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United States Senate

COMMITTEE ON
 INTERSTATE AND FOREIGN COMMERCE

EDWARD JARRETT, CHIEF CLERK

File

June 14, 1960

Mr. Burke Riley
 P. O. Box 2584
 Juneau, Alaska

Dear Burke:

Is there any merit to the contention that the State highway system is growing out of hand and out of bounds, with a large bureaucracy being established-- including many excess jobs at excessive salaries? I know nothing about this whatsoever by way of personal information but many letters are so alleging.

Sincerely yours,

Bob
 E. L. Bartlett

I wish I could answer this with conviction. I have George Nichols giving it a close, critical look and may soon have some valid analysis with which to confirm correct or rebut. Meanwhile some of the rationale?

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 8, 1960

Mr. Larry C. Farnen, Manager
Homer Electric Association, Inc.
Box 40
Homer, Alaska

Dear Mr. Farnen:

I appreciate your comments concerning the maintenance organization of the Division of Highways. I can assure you that the action referred to in your letter was given careful consideration before it was taken. Despite various memoranda, such as the one enclosed, there still appears to be considerable misunderstanding concerning the actual role that the maintenance organization will play in the new State Highway setup.

Under the old Alaska Road Commission and Bureau of Public Roads system, the maintenance organization performed a dual construction and maintenance function. In the past it was necessary that considerable road construction work be done by this personnel. However, Alaska contractors are now more numerous and are able to handle practically all road construction work in Alaska. So far as appropriate and economic, modest force-account work can augment contract work through the use of other personnel. I believe this is the proper manner in which the State government should operate. This is to say that the State should not compete with private enterprise except where essential in the overall public interest.

The wage rates originally established for maintenance personnel, therefore, were set up for a dual purpose construction-maintenance agency. Now that substantial construction work will not be handled by State forces, the complexity of the residual maintenance work should be considerably lessened. In this respect, the maintenance organization will probably decrease in time by some 25 - 35 per cent, largely through attrition; and ultimately some maintenance stations may be eliminated. By switching to the traditional maintenance-type organization, a savings of from one to two million dollars per year of State funds is ultimately expected.

I am sure you would not want to have State highway maintenance forces involved in construction of pole lines, which is similar to the position in which highway contractors have found themselves when highway construction work was performed by State forces. In establishing the new salary scales for maintenance employees, a complete review was made of salaries paid for the same work in other states. In comparison to California and Washington, which are the highest paid of the other states, Alaska's road maintainers will at the new scale receive over 50 per cent more. By comparison with the nation-wide average, the Alaska wage is 75 per cent greater for the maintenance group.

You state that such a reduction should not be made unless a similar reduction is made in other groups. Actually, Alaska's maintenance salaries have been far more inflated than other salary classifications. For instance, the State Maintenance Engineer, the Assistant State Maintenance Engineer and the District Maintenance Engineer will receive less than is now being paid for comparable work in California. The engineering classifications within the Division of Highways generally are less than 25 per cent above Washington and California. This creates some unbalance between our maintenance personnel and our engineering personnel, with the maintenance organization receiving the better deal comparatively.

It is imperative that we reach and maintain a balance in salaries paid to State workers not only in the Maintenance Section of the Highway Division, but between all sections of that Division, the several divisions of the Public Works Department and the other departments of the State government. Any salaries which are out of line in any organization will create a difficult situation in all State Departments. The last State Legislature directed the creation of a State Personnel Board to establish uniform salary schedules and working conditions for all State employees. All State salaries, including those presently established for maintenance employees, will be thoroughly reviewed by the Board and will be adjusted to eliminate such inequities as may be found to exist.

The Division of Highways has thus far received very good response to its job offers--so good, in fact, that normal attrition may effect the 25 to 35 per cent reduction in force provided for in the budget. It is not the intent, however, to decrease any maintenance services now being furnished. Instead, I believe that a maintenance organization operating in the traditional manner of other state highway departments will be able to provide more service at less cost to the Alaska taxpayer.

Very truly yours,

William A. Egan
Governor

Enclosure

P. S. The problem in transition from Federal to State highway responsibility is that there is no valid comparison (State to Federal) of function or scope of operation. The State highway function will be new and cannot properly be compared with the unique systems employed by its two predecessor Federal agencies. Each job in State government is being classified and each will be made subject to uniform pay schedules to be adopted for all departments. For years, there has been little or no relationship between agencies in their wage structures, and the State Legislature has properly directed that this condition be corrected.

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DIVISION OF AVIATION
GLOVER BLDG., ROOM 202
ANCHORAGE, ALASKA

DEPARTMENT OF PUBLIC WORKS

DIVISION OF AIR TERMINALS
P. O. BOX 3-243
ANCHORAGE, ALASKA

P. O. BOX 1351

JUNEAU, ALASKA

RICHARD A. DOWNING - COMMISSIONER

DIVISION OF HIGHWAYS

DIVISION OF BUILDINGS

DIVISION OF COMMUNICATIONS

DIVISION OF WATER & HARBORS

DIVISION OF PROPERTY & SUPPLY

DIVISION OF EQUIPMENT OPERATION

SOUTHEASTERN REGION

June 17, 1960

Re: **Salary Scales for State
Maintenance Personnel**

The Honorable James I. Fisher
Alaska State Representative
136 H Street
Anchorage, Alaska

Dear Representative Fisher:

On June 6 and June 7, 1960, Mr. Richard A. Downing and I met with the employees of the Anchorage Division concerning salary scales and employment practices governing future State employment. Undoubtedly Mr. Lippitt has received the information which you request in your letter of June 7, 1960.

Since the State Personnel Act provides that the salary scale classifications and general employment policies will be developed and adopted by the State Personnel Board, it is impossible for us to give definite information at this time. However, I believe we were able to answer most of the questions to the general satisfaction of all concerned. Strangely enough, after the procedure which was used in deriving the tentative salary schedules was explained to the employees, there was little or no adverse comment.

It may be well to explain the background on how these salaries were developed. The hourly rates paid to maintenance employees by the Bureau of Public Roads were based on the old wage board schedules which were primarily set up for seasonal work. They were set sufficiently high to help cushion the winter layoffs. The DPR maintenance men, in the past, profited by being hired on a 12-month basis. When it became necessary under the State Personnel Act to establish salary scales which were comparable in all State agencies, it became apparent that there was an unbalance in this area. In order to establish what the pay scale should be, we used the reports published by the American Association of State Highway Officials relative to salaries paid by the other 49 state highway departments.

For many years the American Association of State Highway Officials has published an annual report on salaries and job classifications. During this time they have conducted numerous studies and investigations on comparable work and job classifications. Hence our decision to use these reports as a basis for a salary schedule.

The states of California and Washington pay the highest rates of any state highway department. Since there is a sort of living differential established between Seattle, Washington and the state of Alaska, it was decided to use salaries paid by the state of Washington. Salaries paid for maintenance employees in Washington were increased by at least 50 per cent and that figure was established as the basic base. Cost of living differentials were then added for Anchorage and Fairbanks.

It is interesting to note that under the present tentative salary schedule maintenance in Alaska receives at least 50 per cent more than in the state of Washington; a crew foreman receives 57 per cent more than in Washington and the section foreman has a plus differential of 57 per cent. In the engineer's classification this differential amounts to approximately 30 per cent and in the top staff members the differential is on the same scale. For instance, the Director of Highways in Alaska receives 21 per cent less across the board than does the Director of Highways in the state of Washington.

Some benefits apparently not considered by prospective employees are the greater number of paid holidays and the shorter work week. We are also attempting to set up an organization which will offer a greater guarantee of year-round employment to all its employees than has been offered in the past.

You mention instances where new state employees were hired for wages higher than those being offered to non employees for state employment. This unfortunate situation came about in this manner. The Bureau of Public Roads hired employees for the state at a rate higher than those established for state employment. In other words, they hired them on our payroll at the old wage board rates. We did not learn of this until too late to correct the damage. However, on July 1, 1960, this situation will be corrected.

You may be further interested to know that the state intends to administer a program approximately five times as large as in the past with a force less than employed by the Bureau of Public Roads. We intend to offer more services for less money and we are definitely cutting down on the number of high-paid supervisory positions.

I am confident that when the new salary scale, job classifications and employment policies are adopted by the State Personnel Board in accordance with State law that any existing inequalities will be satisfactorily corrected.

Very truly yours,

F. D. Bernard
Director of Highways

COMMITTEE REPORT

of the

FINANCE COMMITTEE

First Annual Alaska Road Conference

The Committee met at 9:15 A.M., July 28, 1959 to formulate a report regarding the financing of a State highway program.

Present were: Mr. Shannon
Mr. Boardman
Mr. Crowe
Mr. Schnabel
Mr. Banta
Mr. Polet
Mr. Banfield

A resolution was adopted as follows:

Resolved that municipalities which seek construction of highways within cities be permitted and encouraged to contribute the amount of money which is required from the State in matching Federal-aid funds for such projects.

Between July 1, 1960 and June 30, 1963 the State will need approximately \$3,400,000 per annum more than is available for road purposes if it is to take advantage of Federal-aid funds available for new road construction and build needed farm and access roads.

Commencing July 1, 1962 the State will have exhausted the maintenance funds contributed by the Federal government. After that date, State expenditures for highways cannot be financed by highway motor fuel taxes. Appropriations must be made from the State general fund.

The construction and maintenance of access and farm roads in more populous rural areas can more efficiently be done by boroughs. Such roads, together with municipal streets of local interest, should not be a State responsibility.

Boroughs should be organized in the more populous areas and such boroughs should assume the burden of constructing and maintaining access and farm roads.

Commencing July 1, 1960 the State must contribute additional funds for highway purposes to take advantage of Federal-aid funds available. The tax

on motor fuel used for highway purposes should be increased to a minimum of 7¢ per gallon. This increase will supply only a part of the highway funds needed.

In unorganized boroughs the State should collect revenues or contributions to pay for construction and maintenance of access and farm roads.

At the present time the Department of Public Works is engaged in preparing a report for the Legislature on the need for construction, improvement and reconstruction of State highways during the next five years. The State Planning Commission is also preparing a report on the need for, and cost of, highways, airports, jails, court facilities, schools and other State public works. Until these studies are completed there is no way of knowing how much money will be needed in the future for either highway or other State projects. Until these studies are completed, the Legislature cannot determine how it should finance such public works. It appears reasonably certain that a general obligation State bond issue will be necessary. These studies and any plan for issuing such bonds are pre-requisites for planning revisions in the State budget and State tax program.

It appears to the Committee there will be available from the Omnibus Bill, Federal-aid funds and use of one-third of the highway gas tax receipts, a fund of \$124,500,000 for use under the Federal-aid highway program for expenditure between July 1, 1960 and July 1, 1963 for construction and reconstruction of highways in Alaska. The Department of Public Works must use a portion of this fund for reconstructing present highways. If \$24,500,000 is spent for this purpose, the funds available for construction would be \$100,000,000 which would build several thousand miles of new road. These new roads would soon cost several millions of dollars annually to maintain depending on the type of roads constructed.

Beginning July 1, 1962, Alaska must provide from the revenues approximately \$7,000,000 for highway maintenance and administration of the present 4100 miles of highways on the Federal system. The expenditure of such a sum as \$100,000,000 for new construction would proportionately increase the maintenance costs.

Beginning in July 1963 the Omnibus funds will be exhausted and any Federal-aid funds allocated after that date must be matched with 13.5%

from either tax revenues or bond proceeds.

Until the completion of the public works studies above referred to and a plan of financing all public works is worked out to show the cost of such projects and a schedule of the funds needed in successive years, no plan can be formulated for paying maintenance and construction costs of either highways or other public works.

The Committee recommends to the Legislature and the Governor that a study be made of a plan for such financing which would include a complete review of our present tax system and recommendations for a plan of taxation in the future. Special attention should also be paid to which tax sources should be reserved to cities, boroughs and the State.

M C Banfield
Chairman

PRESENTATION TO ALL-ALASKA CHAMBER OF COMMERCE

By

Richard A. Downing
Commissioner
Department of Public Works

For an integrated highway system the size of Alaska's to be built by the U. S. Government is a very unusual thing, and certainly not typical of the Continental United States. The 4300 constructed miles in Alaska are almost entirely the result of work done or contracted by the Alaska Road Commission and Bureau of Public Roads in the 50 Years of its existence. In the main, the 48 states developed their own systems; the influence of federal assistance varied greatly among the individual states. All states had formed their own highway departments to administer these facilities by 1917, a precondition of Federal-aid for highways. In Alaska the only agency with access to substantial funds for road work was the Department of the Interior, so this void in local government was filled by the ARC. The U. S. Program of highway aid to the states was instituted in 1916, but Alaska was not included until 1956 and even then special provisions were necessary. One of these caused the activities, equipment and personnel of the Alaska Road Commission to pass to the Bureau of Public Roads, a branch of the Department of Commerce.

This sounds like just a change in name, but to Alaska the significance is much greater by reason of the difference between these two federal agencies, in their responsibilities, their objectives, their financing. Interior has had the responsibility of developing the Territory, by surveying the lands for settlement, by cataloging and protecting the resources, by providing access and communication to areas where economic activity might be encouraged to occur. Little development can take place until people have entered a country to test its agriculture, experience its climate, find its minerals, and provide the labor for building, extracting and production. The Alaska Road Commission helped to provide these communications in Alaska, along with the railroad, as a gamble in national economics. It used funds appropriated by the U. S. Congress specifically for that purpose. Its budgets were composed of the amounts necessary to operate and maintain the existing system, and additional funds for improvements and new construction.

In contrast, the Federal Aid Highway Program was originally introduced in answer to a widespread public problem. By 1916 use of the automobile had become general enough to make the existing roads obsolete. The principal objective of this federal program has always been to serve the needs of traffic

which is already in being. The program is supported primarily by funds collected from highway users and spent primarily for highway purposes. This indicates that the activity must be self-supporting. The Bureau of Public Roads, which administers highway Federal-Aid, does not normally permit these funds to be spent for maintenance. The states impose parallel taxes on the highway users to match their Federal-Aid apportionments and maintain the highways; Hawaii and Puerto Rico have been paying these costs for a long time. The individual state's income must be sufficient to meet these obligations. The Bureau of Public Roads does not select or construct projects directly. This is the prerogative, and the responsibility of the State.

The purpose and reason for any highway department is to build and keep up highways where they are needed and, with responsibility to the general public, where they are desired. To discharge this responsibility certain funds are provided; in Alaska these consist primarily of the Federal-Aid apportionments and the State's motor fuel tax receipts. The financing of a highway system requires expenditures of three different kinds;

1. Capital outlays for new roads or for increased standards on the old ones.
2. Replacement of existing facilities at the end of their service lives (which have a definite limit).
3. The costs of maintenance and operation.

Under the Alaska Road Commission the last two, maintenance and replacements, could be listed as obligations of the federal government. Funds for these purposes could not be refused by the U. S. Congress without deterioration or abandonment of the system. Budget requests for new construction were in a much different position and might be either granted or denied. The Alaska Road Commission could construct routes without regard to the motor fuel tax returned, and therefore without consideration of the traffic volume which might or might not be generated on a particular route. A lot of Alaska's present highways were built for military reasons and the armed services are obviously not under any compulsion to justify the existence of a road on the basis of traffic volume.

Now suppose we compare this with Federal-Aid for highways. Under the normal relationship between the Bureau of Public Roads and a State the situation is almost exactly opposite. The annual apportionment to the state is fixed by a formula and is only indirectly established by the Congress.

The amount is usually known several years in advance, which gives stability to the program. These funds, with matching percentages from the State, can be used for projects approved by Public Roads in either new construction or replacements, but the State must agree to accept this mileage as an obligation and with its own funds maintain it in adequate and usable condition indefinitely. In these circumstances, and with a highway fund supported by road users taxes, the question of traffic is crucial. Considering all the highway mileage administered by the State, the revenues from highway users must be sufficient to pay the entire cost of maintenance and operation, plus matching the federal apportionment for construction purposes, or the department is headed for either bankruptcy or deterioration of the system. No matter what general benefits a particular addition may bring out, such as increased property values or better access to raw materials, unless these are reflected in sufficient volumes of traffic the added route will be a net liability to the highway fund.

The alternative course which we might take is to exercise what influence we can to make the highway system self-supporting. There is no doubt that this will require additional sources of revenue for the State highway fund, and probably more than can be hoped for in the next few years. We have little choice but to continue with the present financing arrangement until the population (and therefore traffic) has increased substantially. The positive steps which we can take are:

1. To favor projects which will have sufficient traffic to return motor fuel revenues in excess of the maintenance and operation costs, or at least approach a balance on this. Since the present total system, well developed as it is, does not return gas tax revenues equal to the total direct maintenance cost, it is difficult to think of any new routes into sparsely populated areas which would not worsen this situation.
2. To favor improvement of the existing roads where this will result in substantial reduction of maintenance expense. In every highway network there are sections which, because of age, traffic, standards of original construction, climatic conditions, or other factors have deteriorated to an extent where the maintenance cost is out of proportion to the replacement cost.

The general desire of the people of Alaska appears to be the extension of our highways into the large geographical areas which are not served, to the principal communities which are presently isolated, and to the vicinities of known resource potential. It seems to me that there are three fundamental approaches to this objective:

1. We can attempt to build a large, basic network

as soon as possible utilizing increased Federal-Aid apportionments, special federal or State Appropriation, State highway bonds, or combinations of these. Since the system which we have now does not pay its own way any large expansion of that system must be based on the argument that the development during the next few years, the increases in population and traffic which might occur because of these facilities or concurrently with them, will bring enough revenues to the State to meet the new obligations. If this gamble does not pay off, the risk we run is later stagnation of the system, inability to finance projects which are needed, and lowering the standards of service to the highway users.

2. Expand the highway network at a moderate rate and insure that the Federal-Aid highway monies will be available for this purpose by broadening the taxation base and increasing the revenues of the State highway fund to the point where it can pay the obligations. Taxes related to the general economic progress and not just to highway use would be necessary because most of the major new routes proposed cannot be justified on the basis of projected traffic. They must depend for their justification on general benefits to the State.
3. Limit the future highway projects to the construction of new routes which will have enough predicted use to support their anticipated costs, and to replacements and improvements on existing routes. Under this policy it can be assumed that our financial position will gradually improve, that eventually highway user revenues from the present tax base will be sufficient to pay the expense of owning the highway system. Once this status is achieved the full Federal-Aid apportionment will be available for construction, but only so long as the new projects are selected to maintain this balance.

None of these choices is particularly appealing. the first is genuinely risky, the second would cause a further tax burden on all of us, and the third would not serve the desires or needs of the State.

This view of our position in regard to highway financing is essentially pessimistic, even negative, and such a view will not cause any more enthusiasm within a highway division than it will among the general public. It should be pointed out and emphasized that the technical problems of highway location and construction are not involved here, that these are challenges which we can accept gladly and with considerable confidence.

Statistics on highway service lives, on traffic volumes, maintenance costs and so on are only partially available in Alaska at this time. Careful estimates of population and economic potential are very difficult in our present circumstances. Without information of this kind it is impossible to discuss the highway problem in quantitative terms, but the following generalizations will help to indicate where we are:

1. There are now about 4,300 constructed miles of Federal-

Aid system highways in Alaska. This includes almost all existing roads except for the city and public utility district streets. It is estimated that the maintenance and administration of this mileage will cost \$6,000,000 in the next fiscal year. Simple division gives a per mile cost of \$1,500 per mile. With the present tax structure, the income to the State highway fund for the same period will probably be about \$2,500,000. The generalized per mile income is therefore somewhat less than \$600, or about 40% of what is needed.

