Tariffs"; to the Committee on Foreign Affairs.

1787. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill relating to the management of the Red Lake Indian Forest and Sawmill"; to the Committee on Interior and Insular Affairs.

1788. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting additional information relative to the cases of Sang Cheng Dwu, A-6849887, and Mary Hsiang-Yuin Dwu nee Kwei, A-6620858, involving the provisions of section 6 of the Refugee Relief Act of 1953, as amended, and requesting that they be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1789. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting additional information relative to the case of James Henry, A-4962265, involving suspension of deportation, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1790. A letter from the Commissioner, Immigration and Naturalization Service, United States Department of Justice, transmitting additional information relative to the case of Sing Sung Poa, A-9767561, involving the provisions of section 6 of the Refugee Relief Act of 1953, as amended, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1791. A letter from the Secretary of Defense, transmitting a report received from the Department of the Air Force covering a violation of section 3679, Revised Statutes, and Department of Defense Directive 7300.1 entitled "Administrative Control of Appropriations Within the Department of Defense," pursuant to section 3679 (1) (2), Revised Statutes; to the Committee on Appropriations.

1792. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to amend the act of August 5, 1953 (ch. 321 (67 Stat. 363)); to the Committee on Armed Services.

1793. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to authorize the establishment of 35 positions for specially qualified scientific and professional personnel in the Department of Commerce with rates of compensation at rates not to exceed the maximum rate payable under Public Law 313, 80th Congress, as amended and supplemented"; to the Committee on Post Office and Civil Service.

1794. A letter from the Secretary of Commerce, transmitting the annual report of the Foreign-Trade Zones Board for the fiscal year ended June 30, 1955, together with the reports covering the operations during the same period of Foreign-Trade Zones Nos. 1, 2, 3, 4, and 5, located, respectively, at New York City, New Orleans, San Francisco, Los Angeles, and Seattle, pursuant to section 16 of the Foreign-Trade Zones Act of June 18, 1934, as amended by Public Law No. 566, 81st Congress, approved June 17, 1950; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BARDEN: Committee on Education and Labor. H. R. 10765. A bill to amend the Longshoremen's and Harbor Workers' Com-

pensation Act, as amended, to provide increased benefits in case of disabling injuries, and for other purposes; without amendment (Rept. No. 2067). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. House Joint Resolution 516. Joint resolution for payment to Crow Indian Tribe for consent to transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin unit, Missouri River Basin project, Montana-Wyoming; with amendment (Rept. No. 2068). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Joint Resolution 569. Joint resolution to provide for a joint session of the Congress to honor the surviving veterans of the War Between the States, and to provide for a medal to be struck and presented to such veterans; with amendment (Rept. No. 2069). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOWDY: Committee on Post Office and Civil Service. H. R. 9842. A bill to authorize the Postmaster General to hold and detain mail for temporary periods in certain cases; with amendment (Rept. No. 2073). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Miss THOMPSON of Michigan: Committee on the Judiciary. House Joint Resolution 609. Joint resolution for the relief of certain aliens; without amendment (Rept. No. 2070). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 605. Joint resolution for the relief of certain aliens; with amendment (Rept. No. 2071). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 877. A bill for the relief of Mrs. Rose Amoresano and her children; with amendment (Rept. No. 2072). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. FARRINGTON:

H. R. 10829. A bill to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to provide for the designation of a Hawaii defense highway system; to the Committee on Public Works.

By Mr. GEORGE:

H. R. 10830. A bill to provide for the control of destructive aphids; to the Committee on Agriculture.

By Mr. HAYWORTH:

H. R. 10831. A bill to amend the Federal Credit Union Act with reference to procedure as to making loans by Federal credit unions and to provide authorization for loan officers of Federal credit unions; to the Committee on Banking and Currency.

H. R. 10832. A bill to amend the Federal Credit Union Act so as specifically to authorize the organization of Federal central credit unions and to authorize Federal credit unions to invest in the shares of, and become members of, central credit unions organized under such act or other laws; to the Committee on Banking and Currency.

