KILL THE BILL:
Why the U.S. House of Representatives Rejected the Interstate System in 1955

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Everyone supported the Interstate System. It had bipartisan support in Congress, broad support among the public, and a strong endorsement from President Dwight D. Eisenhower. On May 25, 1955, the Senate passed legislation introduced by Senator Albert Gore, Sr. (D-Tn.), Chairman of the Subcommittee on Roads, authorizing funds for the Interstate Program. In July, Representative George H. Fallon (D-Md.), Chairman of the House Subcommittee on Roads, introduced Interstate legislation that was viewed as so certain of passage that the Senate Finance Committee scheduled a session to consider the House financing mechanism. The expectation was that differences between the Senate and House bills could be resolved and the legislation approved before Congress adjourned in early August. When the House rejected the Interstate legislation on July 27, it was one of the biggest political shocks of the year.

What went wrong?

Control of Congress

On July 12, 1954, President Eisenhower issued a challenge to the Nation's Governors to help him develop a Grand Plan for upgrading the Nation's highways. The President's vision was an articulated network of good roads—with each level of government taking responsibility for improving the roads under its jurisdiction. (Because of a death in the family, the President was unable to deliver his speech to the Governor's Conference; Vice President Richard M. Nixon delivered the speech from the President's notes.)

The President established an Advisory Committee on a National Highway Program headed by the President's friend and advisor General Lucius D. Clay (U.S. Army, retired). General Clay was instructed to work with the Governors to develop a financing plan that was self-liquidating (would pay for itself while not adding to the national debt) and would address not just construction of the Interstate System over a 10-year period, but highway problems at the Federal, State, and local level.

When President Eisenhower issued his challenge, Republicans controlled both Houses of Congress by a slim majority. The Grand Plan initiative was expected to be a popular campaign idea for Republicans seeking reelection later that year. Continued Republican control after the 1954 off-year elections in November would improve the chances that his road program would be approved.

As campaigning began in the fall, the President did not think that campaigning for Republican candidates was fitting or appropriate for him. He believed that if Republican candidates supported what he thought of as his middle-of-the-road programs, they would retain control of Congress. He observed that previous Presidents had tried to influence off-year elections without much success, and he doubted he would be any more successful.

Moreover, he believed the President should be seen as President of all the people, not one party. Biographer Stephen E. Ambrose reported that when Governor Thomas E. Dewey of New York put pressure on the President to campaign intensively for Republican candidates, Eisenhower responded, "Nothing that Mr. Truman did so shocked my sense of the fitting and the appropriate as did his barnstorming activities while he was actually President of the United States." Further, at 64 years old, the President had to consider his health ("the Presidency is a job that would tax the intellectual and physical energies of a far younger man," he said). [*Eisenhower: The President*, Simon and Schuster, 1984, p. 218.]

By October, however, with polls indicating the Democratic Party's prospects were improving, the President yielded to practical considerations. Not only would a shift of power in Congress jeopardize his programs, but would give the extreme right wing an opportunity to take control of the Republican Party. He was convinced that "if the right wing really recaptures the Republican Party, there simply isn't going to be any Republican influence in this country within a matter of a few brief years." [Ambrose, p. 296.]

The President traveled more than 10,000 miles in October and delivered nearly 40 speeches to try to salvage Republican control of Congress. As he traveled the country, he often referred to the need for "a vast new highway program," as he called it on October 8 at a Republican Precinct Rally in Denver, observing that a Republican Congress would help him achieve this and other goals. In remarks at New Castle County Airport in Wilmington, Delaware, on October 29, he cited the "worlds of useful work that this Nation has to do," including "great highway programs to build." That same day, in Detroit, to cite one other example, he commented on the growth of the auto industry, then added:

> We are pushing ahead with a great road program, a road program that will take this Nation out of its antiquated shackles of secondary roads all over this country and give us the types of highways that we need for this great mass of motor vehicles.

Throughout his October speeches, he periodically returned to a traffic image to explain the importance of Republican control of Congress. To cite one instance, he included this theme in an October 28 address at the Eisenhower Day Dinner in Washington:

> [I foresee] innumerable obstacles to steady progress if your government team is made up of a Congress controlled by one party and the Executive Branch by the other.
>
> For the good of America, our governmental traffic must be efficiently handled. We won't get anywhere with red lights at all the governmental crossroads. Add to this, two drivers at every governmental steering wheel, each trying to go in a different direction, and we shall certainly end up in a hopeless traffic jam.

Despite the President's efforts, the Nation's voters favored the traffic jam he had warned them about. The Republicans lost 17 seats in the House and 2 in the Senate, giving the Democrats control of both chambers. For the President's Grand Plan, this meant the public works committees and their roads subcommittees, as well as the House Ways and Means Committee and the Senate

Finance Committee, that would draft the legislation would be chaired by Democratic leaders who would want to put their own imprint on the shape of the future highway program. Moreover, they might be reluctant to support presidential initiatives that could be cited in future elections as reasons to reelect the President or return control of Congress to the Republicans.

Representative George H. Fallon, who assumed control of the Subcommittee on Roads in January, was a known quantity. He was a long-time supporter of road initiatives who had always worked in a bipartisan fashion on the issue—a tradition, usually honored, in the Committee on Public Works. The 6-foot, 2-inch congressman was known as "The Big Man from Baltimore," where he was born, raised, married, and still resided, commuting daily to Capitol Hill on the Pennsylvania Railroad. (Although he would play a pivotal role in creating the Interstate System, Fallon disliked driving, especially freeway driving.)

A graduate of Johns Hopkins University in Baltimore, Fallon worked in the business his father had founded in 1904, the Fallon Sign Company. He won his first elected office in 1939, when he became a member of Baltimore's City Council. Following his election to the House of Representatives in 1944, he devoted little time to the family business, which was later dissolved. A transportation writer, Duane L. Cronk, described Fallon in 1957:

> [He] is surprisingly modest. He is courteous, but not suave. He is no orator, and couldn't make a soap-box speech if he had to. But he is relaxed and congenial, and makes friends easily.

Perhaps his greatest national exposure came on March 2, 1954. On that day, he was one of five Congressmen who were injured by gunshots when Puerto Rican nationalists opened fire from the House gallery. He suffered a minor leg wound in the attack.

Despite this incident, Fallon never became a national figure. Highway construction was his primary issue; following his death on March 21, 1980, *The New York Times* described him as a "mild-mannered legislator who rarely ventured onto the floor of the House to speak for any other cause in his 13 terms."

Fallon’s Senate counterpart, Senator Albert Gore, Sr., had been a member of Congress since the election of 1938, but had been in the Senate only since 1953. In 1952, he had challenged Senator Kenneth McKellar in the Democratic primary. McKellar, a Member of Congress since winning a House seat in November 1911 and the Senate since winning in November 1916, was seen as an entrenched "shoo-in." He had long supported good roads; 12 days after joining the House, he introduced a bill for Federal-aid to roads and played a part in securing approval of the Federal Aid Road Act of 1916, the landmark legislation that launched the Federal-aid highway program. With this long career and the many projects he had brought to his home State, including the Tennessee Valley Authority, Senator McKellar was expected to defeat his 44-year old primary challenger easily. Undaunted, Representative Gore crisscrossed the State, delivering 1,000 speeches, which helped him carry most of the State’s counties in the primary, which he won by a 90,000-vote majority before going on to victory in November.

This ambitious, self-confident, and ultimately successful challenge was typical of Albert Gore.

Commentators have likened his biography to a Horatio Alger story. Born on a hard-rock Tennessee farm, he attended a one-room country school in Possum Hollow. After graduating from high school, he began teaching while earning a degree from Middle Tennessee Teachers College. Because of his interest in a political career, he enrolled in law classes at the Nashville YMCA to secure the legal background he felt he needed. For 3 years, he drove 104 miles from his home in Carthage to Nashville, 3 nights a week, for his classes.

As a politician, Gore was "a maverick, a populist who regularly voted against the wishes of his constituents when he felt the broader national interest required it," according to staff reporter Rich Jaroslovsky of *The Wall Street Journal* in a profile of the former Senator as his son, Al Gore, campaigned for the Vice Presidency in 1992. ["Albert Gore Sr. Enjoys His Return to the Spotlight," October 12, 1992.] He opposed the Vietnam War, refused to sign the Southern Manifesto opposing integration, and voted for civil rights bills. These views would cost him his Senate seat in 1970, when he was targeted by the Nixon Administration and defeated by then-Representative Bill Brock in what Jaroslovsky and other observers described as "one of the meanest races the state has ever seen."

In the Senate, Gore was assigned to the Public Works Committee. In 1955, when the Democrats took control, he became Chairman of the Subcommittee on Roads.

With the change in congressional control, Senator Harry Flood Byrd (D-Va.) became Chairman of the Senate Finance Committee, a position that would give him major influence on the financing for the President's plan. Byrd was a member of a family that settled in Virginia in 1670. But Harry Flood Byrd did not inherit wealth. He earned his wealth through wise investments, mainly in apple orchards in the Shenandoah Valley. He also was publisher of the *Winchester Evening Star*. In addition, in1908 at the age of 21, he had become president of the Shenandoah Valley Turnpike Company, which owned and operated the Valley Pike, a turnpike built in the 1830's between Winchester and Staunton. Byrd would serve as a State legislator and as Governor before winning election to the U.S. Senate in 1932.