- 2.. It is not difficult to imagine that in five years the traffic and motor fuel receipts might be $2\frac{1}{2}$ or 3 times what they are now, but this would only be enough to put us in the black for the present highway system. We would have to accept the third alternative mentioned above to achieve this solvency.
3. Using an annual operation cost of \$1,500 per mile, figure of 10 miles to the gallon for all kinds of vehicle travel, and a tax rate of five cents per gallon for all fuel, any section of highway added to the system will have to have an average daily traffic of more than 800 vehicles per day to return its operational costs. On the same basis, the present generalized ADT for 4,300 miles producing \$2,500,000 is about 320 vehicles per day. The \$2,500,000 is actually being produced by a greater mileage if we include the city streets, where much of Alaska's traffic occurs. The present ADT on rural sections of the paved, connected, primary highways seems to fall in the range of 150 to 300 vehicles per day. On the gravel secondaries into isolated areas it is, of course, lower.

Presumably, the over-all objectives of the Alaska Highway Division are those of serving the present and anticipated traffic on the existing highway system, and of extending that system to provide communication and commerce between all populated areas of the State. It is this contribution to the welfare and economic growth of Alaska which justifies the imposition of a motor fuel tax on the highway users.

Probably there will never be sufficient funds to construct all the roads which are desired by the general public and which would be of use to them. Further, the cost of maintenance not only increases with the addition of new mileage but mounts according to the age of the total system. The responsibility of the State agency is limited, by reason and by law, to roads which are of use and service to the public at large. For these reasons the expenditures for the improvement or expansion of the highway system will always be restricted by both the current and long-term capabilities of the State and by the limits of state interest. Those projects should be selected which will give the maximum in public benefit as related to their total long term cost, and they should be selected in an orderly manner if public confidence is to be maintained.

it is also apparent that revenues must equal or exceed the costs to avoid eventual bankruptcy. Furthermore the benefits, when given a dollar value, must equal the cost of providing them in order to justify the investment. It is rather common practice to use revenues from surplus-producing routes or systems to finance projects which are less self-sufficient or for which the economics are indeterminate, and the Federal-Aid program itself is a form of this practice. However, it is clear that each such project has an adverse effect on the economic health of the total system and that the procedure can only be carried so far.

Wm. Niemi

Talk to be Presented to the Road Conference of the All- Alaska
Chamber of Commerce July 27 and 28 at Juneau

The subject which was handed to me by this organization is for an informational report of the Bureau of Public Roads in Alaska. Before embarking on the place of the Federal Bureau of Public Roads in Alaska perhaps you would be interested in a brief history of past highway organizations and what has been accomplished up to this point.

Back in 1905 the Congress established the Alaska Road Commission under the War Department to meet overland transportation problems by construction of roads and trails. The first president was Major Richardson, and his two principal assistants were also Army officers. The rest of the organization was civilian. The Alaska Road Commission functioned under the War Department until 1932 and during that period constructed pioneer-type gravel-surfaced roads and also numerous trails and shelter cabins for dog team transportation for the Territory. Another function was the construction of airfields for bush pilot operation, also for the Territory.

In 1932 the functions of the Alaska Road Commission as an organization were transferred to the Department of the Interior and was then headed up by civilian personnel. This agency continued to function as the Territorial Highway Department and received its appropriations from the Congress and also from the Alaska fund into which were covered taxes collected in the Territory outside of incorporated municipalities. The Territory participated in the highway program through a territorial board which office was established in 1917. With the Federal Alaska Road Commission functioning as a highway department, and the Bureau of Public Roads and the Forest Service working in National Forests, there was no need for the then Territory to establish an operating highway department and the board merely administered the highway funds. It was during the time that the Alaska Road Commission was the highway agency that the extensive improvement of the primary highway system in Alaska was undertaken in cooperation with the then Alaska Division of Public Roads. To meet military requirements the principal highway system was improved and surfaced with asphaltic concrete beginning in 1948 and still continuing.

The Federal Aid Highway Act of 1956 abolished the Alaska Road Commission and transferred all of its personnel, equipment and facilities to the Bureau of Public Roads of the Department of Commerce. Public

roads carried on the extensive improvement program which was previously initiated and which is still in progress. Alaska was at that time designated a region of the Bureau of Public Roads with division headquarters at Juneau, Anchorage and Fairbanks and district offices at Valdez and Nome.

The 1956 act also brought Alaska under Federal aid for highways and made the then territory eligible for annual apportionments of highway funds for the first time. Dependence on annual appropriations from the Congress for highway construction and maintenance was thereby eliminated.

To bring us up to the present, the admission of Alaska to statehood and the passage of the Alaska Omnibus Act June 25, 1959, further modified the Alaska highway organization. Under provisions of this act, all equipment, supplies and facilities not needed by the Bureau of Public Roads in Alaska for its normal functions were transferred to the State of Alaska on July 1, 1959. The bill also provided for certain transitional grants to finance state operations until the state is able to organize and to gear up to its new responsibilities. The act also permitted the state to enter into contracts with certain federal agencies to perform state functions for a 5 year period, or until July 1, 1964. The state entered into such a contract with the Bureau of Public Roads and this is the present status of the highway organization in Alaska. The Commissioner of Public Works, Dick Downing, will undoubtedly inform you about the status of the present state highway organization so I shall not dwell on that subject. Mr. Mitchell, I understand, will cover forest highways.

Now something about the Bureau of Public Roads and our place in the National as well as the state highway picture. The 1916 Road Act established the first Bureau of Public Roads as we know it, and this and subsequent federal highway acts established the ground rules for federal-aid to the states. A few general statements covering federal and highway operations are in order and I shall quote largely from recent testimony of Federal Highway Administrator Bertram D. Tallamy before the committee on Public Works of the House of Representatives.

The federal aid highway program in each State is made up of numerous individual projects in all stages from the initial programming to completion. For the United States there are nearly 20,000 projects programmed or under way and the number of new projects total about 12,000 each year.

The funds authorized for each fiscal year are apportioned among

the States in accordance with formulas prescribed in federal aid highway legislation involving factors of area, population, mail route mileage and cost of completing the interstate system. The State Highway Departments then submit programs of projects to the Bureau of Public Roads for improvement with the funds. Following the approval of the programs, the States are authorized to proceed with surveys and plans and acquisition of right of way.

When detailed plans, specifications and estimates have been prepared, they are submitted to Public Roads for approval. Concurrently with approval the States are authorized to proceed with advertising for bids. After bids are opened the State determines its actions with regard to awards or rejection of bids and submits its findings to Public Roads for concurrence.

Following the award of contract by the State Highway Department, the successful bidder is notified by the State to begin work. The construction work is supervised by the State Highway Department and inspected at periodic intervals by Public Roads field engineers.

Payments to the contractor for work done on federal aid projects are made by the State from State funds. To obtain reimbursement for the federal share the State submits vouchers to Public Roads indicating for each project the amount of work done and claiming the federal portion that is due.

Upon completion of a project it is finally inspected and determination made by Public Roads that it was constructed in accordance with the approved plans, specifications and estimates after which the project costs are audited and the final payment is made. Maintenance of federal-aid highway projects is the responsibility of the States.

Now getting back to apportionments and the financing of highway construction and maintenance in Alaska. Under the 1956 Highway Act the then Territory of Alaska received a modified but very favorable apportionment in that the funds were made available for both construction and maintenance. No where else among the States was this permitted. However, under the modified formula only one-third of the area of Alaska was included which gave Alaska approximately 14 million dollars per year, matched 10 percent by the Territory. With maintenance running to about 5 and one-half million and allowing for administration, research, safety and other requirements the total amount remaining for construction came to about 9 million per year.

Now under the provisions of the Alaska Omnibus Act the full area of Alaska will be included in the apportionment formula which will make the apportionment to Alaska in the neighborhood of 36 million dollars per year to be matched about 13 and one-quarter percent by the State, making a total of about 42 million dollars for construction. As previously mentioned, certain transitional grants were included in the Act including 12 million dollars intended for highways. Also included in the bill was permission for the State to utilize the entire apportionment for fiscal year 1960 for maintenance, together with any unobligated funds remaining in fiscal year 1959 and prior years. From our present estimates these fiscal year 1960 and prior funds, which are still matched on a 10 percent basis, will take care of maintenance for a three-year period. State gas tax together with the 4 million dollars for highway funding will place the State in good highway financial condition for the next three years with a program of about 42 million dollars per year for construction. This gives a three-year breather for the State to place itself into position for future matching of federal aid apportionments, and most important, to assume the full cost of maintenance.

I would like to dwell a little more on the functions of the Bureau of Public Roads as a whole. Programming and the execution of the program is a State function. The responsibility of Public Roads is to administer the federal-aid funds and to reimburse the State for the federal share when earned through completed highway work. Highway research, highway planning studies and a myriad of related functions are in the province of Public Roads on a National, Regional and State level, all in cooperation with the States. Public Roads works very closely with the American Association of State Highway Officials, a National organization which formulates policies, establishes design criteria and tackles any and all problems connected with highway construction, maintenance and administration. Public Roads in Alaska administers the federal-aid apportionment to the State, performs highway design, construction and maintenance for the State, and performs highway design and construction in the National Forests and National Parks. The traditional teamwork which has accomplished so much in the other forty-eight states will, we hope, be as effective in Alaska. We encourage the State to actively build toward the day when the highway department will be fully operative and carry the full load of highway planning, construction and maintenance in this great new State. It is our hope in the Bureau of Public Roads that the highway program will move forward in a practical and efficient manner.

Informational Report to be Presented to the Road Conference of
the Alaska State Chamber of Commerce, July 27 and 28, 1959

by G. E. Mitchell, Regional Engineer
Us. S. Forest Service

Thank you Mr. President (or chairman). I want to thank you for the invitation to present our national forest road program here in Alaska to you and the other Chambers that are represented here.

First I would like to point out that, considering the whole of Alaska, the national forest portion is but a small area of the State. The national forests are shown by the shaded area of this map; a part of the Kenai Peninsula, and the Cordova and Prince William Sound area, known as the Chugach National Forest; and Yakutat and southeast Alaska, known as the Tongass National Forest. For administrative purposes we have broken the Tongass Forest into the North Tongass Forest and the South Tongass Forest.

Within the national forest areas we have a transportation system that consists of roads, trails and airports. While trails and airports are an important part of our transportation system, I am going to limit my talk to the forest road system and program.

The forest road system is a network of designated routes providing vehicular access to and through national forest lands. The forest road system is further broken down into two road systems, the forest highway system and the forest development road system. The specific inclusion of any road in either of these systems does not imply either full or partial Forest Service responsibility for construction, improvement or maintenance of any of these routes. It is important that this point be made clear, since it will probably effect the actions you take and recommendations that you make at this conference.

First, and of primary importance to you folks, we have a system of roads called forest highways. Forest highways are defined as those forest roads of "primary importance to the State, counties, communities within, adjoining or adjacent to the national forests." Second, we have a system of roads called forest development roads that are defined as roads of "primary importance for the protection, administration and utilization of national forests, or, when necessary, for the use and development of the resources upon which communities within or adjacent to the national forests are dependent." In short, forest highways are the roads important to the people while forest development roads are those important primarily to the resources of the forests.

For a road to qualify for inclusion in the forest highway system, a study is first made to determine whether it is appropriate to be included in the forest highway system. After the study is made, it is necessary that the State and the regional

offices of the Bureau of Public Roads and the Forest Service in Alaska jointly agree to recommend the designation of the road as a forest highway. This recommendation is then sent to Washington for approval, and if approved, the highway is included in the forest highway system and is eligible for the expenditure of forest highway funds.

Forest highway funds are appropriated by the Congress to the Bureau of Public Roads, which organization is assigned the responsibility of administering the forest highway system. The funds are allotted to the various states which contain national forests. Fifty percent of the funds are allotted on the basis of that state's ratio of national forest area to the total of all national forest area. The other 50% is allotted on the basis of that state's ratio of the value of its national forests to the total value of all the national forests. The Forest Service determines the area and value of the national forests and the Secretary of Agriculture certifies these figures to the Bureau of Public Roads for allotment purposes. Alaska receives the fourth largest forest highway allotment in the nation. Oregon, California and Idaho, in that order, receive more forest highway money than we. The amount of forest highway funds each eligible state receives is dependent upon the amount Congress appropriates, but the proportion of the total that any state receives can only change if the value or area of national forest lands is changed. Last year, fiscal year 1959, Alaska received \$3,087,882 and this year we received \$2,816,444. The forest highway appropriation is smaller this year than last year. Forest highway money is appropriated to build highways through the national forest areas where the tax revenue is practically nil.

On these maps I have shown the declared forest highway system in Alaska. The solid line indicates the roads that exist today with the dots indicating the roads yet to be built. In the Appropriation Act last year, Congress asked that the Bureau of Public Roads make a study with the states and Forest Service to determine what roads, not now in the forest highway system, should be in the system due to their use and importance. Alaska's part of the study was completed this spring. The routes that were agreed to by the State, Bureau of Public Roads and Forest Service are shown on these maps by a dash line. This first map shows the forest highway system on the Kenai Peninsula; and Seward-Anchorage highway from Seward to Girdwood; the Kenai River highway from the Seward-Anchorage highway to Henton's Lodge; the Portage Glacier highway from Portage to the Glacier; the Hope highway from the Seward-Anchorage highway to Dognose Point just beyond Hope; the Crow Creek

highway from Girdwood up Crow Creek; the Seward Airport road; and the Resurrection Bay road from the Seward-Anchorage highway to the east side of Resurrection Bay. At Cordova the System includes the Copper River highway from Cordova to Alaganik (about 22 miles out of Cordova) and the Cordova highway from Power Creek north of Cordova to Point Whiteshed. In Juneau area the system includes the Glacier highway from Point Bishop to Berners Bay including the Glacier loop and other spurs, and the Douglas highway from Douglas from Douglas north around the Island to Point Hilda. At Sitka from the pulp mill to Old Sitka. At Petersburg the system includes the Mitkof highway from Skylark Creek via Petersburg and the Stikine River to the Canadian boundary and a short road at Point Agassiz. At Wrangell the system is from Mill Creek to Chichagof Peak. The system at Ketchikan is the Tongass highway from Beaver Falls to Loring. At Ryder there are the Salmon River and Texas Creek highways. There is one other forest highway not shown on these maps and that is a short road on Afognak Island. This is the entire declared forest highway system. All other routes are those developed during the study I mentioned, which the State, Bureau of Public Roads and Forest Service agreed should be forest highways. These roads are known as Group B. roads. Notable roads in the Study, other than extensions of the present system, are the roads from Craig to Hollis and two roads at Yakutat.

The forest highway construction program for each year is a joint agreement by the State, Bureau of Public Roads and the Forest Service. A programming meeting is held, usually in the fall, to consider each agency's construction requests. Since the requests usually exceed the available money, it is then necessary that the three agencies agree to a program that best meets their own needs and the others' needs with the money available. This is a give and take proposition and depends on the agencies working together.

This year the forest highway program calls for bringing up to standard roughly 2 miles of the southerly end of the Hope highway; the construction of a three-mile extension of the Tongass highway at Ketchikan from Clover Pass to Lunch Creek; and bringing to standard the section of Glacier highway from the Shrine to Herbert River. There are other projects from previous years funds that are either under construction or will be soon. These are: extension of the Mitkof highway at Petersburg to Blind Slough; bringing to standard a section of the Glacier highway from Tee Harbor to the Shrine; replacing three bridges on Glacier highway; completion of grading work on the east side of the Mendenhall loop; replacing one bridge at Sitka; bringing to a standard two miles of the Douglas highway from the Juneau-

Douglas bridge north; completion of another section of the Copper River highway from mile 4 to mile 7; and construction of the Portage Glacier highway. In addition to actual construction work, approximately \$100,000 is programmed each year for survey and design work for future construction.

The construction program for the next fiscal year starting next July will be prepared this winter by joint agreement of the three agencies.

So much for the forest highway system.

The forest development road system I mentioned awhile ago is an important program that I know will be of interest to you since it has an economic impact on the communities in and around the national forests. As I said before, the forest development road system is a network of roads of primary importance for the protection, administration and utilization of the national forests. These are the roads that we, of the Forest Service, are primarily concerned with.

Two years ago our forest development road system contained 212 miles of road, of which 96 miles actually existed. In November, 1956, we asked our forest supervisors and rangers to take a good look at what roads would be needed for timber harvesting, recreation, hunting, fishing and fire control over the next 20 years or so. In June, 1957, we assigned an engineer on a full time basis to make an ultimate transportation plan for the national forests in Alaska. We have the plan practically complete now. The purpose of this transportation planning effort is to develop a logical, systematic road system and to determine an estimated cost of this system. With the plan we will know, when we build a road on one of the islands here in southeast Alaska, if the road will eventually develop into a network with other roads, or not. This is important to know since the standard of and amount of money we invest is affected by the future of the road. For instance, if we started logging in Trocadero Bay, and a road was required, we would want to construct a road with residual value since the road could develop into a portion of a road from Craig to Hyderburg. Whereas a road built, say, in an isolated drainage of Kulu Island would not need as much residual investment since the road would probably not be used for many years after the first logging is completed. As an example of what I mean by a transportation plan, I have here a map of the southern portion of Prince of Wales Island and nearby islands that shows what our transportation network in this area may look like years from now. The black route is the Group B proposed forest highway from Craig to Hollis while the red routes are the possible forest development roads. The majority of the roads will be needed to harvest the timber in this area but recreationists, hunters

and fishermen will most certainly benefit from this network as it develops. I think you could say this is a representative sample of the planning we have done throughout the national forests of Alaska. As a result of our transportation planning job, we now foresee the need of 11,420 miles of forest development roads instead of the 212 miles two years ago. Approximately 6020 miles of this 11,420 miles will be what we term access roads; roads that open up the country. The remaining 5,400 miles will be what we term utilization roads; spur roads within logging areas, etc. We have a big job ahead of us.

Now to get back to the present. We construct forest development roads through road construction contracts, through timber sale contracts where the purchaser is allowed a road construction cost in the amount he pays for the timber, and occasionally by our own force account crews. Most of our roads now under construction are being built by the timber purchasers.

This year and last year we received \$750,000 for road and trail maintenance, construction, and surveys and designs. We are just completing a short campground road at Lena Cove in conjunction with another recreation picnic area in the vicinity of Juneau. We provided a small parking area road for a picnic ground on Elind River at Petersburg. On the Kenai Peninsula we are cooperating with the Chugach Electric Association by providing a part of the cost of the road being built by the Association from Snug Harbor on Kenai Lake to Cooper Lake. This is part of their hydroelectric project. At Ketchikan we are cooperating with the Bureau of Public Roads to better the road to Ward Lake. This year we plan to construct a timber access road two to three miles up Carroll Creek off Carroll Inlet east of Ketchikan, and cooperate with a timber purchaser toward building a timber road at Whitewater Bay south of Angoon. We also have three bridge replacement projects on the Kenai Peninsula. In conjunction with Portage Glacier forest highway project we are having the Bureau of Public Roads, through its contractor, construct a short spur road to a new campground just below Eyron Glacier. In addition we have surveys underway or just completed for a road along the northwest side of Upper Trail Lake on the Kenai, a road on the south side of Klawok Lake for timber access, a timber road near Patterson Glacier off Thomas Bay near Petersburg, extension of the Carroll Creek road, a road at Thorne Bay, Kadashan Bay near Tenakee, Port Alice on Heceta Island, Kosciusko Island, and a road to an over look on the west face of Mendenhall Glacier.

In addition to all these road projects we are trying to improve our trail system to provide access in areas where roads are not practical or will be a long time coming.