By Mr. SIMPSON of Pennsylvania:

H. R. 10833. A bill to recognize for income-tax purposes prepaid income accounting and reserves for estimated expenses; to the Committee on Ways and Means.

H. R. 10834. A bill relating to the definition of a personal holding company in the case of corporations filing consolidated income-tax returns; to the Committee on Ways and Means.

By Mr. TABER:

H. R. 10835. A bill to transfer the operation of the Continental Air Command from Mitchell Air Force Base to Sampson Air Force Base; to the Committee on Armed Services.

By Mr. BROYHILL:

H. R. 10836. A bill to amend Public Law 874, 81st Congress (relating to assistance to schools in federally affected areas) to provide an alternative method of computing local contribution rates; to the Committee on Education and Labor.

By Mr. CHUDOFF:

H. R. 10837. A bill to provide for the publication of advance notice of rules and regulations relating to lands and natural resources owned by the United States; to the Committee on the Judiciary.

H. R. 10838. A bill to facilitate the transmission of electric power by the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. HYDE:

H. R. 10839. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of surplus property to volunteer fire-fighting organizations; to the Committee on Government Operations.

By Mr. MILLS:

H. R. 10840. A bill to amend the Agricultural Adjustment Act of 1938 with respect to rice acreage allotments; to the Committee on Agriculture.

By Mr. PATTERSON:

H. R. 10841. A bill to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos; to the Committee on Ways and Means.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 10842. A bill to provide outpatient treatment for non-service-connected disability for certain veterans; to the Committee on Veterans' Affairs.

By Mr. SADLAK:

H. R. 10843. A bill to amend the Tariff Act of 1930 to place certain handmade and moldmade paper on the free list; to the Committee on Ways and Means.

By Mr. WIENER:

H. R. 10844. A bill to amend the Railroad Retirement Act of 1937 to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WILSON of California:

H. R. 10845. A bill to establish a sound and comprehensive national policy with respect to the fisheries; to create and prescribe the functions of the United States Fisheries Commission; to strengthen the fisheries segment of the national economy; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ENGLE:

H. R. 10846. A bill to establish as a policy of Congress public use of public domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ASPINALL:

H. R. 10847. A bill to establish as a policy of Congress public use of public domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. METCALF:

H. R. 10848. A bill to establish as a policy of Congress public use of public domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UDALL:

H. R. 10849. A bill to establish as a policy of Congress public use of public domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BARTLETT:

H. R. 10850. A bill to establish as a policy of Congress public use of public domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of Nebraska:

H. R. 10851. A bill to establish as a policy of Congress public use of public domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SAYLOR:

H. R. 10852. A bill to establish as a policy of Congress public use of public domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG:

H. R. 10853. A bill to establish as a policy of Congress public use of public domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DAWSON of Utah:

H. R. 10854. A bill to establish as a policy of Congress public use of public domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WESTLAND:

H. R. 10855. A bill to establish as a policy of Congress public use of public domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RHODES of Arizona:

H. R. 10856. A bill to establish as a policy of Congress public use of public domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FERNANDEZ:

H. R. 10857. A bill to establish as a policy of Congress public use of public domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GAVIN:

H. R. 10858. A bill to establish as a policy of Congress public use of public-domain forest lands and woodlands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HILL:

H. R. 10859. A bill to amend the Renegotiation Act of 1951 to assist small business, and for other purposes; to the Committee on Ways and Means.

By Mr. RIEHLMAN:

H. R. 10860. A bill to amend the Renegotiation Act of 1951 to assist small business, and for other purposes; to the Committee on Ways and Means.

By Mr. SEELY-BROWN:

H. R. 10861. A bill to amend the Renegotiation Act of 1951 to assist small business, and for other purposes; to the Committee on Ways and Means.

By Mr. McCULLOCH:

H. R. 10862. A bill to amend the Renegotiation Act of 1951 to assist small business, and for other purposes; to the Committee on Ways and Means.