Throughout his life, Byrd would be known for his opposition to debt. Biographer Alden Hatch attributed Byrd's dislike of debt, particularly public debt, to deep-seated conviction:

> The lack of cash money in his youth conditioned his thinking on fiscal matters throughout his life; that, and having been born only twenty-two years after the Civil War when the Shenandoah Valley was still a place of genteel poverty . . . . Harry Byrd never lacked food, but he had no money for luxuries. No one had any money. If a man got into debt, there was small chance of getting out of it. The Commonwealth itself was in debt; and it seemed as though it would never be paid off. So owing money was a terrible thing, a lifelong burden and a stain on honor. Byrd never forgot the misery it brought. He had an almost pathological abhorrence for borrowing that went beyond reason to the realm of deep emotion. [Hatch, Alden, *The Byrds of Virginia: An American Dynasty, 1670 to the Present*, Holt, Rinehart and Winston, 1969, p. 347.]

These views would color Chairman Byrd's reaction to the President's Interstate financing proposal, which would be based entirely on debt.

The Gore Bill

General Clay announced the Clay Committee's plan in December 1954. The plan proposed creation of a Federal corporation that would issue bonds to fund construction of the $27-billion Interstate System, with the bonds to be retired by dedicating all revenue from the existing tax on motor vehicle fuel (2 cents a gallon) and lubricating oil over a 32-year period. To meet the President's requirement that the program not add to the national debt, the Clay Committee proposed that the bonds issued by the corporation would be the corporation's debt, not considered within the debt limit of the general Treasury.

The Clay Committee, at the President's direction, had coordinated the proposal with a Special Highway Committee of the Governors' Conference. The Governors had insisted that since the Interstate System was primarily a national program, the States should not be expected to pay any more in matching funds than they were paying for the Interstate System under the Federal-Aid Highway Act of 1954. That legislation authorized $175 million a year for Fiscal Years (FY) 1956 and 1957, with a Federal share of 60 percent. To keep the State contribution at the same level, the Clay Committee proposed a Federal share of 90 percent.

President Eisenhower submitted his proposal on February 22, 1955, saying that it provided "a solid foundation for a sound program." By then, objections from Democratic leaders such as Senators Gore and Byrd made clear that the Clay Committee financing plan was in serious trouble, if not doomed. In January, Senator Byrd had outlined the objections to the Clay Committee's proposal by stating that the financing concept was "thoroughly unsound" and an attempt "to defy budgetary control and evade federal debt law." Byrd objected to creation of a Federal Highway Corporation to enter into a debt that would be outside the lawful national debt limit—guaranteed not by the full faith of the Federal Government but by the Department of the Treasury—and beyond congressional budget control. Despite the Treasury Department's guarantee, Byrd pointed out, the corporation would have neither assets nor income to repay the debt. Instead, the hands of Congress would be tied for 30 years.

Moreover, Byrd pointed out, the proposed 30-year bond issue would require an interest cost of $11.5 billion (at the 3-percent interest rate anticipated by the Clay Committee). Interest payments, therefore, would amount to 55 cents on every dollar borrowed. And it would be, he said, "a very violent assumption to predict these bonds will be paid off at maturity." In short, he emphasized, "the bonds still would be debt," noting "you cannot avoid financial responsibility by legerdemain."

Republican leaders were nearly as disappointed. After the President submitted his proposal on February 22, they introduced the bill as a courtesy to the President but gave it only token support. With Republican support for the bill wavering, the President's plan suffered a devastating blow on March 28 when the newly appointed Comptroller General, Joseph Campbell, testified before Senator Gore's subcommittee. In his first congressional appearance since being confirmed, Campbell stated that he found the financing method "objectionable" because the bonds would not be included in the public debt obligations of the United States. Although supposedly not guaranteed by the Federal Government, the bonds would, as a practical matter, be supported because of the danger of default:

> It is our opinion that the Government should not enter into financing arrangements which might have the effect of obscuring the financial facts of the Government's debt position.

He opposed the creation of new government corporations, which would be free from the normal controls over the conduct of public business and the expenditure of public funds.

During a March 30 news conference, a reporter asked the President what he thought of Campbell's claim that the Clay Committee's plan "is unsound and, possibly, illegal." After commenting on Campbell's qualifications for the position, the President explained that he does not ask potential appointees what they will decide in specific cases:

> If any man would pledge to me that he was going to make a certain decision because I asked him, he would never be appointed.
>
> So I have to concede to him his right to follow his own judgment and convictions. But I do tell you this, I think he is wrong.

Without waiting for the President, Senator Gore had introduced S. 1048, the Federal-Aid Highway Act of 1955, on February 11. Gore proposed to continue the existing Federal-aid highway program, but with $500 million authorized for the Interstate System annually through FY 1960. The Interstate funds would be apportioned one-half on the basis of population and one-half on the basis of the formula for apportioning Federal-aid primary (FAP) funds (the Interstate was designated as a subset of the FAP system). The Federal share would be 66.3 percent, with an increased share in States with large amounts of public lands and nontaxable Indian lands.

Because the Constitution specified that tax legislation must originate in the House of Representatives, S. 1048 was silent on the origins of the revenue it would authorize. Senator Gore's subcommittee suggested, however, that the Committee on Public Works recommend in its report to the Senate that the Federal excise tax on gasoline be increased by 1 cent to 3 cents to pay the added cost. The House Ways and Means Committee would have to consider this or any other revenue proposal.

Engineering News-Record summarized the appeal of Senator Gore's bill:

> Democratic leaders will not be won over easily to support of the White House program. With an eye on next year's elections, they still demand that funds for federal expenditure be voted by Congress and show up in the budget. They stick with the Gore bill as the time-tested method of meeting a big program.

Administration leaders countered that Senator Gore's approach provided "too little and too late." In contrast with the President's 10-year plan, they said, completing the Interstate System under the Democratic alternative would take 32 years. Although what would happen in Congress "is anybody's guess," *Engineering News-Record* felt safe in making one prediction:

> The politics of the 1956 elections loom large in the picture; and they dim the chances for

> the bipartisan approach that Eisenhower had hoped to gain.

The Gore Bill reached the Senate floor on May 20. Senator Dennis Chavez (D-NM), Chairman of the Committee on Public Works, led off the debate, saying that compared with other proposed measures, “the Gore Bill is the most carefully prepared and the most geared to the conditions of tomorrow as well as of today." He added:

> It is not merely another Bill to continue a program which has expired. It is a pioneering act in the field of highways designed to chart a new Federal policy and an entirely new concept.

During the debate on the Gore Bill, Senator Edward Martin (R-Ma.), Ranking Republican on the Public Works Committee, introduced a motion on May 25, to substitute President Eisenhower’s proposal. He explained that under any alternative using tax revenue on a pay-as-you-go basis, construction would require 30 years “to do the job that is needed right now and can be completed in 10 years under the plan proposed by the President . . . .” To no one’s surprise, Senator Martin’s motion was defeated by a vote of 60 to 31. Of the 31 votes in support of the Clay Committee's plan, all but one were from Republicans; Senator John F. Kennedy (D-Ma.) was the only Democrat to vote for the plan.

Having disposed of the Clay Committee's plan, the Senate approved the Gore Bill on a voice vote that reflected overwhelming support for it.

As approved, the Gore bill stated that one of the "most important objectives" is prompt completion of the National System of Interstate Highways (the statutory name assigned by the Federal-Aid Highway Act of 1944, which had authorized designation of a 40,000-mile network). In achieving that objective, existing highways should be used to the extent such use is "practicable, suitable, and feasible, it being the intent that local needs . . . shall be given equal consideration with the needs of interstate commerce."

The Gore Bill included the following key provisions:

- It increased the statutory mileage limitation on the Interstate System to 42,500 miles.
- It authorized Interstate funds—$7.75 billion over 5 years—to be apportioned half on the basis of population and half based on the formula used for apportioning FAP funds.
- The Federal share would be 90 percent, with a sliding scale up to 95 percent for States with large amounts of untaxable public lands.
- Project agreements entered into by the State highway agencies and the U.S. Bureau of Public Roads (BPR) for the Interstate System would include a commitment that the State will not allow points of access without approval by the Secretary of Commerce (whose Department housed the BPR).
- At the request of a State that lacks adequate statutory authority to acquire right-of-way for a controlled access facility, the Secretary of Commerce may take possession of land or interests in land needed for the Interstate System and convey title to the State.
- Public hearings would be required for consideration of any plan involving the bypassing of a city, town, village, or community.

Because of the constitutional requirement that tax legislation originate in the House, the Gore Bill directed the Secretary to study and encourage the States to consider the feasibility of providing, by multiple-State compacts, for the construction, operation, and maintenance of Interstate toll roads as a supplement to the Federal-aid highway system.

The Fallon Bill

After President Eisenhower submitted his highway proposal to Congress on February 22, Chairman Fallon held hearings on the National Highway Program from April 18 to June 1, 1955. The committee heard from over 60 witnesses, with testimony and recommendations divided based on self interest.

All accounts of this period suggest that Fallon's subcommittee was seriously considering the Clay Committee's plan. However, when the Senate soundly rejected it, Fallon began looking for an alternative. He knew that even if the House passed the Clay Committee's plan, it would stand little chance of surviving a House-Senate conference, especially with opponents such as Senators Gore and Byrd on the conference committee.