I would like to comment on the relationship forest roads have with federal-aid roads and State or Borough roads. Forest highways must be on the federal-aid system. This means that either forest highway funds or federal-aid funds, or both, can be used to construct a forest highway. However, forest highway funds cannot be used as matching funds by the State for federal-aid funds. The relationship forest development roads have with federal-aid and other State road systems is different from that of the forest highways. Forest development roads do not have to be on the federal-aid system as forest highways do. If we can show a forest need for a road, we place it on our system. A road, by virtue of being on our system, is eligible for the expenditure of funds but it is not mandatory that we expend funds on it. We can spend development money for maintenance and construction only in the amount we can justify. This understanding of the relation that forest development roads have to other systems is important. This is particularly true when it comes to road maintenance. The Forest Service is not a public road agency so we cannot maintain a road for the public or a private individual or firm. The forest Service can only maintain a road to meet its need and that of occasional forest visitor traffic. Regular users of forest development roads are required to pay their fair share of the maintenance. In other words, if a road is maintained well enough for Forest Service use and the occasional forest visitor, then we cannot spend any more money on it for maintenance. Neither can we plow snow beyond our own needs.

In lieu of the taxes that would be paid if the national forest land was in private ownership, the federal government returns to the States 25% of all the receipts it makes from the sale of timber and from the other uses for which we charge a fee. From the total receipts collected last year from national forest land in Alaska, the State of Alaska will receive approximately \$158,200.00.

This money is dedicated for use for public roads and schools. Alaska's receipts run around \$150,000.00 each year. In addition to the 25% fund the State receives, 10% of the receipts are returned to the Forest Service to be used on forest development roads. This 10% fund is included in the \$750,000.00 allotment I mentioned previously. This means that 35% of every dollar we collect here in Alaska from national forest land returns to the State for expenditure in one form or another.

This about covers the road program in the national forests. Mr. Sharrock asked that I talk about our relationship with the State Highway Department. I hope you noticed how many times I mentioned we cooperated with someone, the Bureau of Public

Roads, the timber purchaser, and other forest users. I think I can say that will be our relationship with the new State - cooperation. There will be instances where the State will need or will be asked to build a particular road and not have the funds to do it. It may turn out that the Forest Service is interested in the same road and is also short of funds. If that should be the case then we would need to get together and see what we can do together. There is no doubt that the use and economy of the national forests in Alaska is going to increase which, in turn, is saying that Alaska will go forward too. The relationship between the new State and the Forest Service, I believe, will be growing together.

ATTENDANCE - ALASKA STATE
CHAMBER of COMMERCE ROADS CONFERENCE

Juneau - July 27-28, 1959

NAME	REPRESENTING	MAIL ADDRESS
Loren Adkins	Dept. Agriculture-Forestry Service	Juneau
N. C. Banfield	Southeaster Conference	Box 1110, Ketchikan
Claire Banks	Anchorage Chamber of Commerce	Anchorage
Louis D. Banta	Cordova Chamber of Commerce	Cordova
Elmer E. Biggs	Bureau of Public Roads	Juneau
William E. Boardman	Ketchikan Chamber Manager	Ketchikan
William Boehl	Mayor of Douglas	Douglas
C. R. Burnett	Haines C. of C. (Secy.)	Box 35, Haines
Robert L. Crow	Comm. Public Works	City of Fairbanks
Cy Coyne	Mayor of Skagway	Skagway
Richard S. Davis	Cordova Chamber of Commerce	Cordova
R. A. Downing	State Comm. Public Works	Alaska Office Bldg, Juneau
Jack English	Seldovia	Seldovia
Charles G. Forck	Delta Chamber of Commerce	Delta Junction
Warren Ging	Alaska Dist., U.S. Army Eng.	Anchorage
Fr. Robert Grumbine	Valdez Chamber	Valdez
E. J. Havgen	Petersburg Chamber of Commerce	Box 248, Petersburg
Russell R. Hermann	Northwest Alaska C. of C.	Box 160, Nome
William S. Hibberd	Assoc. Gen. Cont. Anch. C. of C.	Box 992, Anchorage
Hewitt Lounsburt	Mayor of Anchorage	Anchorage
J. S. LeFevre	City of Cordova	Box 340, Cordova
J. S. MacKinnon, Jr.	Juneau Chamber of Commerce	155 So. Seward, Juneau
Cecil C. McClain	Sitka Chamber of Commerce	Box 118, Sitka
Jerry Manning	V. P., Alaska State C. of C.	c/o Alaska Nat. Bank, Fbx.
Clifford A. Miller	V. S. Forest Service	Juneau
Ross L. Miller	Fairbanks C. of C. (Mgr.)	Fairbanks
W. J. Neimi	Regional Eng., B. P. R.	Juneau
Leo T. Oberts	Kenai Chamber of Commerce	Box 207, Kenai
D. W. Pearson	Fairbanks Chamber of Commerce	210 Nerland Eldg., Fbx.
H. M. Pentecost	Planning Eng., Alaska Hwy. Div.	Anchorage
Bill M. Poland	City Mgr. of Kodiak	Box 685, Kodiak
Alvin Polet	Fairbanks Chamber of Commerce	1028 Kellvm, Fairbanks
A. V. Ritchie	Wrangell Chamber of Commerce	Wrangell
John J. Schnabel	Haines Chamber of Commerce	Box 129, Haines

Ken Searcey	Mayor of Haines	Box 135, Haines
Roy Selfridge	Ketchikan Chamber of Commerce	Ketchikan
George C. Shannon	City of Anchorage	Anchorage
Robert E. Sharp	City of Ketchikan (Mgr)	Box 1110, Ketchikan
Vern E. Smith	Wrangell	Wrangell
Perry Stockton	Mayor of Seward	Seward
Marty Tengs	Councilman of Haines	Box 153, Haines
Rolland V. Thomas	Dillingham Chamber of Commerce	Box 51, Dillingham
W. J. Torin	Associated Press	Juneau
Felix Toner	Juneau Chamber of Commerce	155 S. Seward, Juneau
John E. Waterman	Homer Chamber of Commerce	Box 113, Homer
Robert A. Wells,	Juneau Chamber of Commerce (Mgr)	155 S. Seward, Juneau
Jack Wilbur	Fairbanks City Council	1013 Gilman, Fairbanks
W. D. Wiley	Haines Chamber of Commerce	Haines House, Haines
Jack White	Anchorage Chamber of Commerce	Anchorage
Lewis M. Williams, Jr.	Mayor of Petersburg	Box 1086, Petersburg
J. E. Winston	Mayor of Ketchikan	Box 1499, Ketchikan

June 21, 1960

Honorable B. D. Tallamy
Federal Highway Administrator
Bureau of Public Roads
Department of Commerce
Washington 25, D. C.

Dear Mr. Tallamy.

Under date of July 1, 1959, a certain contract was made and entered into between the Bureau of Public Roads, United States Department of Commerce, and the Department of Public Works, State of Alaska. That contract provided that, for a time, the Bureau of Public Roads would continue to perform certain highway survey, design, construction and maintenance functions in connection with the Federal-aid highway program, on a reimbursable basis, until the Department of Public Works of the State of Alaska became suitably organized and equipped to perform such functions.

In accordance with Section 21 of the Alaska Omnibus Act (Sec. 21, Act of June 25, 1959, PL 86-70, 73 Stat. 141) the Secretary of Commerce transferred and conveyed to the State of Alaska certain properties owned, held, administered or used by the Secretary in connection with the activities of the Bureau of Public Roads in Alaska pertaining to the aforesaid Federal-aid highway program.

Said contract, dated July 1, 1959, further provided that, upon receipt of notice by the Federal Highway Administrator from the Governor of the State of Alaska that the Department of Public Works "has adequate powers and is suitably equipped and organized, and desires to perform some or all of the aforesaid functions, arrangements shall be made for the Bureau of Public Roads to terminate its performance thereof as promptly as is reasonably possible, and to release to the State the custody, control and jurisdiction over property relating to said function or functions. In that regard it is understood that any such function or functions returned to the State shall, to the extent feasible, consist of a complete unit of work or activity and comprise a specific area or road division so as to avoid any overlapping areas of administration.

That as Alaska assumes any of the functions herein to be performed by the Bureau of Public Roads, the Bureau shall adjust its personnel consistent with the requirements for performance of the remaining functions."

In accordance with such provision in such contract, I, as Governor of Alaska, do hereby state that the Department of Public Works, State of Alaska, has adequate powers, under existing laws, contemplated by the above contract; has established, in accordance with the laws of the State of Alaska, within the Department of Public Works, a Division of Highways which is suitably organized and equipped to perform all of the functions pertaining to highway survey, design, construction and maintenance in accordance with the obligations normally assumed by the several States for participation in Federal-aid highway construction under the provisions of Title 23, United States Code; and that the Department of Public Works of the State of Alaska desires to commence the performance of any and all such functions beginning on the 1st day of July, 1960. I therefore request that the Bureau of Public Roads terminate its performance thereof on such date and thereupon release to the State the custody, control and jurisdiction over property relating to said function or functions; provided that, in order more effectively to administer and complete certain survey, design and construction work now in progress which was commenced by the Bureau of Public Roads in accordance with the terms of the aforesaid contract prior to July 1, 1960, and which will not have been completed on that date, it is desired that.

1. The Bureau of Public Roads administer to completion the following Federal-aid construction contracts:

<u>Project No.</u>	<u>Description</u>
(1) F-021-1(1)	Sterling Highway, Anchor Point-Homer (Anchor River Bridge)
(2) DF-021-1(6)	Homer Community Streets (Sterling Highway)

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| (3) | (F-031-1(5)
(F-042-2(6)
(F-042-3(3)
(F-071-1(5) | Seward-Anchorage Highway)
Glenn Highway)
Glenn Highway) Guardrail
Richardson Highway) |
| (4) | F-031-2(5) | Seward-Anchorage Highway
(Cambell Street, Anchorage)
and Paving, Anchorage, Alaska
Railroad Depot |
| (5) | F-042-2(2) | Glenn Highway (Mile 92-95
Relocation) |
| (6) | F-DF-062-1(5) | Alaska Highway (Midway Lake,
Mile 1291.4 to Northway
Junction, Mile 1264.0) |
| (7) | F-095-1(3) | Tongass Avenue, Katchikan |
| (8) | (DF-095-4(7)
(DF-095-4(3)
(DS-0956(2) | Wadleigh) Wadleigh Creek Redocking
Switzer) and Switzer and Montana
Montana) Creek Bridges |
| (9) | S-0141(5)
Contract 2 | Kusitrin River Bridge,
Nome-Kougarok Highway |
| (10) | S-0141(6) | Nome-Kougarok
(Kusitrin River-Coffas Creek) |
| (11) | S-0380(2) | Naknek Area Bridges and Grading |
| (12) | S-0411(3) | Dillingham Depot |
| (13) | DS-0510(3) | Houston-Willow Road |
| (14) | S-0430(3) | Diamond Ridge-Chison Mt. Road,
Borrow Surfacing |
| (15) | S-0510(6) | Willow-Talkeetna (Clearing) |
| (16) | (S-0520(3)
(S-0529(3) | Sand Lake and Jewel Lake Roads
(Campbell Creek Bridge) |

June 21, 1960

- | | | |
|------|------------------------------|---|
| (17) | DS-DUS-0546(2) | East Fifth Avenue, Anchorage |
| (18) | S-0580(2) | Willow Creek Road, Deception
Creek Bridge and Approaches |
| (19) | D-US-0671(2) | Cushman Street Bridge over
Chena River |
| (20) | (S-0851(6)
(FH 32-A5) | Copper River Highway, Miles 9-13 |
| (21) | S-0851(8) | Copper River Highway, 4-7 Mile |
| (22) | S-0851(9) | Copper River Highway,
Riprap and Miscellaneous Work |
| (23) | S-0933(2) | City Thru Route, Sitka, Alaska |
| (24) | DS-0937(3)
(FH 7-G) | Mithof Highway |
| (25) | (S-0968(1)
(FH 2-A14, H4) | Mendenhall Loop Road and
Mendenhall Spur Road |
| (26) | DS-0975(1) | Glacier Highway (Thane Extension) |
| (27) | F-6000
Contract 7 | Douglas Highway, Town of Douglas
(Culvert Replacement) |

2. The Bureau of Public Roads continues to administer these contracts for engineering services listed below until completion or such time as the State desires to assume administration, but in no case later than June 30, 1961. It is the intent of the State to assume administration, by January 1, 1961, of all such contracts for engineering services under which performance is not substantially completed on that date.

Project No.Description

F-062-4(13)

Richardson Highway, Fairbanks
to North Gate, Eielson Field --
Four-Lane Study

Honorable B. D. Tallamy

June 21, 1960

S-0680(9)	Eureka-Tanana Route
S-0650(6)	Chena Hot Springs Road
S-0810(2)	Bering River Road
S-0937(4)	Mitkof-Stikine Highway
F-037-1(9)	Tanana River Crossing at Nenana
S-0850(3)	Copper River Crossing at Chitina

In the administration of the above contracts by the Bureau of Public Roads, major decisions involving design shall be approved by the Commissioner of Public Works and the Regional Engineer.

It is understood that:

1. Employees of the State of Alaska may be detailed to the Bureau of Public Roads to aid in the supervision, survey and inspection of the contract work listed in paragraphs 1 and 2 above. The Bureau will provide the Highway Division of the Department of Public Works with the project time distribution of State-detailed employees in order that the State may be reimbursed for the Federal participating share of their salaries.
2. The Bureau of Public Roads will maintain an adequate staff after July 1, 1960, to carry to completion all activities otherwise covered by the State-Bureau contract.
3. Employees of the Bureau of Public Roads may be detailed to the State to perform Federal-aid highway survey, design, contract supervision and maintenance or directly related work. Responsibility for the wages and fringe benefits of these employees shall be as specified in the State-Bureau contract. The State will provide the Bureau with the project work time distribution of such Bureau-detailed employees in order that salary cost of the employees may be posted to the applicable project costs records to support PR-20 voucher reimbursement.

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Honorable B. D. Tallamy

June 21, 1960

4. The Trust Fund established pursuant to the State-Bureau contract is to be retained and administered by the Bureau to finance State activities being performed by the Bureau. The Governor shall continue to make advances to this Fund in sufficient amounts and at such intervals as are necessary. In line with the foregoing, and upon your concurrence in the arrangements set forth herein, it will be deemed that the following memoranda of understanding between the Bureau of Public Roads and the State Department of Public Works are void after June 30, 1960:

<u>Date</u>	<u>Title</u>
September 15, 1959	Memorandum of Understanding on Repair and Improvement of State Buildings and Depots, Purchase of Stores and Operating Supplies, Purchase of Controlled Personal Property.
September 25, 1959	Memorandum of Understanding on Radio Communications
September 28, 1959	Memorandum of Understanding (re Highway Survey, Design, Construction and Maintenance)
October 2, 1959	Memorandum of Understanding on Traffic Services

I, on behalf of the State of Alaska, will greatly appreciate your early concurrence in the matters and arrangements set forth, and your cooperation in effectuating their purpose.

Sincerely,

William A. Egan
Governor

cc: State Department of Public Works

HIGHWAYS IN ALASKA

HEARING

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON PUBLIC WORKS
UNITED STATES SENATE

EIGHTY-SIXTH CONGRESS

SECOND SESSION

ON

S. 2976

A BILL TO EQUALIZE PAYMENT TO STATE OF ALASKA
UNDER THE FEDERAL-AID HIGHWAY PROGRAM

MAY 25, 1960

Printed for the use of the Committee on Public Works



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1960

58473

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FRANK E. MOSS, Utah	
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SUBCOMMITTEE ON PUBLIC ROADS

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HIGHWAYS IN ALASKA

WEDNESDAY, MAY 25, 1960

U. S. SENATE,
SUBCOMMITTEE ON PUBLIC ROADS OF THE
COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The subcommittee met, pursuant to call, at 3:15 p.m., in room 4200, New Senate Office Building, Senator Jennings Randolph presiding.

Present: Senators Randolph (presiding), Kerr, Gruening, Lusk, Long, and Cooper.

Senator RANDOLPH. We are privileged this afternoon to hear testimony as the subcommittee convenes to consider S. 2976.

This is legislation presented by our colleagues, from Alaska and Hawaii, Senators Gruening and Long, and it has to do specifically with the problem which is believed to be vitally important to the new State of Alaska and the construction of our Federal highway program.

(S. 2976 follows along with comments by Department of Commerce and exchanges of letters between Hon. Warren Magnuson and Hon. Ernest Gruening relative to S. 2976.)

[S. 2976, 86th Cong., 2d sess.]

A BILL To amend section 44 of Public Law 86-70, approved June 25, 1959

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 44 of Public Law 86-70, approved June 25, 1959, is hereby amended as follows:

(a) By adding at the end of subsection (a) of said section the following new subsection:

“(b) In order to enable the State of Alaska to approach a position of equality with the level of development of the road programs of the other States of the Union at the time of the passage of the Federal-Aid Highway Act of 1956, which level of development was made possible by the full and equal participation of such other States in all Federal aid highway legislation since the passage of the Federal-Aid Highway Act of 1916, and in order to equalize the payments heretofore made to the then Territory of Alaska under such Federal aid highway programs with the payments made to the other States of the Union, in view of the fact that the same allotment criteria were not made applicable to the then Territory of Alaska as were applicable to the other States of the Union, that the Territory of Alaska was almost totally excluded from participation in the original Federal-Aid Highway Act of 1916 and that the Territory of Alaska, when finally admitted to participate in the program, was permitted to participate only on a limited basis, there are hereby authorized to be appropriated to the President, for the purpose of making equalization grants to the State of Alaska, for use by such State on its road program, including a ferry system, for each of the fiscal years beginning with the fiscal year 1962 and ending with the fiscal year 1976, such sums, not exceeding \$20,000,000 in any one fiscal year, equal, in the aggregate over the fiscal years 1962 through 1976, inclusive, to the amount by which the funds allocated to the Territory of Alaska from July 11, 1916, to June 30, 1959, for assistance to the Territory for its highway program were less than the amount which would

have been allocated to the Territory of Alaska during such period if Federal aid highway assistance allotted to the other States of the Union had also been allotted to the Territory of Alaska on the same basis as to the other States of the Union and if the same allocation formulas had been made applicable to the Territory of Alaska as were applicable to the then States of the Union."

(b) By relettering subsections (b) and (c) of said section 44 to "(c)" and "(d)", respectively.

THE SECRETARY OF COMMERCE,
Washington, D.C., May 31, 1960.

HON. DENNIS CHAVEZ,
Chairman, Committee on Public Works,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Department on S. 2976, a bill to amend section 44 of Public Law 86-70, approved June 25, 1959.

The Department of Commerce would oppose the enactment of the proposed legislation.

The bill would amend the Alaska Omnibus Act, approved June 25, 1959, to provide for equalization grants to the State of Alaska, for use by the State in its road program, including a ferry system, for each of the fiscal years 1962 through 1976. Such sums would not exceed \$20 million in any one fiscal year and would be equal in the aggregate to the amount which Alaska would have received under the Federal-aid highway program from July 11, 1916, to June 30, 1959, had sums been apportioned to that State, or to the territory of Alaska, on the same basis as to the other States, less any funds allocated to the territory of Alaska during that period for assistance in its highway program. The stated purpose of the bill is to enable Alaska to approach a position of equality with the level of development of the road programs of the other States.

For many years the responsibility for major road construction in the territory of Alaska, except for forest highways, was under the jurisdiction of the Alaska Road Commission, Department of the Interior, and funds authorized to be appropriated by the Congress for roads in Alaska were administered by that agency. The road needs of the territory of Alaska were regularly included in appropriation requests and were considered by the Congress each year. Through fiscal year 1956, total Federal funds provided for construction and maintenance of highways in Alaska amounted to almost \$290 million. When Alaska was brought under the provisions of the Federal-Aid Highway Act of 1956, separate road needs consideration for Alaska were discontinued.

