U. S. DRIVERS BEGIN FOOTING NEW HIGHWAY BILL

Added Fuel Tax Put in Effect Today To Finance Vast Building Program

By JOSEPH C. INGRAHAM

SERVICE stations across the country are busy today changing the signs listing gasoline and oil prices. These reflect the added penny-a-gallon tax that went into effect at midnight last night and thus provided a basis for the biggest road-building program in United States history.

Although President Eisenhower's signature on the record $33,482,000,000 outlay voted by Congress barely has dried, the tax provisions of the bill, which will cost each of the 54,000,000 car owners about $8 a year and 10,000,000 truckers considerably more, go into effect now. It will be nearly two years before some tangible construction benefits of the vast plan to modernize the antiquated highway system will be available.

The "pay-as-you-ride" tax provisions increase the Federal impost on gasoline and other motor fuels from 2 to 3 cents a gallon and set new or additional taxes on tires and trucks and their equipment. The extra levies will produce nearly $15,000,000,000 in the next sixteen years, all of it to be put into a special highway trust fund to insure that there will be no diversion of the money for purposes other than specified.

What will the highway user get for his money? Some new roads to be sure, but more importantly old roads will be widened and brought up to expressway standards, with limited access. Dangerous curves will be eliminated; there will be a minimum of grade crossings, and other safeguards that engineers hold essential to check the rising toll of highway accidents will be built into the existing highway system.

Altogether the program calls for the Federal Government to spend $28,057,000,000 and the states $5,425,000,000. Additional authorizations also are provided for Federal-aid projects not yet assigned.

41,000-Mile Network

The keystone of the program is a 41,000-mile network of interstate highways linking forty-two state capitals and nearly every important industrial center of the country. Ninety per cent of the $25,000,000,000 cost of those civil and military defense routes will be borne by the Federal Government to complete the system in the next thirteen years. The other 10 per cent is to be paid by the states. Some of them already have set the legislative machinery grinding to meet their share through added gas taxes, through extra budgetary appropriations or, as in the case of New York, by a proposed special highway bond issue.

The regular Federal road-aid program for minor, secondary and rural roads will be increased to $2,500,000,000 in the next three years. This must be matched dollar for dollar by the states. Construction of park, forest and other public domain roads likewise will be expanded with the Federal Government picking up that entire tab of $448,000,000 from now through July 1, 1959.

The new program, which triples the rate of Federal spending for highways, was first suggested by President Eisenhower two years ago. For a year after the President's proposal, a special committee headed by Gen. Lucius D. Clay (ret.) studied the nation's highway ills, but when the plan was submitted to Congress last year it was roundly voted down.

The stumbling block to the Republican-backed Eisenhower plan was not so much the plan's $25,000,000,000 giveaway but that most of the funds would have been raised by a thirty-year bond issue. This would have cost motorists $11,000,000,000 in interest charges—not roads—and it would have abandoned the long-established Federal principle of pay-as-you-go highway financing.

In a surprise maneuver the lawmakers also rejected a Democratic counter-proposal. Party leaders on both sides blamed unidentified lobbyists who fought the measure because, they contended, the taxes to pay for the Government's share would have harmed truckers, the petroleum and tire industries.

Although the blueprint laid down by the Bureau of Public Roads set the interstate system at 40,000 miles, Congress added another 1,000 miles to placate a few powerful Senate leaders, but carefully worded the law so that the extra mileage, if and when needed, was not considered in the original cost estimate.

Disbursement Formula

The formula for disbursing the funds for the interstate network—the nation's trunkline highway system—will supply plenty of money to all the states to get the program started speedily. It is based on giving two-thirds weight to a state's population and one-sixth each to its area and rural road mileage. This will apply for the next three years, while a restudy of costs is made.

Eliminated largely through the efforts of the American Automobile Association was a section that would have authorized special credit to states for having proceeded without Federal aid to construct routes that are to be incorporated into the interstate system. These routes were mainly toll highways and the net result will be that only a very limited number of still-proposed pay expressways will get off the drawing boards.

Toll roads obviously were an expedient, and there seems little need now for their further development. With nearly 2,000 miles of toll roads in operation and another 1,200 miles under construction, the motorist in a hurry and the trucker who can cut costs by using them should have adequate toll-road mileage.

While the toll road boom has ended, there still will be plenty of new toll bridges and tunnels coming, for they will be financially feasible if they are incorporated into the interstate system so that the connecting links will be paid for largely by the Federal Government.

Narrows Bridge

About the best example in the East is the proposed $220,000,000 Narrows Bridge that the Triborough Bridge Authority and Port of New York Authority expect to construct between Brooklyn and Staten Island to enable through traffic between New England, the outskirts of the metropolitan area and the South to bypass the heart of congested Manhattan. Without the highway connections the span would be a lost child.

But to the average motorist, modernization of the interstate system is the crux of the problem. The network is vital not only to national defense but will account for 20 per cent of the 550 billion miles of travel here a year, although it comprises only 1 per cent of the country's total miles of roads and streets.

Offsetting the average $8 a year cost to motorists will be operating savings that will result from better highways, safer roads with increased capacity—even if there is little rise in total mileage—and the direct economic gain simply from long-time construction employment. In the next decade highway spending will be at least the equivalent of the cost of building 200 Panama Canals.