In need of an alternative, Fallon drafted a bill with the help of data and advice supplied by the BPR's Francis C. "Frank" Turner. Turner's career with the BPR began in 1929 shortly after he graduated from what is now known as Texas A&M University. After a diverse career that took him to assignments in such locations as Arkansas, BPR headquarters, Alaska, and the Philippines, Turner returned to Washington in 1950 to serve as Assistant to the Commissioner of Public Roads. He also served as Executive Secretary of the Clay Committee and as the liaison between the BPR and the congressional committees developing the legislation in 1955 and 1956. In 1969, Turner would become the first and so far only career employee to head the agency as Federal Highway Administrator (1969-1972).

The Fallon Bill, introduced on June 28, was unusual because it included highway user tax changes to support the increased funding levels for the Interstate System—increases that normally would have originated in the House Ways and Means Committee. Through the intervention of Speaker of the House Sam Rayburn (D-Tx.), Fallon had been allowed to draft the tax legislation. His bill proposed:

- An increase of 1 cent a gallon in the tax on gasoline (to 3 cents) and another half-cent in 1970;
- An increase of 3 cents a gallon on diesel fuel (to 5 cents);
- An increase of 10 cents a pound on 8½ x 18 truck tires (to 15 cents) and 6 cents a pound on tubes for these tires (to 15 cents);
- An increase of 3 cents per pound on 7½ x18 to 8½ x 18 truck tires (to 8 cents);
- A new tax of 15 cents per pound on camelback (tread rubber) used for any tire;
- An increase of 2 percent in the manufacturers' excise tax on trucks, buses, and trailers (bringing the tax to 10 percent).

These changes were expected to provide $24 billion for the $27-billion Interstate program through FY 1968. With the increased revenue from these and other tax changes, the Interstate System could be built on a pay-as-you-go basis in 12 years even while the regular Federal-aid road program was expanded. Fallon proposed a Federal share of 90 percent (on a sliding scale up to 95 percent in public lands States).

In addition, Section 2(a) amended the name of the Interstate System, with Fallon substituting "National System of Interstate and Defense Highways" for the statutory term "National System of Interstate Highways." In fact, the name of the Fallon Bill was the "National System of Interstate and Defense Highways Act of 1955." The committee's July 19 report on the final version of Fallon's bill explained the change:

> The committee feels that the national defense significance of this system is so important that its name should be changed to the "National System of Interstate and Defense Highways," and the bill so provides. The name is abbreviated in the bill to "National System."

The new name of the Interstate System would be retained in later House bills and would be accepted by the Senate-House conference in June 1956. With regard to the abbreviated name, the Senate's preferred name, the "Interstate System," prevailed in conference.

The Fallon Bill also extended coverage of the Davis-Bacon Act to projects on the Interstate System.
Passed in the 1930's, the Act required government contractors to pay their workers the "prevailing wage" in the area where the job was located. This provision had never been applied to the Federal-aid highway program, where contractors were hired by the State highway agencies, not the Federal Government. In the Senate, the Committee on Public Works had voted to apply the provision to the Interstate System at the request of Senator Dick Neuberger (D-Or.), who argued, "We don't want coolie labor building our interstate highways." During floor debate, the Senate rejected the measure on a voice vote. However, it was included in the Fallon Bill.

Introduction of the Fallon Bill prompted the President, at his press conference on June 29, 1955, to talk at some length about the two approaches to highways. He began:

> I think everybody agrees that America needs roads, needs them badly, and needs them now, and they ought to be built on a coordinated, comprehensive basis, and that building ought to start.

To accomplish this goal, the President said construction had to be financed out of current revenues "as you go along," or have a bond issue to fund them at the start. The problem with raising Federal taxes was: "where are the States going to get the money to do their part of this thing?" As for the bond issue, you either add it to the national debt or put it under a special organization dedicated to liquidating the debt, as proposed by the Clay Committee.

He concluded:

> So we devised a plan that we thought met the needs of the situation in the best possible fashion, and I am for it now just as strongly as I was when it was devised by the Governors

and by the Clay Committee and put before the public.

The Battle Over the Fallon Bill

Fallon quickly discovered that he had managed to antagonize some of the interests, particularly trucking, petroleum, and tire interests, without drawing much support. For example, John V. Lawrence, managing director of the American Trucking Associations (ATA), warned that the bill would raise taxes "to a confiscatory, ruinous and unjustified level." Moreover, the Fallon Bill was unacceptable within the House Public Works Committee. According to *Transport Topics* ("The National Newspaper of the Motor Freight Carriers"):

> Last week's executive session . . . brought out the full extent of the controversy when it became apparent that the only matter a majority of the Committee is generally agreed on is that there should be more highway building.

Fallon agreed with the observation that his Committee was "in full accord on the need for highways," but sharply split on funding. "If it wasn't for that, we could have had a bill months ago." He added that the Committee "is not even considering" the Gore Bill, which lacked a financing plan, or the Clay Committee's proposal.

After meeting with Secretary of the Treasury George Humphrey and Secretary of Commerce Sinclair Weeks, Representative George A. Dondero (R-Mi.), the committee's ranking Republican, reported that if neither bond financing nor tax increases were included in the final bill, "I don't see how President Eisenhower could sign it."

Faced with what *Transport Topics* called "a cross-fire of conflicting views," the Public Works Committee decided to assign a special subcommittee under Fallon to formulate a new plan. On July 6, Fallon appointed the other members of the subcommittee. Other Democratic members were John A. Blatnik (Mn.), Robert E. Jones, Jr., (Al.), John J. Dempsey (NM), and Frank E. Smith (Ms.). Republican members were Dondero, J. Harry McGregor (Oh.), Russell V. Mack (Wa.), and Myron V. George (Ks.).

Executive Secretary Alfred E. "Alf" Johnson of the American Association of State Highway Officials (AASHO) discussed the special subcommittee in one of his many letters keeping AASHO members informed about Washington activities. Johnson, a former Arkansas highway official who had worked closely with Frank Turner when he was assigned to that State, had many contacts in key positions. As a result, his letters often provided an "insider" viewpoint. He speculated that a compromise might involve increased taxes plus some bond financing handled by the Department of the Treasury rather than a corporation. He added:

> It is the consensus of opinion in Washington that we have the most excellent chances for the passage of a road bill this year; but, that if it should be delayed until next session, that the chances of passage are nil. Currently, the road program is in politics to the point that each party wants credit for the passage of a major road program and each is looking for every opportunity to find reasons why the other party should be blamed if a road bill is not forthcoming.

He urged State highway officials to contact their congressional delegation. He apologized for making the request, saying:

> I know it is not normal to always be prompting you to contact your Congressional delegation, but, up until now, the road program has always been non-partisan . . . but things are radically different now, and the draft of road legislation is entirely different than before.

In "jockeying for political position," he cautioned, the Members of Congress "sometimes lose sight of the highway department's desires and needs unless they are called to his attention rather frequently."

The members of the nine-man subcommittee were, as historian Mark Rose put it, "as unlucky as Fallon." Rose summarized their proposal:

> Although committeemen were enthusiastic about the fruits of highway construction, looking forward along with most Americans to faster traffic and an expanding economy, they produced only a scaled-down version of Fallon's original proposal. In brief, their modified plan still included a graduated tax schedule on tires and an extra increase on diesel fuel. [Rose, Mark, *Interstate Express Highway Politics 1939-1989*, The University of Tennessee Press, 1990, p. 81-82.]

Fallon held hearings on the revised bill on July 11 and July 12. Under the agreement reached with Speaker Rayburn that allowed Fallon to draft tax legislation, five members of the Ways and Means Committee joined with the Committee on Public Works for the hearings. That this agreement might not be satisfactory to the Ways and Means Committee was reflected in seemingly petty disputes over which door its members would use to enter the hearing chamber and where they would sit during the hearing.

Representative Hale Boggs (D-La.) was one of the Ways and Means Committee sitting in on the hearings. Boggs had served in the House from 1941 to 1943 and continuously after 1947. In addition to serving on the Ways and Means Committee, he would rise to House Majority Leader, the position he held in October 1972 when a plane in which he was a passenger went down in Alaska, killing all aboard. In the years ahead, he would be a strong supporter of the Interstate System, with special emphasis on preserving the “trust” of the Highway Trust Fund and resolving the controversies that would develop over routes in New Orleans. (His wife, Lindy Boggs, won the special election to fill the vacancy created by her husband's death. She retired after the 1990 session. Their daughter, Cokie Roberts, is a nationally known television journalist.)

At the start of the hearing, Fallon asked Boggs if he would like to make a statement. Boggs’ comments reflected the simmering irritation over the jurisdictional deal that Speaker Rayburn had brokered. Boggs explained that because the bill contained revenue sections, Chairman Fallon had invited the Chairman of the Ways and Means Committee to appoint a subcommittee to participate in the hearing. The subcommittee “will sit in, I understand, and has full powers to question witnesses, but does not have the power to vote and will not have responsibility for whatever bill you come forward with.”

On behalf of Republican Members of the Ways and Means Committee, Representative Richard M. Simpson of Pennsylvania stated that revenue matters should be confined to the Committee "and we protest the fact that another committee has been given—and we do not deny the legality by which it has been given—that authority to conduct these hearings today for this purpose." The Ways and Means Committee has a policy of giving extended hearings on revenue matters, he said. In this case, however, "We sit here unhappily without a right to vote on the matter of who is to pay the tax."