The State of Alaska currently has available substantial grants of Federal funds for aid to highway construction. Federal-aid highway funds apportioned to Alaska for the fiscal years 1957 through 1961 totaled over \$85 million. The State's share of Federal-aid funds apportioned for the fiscal year 1961 alone amounted to more than \$36 million and future apportionments to the State under this program will continue at approximately that level. It is also pertinent that Alaska is in a more favored position than most of the other States, with respect to fund-matching requirements, since it is in a position of matching 86 cents of Federal-aid funds with 14 cents of State funds on the A-B-C program (as compared with the 50-50 matching ratio for the A-B-C program in the majority of the other States) because of the large area of unappropriated and unreserved public lands and nontaxable Indian lands within Alaska.

At the time that Alaska became a State, certain transitional grants were provided under the Alaska Omnibus Act in recognition of the special problems which the State faced in making the transition from Territory to State. These funds are provided on an annual basis through 1964 and are available to Alaska without matching requirements for, among other things, the State roadbuilding and maintenance program if the State chooses to use them for this purpose.

Proposals such as those contained in S. 2976, which authorize special appropriations for the construction of State roads outside the framework of Federal aid highway grants, would not be in accord with the well-established principles of this cooperative program. The formulas provided under the Federal aid highway program, which require State sharing of costs, are recognized as providing the most equitable means by which Federal grant assistance for highway construction is distributed among the States. Basically, the construction of highways is a State responsibility, and it is expected that the States will develop highway construction programs in addition to those in which Federal funds participate.

There is widespread disparity among the several States in the development of and need for transportation systems. The Federal Government should not be expected to provide special financial assistance to enable a particular State to provide the highway system it considers desirable.

The basis for the action proposed by S. 2976 is without precedent. While in 1931, under the act approved February 23, 1931 (46 Stat. 1415), the Territory of Hawaii received the sum of \$380,000, the amount the Territory would have received for roads built by it and incorporated into the Federal-aid highway system from 1917 to 1925, the year Federal aid was extended to Hawaii, this sum involved no additional authorization or appropriation of funds, but represented funds which had been previously allocated to Hawaii under Federal-aid highway legislation which the Territory was unable to match and would therefore have lost under the lapse provisions of the law.

The Federal Government has given extensive study to the needed requirements for improving the transportation systems of the State of Alaska. The status of highways in Alaska was extensively considered by the Department of Commerce in connection with the report submitted to the Congress pursuant to section 105 of the Federal-Aid Highway Act of 1959 (Committee Print No. 17, 86th Cong., 2d sess.). Currently, studies are being made by the Alaska International Rail and Highway Commission which may be helpful in connection with action on Alaska's highway transportation problems. That Commission will submit final report and recommendations to the Congress not later than June 1, 1961.

For the foregoing reasons, the Department of Commerce would oppose enactment of the pending bill.

We have been advised by the Bureau of the Budget that it would interpose no objection to the submission of this letter.

Sincerely yours,

PHILIP A. RAY, Under Secretary of Commerce.

JUNE 1, 1960.

HON. WARREN MAGNUSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR: In a report just received from the Secretary of Commerce on S. 2976, which would equalize the payments to the State of Alaska for highways, the Department states: "Currently, studies are being made by the Alaska International Rail and Highway Commission which may be helpful in connection with action on Alaska's highway transportation problems. That commission will submit its final report and recommendations to the Congress not later than June 1, 1961."

As I have already indicated to you, I had previously discussed this matter with various officials of the Department, and, when similar oral statements were made to me, I responded that the study of the roads needed within the State of Alaska would be totally outside the scope of the functions of the Alaska International Rail and Highway Commission. I stated that the studies of the commission were confined to railway and highway transportation between the other States and the State of Alaska, and had nothing whatever to do with the far greater problem of the need for highways within Alaska.

I wrote you on May 25, 1960, on this matter, and would like to have included in the hearings on S. 2976 your comments on this statement made by the Department of Commerce, which it has now made a part of the official reasons for the Department's opposition to the enactment of S. 2976.

Cordially yours,

ERNEST GRUENING.

U.S. SENATE,
Washington, D.C., June 2, 1960.

HON. ERNEST GRUENING,
U.S. Senate, Washington, D.C.

DEAR SENATOR GRUENING: Replying to your letter of June 1, quoting from a report of the Department of Commerce on Senate bill 2976, which seeks to develop a highway system in Alaska, I regret that the Department has been so uninformed on the function of the Alaska International Rail and Highway Commission.

As the sponsor of the legislation that established the IRHC 4 years ago, as a member of the commission throughout these years, and now as its acting chair-

man, I can state emphatically that the Alaska International Rail and Highway Commission is studying the potentialities of rail and highway connections between the 48 States and Alaska. It has nothing to do with the program of roads and highways within Alaska, which your legislation seeks to obtain. Its recommendations will not deal with that important Alaska need, although its report will probably refer to the 49th State's relative roadlessness which your bill, S. 2976, seeks to rectify.

I hope that this statement by me will be useful in clarifying the situation for the committee which will pass on S. 2976.

Sincerely yours,

WARREN G. MAGNUSON.

Senator RANDOLPH. Representative Ralph Rivers, we are pleased to have you as the first witness.

STATEMENT OF HON. RALPH J. RIVERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALASKA

Mr. RIVERS. Mr. Chairman and members of the committee, I appreciate being heard briefly in support of S. 2976, introduced by our distinguished Senator from Alaska, Ernest Gruening. As a cosponsor of this much needed road program for Alaska, I have introduced an identical bill in the House, H.R. 10314.

I also thank you for scheduling me as the first witness, because there is work on the floor of the House and my presence will be required there as soon as I complete my brief remarks.

Now, I speak in terms of brief remarks, because my principal purpose is to express wholehearted support of S. 2976, the much needed highway program for Alaska.

The complete and thoroughgoing presentation, and in detail I am convinced, will be brought to the committee's attention by Senator Gruening and by Mr. Sherard of the division of roads of the Alaska public roads program, and the details embodied in this problem will be ably presented to the committee through those other two witnesses.

Inasmuch as Alaska did not get under the A-B-C Federal-aid program until 1956, and since we have only scratched the surface of connecting our numerous scattered towns and communities by a highway, and inasmuch as Alaska is not under the national defense program or the Interstate System, although we do pay the taxes under that system, it would seem that the new State which is so important in terms of the future and the exploding population that will confront us and the great migration west, the last great frontier and elbow space for people under the American flag, it must be seen that we must try to look ahead and try to provide the surface transportation that is available in the other States.

It is hard for a person down here to realize that there is no road between community A and community B and community C. And scattered all over Alaska are settlements that are unconnected by highway, either with the continental highway system, or with each other. So that this is a large problem, and it takes foresight to lay the foundations for it in proper time to serve the purpose when the more acute need will arise.

Undoubtedly the establishment of highways, or I should say roads, will lend to the quickening of the development of Alaska, and will serve the purpose.

Now, in terms of whether Alaska has an equity or not, I point out again that the basis of this bill, that over the years since the Federal-aid highway system was established, Alaska was not included, quite a credit is considered to have accrued to Alaska. And inasmuch as we are not under the Interstate System, we are also building up an equity, because of the fact that we are paying the taxes, although we are not participating under that system.

I note, too, that probably the reason that we are not under the Interstate System is that with the exception of a very few miles of highway, we don't need four-lane turnpikes, we need country roads. It seems we need a program somewhat in lieu of what we would have if we were otherwise situated and if we were ready for the Interstate System.

So, gentlemen, with those remarks, with my heartfelt support for this bill and for the programs—and, as I said before, assuring you that the other witnesses will give you a complete coverage of the subject—I will now close my remarks. And thank you very much.

Senator RANDOLPH. Representative Rivers, thank you to bring to us this pertinent testimony.

You say that you believe there is an equity in the pending measure; is that correct?

Mr. RIVERS. Yes, Senator.

Senator RANDOLPH. And I subscribe to your thinking in this matter.

I remember, as a member of the House Road Committee that I visited Alaska some 15 years ago, and I recall my impressions of the territory. I realized that the problems of transportation and communication were very real in that important area. Whereas Alaska is a frontier, one of the two newest in our statehood pattern, the finest frontiers are the people of Alaska. You have a creative and resourceful citizenry who desire to be brought together closer, and by closer I mean in the regular programs of the development of highways in the United States. The citizens of the State of Alaska want to bear their proportionate share. You have made that clear.

However, there is a stepup that is necessary at this time if you are to be a full participant. Is that true?

Mr. RIVERS. Yes, sir; Mr. Chairman.

I would be proud to have authored those very remarks that you have just uttered.

Senator RANDOLPH. I remember, that we arrived at Valdez and Senator Gruening, then Governor Gruening, had arranged a meeting for us in that community to discuss highway matters. We were to have had the meeting at 8 o'clock at night, but we were late, and it was almost 11 o'clock when we arrived. Naturally anyone from the States would have thought the people would have gone home. But we were cordially received and were told that the people had remained, so at 11 o'clock at night we had the meeting to discuss highway problems. Your fine people were intensely interested, and, of course, they were conscious of deficiencies and wanted to have a better program of road construction, maintenance, and development.

I think the State and its people now deserve the utmost consideration from the Congress of the United States in the specific matter pending before us.

Mr. RIVERS. Thank you very much, Mr. Chairman.

Senator RANDOLPH. Are there questions? Senator Gruening, you will be speaking a little later, so if you desire to question at this time, we would be privileged to have you proceed.

Senator GRUENING. No questions. But I want to express my appreciation to Representative Rivers for coming over here and leaving the House floor where there is important legislation pending. And I want to say that his support merely represents, I would say, the unanimous feeling of the people of Alaska, that highways, correcting the deficiency in highways which we have inherited from our territorial status, is above all other measures the one that Alaska needs.

I would say that nothing else in the Alaska legislative program or prospect is comparable to this in importance. And I think that the history and experience of the 48 smaller States which have grown and developed as a result of highway construction is the most striking testimony of the essential nature of highways if an area is to grow and develop and be in fact as well as in abstract the partner in the Union of States.

Senator RANDOLPH. Thank you. Senator Long, do you wish to comment?

Senator LONG. I would like to refer to Hawaii's experience in this same field, and ask a question.

The record shows that the first Federal-Aid Road Act applied to the entire Nation was passed in June of 1916. Hawaii did not benefit in any way from the provisions of that 1916 act. I do not know whether Alaska did or not.

In 1924, March of 1924, the Territory of Hawaii was brought under the provisions of the Federal-Aid Road Act, but they just cut us in beginning January 1, 1925.

Now, 7 years later, 6 years later, in recognition of the inequity that had been visited on the Territory of Hawaii, the Congress brought us under—not only confirmed that, but went back to 1916 and picked up the amount that we had been shortchanged between 1916 and 1924. And that was paid to the Territory of Hawaii in a lump sum.

Now, is there anything comparable to that in the experience of Alaska?

Mr. RIVERS. Senator Long, Alaska was not brought under the Federal-aid highway system until 1956. We appreciate the precedent which you have pointed out. Our equity would go back to 1916—did yours in 1924 when you were brought under it.

Senator GRUENING. Is it not a fact that although we were brought into the Federal highway legislation in 1956, we were brought in on a reduced, on a partial, basis?

Mr. RIVERS. We were, about one-third of the participation. With statehood, we were granted full participation. So that the period 1956-58, when we were granted statehood, represents a period of partial participation. Both of those events were very recent.

Senator GRUENING. Would you not consider that the action taken by the Congress in the case of Hawaii, by which Hawaii, coming in a few years after the passage of the Federal-aid highway legislation, had refunded the sums Hawaii would have had if the Federal aid legislation had been applied to the Territory from the enactment of the legislation in 1916, constitutes an interesting and important precedent?

Mr. RIVERS. Yes, Senator Gruening.

Senator RANDOLPH. Senator Cooper, do you have questions or comments?

Senator COOPER. Yes.

I join with my colleagues in welcoming the testimony of Congressman Rivers. This is a new question for me. I ask this one question.

Before 1956 or after 1956, and prior to the admission of Alaska as a State, was Alaska required to share the cost or to contribute to the funds which were allocated to Alaska by the Bureau of Public Roads?

Mr. RIVERS. The Alaska Road Commission, Senator, preceded the Bureau of Public Roads as far as the general public domain was concerned. The Bureau of Public Roads limited its activities to the national forests. But I can apply your question as to whether Alaska participated with the Alaska Road Commission in connection with road activities.

The answer is yes, Alaska, the Territory of Alaska appropriated each year for the highway engineer, who in turn negotiated with the Alaska Road Commission, the terms upon which the Territorial money would be turned over to the Alaska Road Commission, and the Alaska Road Commission maintained the plant and the personnel for a moderate amount of road extension each year, and the maintenance of the existing roads. And the Alaska Road Commission applied the Territorial money with that appropriated by Congress for that purpose.

Senator COOPER. I assume the records will show to what extent Alaska contributed to the total cost of roadbuilding?

Mr. RIVERS. Yes; those figures would be readily available.

Senator RANDOLPH. Senator Lusk.

Senator LUSK. I have no questions.

Senator RANDOLPH. We again wish to express appreciation for your testimony.

Mr. RIVERS. Thank you.

Senator RANDOLPH. Senator Gruening, we shall be pleased to have your testimony.

STATEMENT OF HON. ERNEST GRUENING, A U.S. SENATOR FROM THE STATE OF ALASKA

Senator GRUENING. Thank you, Mr. Chairman. I appreciate this opportunity to testify on behalf of the bill Senator Long and I are cosponsoring.

The proposal represents a matter of simple equity and justice for one of the Nation's newest States. At first blush it might appear to be an attempt by the State of Alaska to secure special and more favorable treatment for itself, but a closer scrutiny will reveal that it is nothing of the kind.

The bill gives to the State of Alaska nothing the other States have not already received and which the then Territory of Alaska itself would have received if it had been treated on the basis of equality with the other States and the Territory of Hawaii. And I might add that Puerto Rico, which pays no Federal taxes whatsoever, and has other special financial privileges which no territory or State enjoys and has been included for many years in the Federal highway legisla-

tion, whereas Alaska has paid all Federal taxes and was not included in Federal highway legislation until 1956, and then on a reduced basis.

Alaska is not asking for special treatment: it is asking for equal treatment, it is asking for a part of the funds which should rightfully have been paid to the Territory over the years.

As a matter of fact, Mr. Chairman, the figures will show that through this bill the State of Alaska is asking for many millions less than it could rightfully claim. In addition, it is making no claim for the untold and immeasurable millions of dollars lost to Alaska because its economic growth through the years has been held back because of the inequality of treatment it received with respect to the allotment of Federal-aid highway funds.

It is not my purpose, Mr. Chairman, to indulge in recriminations about the past or to repeat the reasons for the discriminations against the Territory of Alaska with respect to Federal-aid highway grants. The facts are matters of public record.

That there has been discrimination in this matter against the State of Alaska was recognized last year by the Senate Committee on Interior and Insular Affairs in reporting out the Alaska omnibus bill, and this is important because it really laid the groundwork for this legislation we are now discussing. This report by the Senate Committee on Interior and Insular Affairs is as follows:

The committee has included provisions in this bill placing the State of Alaska under the Federal-aid highway program on the same basis as all other States. It has done so with the full realization, however, that with respect to highways Alaska has been inequitably treated in the past and would have entered upon statehood with a highway system much more advanced if it had been treated with respect to Federal-aid highway aid on the same basis as the other States and territories. As has been pointed out, Alaska did not participate at all in the Federal-aid highway program until 1956 and from then on only on a limited basis.

The committee, therefore, feels that the Congress still has a responsibility and a duty to examine this situation in the near future more closely in order to provide for equitable and equal treatment for the new State.

It is hoped that the appropriate committees of the Congress will, therefore, study fully this problem and recommend at the earliest possible moment the steps needed to assure Alaska's participation in the highway program on the basis of full equality, taking into consideration its limited past participation.

The fact that there has been discrimination in the past against the territory of Alaska has been recognized; the Senate recognized it when it enacted the Alaska omnibus bill. The extent of that discrimination has been computed.

I ask that there be printed at this point in my remarks a table prepared by the Bureau of Public Roads of the Department of Commerce showing the actual apportionments and allocations to Alaska, and in all apportionments on the same basis as other States.

Senator RANDOLPH. Unless there is objection, that will be included. (Table referred to follows:)

TABLE IX.—Actual apportionments and allocations to Alaska, and estimated amounts Alaska would have received had the territory participated in all apportionments on the same basis as other States

[In millions of dollars]

Fund	Estimate	Actual
1917-33:		
Federal aid.....	\$67.3	
Emergency funds ¹	36.8	
1936-43:		
Prewar primary.....	48.1	
Prewar secondary.....	6.1	
1940-48 and 1950-60, inclusive:		
Primary.....	204.8	² \$25.2
Secondary.....	136.8	² 17.0
Urban.....	.6	² .2
1959: D-funds.....	16.1	6.2
Subtotal.....	516.6	48.6
Forest highways.....	40.8	39.5
Public lands.....	14.6	
Access road fund:		
Sec. 6.....	2.5	2.5
Sec. 12.....	1.1	³ 1.1
Subtotal.....	59.0	36.1
Total.....	575.6	84.7

¹ 1934-35 public works and works program highway.

² Alaska received their first Federal-aid highway funds under the Federal-Aid Highway Act of 1956.

³ Total approved as of Dec. 31, 1958.

Source: Bureau of Public Roads, Department of Commerce, Washington, D.C., February 1959.

Senator GRUENING. This table shows that Alaska would have received a total of \$575 million, and that it actually did receive \$84 million, leaving a balance of slightly under \$400 million, which the Territory might conceivably claim.

This table shows that during the years since 1917 through 1959 there should have been allotted to the Territory of Alaska the sum of \$575,600,000. Actually, the Territory of Alaska received the sum of \$84,700,000. Thus the Territory was not given, during those years, \$490,900,000. The sum which should rightfully have been allotted to the Territory for its road program. This during a period from 1917 to 1959.

We are not talking, moreover, of almost \$491 million in 1960 depreciated dollars. Some of those millions of dollars to build roads would have been paid to the Territory of Alaska during a time when their value would have purchased much more than they will in 1960.

I ask the members of this subcommittee to think of the great economic growth that could have been Alaska's had these funds been paid to the Territory of Alaska when they should have been paid to the Territory if it had been treated with full equality.

My proposal, therefore, over the 15 years starting July 1, 1961, would amount to some \$191 million less than the Federal Government would have allotted to the Territory of Alaska had it been treated on the same basis as the other States and territories.

Over here, Mr. Chairman and members of the committee, there is a map, which shows what the present road situation is in Alaska. You will see a unique situation which does not exist and could not exist in any State of the Union. And that situation is that in Alaska not merely some, but a majority of its communities are unconnected by any other, either by highway or railway—the one railway we have in Alaska is not shown on that—but that is a fact.

Now, it is impossible to conceive of a situation like that in West Virginia or Kentucky or any other State where major communities—or indeed any communities, large or small—have no highway transportation either to come in or come out. And that is the situation in Alaska to which we are addressing ourselves. And that would not be the case if Alaska had been included from the beginning in Federal-aid highway legislation.

I illustrated this previously by an analogy to the United States that is, to the 48 States, and I would like to repeat it.

Here we would have a situation comparable to that in Alaska, if in the 48 older States there would be one highway extending from New York to Chicago, there would be a railway extending from New York to Chicago by a different route. From a few communities there would be a few isolated stubs of road. From the Capital, Washington, D.C., there might be a road extending to Frederick, Md., and possibly down to Manassas, and that would be all. All the rest of the transportation throughout the 48 States would have to be by air. That is the situation in which Alaska finds itself.

Even the coastal maritime transportation by American carriers now is limited to freight transportation. We no longer have any American-flag carriers carrying passengers.

Now, obviously air transportation is of vital importance to Alaska. Alaska could not possibly develop without it. But you cannot build homesteads, you cannot build lodges or accommodations, you cannot build anything on an airway. Highways are indispensable to development.

The Senate Committee on Public Works has authorized a memorandum for highways in Alaska from which I want to insert a few excerpts. But rather than do that now, I would prefer to skip a little and perhaps allow other witnesses to come forward, and then resume and answer questions.