By Mr. SHEEHAN:

H. R. 10863. A bill to amend the Renegotiation Act of 1951 to assist small business, and for other purposes; to the Committee on Ways and Means.

By Mr. TEAGUE of Texas:

H. Res. 487. Resolution to provide funds for the investigations and studies made by

the Committee on Veterans' Affairs pursuant to House Resolution 63 and House Resolution 376; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 10864. A bill for the relief of Jozef Golinski; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 10865. A bill for the relief of Antonetta Fede Garretto; to the Committee on the Judiciary.

By Mr. MILLS:

H. R. 10866. A bill for the relief of White River Distributors, Inc., and certain other creditors of the Westmoreland Manganese Corp.; to the Committee on the Judiciary.

By Mr. PATMAN:

H. R. 10867. A bill for the relief of Ardella Parsons, Billy Mac Parsons, Danny Leroy Parsons, Charles Ray Parsons, and Marilyn Ann Parsons; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 10868. A bill for the relief of Atsuko Suzuki Dickson; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 10869. A bill for the relief of Tullio Stabillito and Ida Stabillito; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 611. Joint resolution for the relief of certain relatives of United States citizens; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H. Res. 488. Resolution referring the bill H. R. 10826 to the United States Court of Claims; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address Delivered by Hon. John Marshall Butler, of Maryland, at Goucher College

EXTENSION OF REMARKS

OF

HON. JOHN MARSHALL BUTLER

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Thursday, April 26, 1956

Mr. BUTLER. Mr. President, this is the season of mock political conventions in many of our schools, colleges, and universities, and such enthusiasm on the part of our young people is most refreshing, and portends good for the future.

Last Saturday, April 21, 1956, it was my great pleasure to participate in a mock convention at Goucher College, in Towson, Md. Goucher College is one of our State's leading institutions of learning, and we of Maryland are proud of its many graduates who have distinguished themselves in the arts and sciences. The students of Goucher College are indeed alert to the problems of today and tomorrow.

Mr. President, I ask unanimous consent to have included in the CONGRES-

SIONAL RECORD a speech which I delivered at this convention.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, honored guests, members of the convention, ladies and gentlemen, 1956 will be recorded in history as another year of reawakening and resurgence—a year of purpose and action. This climate is not accidental; it is the product of vision, leadership, and determination. It typifies the present strength, unity, and vitality of the American people in support of President Eisenhower and the Republican administration. It offers the opportunity of even greater accomplishments.

Yes, my friends, we can face the future with optimism—with even greater determination—and with even greater dedication to those principles of integrity and of economy and efficiency in government on which our Nation was founded.

The lessons of the past have been fruitful. Unity of purpose and action has developed a cohesive spirit of Republicanism which has been successfully demonstrated in the administration of the Federal, State, and local governments.

I have already stated that this favorable climate did not occur by chance. On the contrary, it has been precisely calculated. It marks a crescendo of energy and wisdom, whose dictating force has been the halting and reversal of dangerous socialistic tendencies at all levels of government. The

full volume of this crescendo is unlimited and the promise of the future for our Nation is bright. The national posture of the opposition party has been confounded by a babble of political counsels, resulting in many cleavages. With our critics thus operating in a vacuum of confusion and discord, the solidarity of purpose within the Republican Party assumes greater significance.

You might ask—and the people of America might rightfully demand—"What are the accomplishments of the national administration, under President Eisenhower's leadership, which justify a continuation of Republican management in government?" The record of the past 4 years is truly filled with undeniable successes of lasting impact, and a few of these historic milestones are deserving of special emphasis.

The Eisenhower administration is to be commended for its constructive achievements. It has dispatched the public business with efficiency. It has restored the people's confidence in the integrity of their Government. No longer are we compelled to tolerate the miserable displays of arrogance, scandalous behavior, waste, and inefficiency which characterized 20 years of the New Deal and the Fair Deal.

The sacrifice of American lives in Korea has been ended. Russian imperialism and Communist aggression have been confronted with our firm determination to safeguard freedom and attain genuine peace. The devious Communist conspiracy, as inspired and carried out by the Kremlin, has been ex-