Petroleum, tire, trucking, utility, and labor interests were among those who testified and lobbied the Members behind the scene. The headline on page 1 of *Transport Topics* read:

INDUSTRY FIGHTS "RUINOUS" ROAD TAXES

William A. Bresnahan, the ATA's assistant general manager, told the committee that any new revenue measure should be "across the board," not aimed at a single type of user. The industry would prefer to have no increase in the highway program than to have an increase financed with ruinous taxation on its members.

Nearly 500 truckers joined their leaders to lobby against the taxes. As part of the protest, the ATA parked a tractor trailer outside the Capitol with real dollar bills decorating both sides of the trailer to symbolize the amount the owner of a big truck must pay in taxes before earning a cent. (Although the tax was $4,480, only 3,212 dollar bills were on the sides of the truck; there wasn't room for the full amount.) Members of Congress reported receiving an estimated 100,000 telegrams from truckers, with Fallon receiving 10,000 of them.

Because the statements on such a controversial issue were expected, Treasury Secretary Humphrey was perhaps the most significant witness. On July 12, he strongly endorsed the Clay Committee's plan. However, while bond financing "still offers the best method," he said, "the determination of policy is in your hands, not in ours." He added:

> The Treasury cannot object to any equally effective program which the Congress sees fit to adopt for the construction of highways with sufficient additional tax levied to pay as we go.

His testimony represented the first break in Administration support for the Clay plan. However, he emphatically rejected the Gore Bill or any plan that failed to provide for financing. "I think it would be about as irresponsible a thing as you could do."

In response to a question, the Secretary also agreed that a combination of taxes and bonds would be acceptable. In short, he could not object "to any bill that will do the job in the necessary time and raise sufficient revenue." Representative James C. Auchincloss (R-NJ) asked, "Then you approve of the tax plan?" The Secretary responded, "I think the other plan [the Clay proposal] is preferable."

Following the hearings, the Public Works Committee worked out the financing details before approving the bill on July 19. It retained the structure of the subcommittee plan, which had the support of the Democrats, but softened the tax increases to win over Republicans.

At the same time, committee member Representative T. Ashton Thompson (D-La.) introduced a bill to reduce the Interstate System to 24,000 miles, about the level he thought the current motor fuel tax could support. Federal funding for the downsized Interstate System would be limited to $10 billion, compared with at least $24 billion (90 percent of the estimated cost of $27 billion) under the Administration and Fallon Bills. Thompson said he was acting on behalf of a Democratic faction that opposed tax increases and special bonding.

As floor debate approached, outside observers were confident of passage. Speaker Rayburn predicted that the revised Fallon Bill, with its tax provision, "should pass the House all right." House approval was so certain that Senator Byrd issued a call for a meeting of the Senate Finance Committee to expedite consideration of the alternative financing plans following House passage of the Fallon Bill. Byrd's action reflected the widespread hope that the House and Senate bills could be reconciled in a Conference Committee and a unified bill approved before Congress adjourned in early August.

AASHO's Johnson assured State highway officials that the Fallon Bill, with the compromise financing plan, would pass. Again, however, he reminded the State highway agencies to contact their congressional delegation. He reported that proponents and opponents of the highway legislation, except for the highway officials, were making extensive personal contacts:

> Some of the members of Congress have told me in no uncertain terms that they thought the highway officials were trying to be too formal and too aloof in advising the Congress of our needs and desires . . . .

Before the bill could reach the floor, it had to go through the House Rules Committee, which controls the flow of legislation and determines the conditions for House consideration. Normally, the Rules Committee would forward a revenue package from the House Ways and Means Committee to the House under a "closed" rule, meaning no amendments could be considered on the floor and the bill must be accepted or rejected as is. The Fallon Bill was a mix. It included the highway bill, which normally would be subject to an "open" rule allowing amendment on the floor, and the revenue package, leaving the Rules Committee to decide on appropriate rules for the floor debate.

The committee held a hearing during which groups that opposed the taxes in the bill endorsed an "open" rule that would allow amendments on the floor. Fallon and his supporters preferred a "closed" rule so their tax package would not be changed. After the hearing, the Rules Committee approved a "modified open rule," which allowed for floor amendment on all parts of the bill except Section 4, the revenue provision. Only amendments from the Committee on Public Works would be considered for Section 4.

A State of Shock

Engineering News-Record, in its issue dated July 14, 1955, stated that "Passage of a compromise highway bill . . . for the Nation's first large-scale roadbuilding program—seemed assured this week." The tax increases in the Fallon Bill “are backed solidly by the House Democratic leadership.” The “softening of the tax increases” that occurred between the original and final Fallon Bills “won over a number of Republicans and Democrats who had opposed any tax increase to pay for new highway spending.” Although the magazine acknowledged the possibility of “a last-minute hitch,” both parties appeared “bent on pushing through the measure” in the House and "Senators, led by Albert Gore . . . are expected to go along with the House version."

By the time of its July 28 issue, published before the final House vote, the magazine was no longer so optimistic. It considered the prospects “touch and go as to whether Congress will act on highway legislation this session.” The article observed:

> When the highway bill came up before the House Rules Committee on Monday it was apparent that snags galore awaited it and that masterful steering plus a barrel of luck would be needed to negotiate the final route to enactment.

The magazine also described the Democratic leadership’s plan for passage:

> Rush the bill to the floor, beat down a Republican move to substitute the Administration plan for financing through sale of bonds, then push it back to the Senate.

Despite the optimism, rumblings against the Fallon Bill continued. Senator Byrd, who had been one of the most vocal opponents of the President’s proposal, indicated that the tax measures would receive more scrutiny in the Senate than they had in the House. Representative Tom Steed (D-Ok.), one of the cosponsors of the bill, said he feared it was "dead" and would be rejected overwhelmingly because of "the most effective lobby I've ever seen.”

Debate began on July 26. Fallon told the House that he had been assured that the President would veto any measure that required an increase in the national debt. The Senate, by its 60-31 vote against the Clay Committee's plan, had "served notice on us that they would not pass such a bill this session." He explained, therefore, that the Public Works Committee "took the unpopular alternative of undertaking to pay for this program" by tax increases.

Representative Joseph W. Martin, Jr. (R-Pa.), the House Minority Leader, led the Republican forces in support of the President's plan. "Bond issues for highway construction," he said, "are as old as the nation's highway system itself." Representative John McCormack (D-Ma.) asked Martin if he would support the Democratic bill if the Eisenhower plan was voted down. Martin said that in that case, he "would have to retreat to his office and prayerfully consider it."

The Thompson plan was voted down the first day. It was beaten by a standing vote, with only one Republican, Earl Wilson of Indiana, among the Representatives who rose in support of the bill.

As the first day’s session ended, the House voted 274 to 128 on a procedural measure to consider the Fallon Bill under procedures prohibiting amendments to the tax provision. Although the vote was on a procedural measure, it was seen as an indicator that the House would overwhelmingly approve the Fallon Bill when it came up for a vote.

On July 27, the House considered the remaining bills. By a vote of 221 to 193, the House defeated a motion to recommit the Fallon Bill and substitute a bill embodying the Clay Committee's plan. This rejection, in a largely party-line vote, was widely expected.

Next, the House voted 178 to 89 against a plan to expand highway construction without specifying a way of paying for it. Again, no surprise.

Then, in what was widely acknowledged as one of the session's biggest upsets, the Fallon Bill was defeated by a vote of 292 to 123, with many Democrats voting against it. The defeat was even more astonishing because debate during the day had been objective and sincere, with party line votes prevailing on motions. In the end, however, even strong supporters of the highway program voted against the Fallon Bill.

In the wake of what *Transport Topics* called this "astonishing, entirely-unexpected defeat," Speaker Rayburn said the vote had killed chances for highway legislation in 1955 "and probably next year too." He blamed the defeat on lobbyists. "The people who were going to have to pay for these roads put on a propaganda campaign that killed the bill," he said. Asked if he meant the trucking industry, he replied, "You can figure it out for yourself."

Representative McCormack was blunter. "Everybody wants a road bill but nobody wants to pay for it." He added that he had "a sneaky idea that the truckers of the country played an important part" in the bill's defeat. *The New York Times* observed that the trucking, gasoline, and tire industries "have been most active in buttonholing legislators and inspiring telegrams and letters against the proposed tax rises."

The trucking industry objected to statements blaming the industry for the defeat. Neil J. Curry, ATA's president, said that the industry wanted a modern highway system as much as other motorists did and would be willing to pay for it. He explained, however:

> When we called the attention of Congress, as we did, to the fact that the so-called pay-as-you-go plan . . . would charge 1 per cent of all motor vehicles with 26 per cent of the additional revenue requirements, the fantastic unfairness of this proposal was obvious to them.

The next day, July 28, President Eisenhower expressed deep disappointment in the House action:

> The nation badly needs new highways. The good of our people, of our economy and of our defense, required that construction of these highways be undertaken at once . . . . Adequate financing there must be, but contention over the method should not be permitted to deny our people these critically needed roads.
>
> I would devoutly hope that the Congress would reconsider this entire matter before terminating this session.

It was too late. In response, Speaker Rayburn declared, "There is no chance of getting a bill up this session—none whatever." Congress adjourned in early August without returning to the issue.