I would only say that one very striking fact about this is that Alaska has until now been denied full inclusion in Federal-aid highway legislation, and yet, whenever any Alaskan goes to a gas station and says "Fill her up," we are paying 2 cents a gallon to build throughways in your State, Mr. Chairman, and in Senator Cooper's State, in Senator Lusk's State, and in Senator Long's State, but not in Alaska. We are paying the additional taxes on trailers, trucks, tires, and gas, but not for the benefit of Alaska. And that seems wholly unjust.

From the beginning of the Federal income tax legislation in 1913, we in Alaska have paid all Federal taxes. And yet, when in 1916 Congress passed perhaps the most important piece of legislation it has ever enacted for the development of our country, the Federal-aid highway program, Alaska was excluded from it except for participation in the national forest areas.

Every session of Congress thereafter we hoped to be included in legislation which was regularly introduced by our voteless Delegates,

but this legislation never even got out of the committee. And all that time we were paying all taxes. That was taxation without representation.

It went on to 1956, and then a further discrimination loomed up, and that was when President Eisenhower proposed a new super-highway or throughway programs.

If you will recall the circumstances, Mr. Chairman, although you were not actually in the Congress at that time, having served with distinction for many years before that in the House, the President proposed that this new superhighway program be financed by long-term bonding. And he gave two reasons for this new program: (1) that it would improve our major arteries of highway transportation and take care of our steadily increasing traffic, our greater number of automobiles; and (2) it would serve as a civilian defense measure to permit the evacuation of urban communities in case of atomic attack.

The Congress agreed with the desirability of the program, but disagreed with the President as to the method of financing. Congress felt—and I would say quite wisely—that it would not be fair to burden posterity for the benefits which this generation would receive, and proposed instead a pay-as-you-go program with these additional taxes that I have mentioned on trucks, trailers, tires, and gas. But there was one respect in which the President and the Congress did agree, and that was that Alaska should be excluded from the benefits of this program but included in the taxation. And that is the situation today.

However, at that time—in 1956—some friendly Members took pity on us in Alaska and we owe a great debt to the late Senator Neuberger who was trying to get us included in the Federal-aid highway program. He proposed that this highway legislation be amended to include Alaska but on a reduced basis. He thought that the most he could get Congress to approve would be by having the formula apply to not all of Alaska's area but half of its area.

Apparently some other Members thought that even that proposal was too generous, and it was reduced to the formula of one-third of Alaska's area as a basis for calculating Alaska's share of Federal highway funds, and that passed. And the result is, as I say, and the map shows it—the red on the superimposed map shows the highways we need to fill in the gaps between our principal cities, and when you lift up the outer cover, you see the great missing gaps, between our now isolated communities.

That is in essence what this is all about. We have various documents to demonstrate that we could have made the required matching all through the years had we been required to do so. We Alaskans tried vainly through these years, not merely by the efforts of our devoted Delegates through the years, but through the memorials of our legislature to get Congress to include Alaska in the Federal-aid highway program.

We want to point out the great contrast that exists in the Federal expenditure of millions of American dollars for highways throughout the world to which Alaskans contribute in Latin America, Asia, Africa, and Europe—and yet by contrast here is our own area, Alaska, which has been so long deprived of participation in Federal highway aid, and now has the problem of begging the Congress to

see the justice and rightfulness of this legislation to make up for this past deprivation.

I want to point out that this bill calls for no expenditure this year. We have no desire to unbalance the budget, nor does it call for any appropriation at any time. It is an authorization bill the appropriations for which we will be required to justify each year when we go before the Appropriations Subcommittee and the Appropriations Committee, and justify our needs.

And that for the moment is all I have to say, although I would be glad to answer questions later, and perhaps to add something to this testimony.

We have here, as you know, Mr. Truman Sherard, who is the director of the division of highways, from the State of Alaska, and our State highway engineer. We also have some representatives of the Department of Commerce. I do not know whether they have rendered a report on S. 2976 or not.

Has a report come in?

Senator RANDOLPH. Do we have the reports from the departments involved?

Senator GRUENING. We have asked for this report for a long time—I think our first effort was months ago—this bill was introduced in February of this year, and from that time on, February 3, we have been seeking a report. We have had a number of conversations with representatives of the Department of Commerce and I think they have been trying to arrive at a decision, but to date the report has not been received. I imagine they are here to give the views of the Department.

Senator RANDOLPH. Senator Gruening, perhaps it would be helpful if we called upon Mr. Sherard at this time. We can discuss your testimony and other statements as a later period in the hearing.

Those of us who are here today as members of the subcommittee are grateful for your lucid explanation of what you consider to be a very pressing problem in relation to the progress which you seek for the people of Alaska.

Senator GRUENING. I do consider it the most pressing problem, nothing is comparable to it in importance for Alaska. It is impossible for Alaska to develop and grow unless, as has been shown in the 48 States, we have highways. Alaska is in about the situation that States were in the middle of the last century before the continent had been traversed by railways and before there were any highways. Since that time our Nation has grown as a result of transportation facilities, because Americans are transportation minded. We see the result in the magnificent network of railways and highways and airways that span our continent and have made our Nation a dynamic unit. But, unfortunately, those benefits were not extended to Alaska.

Senator RANDOLPH. I say this not as a pleasantry, although we are seatmates in the Senate, but I am always made better informed by your discussion, Senator. Your testimony has been cogent and highly informative.

Senator GRUENING. You are very kind.

Senator RANDOLPH. I do feel that the world changes even as we walk in it, and now fly in it. Perhaps the most significant fact which we often overlook in our development is the fact of change which

sometimes occurs slowly and then moves swiftly, but it is always present.

I remember an incident in 1855, not because I was there, but because I am informed of a letter which was written by James Trotter, of the Trotter Bros., to the Postmaster General.

The Trotter brothers had a contract to carry the mail between Huttonsville in Randolph County (then Virginia, now West Virginia) and Staunton, Va. In the winter of 1855, after a trip south, heavy snowfall prevented their return across the mountains. The people of Tygarts River Valley, irritated by the delay in their mail, complained to the authorities in Washington. The Post Office Department relayed the complaint to the Trotters, who replied as follows:

STAUNTON, VA., 1855.

MR. POSTMASTER GENERAL,
Washington, D.C.

SIR: If you knock the gable end out of hell and back it up against Cheater Mountain and rain fire and brimstone for 40 days and 40 nights it won't melt the snow enough to get your damned mail through on time.

Yours truly

TROTTER BROS.,
By JAMES TROTTER.

So the snows of West Virginia, are deep, too.

This is all a matter of record, and I only mention it today, to indicate that there are these changes which have been and are being wrought in transportation and communication.

And you are very properly thinking in terms of the importance of Alaska now, and of its future.

Mr. Sherard, will you come forward, please.

STATEMENT OF THURMAN SHERARD, DIRECTOR AND CHIEF ENGINEER OF REGIONAL HIGHWAYS, THE DEPARTMENT OF PUBLIC WORKS, STATE OF ALASKA

Mr. SHERARD. Mr. Chairman and honorable members of the committee, for the record, my name is Thurman D. Sherard. I am director and chief engineer of regional highways, the department of public works, State of Alaska. In this position I am charged with the development of highways and ferries in the State of Alaska.

At this time I had intended to read the Senate report of the Interior and Insular Affairs Committee on the Alaska Omnibus Act, but Senator Gruening has read that to you, so I will not take up your time in repeating it.

Senator GRUENING. May I point out, at the risk of being repetitious, that that is in effect a recommendation of the Interior Committee, another committee of the Senate, which handled the Alaska omnibus bill and which was in effect an introduction and prolog to this legislation?

It was clear that that committee was aware at that time of the highway needs of Alaska, the accumulated needs, and that it should not legislate for them through the omnibus bill but that our needs should be the subject of special subsequent consideration and action by the Congress, which is what this bill proposes to do.

Mr. SHERARD. Senator Gruening has adequately compared the actual highway allocations which Alaska has received as compared

to that which she should have received if treated on an equal basis with the other States since the inauguration of the Federal Aid Highway Act.

I am sure that the committee must have been aware of this grave discrepancy, therefore inducing them to include in the report on the Alaska omnibus bill the statement on page 8 of that report.

It seems relevant at this time to draw the attention of this committee to the highway situation as it exists in Alaska today. And here I will probably be somewhat repetitious, but I hope the repetition will bring out further the great need which Alaska has for highways.

It is estimated by the highway division that there remains approximately 2,800 miles of primary and secondary highways which need to be built to complete the basic highway network of the State. This, of course, does not include the farm-to-market or feeder roads which are also essential to the development of the economy of any pioneer area.

Exhibit A attached hereto lists these Federal-aid roads which should be added to the system within the next 15 years. This list does not include the mileage which will be included for the two proposed ferry systems, Prince Rupert, British Columbia; Haines, Alaska, and Anchorage-Kodiak.

Using an average cost of \$150,000 per mile for highway construction, plus the structures required, the cost of this added 2,800 miles will approximate \$420 million plus an estimated \$18 million for the two marine highway links, or a total of roughly \$438 million. Add to this the 680 miles of unconstructed Federal aid system roads on the existing system and the total required approaches \$540 million.

An attempt has been made to ascertain the requirements for farm-to-market and feeder roads as the need exists today. Exhibit B, attached, lists those requirements, and they are estimated to cost in the neighborhood of \$595 million. These are essential routes of communication which do not qualify for Federal aid and are, therefore, to be financed from some other source. Since this list was tabulated in February, there have been several other roads added which increase further the financial needs of such roads.

In addition to the new construction shown in exhibits A and B, it is necessary that a considerable amount of reconstruction must be accomplished each year to bring the system roads up to standard as required by Federal-aid regulations.

During the early days of highway construction in Alaska, the policy was to get the most miles for the dollar, and standards were not considered. Actually, much of the entire road system, including the most recent projects, which will be inherited on July 1, 1960, from the Federal Government by the State of Alaska, will be expensive to maintain due to inadequate design, poor materials control, and other sub-standard methods used by the Federal Government.

The Alaska Highway Division consequently is programing considerable reconstruction and reconditioning work during the next 2 years in order to bring the road system to a condition where it can be maintained at a reasonable cost. This program of reconditioning, plus a thorough reorganization of previous maintenance methods, will decrease annual maintenance costs per mile by approximately one-third.

According to the American Association of State Highway Officials, a certain percentage of a highway system becomes obsolete each year. Over a 15-year period, experience has proven there will be a certain percentage of the system miles requiring resurfacing, a certain percentage requiring reconstruction of base and subgrade, and a certain percentage requiring relocation. Due to the age, condition, and obsolete standards of the existing system in Alaska, it is estimated that the entire mileage will require reconstruction of some type during the next 15 years. At an estimated cost of \$100,000 per mile, this will amount to \$480 million.

In order to complete the financial picture as it pertains to highways in Alaska, we must consider the cost of adequately maintaining the system to comply with the Federal-aid regulations, which we assume will be enforced after July 1, 1960.

At an average cost per year of \$1,500 per mile, the cost for the existing and protected system during the next 15 years will be approximately \$128 million. This figure is arrived at by taking the existing cost of \$5,500,000 per year of the present 4,800 miles and averaging it with the estimated cost of \$11,500,000 for the expanded system at the end of the 15-year period, an average of roughly \$8,500,000 per year.

I would like to point out at this time that maintenance cost figures used in developing these estimates are those given us by the Bureau of Public Roads as being the amount it spent to maintain Alaska's roads.

It should be realized that the Bureau of Public Roads is not a State highway maintenance organization and has had comparatively little experience in actual highway maintenance operations. By trimming off the fat and instituting a sound program or preventative as well as routine maintenance based on many years of experience, Alaska's State highway maintenance engineer is fully confident, and I know fully capable, of reducing per mile maintenance costs appreciably.

Senator RANDOLPH. What is the current maintenance cost per mile on your main arteries?

Mr. SHERARD. The figures that we get from the Bureau of Roads is that it has cost \$1,500 per mile.

Senator RANDOLPH. That is very high.

Mr. SHERARD. Yes.

In summary, then, the estimated cost of constructing and maintaining an adequate highway system for Alaska during the next 15 years is as follows:

- (1) Additional mileage required, 2,800 miles, exhibit A, \$420 million.
 - (2) Marine highways, two ferry systems, \$18 million.
 - (3) Unconstructed system, 680 miles, \$102 million.
- Subtotal, new construction, main roads, \$540 million.
- (4) Farm-to-market and feeder roads, exhibit B, \$595 million.
 - (5) Reconstruction, next 15 years, \$480 million.
 - (6) Maintenance, 15 years, \$128 million.

Total required during next 15 years, \$1,743 million.

I would like to point out here that the division of highways does not take over until July 1, and we would use past experience records from the operation that was handled previously in Alaska. And we hope by revising methods, and maybe a more efficient operation, we

can reduce the per mile construction and maintenance figures to some extent.

A simple division of this total by the 15-year projection shows that Alaska's need will be roughly \$130 million per year to permit the highway system to be expanded and maintained in accordance with her needs.

The matter of financing the foregoing required construction is one of great concern to all of Alaska.

For the next 2 years, the transitional grants provided by the Omnibus Act will furnish \$4 million per year for State matching funds. The balance can be provided from vehicle gasoline tax revenues, which last year brought in approximately \$2.5 million per year.

During this same 2 years, the omnibus bill also allows the expenditure of 1960 and prior years' unexpended highway funds for maintenance, which relieves the State of this financial load at this time. However, beginning with 1963, the entire burden of maintaining the existing road system and the necessary matching funds for participation in the Highway Act program, as well as the costs of highway administration and construction of the needed off-system roads, must be borne by the State.

Since Alaska is 40 years behind in road construction, it is essential that full advantage be taken now of funds available to help integrate the State. When one realizes that only five major communities in the entire State are connected by roads, Valdez, Seward, Anchorage, Fairbanks, and Homer, and only one highway connection to the rest of the United States, a State capital without any road into or out of it, it is not hard to appreciate the feeling of desperation felt by Alaskans who realize the tremendous amount of work to be done and the serious shortage of funds with which this work is to be accomplished.

It is our considered opinion that the total amount of \$20 million annually over a period of 15 years requested in the bill before this committee is not an excessive request.

As pointed out in Senator Gruening's report to the Public Works Committee, it is far less than Alaska should have received if she had been treated as an equal with the other States. The loss that Alaska has suffered cannot be evaluated as simply the amount of Federal aid to highways apportionments over the last 40 years.

The economic development of Alaska has been curtailed to an extent that cannot be measured. Who can say what the net worth of Alaska's potential minerals, timber, hydroelectric and industrial developments would be today if the necessary lines of communication had been provided during the last 40 years?

If Alaska had been treated equitably, there would be no need for this hearing, since, I am sure, the economy developed by the roads which should have been built would by now have provided a self-supporting highway program.

Since this report was first written for presentation before this committee, considerable additional work has been done on budget, road programs, highway needs and future planning. The Alaska State Legislature has met and passed new legislation for highways. Its finance committees thoroughly investigated the financial picture for roads, both present and future. The highway budget, although constituting about 50 percent of the entire State budget, was considered woefully inadequate to provide the badly needed road services. So

much so that no funds could be found for the farm-to-market or feeder roads which were previously mentioned as requiring approximately \$595 million to satisfy present-day needs.

Every day I received more letters and phone calls from citizens of Alaska who are also U.S. citizens, and taxpayers, asking for roads. They do not want fancy multilane roads with interchanges, side service roads and concrete surfaces. They only want roads on which to get their children to school, their produce to market, to get back and forth to work or to the grocery store.

One heartbreaking letter from a distressed mother told me that her 12-year-old daughter with a congenital hip ailment had to walk 2 miles on crutches in the snow and mud to get to the schoolbus.

It is nothing unusual for Alaskans to walk many miles each day in order to reach a passable road. Many of you gentlemen remember the program of the 1920's called "Get America Out of the Mud." It was so successful that Federal funds were increased and America got out of the mud. Alaska feels that the same conditions apply within its boundaries and similar help should be forthcoming.

Alaska hasn't been sitting still while asking for the aid which it feels is justly due. Governor Egan asked and received a 2-cent increase in gas tax. The legislature hired a firm to promote the economy. The division of highways, with policy direction from the State legislature, is taking drastic steps to cut down on expenditures. The maintenance budget was reduced \$1½ million per year, requiring a 30- to 40-percent cut in forces and some reduction in wages. We will program more work per man and provide no decrease in services with the new budget.

All roads not of strictly statewide interest or highly developed local interest must be withdrawn from State maintenance at the earliest possible date. This will cause even greater hardships on people now receiving State help.

Federal aid will be concentrated in the next 2 years on reconditioning main arterial highways so that they can be maintained at a lower per-mile cost.

The Alaska Division of Highways will perform what was considered an almost impossible task by taking over as an operating State highway agency on July 1, 1960, instead of January 1, 1963, as was allowed by law. This will save much money by eliminating costly confusion and duplication of effort. I mention this mainly to show that although Alaska badly needs help for roads, she is going ahead with all her power to set her house in order and try to become financially able to maintain some highway system, the best system that she can maintain for her people, realizing that it will not be adequate to satisfy her needs.

Alaska, while needing your help, is also taking the necessary steps to stand on her own two feet at this time. We are not just coming in, like some people, and saying, we can't help ourselves, and we want you to help us.

Alaska has secured the services of some of the Nation's outstanding men to staff her highway division. They have been working night and day. The ability and desire to build the 49th State into the great economic and defense fortress it should be is there. The tools which can be provided only by money are missing.

At no time in history has a State been required to advance 40 years overnight. Yet that is exactly what Alaska is trying to do. Years

of Federal control have left Alaska far behind other States. Where the other States were able to gear their finances and roads along with the demand, Alaska already has the demand.

Forty years ago, roads could be built for a few hundred or thousand dollars, cars were few, and demands were only for low-speed, minimum roads. Now Alaskans own modern high-speed automobiles, they are brain-conditioned to good all-weather high-standard main highways. Distances are great and arterial highways must be built to provide fairly fast transit.

I have heard that Alaskans haven't paid their way. Senator Gruening has ably refuted this statement.

I would like to point out further that many Alaskans have paid highway taxes for years in other States before coming to Alaska. Their tax money has been taken into the Federal coffers and they justly feel they are entitled to roads in return. Even now, we are paying for interstate highways although Alaska has been denied participation in the interstate program. They have paid for and are paying for good roads in other States and in foreign countries. They feel they have something coming to them in return.

A consultant recently visited my office on his way to Korea, where millions of U.S. dollars are being spent on roads. Another stopped by returning from a project for building a road from Mandalay to Rangoon, some 450 miles. To my knowledge—

Senator GRUENING. Could I interrupt at that point?

Senator RANDOLPH. Yes, Senator Gruening.

Senator GRUENING. I have been so touched by this foreign aid project for a road to Mandalay paid for by American dollars which recall "On the Road to Mandalay" by Rudyard Kipling, which has been famed in verse and song, that I was tempted to bring it up to date, and if it would not be undue levity, I would like to read it at this point.

Senator RANDOLPH. Have you composed a parody?

Senator GRUENING. I have an adaptation.

Senator RANDOLPH. I think it is a nonpartisan room, don't you, Senator Cooper?

Senator COOPER. I will have to listen to it. I will be glad to listen.

Senator RANDOLPH. Senator Long.

Senator LONG. May I suggest that the distinguished Senator from Alaska sing it.

Senator GRUENING. Is there an accompanist here?

By the old Mulmein Pagoda—

or perhaps we could adapt that to read—

By the "I'll make mine" payola,
Looking eastward to the sea
There's a Burma project settin'
And I doubt it works for me.
But the White House says we've got to
And the foreign echoes say
"Come you back you Yankee dollar
Come you back to Mandalay."

