

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D. C.

Last Day
7/9/56
JUN 28 1956

My dear Mr. President:

On June 27, 1956, the Executive Clerk notified this office that 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 been received at the White House and requested reports and recommendations thereon.

The bill, the enactment of which was strongly urged by the Administration, authorizes a Federal-aid highway construction program extending over the next 13 fiscal years, beginning July 1, 1956. The program contemplates completion of the interstate system of highways, a major objective of the President's highway program. The system will connect our principal cities, and will be built to the highest modern standards.

Contract authorizations totaling \$24,825 million for interstate highways and \$1,850 million for the Federal primary, secondary, and urban systems are provided. Apportionment of funds to the States (including Alaska for the first time) will be by formulae prescribed in the bill. Matching of funds is required. In the case of interstate highway projects, the Federal share is to be 90 percent and the State share 10 percent. Equal matching is required in the case of primary, secondary, and urban systems.

The Federal cost is to be defrayed by the imposition of new and increased highway related taxes. The increases in the taxes on gasoline and tires are the outstanding examples.

The bill also includes contract authorizations totaling \$208 million for accelerating the construction of adequate roads in our national parks and forests.

The Bureau of the Budget has prepared the attached analysis of the major features of the bill.

The Departments of Commerce, Justice, Agriculture, Treasury, Labor, Defense and Interior, the Federal Civil Defense Administration and the Small Business Administration, in advices informally presented to this office either recommend approval of the bill or interpose no objection to approval.

The Bureau of the Budget recommends that the measure be approved.

Respectfully yours,

Roger W. Jones
Assistant Director for
Legislative Reference

The President

The White House
Enclosures