In the White House, Chairman Arthur Burns of the Council of Economic Advisors thought a special session of Congress on the road bill might be advisable. Burns had been involved in the debates within the Administration on the shape of highway legislation, so he was in a strong position to make the suggestion to the President. In *Mandate for Change: 1953-1956,* Eisenhower repeated his answer to Burns:

> "Well," I said, somewhat ruefully, "the special session might be necessary—but calling it could be at the cost of the sanity of one man named Eisenhower." There was no sense in spending money to call them back when I knew in advance that the result would be zero. [Doubleday and Company, 1963, p. 502]

Pointing Fingers

In the aftermath of the defeat, observers struggled to figure out what had happened. Despite the optimistic forecasts of passage prior to the vote, the Fallon Bill had proved to be so controversial that *Road Builders' News*, published by the American Roads Builders' Association, commented:

> Legislative experts could not agree on what provisions of the Fallon Bill aroused greatest opposition on the part of the majority party which split wide open in apparent revolt against its leadership.

The day after the defeat, AASHO's Johnson's told State highway officials:

> The writer as well as the party leadership in the House and some veteran observers in Washington are just now coming out of a state of shock after the lopsided vote in the House yesterday evening . . . against the [Fallon] highway bill.

He tried to give AASHO members a day-after insight by explaining:

> First of all, the bill was the biggest public works program ever proposed, and early in the session it took on a political flavor, and it was also so big that special interests became involved, and it was no longer the consideration of a conventional Federal-aid road bill. When certain interests in the Congress insisted on a pay-as-you-go feature, additional taxes were required, and you might sum it up by saying that the Democrats defeated the Republicans' bond bill, and the special interests defeated the increased taxation proposed by the Democrats.

He added that he had heard a widespread rumor that the defeat occurred because AASHO's Executive Committee had met in San Francisco the previous week with railroad interests plotting against the truckers. Another rumor was that the highway departments were so opposed to the Davis-Bacon Act provision that they preferred no bill to one that extended Davis-Bacon coverage to any part of the Federal-aid highway program. Johnson denied both rumors, noting that "adjournment fever is high and the special interests lobbying is terrific."

In a later letter, Johnson reported:

> There are many stories of intrigue and broken promises between leadership of the two parties and the last minute release of pledges to vote for a highway bill. Big league politics were being played in a road bill for the first time, but it's the first time the road bill had gotten big also.

He added that there were many "hillarious [sic] people" in the balconies when the Fallon Bill was defeated "and they were the people who stood to gain the most benefit if the road program would have passed."

Others assessed the blame differently. New York's Robert Moses, the country's best known road and bridge builder, issued a statement to the Hearst Newspapers on August 1 assessing blame as he saw it:

> An indispensable national program, about the need of which there is no dispute, has bogged down due to obscure and obscene fights over financing, pride of opinion, and legislative weakness . . . . Those opposed to borrowing, as against pay-as-you-go, have lacked the guts to impose the taxes they advocate. Those proposed to be taxed, notably trucking and auto accessory interests, have taken full advantage of this stalemate. They are tough, two-fisted, well-heeled, and represented by a skillful lobby without inhibitions.

The Nation's newspapers blamed politics, weak-willed Members of both parties, and lobbyists for the defeat of what was recognized as a needed highway program. The day after the House votes, the lead paragraph in *The Evening Star*, Washington's leading newspaper, put it this way:

> Truckers, bus operators, and the rubber, diesel oil and gasoline industries spearheaded the fight that ended in defeat for the Eisenhower road program.

In an editorial called "Good Roads Lobbied Away," *The New York Times* praised the Fallon Bill for showing "great political courage," but counted the Republican and Democratic votes:

> [When] the House showdown came, 128 Democrats opposed the Democratic bill and only 94 Democrats supported it. The Democrats were overwhelmingly against what they viewed as fiscal unsoundness in the Republican bill; only 7 voted for it, while 214 of them voted against it, in a fine show of righteous indignation against heavy borrowing. But when it came to the final test of responsibility—the voting of taxes to accompany spending—128 Democrats couldn't rise to the occasion, and neither could 164 Republicans.

The editorial added, "So the public gets nothing except a stunning disappointment." Or, as *The New York Herald-Tribune* put it, "It would be funny if we didn't need the roads so badly."

Engineering News-Record explained that the President's Grand Plan "fell flat when all attempts to agree on a method of financing failed to withstand political and emotional pressures." The failure was easier for Congress to sustain because the Federal-Aid Highway Act of 1954 had another year to run, so the traditional Federal-aid highway program was not due for its biennial reauthorization until 1956.

As had many observers, the magazine saw the debate at least in part as an extension of the perennial battle between Republicans and Democrats. The Democrats killed the President's Republican plan "for fiscal and political reasons." Having "succeeded in killing" the bond proposal, the Democrats based their plan on higher taxes, but the plan "was thwarted by a powerful combination":

> [D]isagreement among the Democrats themselves over the unpleasant prospect of raising taxes, Republican refusal to help them after the GOP plan went down, and a smoothly functioning trucker-rubber-oil lobby.

Despite the effort of Republicans to put the President's proposal to a vote in both Houses, it was never given "serious consideration," the magazine explained. The Gore Bill, with its authorizations in the absence of increased revenue, was seen as a "Democratic highway program." Still, with Democrats in control of both Houses, "it looked like a real, honest-to-goodness, long range highway program would sail through—not the Clay plan, to be sure, but another 'Democratic bill', i.e. the House's Fallon plan." Secretary Humphrey, as the magazine noted, had declared the plan acceptable to the Administration and it may have been acceptable, with some modifications, to the Senate:

> But the roof fell in on the House Democrats. Lobbyists swarmed over Capitol Hill. Tremendous pressure was exerted on the congressmen.

The trucking industry "was in the forefront," but congressional and White House sources agreed "there was a lot of oil and rubber in the lobby, too."

The magazine explained that Representative Steed had tried to save the Fallon Bill at the last minute but was thwarted by the terms of the House Rules Committee ruling sending the bill to the floor for consideration. He wanted "to lower the truck tire tax increases a little and raise the same amount of money, or slightly more, by shifting some of the burden over to be borne by automobile size tires." He could not propose the amendment under the committee's ruling. Although it "might have saved the Fallon bill," Steed's proposal had its own problems:

> The potent American Automobile Assn., which was cheering for the Fallon bill, let it be known that it "vigorously opposes any further shifting of the tax load to the passenger car which is already carrying more than its fair share of highway costs."

The Nation's Governors, meeting in Chicago early in August, expressed regret at the defeat of the highway program and some called for a special session of Congress to resolve the issue. While deploring the defeat, the Governors' Conference was unable to agree on a finance plan. However, the conference adopted a resolution reiterating the Governors' support for a greatly expanded Federal-State program and urging the Federal Government to ensure "that far more of this automotive revenue should be expended on highways."

A *Better Roads* magazine editorial stated that although neither the Administration Bill nor the Fallon Bill "was the perfect answer to the highway transportation problem . . . either one would have been far better than nothing." The highway need "was so apparent and so urgent that hardly a member of congress could be found who did not give lip service, at least, to the drive for an expanded highway program." The editorial continued:

> But it is the old story, which has been heard over and over again . . . . The men who represent the people refuse to accept the fact that sometimes the public is willing to pay for what it wants. Tax raising is probably the most unpalatable job of a member of any governing body. That, together with the elections next year and the work of strong, well-financed lobbyists, undoubtedly contributed considerably to the failure of the house to accept either bill. And of course there are partisan politics and pork-barrel considerations. Congressmen voted on fairly even party lines, until the Fallon bill came up; then both Republicans and Democrats joined together to defeat the tax increases. Some congressmen probably voted against the measure because their particular districts wouldn't get much out of the program. It all adds up to a sorry show of irresponsibility.

Although the defeat had many causes, California's George T. McCoy, president of AASHO, summed up the view of many in his address during the organization annual meeting:

> In the annals of American transportation, the year 1955 will probably prove to have seen more constructive talk and less constructive action than any comparable period in our modern highway history.

Or, as Representative Dempsey put it in a speech to ARBA's annual convention on January 13, 1956:

> [We] find Congress playing the role of a modern Nero, unwilling to lay aside its political fiddle and take positive action in the public interest.

The Un-Making of a Bill

Theodore H. White, a novelist and reporter who is best known today for a series of books that began with influential *The Making of the President, 1960*, wrote about the collapse of legislation in "Where Are Those New Roads?" for *Collier's* magazine (January 6, 1956). White spread the blame among all the parties. He saw two "giant camps" involved in the struggle over the bill:

> One was led by the railways, supported by the American Automobile Association and backed by most of the state highway officials of the country. They supported the Fallon bill. In the other were the truckmen, the tire dealers, the independent oil dealers, the diesel manufacturers—led in the grand strategy of opposition by the truckmen.

Since World War I, he explained, the truckers had made major gains at the expense of the railroads, carrying over $5 billion a year for freight haulage, mostly in short-run transport; the railroads' share was about $8 billion. The Interstate System would benefit the truckers, so the railroad interests wanted to minimize that benefit. They did not, as White pointed out, oppose the highway program—which would have been a pointless position in view of the widespread public and official support for an expanded highway program. Rather they supported "the highways the nation wanted, [while] making sure their competitive rivals, the truckers, gained no advantage out of them." The railroads recommended taxing the truckers for the additional costs required to build roads that could carry their vehicles.