On the road to Mandalay
Where the ICA'ers play
Can't you hear those dozers clunkin' from Rangoon to Mandalay?
Just another giveaway
When the dough comes up like thunder from the good old U.S.A.

Senator RANDOLPH. I would like to applaud—will not do it, of course, not the singing—but the content. I think there is much truth in your "adaptation." We face that situation in West Virginia, too.

Senator GRUENING. I would like to point out that in the last 5 years the annual appropriation for mutual security highway programs in foreign lands has averaged something over \$43 million. That does not include the projects in the development loan program, which are presumably loans, but are often repayable only in soft currencies. So while we have been and are spending \$43 million a year—in grants—to build roads in foreign countries which pay no taxes whatsoever—and this sum will undoubtedly increase as the new born nations of Africa come into the picture, we are asking for only \$20 million for Alaska—less than half the foreign gifts—for 15 years to compensate for the past exclusion of Alaska from Federal highway aid, and to take care of our really pressing road needs. And I think that contrast—that item in the "double standard"—is really worth making.

In other words, we are asking for half as much, less than half as much, for a period of 15 years, than we are currently spending for road construction in many foreign countries each year.

I didn't want to prolong this interruption. Thank you.

Mr. SHERARD. Senator, I take no political side, since my profession is strictly engineering, but I have heard quite often in Alaska the remark, suggestive or otherwise, that seems to be presented in a half-joking but somewhat serious vein at the same time, "By golly, we should secede from the Union so that we can get some free financial help from the Federal Government."

I have heard arguments presented by some, who I suspect wish to continue the status quo in Alaska for selfish reasons, that the State will be unable to handle the job.

Gentlemen, where would this country be if we all rolled over and played dead every time we heard the words "Can't be done"?

I say to you that not only can the State of Alaska do the job, but it can do it more efficiently and at less unit cost.

Under the traditional State-Federal relationship which will become effective July 1, 1960, the State and Federal road agencies will operate under a system which has proven successful and has made this Nation's highway systems the best in the world.

Another argument has been presented to me by the obstructionists that economic criteria and traffic factors do not justify expenditures for roads in Alaska. That argument is amusing as well as ridiculous.

I spent 15 years in highway planning work, developing criteria and economic factors on which to base the justification for roads. The work was not started until 1935, and definite factors only recently have been fully developed in some areas. It is common knowledge that such criteria are applicable only to developed areas, and that they cannot be applied successfully to underdeveloped areas or undeveloped areas.

The economic development resulting from highways has surprised the experts many times even in developed areas. The Bureau of Public Roads has few recorded instances where generated traffic and economic development did not come up to predictions. Instead, in nearly all instances, the predictions were far short of the resulting developments.

I have often wanted to ask these dispensers of doom and gloom if the Lincoln Highway or U.S. 66 were justified through existing traffic, land use, and economic development before it was first built. Thank goodness, the development of the West was handled by men with vision, courage, and faith and not by men chained to a slide rule and a set of economic expansion tables. Otherwise, the Sioux Indians would still be hunting buffalo.

A third argument is also presented that Alaska has already received her fair share. One only needs to remember that a sizable percentage of road moneys expended in Alaska have resulted from and have been dictated by military needs. This should not be charged against a normal State highway program.

Gentlemen, Alaskans have faith in the future of their great State. They intend to make it great but without the help which they justly deserve it will take longer. It can be a hard struggle to reach the set goals, and they will be attained, or they can be reached much earlier to the great benefit of Alaska and the entire United States.

I therefore, respectfully urge this committee to act favorably on the legislation now before it. Alaska wants nothing more than to take her rightful place among this Union of States, and be permitted to contribute her share toward the welfare of all.

Thank you very much.

Senator RANDOLPH. Thank you, Mr. Sherard.

You mentioned a \$4 million figure, I believe. Is that the figure you mentioned?

Mr. SHERARD. Of transition grants?

Senator RANDOLPH. Yes.

Mr. SHERARD. Yes, sir.

Senator RANDOLPH. I understand that the transitional grants authorized in the Alaska Omnibus Act amounted to \$10½ million for fiscal year 1960, \$6 million for fiscal years 1961 and 1962, and \$3 million for fiscal years 1963 and 1964, making a total of \$28½ million. What part of this money would be for roads?

Mr. SHERARD. I think the \$4 million I mentioned was the amount for roads.

Senator RANDOLPH. There is no earmarking, is there, in the transitional grant?

Mr. SHERARD. No, that is merely the amount that was allocated. That was what was used for State matching funds, to match the Federal aid out of that.

Senator RANDOLPH. I thought there might be an impression that all or most of this money for transitional grants would go into highways. Is it true that the funds from this authorization would be used for many other purposes?

Mr. SHERARD. Yes, that is correct.

Senator RANDOLPH. And that further strengthens your position; does it not? It seems to me that you need funds as contemplated by the legislation before us today.

Mr. SHERARD. When the transition grants run out in 1962, which will be the last year, we will be quite short of funds to maintain the roads and also to match Federal aid.

We will have no money for any other roadwork in the State of Alaska at all.

Senator GRUENING. It is a fact that only a small amount of transition funds are destined to be used for highways; is that correct?

Mr. SHERARD. Yes; \$4 million is what we use on our State matching.

Senator GRUENING. Is it a fact that when you get started on an area as large as Alaska with the funds that would be available under this proposed legislation, you would be able to do some of the things that other States do, but there will be no opportunity to do so unless legislation such as this is enacted to enable Alaska to catch up, to fill the great void that has been left by the 40 years in which Alaska was almost totally excluded from Federal-aid highway legislation, and the shorter period since that time, since 1956, when we were included but only on a partial basis.

Now, is that not really the problem, that Alaska needs to catch up, needs to fill in these gaps between the cities that are unconnected?

Do you know of any way in which Alaska could do this unless the Congress treats Alaska, say, like a foreign country, and provides the funds, with or without matching, depending upon what the Congress would decide?

It might decide that Alaska should match on the same basis as the throughway matching, or it might decide that it would be a grant like that to foreign countries, in view of the fact that Alaska throughout the years was deprived of these funds. You are familiar with the continental highway system. Do you see any way Alaska can connect the principal cities unless some action is taken by Congress?

Mr. SHERARD. Senator, I see only two alternatives, two ways in which Alaska can go. With help we can build these roads and we can develop the economy, and we can get ourselves on our feet in a short time to where we can help the economy of the United States, and we can become a great economic factor, or we can continue scrimping from day to day to provide minimum services to our people. We would not be able to match all of our Federal aid, and we would not be able to build any of the non-Federal-aid highways at all, the roads to the homesteaders or to the various communities which are so badly needed—frankly, we can't anticipate being given money and we can't base the program in the future on this legislation passing, so we are desperately retrenching our efforts to try to be able to maintain. That is the main thing we want to do: to find enough money from our own funds and resources to maintain our highways, and then if we have a little bit left over we will try to maintain a portion with the Federal-aid funds.

In the meanwhile, we will stagnate and remain in the mud. But legislation of this type could fill in the stopgap between that interval when you crawl and you walk. When you start to walk someone generally takes you by the hand and leads you around, and so here you stand on your two feet. Otherwise, you may never get on your feet and start to walk.

We are in a position where there are two ways we can go: We can stagnate, which I think is detrimental to the entire economy of the United States; or, with a highway system, we can take our rightful place among the other States in the Union.

Senator RANDOLPH. We will hear from Mr. Armstrong in just a few minutes.

Are there any comments or questions prior to the calling of the Commissioner of Public Roads.

Senator Cooper.

Senator COOPER. Is someone going to testify from the Bureau of Public Roads?

Senator RANDOLPH. Yes, Commissioner Armstrong is here and he will testify.

Senator COOPER. Mr. Chairman, I must go, because I have another appointment, but I wanted to come here today because I wanted to hear Senator Gruening and the representatives from Alaska.

I would like to say that I am sure all of us recognize the need of Alaska for an adequate road system. We are sympathetic to the claims of Alaska.

I would like to ask if it is intended that there shall be placed in the record a statement showing, as you have noted, all of the allocations that have been made to Alaska by the Federal Government?

I hope that will be done.

Senator GRUENING. That will be done.

Senator COOPER. Second, will there be a statement showing the contributions of Alaska, both as a territory and as a State, to the construction of roads?

Senator GRUENING. That will be done.

Senator COOPER. And will there be a statement showing the tax levies of Alaska that Alaska has directed to road construction, highway construction?

Senator GRUENING. That will be done.

Senator COOPER. Although I have to go, I wanted to comment on that.

Senator GRUENING. Thank you very much for coming, Senator Cooper. I appreciate your interest.

Senator RANDOLPH. Senator Lusk.

Senator LUSK. I have no questions.

Senator RANDOLPH. Senator Long.

Senator LONG. I would just like to add this:

We feel in the State of Hawaii we have been faring marvelously well, everything considered. We were aware that in relation to roads we were in a sense—well, definitely we were not receiving what we should have been receiving. That was recognized, and at least on two occasions, something has been done about it. And I sincerely hope that this committee will act favorably on the bill under consideration. It will at least be a necessary beginning toward similar action in relation to the State of Alaska. And I certainly congratulate the able Senator from the State of Alaska on the comprehensive, convincing report that he has given to us on the bill. I hope that it will be enacted into law.

Senator RANDOLPH. Thank you very much.

(Exhibit A, additional miles at main connecting roads which should be added to Federal aid system in next 15 years and exhibit B, recommended farm to market and access roads not qualifying under Federal-Aid Highway Act, follow:)

STATE OF ALASKA,
DEPARTMENT OF PUBLIC WORKS,
Juneau, Alaska, February 27, 1960.

EXHIBIT A

Additional miles of main connecting roads which should be added to Federal aid system in next 15 years

	Miles
Nome-Fairbanks	1 400
Anchorage-Ruby-via-McGrath	1 200
Dillingham-Illiamna Bay	200
Bethel-McGrath	250
Unalakleet-Koyukuk	125
Kantishna-McGrath	150
McCarthy via White River to Canadian boundary	80
Dillingham-Crooked Creek	200
Umiat-Bettles-Fairbanks	360
Circle-Eagle	125
Nabesna-Boundary	100
Eureka-Rampart	3
Nikishka-Hope (Kenai-North)	1
Susitna-Willow	25
Teller-Lost River	50
Berin River Road-Katalla	20
Skagway-Haines	35
Taku River Road	40
Dry Strait-Canadian boundary	35
Ketchikan-Canadian boundary	90
Kotzebue-Koyukuk	200
Miles which should be added next 15 years	2 785
Miles in existing system	5 300
Total required in 15 years	8 085

¹ Defense.

² In addition around 680 miles on the existing systems remain to be built to any standard and all of existing construction will have to be replaced by end of 15-year period.

EXHIBIT B

Recommended farm-to-market and access roads not qualifying under Federal-Aid Highway Act

Road or improvement requested	Total mileage	Construction cost per mile	Total cost ¹	Remarks	Writer of letter	Letter from—
(1) Bridge Matanuska River at Chickloon River drainage and to east side of Matanuska River and down Glenn Highway.	26 miles..... Bridge, 400 feet.....	\$230,000..... \$1,000 per foot.....	\$6, 200, 000		Bertram Duff, councilman.	City of Palmer (Nov. 4, 1959).
(2) Continue Matanuska Road down railroad right-of-way to Eklutna Flats reconnecting the Glenn Highway.	4 miles..... Bridge, 10,000 feet.....	\$150,000..... \$1,000 per foot.....				
(3) That new secondary roads in Matanuska Valley be run on section lines and more maintenance on secondary gravel roads (more blade work).	27 miles.....	\$75,000.....	2, 300, 000		do.	Do.
Will submit report in week or 10 days (Nov. 8, 1959).					Claire O. Banks, manager.	Greater Anchorage Chamber of Commerce.
(1) Widening and paving highway from city limits to Halibut Point and paving from Halibut Point to old Sitka (end of highway), 5.52 miles.	5½ miles.....	\$230,000.....	1, 470, 000		E. E. Anderson, director of public works.	City of Sitka (Nov. 9, 1959).
(2) Road extended from old Sitka and some access roads opened up to provide more building sites.	5 miles.....	\$200,000.....	1, 175, 000		do.	Do.
(3) Endorse feasibility study of a road from Sitka to the eastern side of the island to tie in with ferry system.			15, 000		do.	Do.
(1) Road to Kasistna Bay to connect with existing road at mouth of Yakalof Bay and need of a jetty 300 feet long to protect deep-water boat float, etc.	8 miles.....	(\$150,000..... Breakwater, dock, etc., \$1,000,000..... \$200,000.....)	2, 360, 000		Frank Roby, president.	Seldovia Chamber of Commerce (Nov. 7, 1959). Do.
(2) Seldovia should be connected with a road that would tie in with the Homer-Anchorage Highway.						
(3) Road from Seldovia to Port Dick (approximately 16 miles).	20 miles.....	\$200,000.....	4, 450, 000		do.	Do.
(1) Extend Mitkof Highway to boundary.				Programed		
(2) Running thoroughway from Scow Bay in southern part of Petersburg in a straight line back from the beach and existing housing and coming down Lumber St. and straight into town (says BPR has plan in office).	3 miles.....	\$300,100.....	1, 015, 000		L. M. Williams, mayor.	Town of Petersburg (Nov. 10, 1959).

HIGHWAYS IN ALASKA

Grade level of proposed road being planned to new elementary school.			20, 000		J. E. Danielson, superintendent of schools.	Ketchikan Independent School District (Oct. 20, 1959).
(1) Extension of Mitkof Highway to the boundary.				Programed, town of Petersburg.	E. J. Hagen, president.	Petersburg Chamber of Commerce (Oct. 26, 1959). Do.
(2) Realignment, widening, and surfacing of the Mitkof Highway.	26 miles.....	\$400, 000.....	10, 700, 000		do.	Do.
Improvement of truck route along Noble St. in Fairbanks by placing permanent paving.	1 mile.....	\$200, 000.....	250, 000		Robert L. Crow, director.	City of Fairbanks (Sept. 15, 1959).
Fairbanks:						
Primary highways:						
(1) Reconstruction of Alaska Highway, generally between Delta Junction and Fairbanks (recommends 4-lane highway between Fairbanks and Eielson Air Force Base).				Included in Federal-aid program.	Bert Semple, president.	Fairbanks Chamber of Commerce (Nov. 6, 1959).
(2) Support and recommended extension and completion of FAS 680-1.				do.	do.	Do.
Secondary roads:						
(1) Urge planning, engineering, and construction of section (FAP 37-2) and immediate paving of the section of the Fairbanks-Nenana-McKinley Park road designated (FAP 37-1).				do.	do.	Do.
(2) Urge continued construction of the Fairbanks-Chena River Rd. (Chena Hot Springs Rd.) (FAS 650).				do.	do.	Do.
Urban roads:						
(1) Realignment of Richardson Highway in vicinity of Big Bens, just south of Fairbanks.				do.	do.	Do.
(2) New bridge spanning Chena River at University Ave.				do.	do.	Do.
(3) University bypass.	7 miles.....	\$175,000.....	2, 360, 000		do.	Do.
(4) Improvement of the Richardson Highway (between Fairbanks and Six Mile).				Included in Federal-aid program.	do.	Do.

See footnotes at end of table, p. 35.

HIGHWAYS IN ALASKA

Road or improvement requested	Total mileage	Construction cost per mile	Total cost ¹	Remarks	Writer of letter	Letter from—
Homer, Alaska:						
Primary roads:						
(1) Completion and paving of the Sterling Highway.				Included in Federal-aid program.	Robert Norman, corresponding secretary.	Homer Chamber of Commerce (Nov. 5, 1959). Do.
(2) Extension of the east end road from present terminus south of Moose Range to connect with existing Sterling Highway in vicinity of Kaslof (52½ miles).	52 miles	\$150,000	\$8,910,000		do.	
(3) Fox River Spur route to Bradley Lake.	10 miles	\$175,000	4,150,000	Would be a spur from above (2) road.	do.	Do.
	Bridges, 2,000 feet.	\$1,000 per foot.				
(4) Reconstruction and maintenance of a road connecting Diamond Bridge with Ohlson Mountain.				Included in Federal-aid program.		
Secondary roads:						
(1) Extension of the North Fork road of the Anchor River, eventually to meet the road system north of Homer.	10 miles	\$200,000	2,240,000	North Anchor River Rd. (FAS 4441), sec. B.	Robert Norman, corresponding secretary.	Do.
(2) Relocation of the Ohlson Mountain access road from Homer to eliminate the steep grades of the East Hill road.				Included in Federal-aid program.		
(NOTE.—Letter also lists 4 roads needing maintenance.)						
Kodiak, Alaska:						
(1) Construction and paving of FAP route No. 11, programed under F-011-1(1) (from Shelikoff Highway down Main St. of Kodiak; thence out Mission Rd. to Spruce Cape, to new location via Brooklyn Ave., Reznoff Dr., J St., to eastern city limit; then back to Mission Rd. to Spruce Cape).				do.	Merrill C. Coon, mayor.	City of Kodiak (Nov. 4, 1959).
(2) Reconstruction, widening, and surfacing of FAS Route No. 389.	4 miles	\$200,000	925,000			
(3) Widening and reconstruction of Shelikoff Highway from Alaska Way to beginning of newly constructed base road.				Information not available.		
(4) Construction of Near Island Bridge	400 feet	\$1,000 per foot	500,000		Merrill C. Coon, mayor.	Do.

Spenard, Alaska, Public Utility District:						
(1) Relocation of Spenard Rd. at Chester Creek.				Included in Federal aid program.	John D. Riley, manager.	Spenard Public utility District (Nov. 4, 1959). Do.
(2) Paving of Minnesota Ave. from Northern Lights Blvd. to 44th Ave.	1 mile	\$100,000	320,000	Minnesota St. not on "system."	do.	Do.
(3) Continuing with paving along 44th Ave. (Campbell Station Rd.) and extending paving 44th Ave. east to Tudor Rd. and west to Spenard Rd.	2½ miles	\$200,000	765,000		do.	Do.
(4) Paving of Arctic Blvd. from Firewood Lane to International Airport Rd.				Included in Federal aid program.	do.	Do.
(5) Construction of new road from end of Northern Lights Blvd., along boundary of military reserve south to Lake Hood Rd. Paving of this road from end of paving at Northern Lights Blvd. to the air terminal at international airport.	2 miles	\$200,000	460,000		do.	Do.
(6) Extension and paving of C St. from Firewood Lane to Northern Lights Blvd. (Also suggests an exchange of maintenance responsibility.)	2,000 feet		200,000		do.	Do.
Cordova, Alaska:						
(1) Copper River Highway, completion from mile 49 to Chitna.				Included in Federal-aid program.	W. H. Ekemo, secretary.	Cordova Chamber of Commerce (Nov. 4, 1959). Do.
(2) Coal Field Rd., from mile 39 on Copper River Highway to Cordova coal fields at Bering River.	40 miles	\$200,000	9,070,000		do.	Do.
(3) Copper River Highway, grading, paving, curbs, gutters, bulkheads from mile 0 at Ocean Dock to mile 1.	1 mile and bulkheads.	\$300,000	450,000		do.	Do.
(4) Whiteshed Rd., completion to Point Whiteshed.	10 miles	\$250,000	2,775,000		do.	Do.
(5) Copper River Highway, widen and straighten between miles 3 and 4, through rock cuts.				Included in Federal-aid program.	do.	Do.
City of Juneau, Alaska:						
Primary highways:						
(1) Glacier Highway urban outterdrive.				Programed.	J. Wayne Johnson, councilman.	City of Juneau (Nov. 6, 1959). Do.
(2) Southeastern ferry system with terminals at Prince Rupert, Ketchikan, Wrangell, Petersburg, Juneau, Sitka, Haines, and Skagway.			16,500,000	Entire system.	do.	
(3) Eagle River-Berners Bay Rd.	12 miles	\$400,000	5,400,000		do.	Do.
(4) Thane-Point Bishop Rd.	8 miles	\$400,000	3,625,000		do.	Do.
(5) Juneau-Thane, road reconstruction.	4 miles	\$150,000	725,000			

See footnotes at end of table, p. 35.