The truckers saw the railroads as being behind the increased taxes that resulted in defeat of the Fallon Bill. The ATA's John Lawrence explained this point of view:

> No such railroad lobby has descended on Washington in the history of the Republic as that which is now operating in support of the soak-the-truck proposals. It is this wrecking crew which is mainly responsible for throwing the highway situation out of perspective.

White explained that this "open bitterness" was caused mainly by "the fact that the railways were informed of the tax measures on trucks weeks before the truckmen realized what was happening in committee." By the time the truckmen realized what Fallon was doing, "they found themselves trapped as if by political jujitsu." The truckers "elected to mobilize against the bill. And their emergency mobilization dramatically outweighed anything the railways had previously been able to muster."

Although the final Fallon Bill included some tax relief for truckers, "the lawmakers could not be moved from their conviction that it was heavy trucks that profited most from the new roads, that heavy trucks required most of the extra-cost features of new roads—the wider lanes, the sturdier bridges, the paving thickness of 12 inches rather than the six or eight that might handle normal passenger traffic." These happened to be the arguments that the rail industry had been making in testimony and meetings.

As the day of the vote arrived, the Members of Congress were faced with an "array of eloquent interests" protesting the tax features of the Fallon Bill. Diesel manufacturers implied they might go out of business. The big oil and tire companies didn't see why they "should be made into particular and peculiar tax-collecting agencies of governments." Independent oil companies and tire jobbers protested the increased taxes that would squeeze out their small businesses:

> "I feel," said one of their spokesmen, "like I am representing a plucked chicken with two feathers left in his tail, and there is a hand reaching out for the last feathers."

White reported that in "the final days of the fray," Dave Beck, head of the Teamsters Union and a member of the Clay Committee, "decided that his truckers should back up the truckmen who employed them." He visited Speaker Rayburn to explain that the truckmen's view was also the view of the Teamsters Union, "whose resources are so important to Democrats in doubtful Congressional districts." Beck also directed the union's members to express their views to their representatives in the House—which they did in great numbers.

The Congressmen, White reported, "were adrift under impulses and pressures they could not fathom." For all the opposition to the bill, they found that "support for the bill, which should have come from the average motorist, was conspicuously absent." Although AAA's president, Andrew Sordoni, "told the House that his members supported the bill and would accept it, he could deliver few votes."

White cited an additional factor, noting that, "Old-line State righters bridled" because the increased taxes seemed to extend the Federal Government into areas that the States “had always considered as one of the reserved areas of their authority.” Their concern reflected a long-running dispute, dating to 1932 when the Federal Government first imposed an excise tax on gasoline as a deficit reduction measure. The States, which argued that the gas tax had traditionally been a State revenue source, wanted the Federal Government to abandon the gas tax. The Governors’ Conference had endorsed this position annually until President Eisenhower made clear he would keep the tax to pay for his ambitious road program.

The Turf Battle

Within Congress, moreover, another factor was at work, namely Speaker Rayburn’s unusual arrangement with Chairman Fallon that allowed the House Committee on Public Works to initiate a tax measure. White explained that some Members were "deeply upset by the breach of tradition which let a new committee write the taxes that had always previously been the sole prerogative of the august Ways and Means Committee. “

Congressman Clifford Davis (D-Tn.), a member of the Subcommittee on Roads, cited the tax jurisdiction issue when he spoke to AASHO during its annual meeting in December after defeat of the Fallon Bill. He said:

> I will give you the reason the highway bill failed. Under the Constitution, all revenue bills originate in the House of Representatives. I tell you no specific suggestions were made in the Senate to pay for this much needed road program. The House Bill would have passed but for the fact that leadership insisted that we put tax provisions in the bill. This was almost unprecedented. We had a very limited time to hear witnesses on the tax provisions. We ran into great difficulty with the petroleum interest, the tire industry, and those engaged in trucking, and I can tell you that that is a very minimum, mild statement I have just made.
>
> In truth, we had only 12 hours to hear witnesses on the important money angle. It was agreed everybody in the United States wanted highways, but nobody wanted to pay for them. I voted against the bill when it got in that bad shape. I felt that a better job could have been done on any increase in tax provisions to pay as we go, and pay as we use, if the Committee on the House Ways and Means had been given the responsibility which rightly belonged to that committee. They have career staff experts on duty the year around. They have the benefit of the advice of the Department of the Treasury. That committee is headed by an able Tennessean, Jere Cooper.
>
> Not being an experienced member of the tax-writing committee, and with only 12 hours to be informed on the tax provisions, I was not willing to vote for a bill so important, and on which I thought so all-inclusive, which required so much money without all the equities having been carefully considered with ample time for presentation of views of those who would be required to meet the additional cost of operation. This is but the fair American way.

> . . . I think the House Bill was sound until we so quickly had the tax feature thrust upon it. The bill, as you know, was warmly contested, and even more warmly defeated. Between now and the first of the year the whole country, and all the interests involved, must take a realistic view and come back afresh and get this bill out of the way as soon as possible.

In the view of two principal participants in the House proceedings, the jurisdictional dispute was the key to the defeat. For a 1976 article on the urban Interstates, Professor of Law Gary T. Schwartz of the University of California at Los Angeles interviewed Fallon (as well as other participants, including Turner and Johnson). By then, Fallon had retired from Congress after losing his bid for reelection in the 1970 Democratic primary (to State legislator Paul S. Sarbanes, who served in the House until his election to the Senate in 1976). Schwartz agreed that special interests played a major role in defeat of the bill, but cited his Fallon interview regarding the jurisdictional dispute:

> One cause of the ultimate vote was committee ill-will within the House. The bill had not been sent to the Ways and Means Committee, despite its general jurisdiction over revenue measures. While an arrangement was worked out whereby a handful of Ways and Means Committee members would participate in the Public Works Committee hearings, that arrangement turned sour after petty debating about committee member prerogatives. ["Urban Freeways and the Interstate System," *Southern California Law Review*, Vol. 49.406, March 1976, p. 434.]

Schwartz included this observation as a footnote, giving the issue of jurisdiction less weight than the lobbying.

Frank Turner shared Fallon's view. In early 1988, Dr. John Greenwood interviewed Turner for an oral history project sponsored by the American Association of State Highway and Transportation Officials. When Dr. Greenwood asked about the failure of the House in July 1955, Turner had a vivid recollection of the events leading to the demise of the Fallon Bill—events he saw first hand as an insider. He began by recalling the compromise worked out with the Ways and Means Committee that allowed the Committee on Public Works to initiate tax provisions. As he explained, the members of the Ways and Means Committee were not pleased:

> I don't know whether amicably is the right word, but anyway, we settled it. And later on some of them did come in and sit in some [hearing] sessions, but they were—there was an obvious tenseness in the thing. They were doing it without real concern and interest in the goings on.
>
> And then when the [House report on the Fallon Bill] was written, they virtually would not participate in it. They just were not cooperative at all in working with the Public Works Committee on that arrangement.
>
> But this was before we had any thought of a Trust Fund. The Trust Fund hadn't even been mentioned until a year later. The plan was that there would be two sections to the highway bill. One would be the normal authorization and all the other things that go with it. There would be a Title II to the bill which would have the financing in it. The taxes and all. So

that the bill . . . went through the Rules Committee, [and] was brought to the floor in the House . . . . [They] had the debate on the bill. Quite a bit of debate. Everybody was for the program. It looked like it was just going to go unanimous. No questions raised about the highway program at all. Everybody needed it and everybody was for it and everybody wanted to get on the bandwagon. "Let's get on with it and let's get a vote here."

So when they started calling the roll alphabetically, out of about the first 50 names there was one vote in favor of the bill. All the rest of them were against the bill. [Note: this is an exaggeration, but the first 50 votes alphabetically opposed the Fallon Bill by a wide margin.] It wound up that the [bill] . . . did get a handful of votes on the bill in favor of it. Everybody had spoken in favor of it, all the speeches. There had been no indication of antagonism or opposition to the bill. But it wound up it was an awfully lopsided vote to kill it. It lost by something terrible.

And, of course, everybody—we were all dumbfounded. But we should have been smart enough to have seen what was happening. It was very, very obvious what was happening. You have to know that at that time, the Ways and Means Committee not only was the committee on finances and taxes for the House, but it was also the committee on committees. And no member of the Congress could get on any committee in the Congress without being approved by that committee on committees, which was the same as the Ways and Means Committee. There were two committees but it was the same people [with] jurisdiction.

The Ways and Means Committee, wearing its finance hat, tax hat, was teed off at the Public Works Committee [for] treading on their turf in taxes. Even though they had had this informal arrangement, they didn't like it, period. And they passed the word that they didn't like it and they didn't want the bill passed because of this jurisdictional question. The taxes belonged in the Ways and Means Committee.

And … all 435 members of Congress realized, recognizing that they owed their committee assignments to these guys on the Ways and Means Committee, they did what the Ways and Means Committee wanted. And they passed the word, appropriately, that they didn't want that bill passed, and so it didn't pass.

And that was the end of that!

. . . [We] were awful low at that time, I'm telling you. Spirits were pretty low. Worked hard and everything like that and it failed in both Houses, miserably. We couldn't figure out—everybody said, "Well, why? Everybody was for the highway program. There wasn't any opposition to it. What happened?" They overlooked that question there of jurisdiction and that turf treading and that matter of the fact that the Ways and Means Committee was also the committee on committees. And every member of Congress was beholden to that—he walked the line according to what that committee on committees wanted, because everybody wanted to get certain committee assignments, of course, of their choice, for prestige purposes, or for something else, and interest purposes—whatever you wanted to—whatever they had.

> And they knew that if they crossed those committee on committee members, that they were in trouble. And so the word got around and that's the way it was. No bill in either House. Lost, completely.

The Politics

President Eisenhower wanted to portray his proposal as bipartisan. Therefore, on February 16, 1955, he had invited Republican leaders to the White House to discuss the proposal with Clay and the President, and on February 21, he invited Democratic members of the House and Senate Public Works Committees. *Transport Topics* summarized the meeting:

> The Chief Executive recalled that when he was Supreme Commander of the Allied Forces in Europe he was particularly impressed with the speed with which military supplies and personnel were moved over the German autobahns. After returning to the United States, he said, he found our cross-country highways compared poorly with the German network.
>
> The President stressed that there is nothing partisan about road building and his press secretary said this was the first time that Democrats had been invited to the White House to discuss a domestic issue.

Although Gore supported the Interstate System, he had denounced the Clay Committee plan shortly after it was announced, calling it "a screwy plan which could lead the country into inflationary ruin." During the meeting at the White House, he had talked with the President about the issue of placing the debt on the books of a Federal corporation but not counting it as part of the national debt, according to *Transport Topics*:

> Sen. Gore, one of the conferees, reported after the White House discussion that he had questioned the President closely on how the Administration could spend the money as proposed and maintain that it would not increase the national debt.
>
> He said that Mr. Eisenhower smilingly agreed it would be a debt, but it would not [be] part of the national debt.

When Gore introduced his bill on February 11, 1955, it was perceived in political terms as a "Democratic Bill." White explained the convictions that prompted Gore to draft the bill as he did:

> [That] the secondary and country roads would be shortchanged if the Clay proposals for pouring money into the Interstate went through; that the nation had too many other needs to commit itself irrevocably to so large a program at once; that control of the money it appropriated must rest with Congress, not with any centralized federal agency.
>
> Instead of biting off a 10-year chunk of the future, therefore, it limited its commitments to $7.7 billion over a five-year period, after which Congress could take another look at the problem. Another $4.5 billion would go to the lesser local roads that would fee the Interstate.

The Gore Bill reflected the fact that many Senators of both parties objected to the President's financial proposal. In reality, though, these cautions were a reflection of Gore's ambivalence about the Interstate program. He supported the program, but was worried that would divert funds from other elements of the Federal-aid highway program. This ambivalence would continue after construction of the Interstates began. Gore would be a frequent critic of the pace of construction and the handling of the Interstate projects, while remaining protective of regular Federal-aid funding. (Senator Gore's interest in highway affairs diminished after he transferred to the Foreign Affairs Committee in 1959.)

As previously noted, Gore opened hearings on his bill on February 21 before the Administration had submitted its proposal. The hearings, he said, were the first he had chaired in the Senate. He indicated:

> I particularly solicit the help of each of you in the conduct of this hearing and in arriving at sound highway legislation to meet the challenge of transportation problems. Heretofore the Federal-aid highway bills have never been regarded as political. I surely hope that they never will be so regarded.

The hearings began on a sour note, with the members discussing the fact that the Department of Commerce had not submitted all the reports requested by the Federal-Aid Highway Act of 1954. Missing were the reports on the cost of relocating and reconstructing utilities services resulting from highway improvements (Section 11) and a comprehensive study of all phases of highway financing (Section 13). They had been due February 1, 1955, but the Department had requested a 60-day extension. Senator Francis Case (R-SD), the Chairman of the subcommittee prior to the 1954 election, raised the issue because of his concern that politics had become a part of the subcommittee's work:

> It has been said to me that the delay in these reports has been followed by the introduction of a bill [the Gore bill] which tended to throw the whole question of highway development into politics. I think that is an unfair charge.
>
> I know the chairman of this subcommittee. I have worked with him a great many years and I do not think he wants highways thrown into politics. But you do have a situation where the delay in the presentation of these reports, for whatever reason it may have been, has made it possible in introduce another bill here. We are starting hearings on that bill before we have hearings on the recommendations which the President may make, whatever they may be.
>
> Unfortunately in some quarters it is getting a political interpretation. I thought if we could find out why there was a delay in the presentation of the reports . . . it would perhaps tend to answer these suggestions.

Senator Patrick V. McNamara (D-Mi.) commented that, "I think it is a little late to talk about keeping politics out of it." He explained that in his campaign, his opponent, the chairman of the Republican Policy Committee, "made this his No. 1 point in the campaign." McNamara concluded, “I do not know how you can make it nonpolitical at this point.”

Nevertheless, Senator Gore hoped the bill would be considered in a nonpolitical manner. He noted that the House bill on the Federal-Aid Highway Act of 1954 was introduced on the floor with “the signatures of every member of the committee, Republican and Democrat.” Senator Martin agreed with the idea, noting that “I am about as partisan as anybody on the committee, but I have never known politics in any of our work, rivers, harbors, roadbuilding, and so on.” Everything was considered “on its merits.” Whichever party controlled the committee, “I think we have been nonpartisan . . . . I know of course that we all use these things. Anything that is good, each party wants to claim that that is its project.”

Despite these protestations, White saw this early phase of the battle over the President’s bond proposal in political terms:

> For twenty years, the Senate had listened to Republicans denouncing Democrats as borrowers and spenders, recklessly saddling the nation with debt and burden down through all the unborn generations of time. And the Democrats had always replied that this was a healthy, growing country whose children could well afford to pay for the benefits we, their fathers, were so wisely preparing for them.
>
> Now the sides switched. The Republican bond corporation proposal, said the Democrats, was trickery, fraudulent evasion of the legal debt limit of the nation. The bonds would eat up $11 billion of interest in addition to their principal; only bankers would profit.
>
> It was as if, they implied, the huge $280 billion official national debt were about to spin off a satellite “corporate” debt into space, perhaps followed by others, until we had a whole constellation of satellite debts whirling about the economy, all exerting an irresistible inflationary pull.
>
> “I for one,” summed up Senator Gore, “think that the need for highways much be considered along with, and balanced with, the need for other programs, such as schools and hospitals. It doesn’t make sense to me to segregate the highway program by excluding highway expenditures from the budget and from the public debt. It doesn’t make it any easier to pay for them. In my opinion, no financial legerdemain can isolate the highway expenditures or eliminate their impact upon our economy and upon the Treasury of the United States.”
>
> To all of which arguments, the Republicans replied as if the mantle of Franklin D. Roosevelt and all the ghosts of the New Deal had descended on them. Nothing great or creative is ever done, they said, unless one reasonably finances the present out of the future. This is what a homeowner does when he raises a mortgage on a new home, which a corporation does when it issues debentures for a new plant, what the nation must do to finance expansion in time of need.
>
> They argued that if money were available immediately, through the bonds, to build the system now, highway use would increase so rapidly that gasoline taxes would rise enough

> to pay off the entire debt burden within 30 years without a single extra tax. Roads would be built, said the Republicans—and it would be painless.

On the Republican side, the chief spokesperson was Senator Prescott Bush (R-Ct.), who had won a special election to serve the remainder of the term of Democratic Senator Brien McMahon following the Senator's death. Bush took office in 1953 and won reelection to a full term in 1956. Because Republican leaders gave only token support to the President's proposals, Senator Bush, who was on the Subcommittee on Roads, became its chief backer. Bush had earned a fortune working for the investment banking house of Brown Brothers, Harriman, and Company. Given his expertise in investment banking, Bush was a perfect choice for the role of promoting the Glay Committee's bond program. As White explained, Bush was "an able and distinguished man making his mark for the first time upon the Senate and nation in an issue of national significance." (The Senator's son, George H. W. Bush, would be the Nation's 41st President and his grandson, George W. Bush, the 43rd.)

White quoted Bush as saying:

> The importance of the Interstate Highway System is so great that it has to be provided for now. It must be completed within 10 years and must be put in effect as a whole, and not piecemeal . . . . The plan contained in . . . the Clay bill . . . is a pay-as-you-use plan. Nobody who has been in business would say that it is not good business to borrow money to build productive assets. That is the only purpose of borrowing money in the field of commerce and industry. It should be likewise in government.

If the Gore Bill "represented the best thinking of Senate Democratic leadership," as White put, Bush and the Republicans "denounced this thinking as pitifully inadequate":

> It was a horse-and-buggy bill, they said, as they went on to open up another continuous area of American highway debate—the everlasting struggle between metropolitan and rural Americans about where and how roads should be built.

The Republicans also objected to Gore's method of distribution. White explained:

> The Clay proposal had advocated that $25 billion be spent by the Highway Corporation where needed—largely in the congested population centers of the North and East. But the Gore bill instead insisted that at least half the money be divided among the states by the traditional formula of highway aid.

Gore explained that when Congress authorized funds, it should also decide where they should be spent:

> "I just do not believe," he said later, "it would be consistent with the public interest to place this much authority in the hands of any one person . . . As Governor Hugh White of Mississippi has said, 'Those people in Washington might wake up with indigestion some morning and decide not to give my state any money.' I am confident that Congress . . . will never agree to make a permanent appropriation of such large sums, with the money to go

> into a ‘kitty’ to be doled out on the basis of what the Secretary of Commerce considers to be the needs of the various states.”