Road or improvement requested	Total mileage	Construction cost per mile	Total cost ¹	Remarks	Writer of letter	Letter from—
City of Juneau, Alaska—Continued						
Primary highways—Continued						
(6) North Douglas Highway reconstruction (preparatory to paving).	8½ miles	\$100,000	\$1,050,000		J. Wayne Johnson, councilman.	City of Juneau (Nov. 6, 1959).
(7) North Douglas (Tee Harbor-Eagle River).	8½ miles	\$50,000	490,000	Total cost, \$1,190,000	do.	Do.
Glacier Highway loop (Mendenhall loop).	8.2 miles	\$50,000	470,000			
Juneau-Thane, paving	4 miles	\$50,000	230,000			
Mendenhall Bar, connection between 500-ton paper-mill site and airport, Auke Bay area.	2 miles	\$200,000	500,000		do.	Do.
Secondary and local roads:						
(1) Fritz Cove Rd., reconstruction	2.5 miles	\$200,000	575,000		do.	Do.
(2) Fritz Cove Rd., engineers cutoff extension (Mendenhall Peninsula loop).	1.3 miles	\$250,000	380,000		do.	Do.
(3) Fish Creek-Point Hilda Rd. (also includes some suggestions on maintenance).	13 miles	\$400,000	5,900,000		do.	Do.
Kenai, Alaska:						
Extension of the North Kenai Rd. (Kenai-Hope Loop Highway).				Included in Federal aid program.		
Auke Bay Public Utility District:						
(1) Southeast Alaska ferry system				See City of Juneau, item 2 under "Primary highways".	C. R. Nordling, president, board of directors.	Auke Bay Public Utility District (Nov. 5, 1959).
(2) Juneau outer drive				Information incomplete.		
(3) Eagle River-Echo Cove construction				See City of Juneau, item 3 under "Primary highways."	C. R. Nordling, president, board of directors.	Do.
(4) Fritz Cove Rd. reconstruction				See City of Juneau, item 1, secondary highways.	do.	Do.
(5) Gastineau Channel Causeway				See City of Juneau, item 8, primary highways.	do.	Do.
(6) Thane-Point Bishop construction				See City of Juneau, item 4, primary highways.	do.	Do.
(7) Loop Rd. construction				See City of Juneau, item 2, secondary highways.	do.	Do.
(8) Shrine-Eagle River reconstruction				Programmed.		
(9) Tee Harbor-Eagle River paving				See City of Juneau, item 7, primary highways.	C. R. Nordling, president, board of directors.	Do.
(10) Juneau-Thane reconstruction				See City of Juneau, item 5, primary highways.	do.	Do.
(11) Mendenhall Peninsula	2.6 miles	\$200,000	625,000		do.	Do.
(12) North Douglas-Point Hilda construction.				See City of Juneau, item 3, secondary highways.	do.	Do.
Wants graveyard road repaired	0.7 miles	\$200,000	160,000		Evelyn Thomas.	Craig, Alaska (Aug. 18, 1959).
Requests extension of Doll Rd.				Unknown.	Mary Bus.	Fairbanks, Alaska (Aug. 29, 1959).
Requesting hard surfacing of Farmer's Loop and the McGrath Rd.				Included in 6-year program.	Petition, Farmer's Loop Homemaker's Club.	Fairbanks, Alaska.
11-page letter listing results of public hearings throughout State.				None.	Bjarne Olsen, vice president.	Alaska State Planning Commission (Nov. 4, 1959).
(1) Highway 97, Nome to Fairbanks	380 miles	\$200,000	293,250,000	This portion not included in Federal-aid program.	J. M. Kroninger, chairman, road commission.	Northwestern Alaska C. & C. (Nov. 5, 1959).
(2) Unalakleet to junction with Highway 97.	145 miles	\$200,000	235,100,000		do.	Do.
Secondary roads:						
(1) Nome-Teller Rd., 40 miles of new construction.	40 miles	\$200,000	29,150,000		do.	Do.
(2) Kougarok Rd., 25 miles	25 miles	\$200,000	5,800,000		do.	Do.
(3) Nome-Council Rd., 2 3-mile section, plus 3 stream crossings.	6 miles	\$200,000	1,400,000		do.	Do.
(4) Dexter realignment, 4-mile section, plus crossing Nome River.	4 miles	\$200,000	1,100,000		do.	Do.
(5) Council-White Mountain, 12 miles from Fox Junction.	12 miles	\$200,000	2,800,000		do.	Do.
(6) Deering Rd., connection to Taylor.	80 miles	\$200,000	218,900,000		do.	Do.
(7) Kotzebue-Candle to connection with Highway 97.	160 miles	\$200,000	237,850,000		do.	Do.
(8) Unalakleet to Coal Mine	10 miles	\$200,000	2,350,000		do.	Do.
(9) Shungnak to Ruby Creek	18 miles	\$200,000	4,125,000		do.	Do.
(10) Pilgrim Hot Springs to Highway 97.	8 miles	\$200,000	1,850,000		do.	Do.
(11) Serpentine Hot Springs to Taylor.	9 miles	\$200,000	2,000,000		do.	Do.
Secondary roads needing improvement:						
(1) Nome north on Route 141 (Highway 97) to mile 60; narrow sections need widening to secondary standards.				Included in Federal-aid program.	do.	Do.
(2) Same situation on Nome-Penny River section of Route 131 (letter also lists a number of suggestions on maintenance needs).				do.	do.	Do.

See footnotes at end of table, p. 35.

56473-60-5

Recommended farm-to-market and access roads not qualifying under Federal-Aid Highway Act—Continued

Road or improvement requested	Total mileage	Construction cost per mile	Total cost ¹	Remarks	Writer of letter	Letter from—
City of Juneau, Alaska:						
(1) Southeastern Alaska ferry system				(See City of Juneau, item (2), "Primary highways".)	Robert A. Wells, manager.	Juneau Chamber of Commerce (Nov. 6, 1959).
(2) Juneau outer drive, from southern end city to Norway Point.				Incomplete information.		
(3) Reconstruction of Eagle River Highway from Shrine Harbor to Eagle River, 4.3 miles.				Programed.	Robert A. Wells, manager.	Do.
(4) Eagle River to Echo Cove, 13.7 miles.				(See City of Juneau, item (3), "Primary highways.")	do	Do.
(5) Paving of road between Tee Harbor and Eagle River.				(See City of Juneau, item (7), "Primary highways.")	do	Do.
(6) Reconstruction of Thane Highway, 3.4 miles.				(See City of Juneau, item (5), "Primary highways.")	do	Do.
(7) Reconstruction of Fritz Cove Highway, 2.6 miles.				(See City of Juneau, item (1), "Secondary highways.")	do	Do.
(8) Causeway across Gastineau Channel south of Juneau Airport, 2 miles.				(See City of Juneau, item (8), "Primary highways.")	do	Do.
(9) Reconstruction of the loop road between airport and Glacier, 5.3 miles.				Programed.		
(10) Thane-Point Bishop Rd., 7.5 miles.				(See City of Juneau, item (4), "Primary highways.")	Robert A. Wells, manager.	Do.
(11) Connecting road between 2 roads on Mendenhall Peninsula.				(See City of Juneau, item (2), "Secondary highways.")		
(12) North Douglas-Point Hilda.				(See City of Juneau, item (3), "Secondary highways.")	Robert A. Wells, manager.	Do.
City of Douglas:						
(1) Relocation of primary route through Douglas by extension of 3d St. to city limits.	0.6 mile	\$200,000	\$250,000		William E. Boehl, mayor.	City of Douglas (Nov. 12, 1959).
(2) Extension of Douglas Highway to south end Douglas Island.	7.5 miles	\$400,000	3,400,000		do	Do.
(3) Engineering study and planning for replacement of Douglas Bridge. Access road from Barrow Village to Point Barrow airstrip.			150,000		do	City of Douglas (Nov. 12, 1959).
				On "State" 6-year program	George B. Rayburn, executive vice president.	Wien Alaska Airlines (Nov. 16, 1959).
City of Ketchikan:						
(1) Ferry system connecting Prince Rupert with Haines-Skagway.				(See City of Juneau, item (2), "Primary highways.")	R. M. Hardcastle, mayor.	City of Ketchikan (Nov. 13, 1959).
(2) Primary route through Ketchikan.				Programed.	do	Do.
(3) 5½-mile loop commencing on north at the intersection of 4th Ave. and terminating at Saxman on the south with connecting secondary routes between the primary routes.	5.5 miles	\$400,000	2,500,000		do	Do.
(4) (1961) Extend secondary system between Carlanna Rd. and Jackson St.	0.5 mile	\$200,000	175,000		do	Do.
(5) Herring Cove-Jackson St., secondary extension.	4.4 miles	\$250,000	1,275,000		do	Do.
(6) Extension of existing secondary route 1 mile from Herring Cove to Lake Whitman.	1 mile	\$400,000	460,000		do	Do.
(7) Extension of secondary system and construction of approximately 9 miles from Beaver Falls to White River.	9 miles	\$400,000	4,000,000		do	Do.
(8) Extension of secondary system and construction of 12 miles of road between Ward Lake and White River.	12 miles	\$400,000	5,425,000		do	Do.
(9) Extension of secondary system and construction of 12 miles from Lunch Creek to Loring.	12 miles	\$400,000	5,425,000		do	Do.
(10) Construction and improvement of secondary road to connect Hollis-Klawock and Craig.	26 miles	\$400,000	12,900,000		do	Do.
(11) That route covering proposed loop from Herring Cove to an intersection with FAP 95 at Ward Cove, via Beaver Falls, White River, and Ward Lake, from secondary route to primary.				No cost for reclassification.	do	Do.
Lower Stikine River road to connect Wrangell and Petersburg with Cassiar-Stewart Rd.	50 miles	\$400,000	28,820,000		A. V. Ritchie, chairman of roads, representing town of Wrangell.	Ritchie Transportation Co., Wrangell (Nov. 17, 1959).
Want all-weather farm-type road along southern shore of Big Lake.				On "State" 6-year program		Petition (Big Lake).
Northwestern Alaska:						
(1) Road from Barrow to fresh water supply approximately 2½ miles south of village, with a connecting road of ¼ mile to village dump.	2½ miles	\$200,000	575,000		J. M. Kroninger, chairman, road commission.	Northwestern Alaska Chamber of Commerce (Nov. 19, 1959).
(2) Improvement of existing road between Barrow and airport, 3½ miles.				On "State" 6-year program	do	Do.
City of Anchorage, Alaska:						
(1) Immediate allocation of funds for preliminary engineering and right-of-way acquisition for freeway system proposed in origin and destination report for Anchorage.				Included in Federal-aid program.	George C. Shannon, city mayor.	City of Anchorage (Nov. 20, 1959).

See footnotes at end of table, p. 35.

Recommended farm-to-market and access roads not qualifying under Federal-Aid Highway Act—Continued

Road or improvement requested	Total mileage	Construction cost per mile	Total cost ¹	Remarks	Writer of letter	Letter from—
City of Anchorage, Alaska—Continued						
(2) Construction of the portion of the access road to Anchorage port from vicinity of the loop road to port.				Included in Federal-aid program (freeway system).	George C. Shannon, city mayor.	City of Anchorage (Nov. 20, 1959).
(3) Relocation, widening, and paving of Spenard Rd. from 15th Ave. and L St. to international airport road.				Included in Federal-aid program.	do.	Do.
(4) Construction, widening, and paving of C St. from 16th Ave. to connection with Northern Lights Blvd.	1 mile	\$200,000	\$350,000		do.	Do.
(5) Widening and paving of Airport Heights Rd. from DeBarr Rd. to E. 5th Ave.	0.6 mile	\$200,000	200,000		do.	Do.
Kodiak, Alaska: Want road being considered to be run via Island Lake district rather than through Kodiak's watershed.				Rerouting of proposed Ouzinkie-Kodiak Rd.	Charles H. Eldris, chairman, commission on roads, lands, and harbors.	Kodiak Chamber of Commerce (Nov. 4, 1959).
City of Wrangell:						
(1) From present road on Wrangell Island across to the mainland at the Narrows between the Eastern Passage and Blake Channel, continue into and along the Stikine River to Kakwan Point; there to connect with the present Stikine-Metkof road now being programmed.	50 miles	\$400,000	28,820,000		Alvin E. Mervyn, city clerk.	Town of Wrangell (Nov. 23, 1959).
Greater Anchorage, Alaska: Primary highways, regional (new construction):						
(1) Susitna-Kuskokwin Highway, 250 miles in length from upper reaches of Susitna Valley, northwest through Ptarmigan (or Rainy) Pass in Alask Range down into Kuskokwin Valley to McGrath.	250 miles	\$400,000	61,500,000		Lary H. Landry, president, and Jack White, chairman, road development commission.	Greater Anchorage Chamber of Commerce.
(2) Bristol Bay "road and ferry" link, from Kenai Peninsula to Bristol Bay area (Dillingham).	220 miles	\$200,000	58,500,000		do.	Do.
(3) Knik Arm Bridge and rerouting of highway. (Survey and feasibility study on shortening route between Anchorage and Palmer by installation of bridge across Knik Arm and rerouting traffic on west side of Knik Arm into Palmer).			150,000		do.	Do.
Primary highway, local (new construction):						
(1) Anchorage freeway system, allocation of funds for engineering studies and to expedite construction of system.				Included in Federal aid program.	do.	Do.
Primary, local (reconstruction):						
(1) Post Rd.: Widening, paving and general maintenance of present road between Elmendorf Air Force Base and city of Anchorage.				do.	do.	Do.
Secondary road improvements:						
(1) C St. paving and extension. Extension involves 4 additional blocks south from Firewood Lane to Northern Lights Blvd. and the paving from 16th St. and C St. on through to Northern Lights Blvd.	2,000 feet		200,000		do.	Do.
(2) Airport Heights Rd. paving. Paving of approximately 10 city blocks, consisting of Airport Heights Rd. where it leaves East 5th Ave. near east end of Merrill Field over to DeBarr Rd., and the paving of DeBarr Rd.	0.6 mile	\$200,000	200,000		do.	Do.
Town of Valdez, primary highways:						
(1) Richardson Highway, Federal aid program Route 71, from mile 25.5 to mile 27 (stretch over Thompson Pass Summit), 1.5 miles, raise and realine, grade, and construct snow sheds.	1½ miles	\$500,000	850,000		Robert W. Kendall, town business manager.	Town of Valdez (Nov. 21, 1959).

See footnotes at end of table, p. 35.

Road or improvement requested	Total mileage	Construction cost per mile	Total cost ¹	Remarks	Writer of letter	Letter from—
Town of Valdez, primary highways—Con.						
Secondary highways and local service roads:						
(1) Mineral Creek Rd., Federal aid to States, Route 8151: (a) From Alaska Ave. in Valdez to Valdez city limits; reconstruct and surface with crushed gravel; (b) from Valdez city limits to mile 25, lower grade for ¼ mile beginning at city limits bridge, widening of road bed, and gravel surfacing; (c) from mile 2.5 mile 12, reconstruction and widening of road bed, raising and lowering of grades, gravel surfacing.	13 miles.....	\$200,000.....	\$3,000,000.....		Robert W. Kendall, town business manager.	Town of Valdez (Nov. 21, 1959).
(2) Federal aid to States, route 8152, Airport Rd. and Airport Loop Rd.: (a) From Mineral Creek Rd., to Glacier Rd. recreation area, a distance of about 2 miles, lowering of grade from Mineral Creek Rd. to the airport, widening road, bed, gravel surfacing; (b) from fork of road near entrance to Glacier Rd. recreation area to junction at about mile 2 on Mineral Creek Rd., a distance of about 2.5 miles of the Airport Loop Rd., complete reconstruction.	4½ miles.....	\$100,000.....	515,000.....		do.	Do.
(3) Federal aid to States, route 8153, Robe Lake Rd., extension of present 0.5 mile around north and east sides of lake, a distance of about 2.5 miles, to connect with Richardson Highway at about mile 6.	2½ miles.....	\$200,000.....	665,000.....		do.	Do.
(4) Federal aid to States, route 8159, Blueberry Lake Rd., from mile 24 on Richardson Highway to Blueberry Lake, widening, extension and graveling.	0.5 mile.....	\$170,000.....	100,000.....		do.	Do.
(5) Federal aid to States, route 8161, Worthington Glacier Rd., continued summer maintenance and gradual extension if face of glacier continues to recede.	0.5 mile.....	\$170,000.....	100,000.....		do.	Do.
(6) Jackson Point Rd., 5.5 miles, reconstruction of roadbed and installation of bridges over Lowe River and several creeks, followed by reconstruction of Solomon Lake access road 2 miles from Solomon Gulch powerhouse.	5½ miles.....	\$200,000.....	1,590,000.....		Robert W. Kendall, town business manager.	Town of Valdez (Nov. 21, 1959).
Secondary and local service roads:						
(1) Reconstruction and gravel surfacing of Federal aid to States Route 8151 and 8152, from Alaska Ave. in Valdez to Glacier Rd. recreation area.	13 miles.....	\$200,000.....	3,000,000.....		do.	Do.
(2) Basic roadbed construction in the following order: (a) Federal aid to States Route 8152, Airport Loop Rd.; (b) Mile 5 through 12 of Federal aid to States Route 8152, Mineral Creek Rd.; (c) extension of Federal aid to States Route 8153, Robe Lake Rd.; (d) Jackson Point Rd. and Solomon Rd.				Same as previous requests.....	do.	Do.
(3) All recommendations not covered in 1st and 2d priority list to be given equal tertiary priority and schedules as soon as available funds will allow.					do.	Do.
Hydaburg, Alaska:						
(1) Road from Hydaburg to their dam, 2 miles.	2 miles.....	\$200,000.....	470,000.....		George Nix, mayor.....	Hydaburg, Alaska (Nov. 10, 1959).
(2) Road in city (about 4 blocks) serving 5 houses	¼ mile.....		200,000.....		do.	Do.
Homesteaders in Fairbanks area: Construction of new section of road from Happy Landing on Sheep Creek in a northerly direction to connect with Steese Highway near Fox at Engineer Creek.	9 miles.....	\$200,000.....	2,050,000.....		Clarence D. Leab, Post Office Box 893, Fairbanks, Alaska.	Petition from homesteaders in Fairbanks area (Nov. 30, 1959).

¹ Preengineering, design, right-of-way, construction.
² Including maintenance depots every 40 miles at \$250,000 on long proposed routes.

NOTE.—Total requests, \$549,590,000.

Senator RANDOLPH. Ellis Armstrong, the Commissioner of the U.S. Bureau of Public Roads, is here, and we are privileged to have his statement or comments on this legislation.

STATEMENT OF ELLIS L. ARMSTRONG, COMMISSIONER, BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE, ACCOMPANIED BY FRANCIS C. TURNER, DEPUTY COMMISSIONER AND CHIEF ENGINEER

Mr. ARMSTRONG. Thank you, Mr. Chairman.

I also have Mr. Frank Turner, the Deputy Commissioner, who may be of some assistance in answering some of the questions.

We appreciate the opportunity to discuss with you the views of the Department on this bill. We are sorry that we haven't gotten to you before. Now the formal position of the Department, but we have discussed this, and have informal clearance to point out the position of the Department.

As you know, and as has been discussed here already, for many years the responsibility of the major road construction in Alaska, except for the forest highways, was under the jurisdiction of the Alaska Road Commission in the Department of the Interior, and the funds were authorized to be appropriated by the Congress for roads in Alaska, and were administered by the Department of the Interior.