Senator Bush replied that the Gore Bill should be called a “blunderbuss bill” because it “scatters dollars and does not build roads where the roads are needed.”

White summarized the results of the hearings and the subsequent floor debate:

> Once again, as debate rolled on, the Senate sat in witness of a switch. The Democrats, normally as sensitive as sandpapered skin to big-city votes, voted solidly for the bill. Republicans, normally suspicious of big-city needs, voted solidly against it. But the Democrats had the votes and the Gore bill passed.

By constitutional necessity, the Gore Bill had not included a financial provision. By contrast, White said, the Democrats thought of the Fallon Bill “as a work of courage and forethought.” They considered it “real statesmanship” because “since roads have to be paid for, they would undertake to find the money.” Speaker Rayburn praised the committee’s goal “and then, in a breach with House tradition, told them to go ahead and write the taxes themselves.”

This statesmanship had its downside:

> Well before news of these tax provisions had leaked, however, and as soon as the House Democratic leadership had made known that its Roads subcommittee was writing a pay-as-you-go tax bill, every economic interest in our country with any direct or remote connection with highways girded its loins for battle in a lobbying fray rarely matched in recent history. All of them wanted highways, but all believed their very survival hung on the way Congress chose to pay for them . . . .
>
> [It] is up to Congress to weigh the legitimate pleas of every group against the common good, balance off their contentions and come up with a judgment. And rarely, if ever, has Congress been under greater pressure in making a judgment between the broad but diffuse needs of a common citizenry and the sharpened needs of men whose livelihood hung on their decisions.

Ultimately, any party counts on its own members for support, and if that party is in the majority, the prospects for any measure that emerges for a floor vote are good. In the case of the Fallon Bill, “party discipline and control on both sides collapsed.” White explained:

> Sam Rayburn, the Speaker, convinced of his authority and prestige, felt certain down to the last minute that party discipline would rouse the necessary votes; when, at last, he realized it could not, it was too late to improvise the tactics or counter-pressures to whip his errant Democrats into line.

The Republican leadership "erred as badly." White reported that at the last minute, the White House came to the conclusion that the Fallon Bill was better than none at all:

> By the time Sherman Adams [the de facto White House Chief of Staff] had phoned this eleventh-hour decision to Republican Congressman De Witt Hyde of Maryland, voting had begun. By the time Hyde got the message to Republican floor leaders, a House colleague later recounted, the Republicans were voting almost solidly against the bill and it was too late to switch.

In assessing the prospects for 1956, White was certain that the November election would be a positive factor because "it is certain that every congressman will vie with his neighbor in his love, devotion and dedication to better highways." Further, with the Presidential election in November, "neither major party wishes to be stuck, in the voter's mind, as the mossback outfit that was blind to this country's growing needs for better roads." At the same time, White pointed out that it was the public's "conspicuous silence . . . in last year's Donnybrook that left Congress without that directional magnetic field by which it normally guides its actions among contending interests." It was not clear, therefore, that the public would make a difference.

On a more practical level, the Administration had accepted a pay-as-you-go measure in place of the Clay Committee's plan. That was, White explained, "a partisan struggle that could be compromised . . . by responsible party leaders." The remaining conflicts as he saw them, between urban and rural needs and the clash of rival transportation lobbies, could create "unbridgeable differences of opinion" that could result in "a new Highway Battle of 1956." White, writing in January 1956, was not sure compromise was possible:

> [The] differences cut through and across both major parties, for here Congress is struggling to decide on the shape of a new America which neither party sees clearly. In this struggle, the decisive voices will be those who understand the complicated issues best. But 1956 is an election year and the voices Congress aches most to hear are those of the voters. Do they understand? Will they make themselves heard? The kind of highways we get in 1956 and the years to follow depends on the answers.

As it happened, the public remained largely silent over the winter and in 1956. However, the same interests that had blocked passage in 1955 worked over the winter to secure approval in the election year.

Success in 1956

In the immediate aftermath of defeat, *Engineering News-Record* reported in its August 4 issue that Fallon was pessimistic about the prospects for reviving the bill in 1956:

> Fallon speaks for a substantial bloc of expert opinion around the capital. The same members of Congress will be back. This goes for committees—where the blueprints for action are laboriously sweated out—as well as in the Senate and House chambers, where the votes are finally counted.
>
> The "Fallon school" reasons that, "If they wouldn't vote for taxes to pay for highways this year, how can they be expected to in 1956, an election year?"

Fallon and other pessimists predicted Congress would revert to its normal 2-year reauthorization of the Federal-aid highway program, and put off the major program.

Some key Members of Congress were optimistic, according to the magazine. Representative Dondero said, "The need for more and better highways is so urgent that the public will insist on plans for getting them. A compromise plan—one that both Democrats and Republicans can take—will be worked out."

With the cooperation of the White House over the winter, BPR, AASHO, the American Road Builders' Association, Members of Congress and their staff, and the interests that had cheered defeat of the Fallon Bill on July 27 worked out a compromise on who should pay for the Interstate System. By the time Congress returned in 1956, Fallon was able to proceed with confidence that he could pass legislation. He retained the idea of a two-part bill, with separate titles for the authorization and revenue provisions. This time, however, the Ways and Means Committee would draft the revenue provisions. The authorization and revenue titles would be combined in a single bill.

In the initial 1956 version of the revenue act, Representative Boggs established a rough linkage between highway user tax revenue and highway funding in an attempt to ensure all revenue would go for the intended purpose. However, during testimony before Boggs, Treasury Secretary Humphrey explained that for technical reasons, a loose linkage would not work; he suggested that Boggs model the linkage after the Social Security Trust Fund. The next version of the bill proposed a Highway Trust Fund—a crediting mechanism for keeping track of highway user tax revenue that would function the same as the Social Security Trust Fund.

On March 19, 1956, the House Ways and Means Committee reported out its bill establishing a Highway Trust Fund and a tax schedule to finance the new program that the interests had okayed in behind-the-scenes meetings since the House defeat in July 1955. It proposed:

- An increase of 1 cent a gallon in the tax on gasoline (to 3 cents) and another half-cent in 1970;
- An increase of 1 cent a gallon on diesel fuel (to 3 cents);
- An increase of 3 cents per pound on truck tires (to 8 cents);
- A new tax of 3 cents per pound on camelback (tread rubber) used for any tire;
- An increase of 2 percent in the manufacturers' excise tax on trucks, buses, and trailers (bringing the tax to 10 percent);
- A special tax of $1.50 per 1,000 pounds on vehicles over 26,000 pounds.

The Boggs Bill was sent to the Public Works Committee, where the Subcommittee on Roads was considering the Fallon Bill. On April 19, Representative Fallon introduced H.R. 10660, the Federal-Aid Highway Act of 1956. Title I of H.R. 10660 was the Fallon Bill, containing the authorizing and program provisions as amended by the committee for the Federal-aid highway program, including the Interstate System. Title II was the Highway Revenue Act of 1956 approved by the Ways and Means Committee. On April 21, the Public Works Committee approved the joint bill.

During floor debate on April 26, Representative Boggs explained the importance of the Highway Trust Fund:

> [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.

The next day, after shouting down a motion by Representative Bruce Alger (R-Tx.) to send the bill back to committee for further consideration, the House voted 388 to 19 to approve the Federal-Aid Highway Act of 1956.

A House-Senate Conference Committee reconciled the 1955 Gore Bill and Fallon-Boggs Bill, reporting out a combined bill on June 25. It retained the tax structure of the Boggs Bill. The next day, both Houses considered the combined bill. The House adopted the report by voice vote, indicating its overwhelming support. The Senate voted 89 to 1 to approve the Federal-Aid Highway Act of 1956. Senator Russell Long (D-La.) cast the lone negative vote because he believed that "highway users are already paying enough in taxes for the building of highways" and that the expected surplus in the General Treasury would be sufficient to pay for the Interstate System.

In a joint statement, Senator Gore and Representative Fallon said the bill would set into motion "the greatest governmental construction program in the history of the world." Mr. Fallon added:

> The American people will ride safely upon many thousands of miles of broad, straight, trouble-free roads, four to eight lanes wide, criss-crossing America from coast to coast and border to border, built to the very highest standards that our highway engineers can devise.

Mark Rose, in assessing how Congress managed to reach agreement after the stunning failure in 1955, observed that the key to success was "providing something for everyone without imposing high taxes on truckers." He explained:

> Boggs and Fallon had found the key to success. They promised plenty of new roadway for everyone and security for treasury deposits, and had asked truckers to pay only modest tax increases. At the core of this formula was the decision of truckers and leaders of motorist associations, however reluctant, to sponsor the entire federal aid highway program. Once financing was arranged, congressmen were left with the relatively easer task of imposing professional standards on federal road projects and spreading revenues among competitors.

Allowing the Ways and Means Committee to develop the finance package had been another key to success. The decision removed the jurisdiction problem, but Representative Boggs added the Highway Trust Fund mechanism that Representative Fallon had not considered for the 1955 version of his financing package. Thus, the key to success in passage also proved to be the key to financing completion of the Interstate System over the succeeding 5 decades.