In each year the road needs of the territory were regularly included in appropriation requests, and of course were considered by Congress in their deliberations. And during the period of 1916 to—rather, during the period of Federal aid, that is, through 1956—the total Federal funds that were appropriated to Alaska and were used in Alaska totaled nearly \$290 million. And I believe that Senator Gruening gave the figure of \$85 million—was it, Senator—as the amount that Alaska had received.

I believe that figure was on the basis of the Federal aid highway program, and didn't include other congressional appropriations including those to the Alaska Road Commission. Through fiscal year 1956, appropriations to the Alaska Road Commission totaled about \$188 million; \$2½ million was used for roads and trails by the National Park Service, and for those portions of the Alaskan highway within Alaska, approximately \$13½ million. The estimated expenditures in Canada on the Alaskan highway total about \$81 million.

Senator GRUENING. You don't include the expenditures in Canada as part of the contribution to that, do you?

Mr. ARMSTRONG. No. I just mentioned that that was an expenditure, however, in getting roads up to Alaska.

That makes a total of approximately \$370 million, of which nearly \$290 million was expended within Alaska.

Senator GRUENING. Is it your claim that the Federal Government has expended—what was that sum?

Mr. ARMSTRONG. \$290 million.

Senator GRUENING. Would you be kind enough to submit a breakdown?

Mr. ARMSTRONG. We will be glad to give you the details.

Senator GRUENING. That does not correspond with our figures at all.

Senator LONG. I wanted to ask this question, as to whether that included expenditure for military roads as well as roads for ordinary civilian use?

Mr. ARMSTRONG. The only military roads were those on access roads that were handled under the 1941 act, where there was \$2½ million, and \$1.1 million handled under the 1950 act. It doesn't include the expenditures that were made directly by the military.

Senator GRUENING. Would you mind breaking down the principal expenditures now?

I would like to see how you arrive at that total.

Mr. ARMSTRONG. Well, I don't have them broken down, Senator, any further than the summary that I just gave, that is, by the yearly appropriations.

We would be glad to supply that for the record.

Senator GRUENING. That is very necessary, because those figures do not correspond with our information at all.

Mr. ARMSTRONG. I believe it does, Senator, insofar as the information that you gave us, that is, the \$85 million that you gave includes the Federal aid apportionments under the regular Federal aid procedures, and didn't include the congressional appropriations to the Alaska Road Commission.

Senator GRUENING. Would you be kind enough to submit for the record a year by year breakdown of all the sums received for highways in Alaska from the Federal Government, and specifically for what highways, how much was spent for construction on each, and how much was spent for maintenance? That is one way in which we can arrive at the facts.

Mr. ARMSTRONG. Yes, sir.

Senator GRUENING. Now, it is also a fact, as Senator Long has pointed out, that during the period of maximum construction, which was during the late 1940's, these highways were requested by the military, the so-called Glen Highway, the Sterling Highway; these were essentially defense expenditures. And while those highways were useful, they were not necessarily the highways that the people of Alaska would have selected; they were part of the defense program. But even so, I would like very much for you to include all those in your breakdown.

Mr. ARMSTRONG. We will be glad to give you a detailed breakdown on the make-up of that.

In summing up, then, the needs of Alaska were considered each year by Congress, and special appropriations were made for those facilities, for road facilities prior to the passage of the 1956 act, at which time Alaska was brought under the provisions of the Federal aid legislation, with some specific provisos.

One was that only one-third of the area would be used in arriving at the apportionment, another was that the State matching required was only 10 percent of the Federal funds, and lastly, that the moneys apportioned could be used for maintenance.

Senator GRUENING. Mr. Armstrong, was that not the first instance on record where the formula for an area that was to be included in Federal aid highway legislation was reduced from a calculation based on the total area to one based on one-third of the total area?

Mr. ARMSTRONG. I believe that is so, yes, as far as I know.

Senator GRUENING. So that that is a unique example of legislative discrimination, I mean unique as far as Alaska is concerned. It isn't unique among the discriminations against Alaska, because Alaska's history is a history of discrimination, but unique as among other States in the matter of highways?

Mr. ARMSTRONG. I suppose that Alaska has been considered over the years as a rather special problem, Senator.

Senator GRUENING. We are painfully aware of that.

Senator LUSK. What was the reason for the reduction in the area, do you know?

Mr. ARMSTRONG. Well, the fact that there was such a large area, I presume. That was a decision of the Congress in considering the problem.

Senator LUSK. A large area, and that would make it smaller; is that it?

Mr. ARMSTRONG. Probably because it was large—the Texans say because of a large frozen area.

Senator LUSK. I see.

Senator GRUENING. I would like to say for the benefit of Senator Lusk, and to recall a bit of pertinent but little known history, that Alaska was included in the highway legislation for national forest areas—there are two national forests in Alaska—and back in 1933 a Member of Congress proposed and secured approval of a reduction of that sum—to which our Alaskan national forests were entitled—by a million dollars a year approximately, from \$1,350,000 to \$350,000. And for 7 years Alaska was deprived of this money.

Curiously enough, this was not an economy measure. This money taken from Alaska did not revert to the U.S. Treasury; it was divided among the other States that had the votes in Congress and the forests. And that money was never restored to Alaska.

Senator LUSK. Alaska is a Cinderella.

Senator GRUENING. Cinderella is right.

Mr. ARMSTRONG. The State of Alaska currently has a very substantial grant of Federal funds for aid to highway construction, and the Federal aid highway funds that have been apportioned to Alaska since the passage of the 1956 act up to the present total about \$85 million. And the States share of Federal aid funds apportioned for the fiscal year 1961—that is, after Alaska became a State and was on the same basis, then, as the other States and the same formula applied—was over \$36.8 million, as I recall, and future apportionments to the State, under the present legislation, under the present program, will continue at approximately that level.

In the 3 years when only one-third of the area was in the picture, apportionments were about \$13.1 million for fiscal year 1958, \$19.6 million for 1959, and \$13.8 million for 1960, and then for fiscal year 1961 the apportionment was just under \$37 million.

Another factor that is favorable to Alaska is that in respect to the fund-matching requirements, the requirement in Alaska, the matching ratio is 14 cents State, 86 cents Federal, as compared to the regular 50-50 matching, except for those States which have large areas of unappropriated and unreserved public lands.

Now, at the time Alaska became a State, as has been discussed, there were certain transitional grants that were provided under the Omnibus Act, in recognition, certainly, of the special problems that

Alaska had in being converted from a territory to a State. Those funds were in the amount of \$10½ million for 1960, \$6 million for 1961, \$6 million for 1962, \$3 million for 1963, and \$3 million for 1964, and were not especially earmarked, but, as Mr. Sherard pointed out, apparently Alaska is planning on about \$4 million for highways for the first 2 years.

Now, proposals such as these contained in this Senate bill No. 2976 would authorize special appropriations for the construction of State roads outside the framework of the Federal aid grants for highways, and would thus not be in accord with the well-established principles that have been built up and maintained over the years.

The formulas provided under the Federal-aid highway program, which require State sharing of costs, are recognized generally, I believe, as providing the most equitable means by which Federal grant assistance for highway construction is distributed among the States. And basically, the construction of highways is a State responsibility. And it is expected, and it has occurred, surely, that the States will develop highway construction programs in addition to those for which Federal funds are available for participation.

Senator GRUENING. Mr. Armstrong, may I interrupt at that point?

Mr. ARMSTRONG. Yes.

Senator GRUENING. Is it a fact that under the Federal-aid highway legislation, every State receives at least \$1 of Federal funds for every dollar of State funds for highways of a certain standard, and that the Western States, where there are large areas of public domain, receive a much larger share than this 50-50 matching?

Mr. ARMSTRONG. No.

For work that is programed under the Federal-aid system, there is matching. But the States, some of them, have quite sizable State programs in addition to that for which they received Federal aid.

Senator GRUENING. I am aware of that.

Mr. ARMSTRONG. And, also, have quite a sizable amount of construction actually on the Federal-aid system, for which they don't receive Federal-aid money.

You see, the amount of money that goes to the State is determined on the basis of formula—that is, as far as the primary, secondary, and urban is concerned; and they get so much money, and then the States have the responsibility of expending that on the Federal-aid system where they believe it will be most effective.

In addition to that, they do have a sizable State-financed program.

Senator GRUENING. It is a fact, nevertheless, that on these major highways included in the Interstate System, the Federal Government does put up at least \$1 of matching funds in the Eastern States, in most of the States, and in the Western States, where there are large areas or public domain, it puts up more.

Now, I will grant you, there is a State program in addition to that.

Mr. ARMSTRONG. Yes.

Senator GRUENING. But that is a fact, is it not?

Mr. ARMSTRONG. It is a fact that there is a 50-50 matching on the Federal-aid highways in the East, and it is increased in those States—

Senator GRUENING. And Alaska never shared that program from 1916 until 1956; is that correct?

Mr. ARMSTRONG. Alaska wasn't under the provision of that program.

Senator GRUENING. Now, did you know that during the years from 1907, when our first construction began as a military highway, our highway program was then under the War Department until 1945, during which period the total expenditure for Alaska highways was \$39 million. Alaska contributed 23 percent of that amount. That is a fact which can be verified. So that during those early years, Alaska's share, Alaska's contribution, was proportionately greater than that of any public land State, and greater than it would have been had it been included under the Federal-aid highway system 23 percent.

Mr. ARMSTRONG. I would want to see those figures. I haven't seen them Senator.

Senator GRUENING. They will be available to you. And I am sure you have them also.

Mr. ARMSTRONG. I think I should point out that prior to the 1956 act that Alaska was under the direct appropriation and special consideration category, and I think I gave you the figures as to the amounts of money that were made available at that time, and we will give you the further details on that.

There is a wide disparity, certainly, among the several States in the development of the roads, the transportation systems, and the need for continual development and improvement of the roads. And the Federal Government, we don't believe, should be expected to give special financial assistance to enable a particular State to provide the highway system it considers desirable. We think that would be a deviation from the policy which has been established.

Senator GRUENING. Was there not a deviation from the policy during the years when Alaska was excluded, the only area under the flag which was excluded; was that not a deviation from policy?

Mr. ARMSTRONG. It wasn't considered under the regular Federal-Aid Act, certainly.

Senator GRUENING. But was there any other area that was so treated?

Was Puerto Rico, which pays no Federal taxes whatsoever, excluded?

It was not.

Was Hawaii, out in the Pacific, excluded? I do not begrudge it to Hawaii. I just wonder why Alaska was left out.

Was it because you saw that its needs were so great, the area was so great?

Mr. ARMSTRONG. I can't answer for the congressional people that considered the problem, but they did consider it each year, and this is what developed.

Senator GRUENING. Mr. Armstrong, I am not going to hold you responsible, certainly, for all the discriminatory acts by previous Congresses, but I was just struck by your statement that to endorse this bill would be a deviation from accepted practice, and I was asking you whether there had not been a 40-year deviation from accepted practice in regard to Alaska between 1916, when the Federal-aid highway legislation was first enacted, and 1956, when we were for the first time included and then only on a very reduced basis.

Was not that in fact a deviation, since no other area received such treatment, or such lack of treatment, I should say?

Mr. ARMSTRONG. I think we can say that Alaska received special consideration by the congressional committees during that period.

Senator GRUENING. It was very special.

Mr. ARMSTRONG. Anyway, the basis for the action proposed by this bill, we think, is without precedent. And we recognize that in 1931, under the act that was approved on February 23, 1931, the Territory of Hawaii did receive the sum of \$880,000. And that happened to be—that is the amount the Territory would have received for roads built by it and incorporated into the Federal system from 1917 to 1925, which was the year that the Federal aid was extended to Hawaii, but it involved no additional authorization or appropriation of funds, but actually represented funds which were allocated to Hawaii under Federal-aid highway legislation, which the Territory was unable to match, and which, therefore, would have been lost under lapse provisions of the law.

Senator GRUENING. Would you mind repeating that?

Mr. ARMSTRONG. The \$880,000 was the amount that Hawaii would have lost under the lapse provisions of the law, and while it was approximately equal to the amount that Hawaii would have received in the period from 1917 to 1925, it didn't—the funds did not involve any additional authorization or appropriation of funds.

Senator GRUENING. Well, the fact is, however, that Hawaii had not received these funds before it was included in the program, so the Congress decided it should compensate and pay Hawaii what it hadn't received; is that not right?

Mr. ARMSTRONG. That isn't quite right.

Senator GRUENING. Tell us, then, what is right.

Mr. ARMSTRONG. It was quite a bit more complicated than that.

Senator GRUENING. I find it very hard to understand. Would you simplify it for me?

Mr. ARMSTRONG. Hawaii was due to lose \$800,000 because of the lapse provision of the Federal aid, and they were allowed to retain that amount of money.

Senator GRUENING. And they got it. That is precisely what our situation ought to be now.

Mr. ARMSTRONG. Not quite. They already had it, but they had not been able to match it, and so it was retained.

Senator GRUENING. They had not been able to match it?

Mr. ARMSTRONG. Yes.

Senator GRUENING. Well, there is no such analogy in the Alaska situation. We maintain we would have been able to match Federal highway funds.

Mr. ARMSTRONG. I don't think that that is a situation that would form a precedent to the situation here.

Senator GRUENING. From what you say, I think the case is even stronger for Alaska, since you state it was about to lapse because Hawaii could not match it, and we maintain that we could have matched it at all times. We have an exhibit which we put in the record to demonstrate that. So that our situation is not wholly comparable, but it makes the case for Alaska even stronger, I would say.

Senator LONG. Mr. Chairman, I could be mistaken, but I do not believe that the act of June 11, 1916, which set up the Federal Aid Road Act, included Hawaii at all.

Mr. ARMSTRONG. No, it didn't.

Senator LONG. It was not a question of whether financially we were able to match it, we just were not given a chance.

Mr. ARMSTRONG. No, you were not included until 1925, as you pointed out.

Senator LONG. The bill passed in 1924 became effective in 1925. Then, some 6 years later, in 1931, as I recall it, Congress recognized that it was that gap; that other States had been receiving—that is, other political divisions—and we had not; so, in 1931 Congress took up the slack, so to speak. They did not give us any interest, but they figured out as you have indicated to the penny what we would have received had we been included in the 1916 act, and it came to \$880,000.

Mr. ARMSTRONG. I understand the discussion concerning the passage of that legislation, the primary purpose of passing that was to keep Alaska—to keep the funds that were coming to Hawaii from lapsing because they had not been matched. That was my understanding.

Senator GRUENING. Mr. Armstrong, let me read you what Senator Hayden, who is now chairman of the Appropriations Committee, said; what the language was that he used when he reported the bill to give this \$880,000 to the Territory of Hawaii. He said:

The purpose of the bill is to amend the act by which the Federal Highway Act of July 11, 1916, was made to apply to the Territory of Hawaii, and to equalize the problem of road construction in Hawaii through payment to the Territory of certain sums that are representative in part of the aid that would have been given the Territory had the Federal Highway Act when passed been held to have extended these benefits to Hawaii equally with the States.

Now, I think that is very explicit. It says—and if you disagree I wish you would contradict me and rectify my misapprehension—that Hawaii was not included from the very beginning, and when it was later included, the Congress felt that it should be repaid the amount which it would have received had it been included from the beginning. And that was done. Is that correct?

Mr. ARMSTRONG. Reading a little further in that report, it states this:

No new appropriation of funds for highway-building purposes is required, the money having been already authorized, appropriated, and allocated to the Territory, but at the present time unobligated. An amount not to exceed \$880,000 is involved.

And that points up the distinction I was trying to bring out here.

Senator GRUENING. I think that distinction is wholly a procedural matter; the fact that the money did not have to be specially appropriated does not alter the fact that the money could have lapsed and could have reverted to the U.S. Treasury had the Congress not seen fit in its wisdom and justice to restore the funds to Hawaii that Hawaii should have had.

Frankly, I think that we ought to try to have a meeting of minds on facts. I certainly do not want to influence anybody's judgment, but I think that the language is pretty explicit. And I think that the point that you made, that no special appropriation was needed, does

not alter the basic fact that though Congress could easily have declared that this money which had not been used should revert to the Treasury, and should not go to Hawaii, it decided otherwise.

Would you agree with that, Senator Long?

Senator LONG. That is my understanding, that we had never been under the provisions of the Federal Act at all, that we had no choice in it at all—we were left out. And we did quite a bit of complaining about it. And then we finally were brought in in 1931, and went back and picked up what we would have received, what our allotment would have been under the provisions of the Federal Aid Road Act.

Now, I do not remember anything beyond that, not being an attorney. But we did get the \$880,000, which at that time we felt was quite a sum. Of course, it did purchase quite a bit then, and we did not have the same highway requirement for the roads as we have now.

Mr. ARMSTRONG. Mr. Turner might shed a little additional light on this.

Mr. TURNER. The original 1916 act applied only to the 48 States. And there was some question after that as to whether it actually applied to the Territory of Hawaii. But of the moneys that were made available from 1916 to 1924, there was no money allocated to Hawaii, because the Comptroller General had ruled that there was some doubt as to whether the 1916 act did apply to Hawaii.

In 1924, the legislation was changed to definitely bring Hawaii under the 1916 legislation. The 1924 legislation extended Federal highway aid to Hawaii for fiscal year 1925 and subsequent fiscal years, but not for the period 1916 through 1924. In 1931 it appeared that Hawaii was unable to provide the necessary matching funds and would lose Federal money under the lapse provisions of the law. But this money was kept and made available to Hawaii by special legislation in 1931.

So that there was no increase in the total authorization or the total appropriation from the Treasury.

Senator LONG. Your original statement was that the 1916 law did apply exclusively to the 48 States—that is, Hawaii was not under it, even though—I was a little surprised when you said the appropriations were made. They were not available legally.

Mr. TURNER. You see, the legislation referred to a given total of money to be distributed among the States, according to a fixed formula. Now, when the distribution was made for fiscal year 1925 and later fiscal years, provision was made for a share of that to go to Hawaii, even though Hawaii was a territory rather than a State. Hawaii would have lost a portion of the money allocated to it, because of its inability to meet the matching requirements of Federal law. But the money was kept available, and was actually covered by special legislation in 1931 to actually transfer it to Hawaii.

There was no increase in the amount of money that was appropriated for those years from 1916 to 1924 because of this.

Senator GRUENING. Mr. Turner, I gather that the Department is trying to throw a cloud, as it were, over this precedent, and to indicate that this is not a precedent.

Now, I suppose that is a matter that can be argued. But I find it very difficult to see how the special legislation which was introduced and passed and which Senator Hayden has reported is different in principle from the special legislation that we are asking for, except

that the sum is much larger, and that it requires appropriation, but in principle there is no difference, because had the Congress decided not to reimburse Hawaii for what it did not receive, it could have easily allowed that money to return to the Treasury. But it did not do that. I mean, the money belongs to the people of the United States, and its disposition is determined by the Congress, the Congress can recall funds that have not been used, or return them to the Treasury, or can allocate them for some purpose, and that is what was done in this case. And that is precisely in principal what we are trying to do.

Mr. TURNER. Except that this increases the total amount.

Senator GRUENING. Certainly it increases the total amount, and it would have diminished the total amount if the Congress had decided to return that \$880,000 to the Treasury.

Mr. TURNER. Yes, that is correct.

Senator GRUENING. I just wanted to make clear that I think, in fairness, that this does constitute a precedent, but I don't know that that is particularly important, although, as you know, Government sets a great deal of store by precedent.

I think we don't need a precedent to bestow belated justice and to take care of a pressing need. And those are the two ingredients in the Alaska situation, a pressing need and an act of belated justice.

Now, a precedent is useful, but I think it is not controlling. I think if there had not been a precedent we would be justified, in view of the fact that Alaska had suffered this almost total discrimination for 40 years, and a continuing partial discrimination for the last 4 in going to the Congress and saying: "Give us equality, what the other States have always had, and enable us to develop as every other American area has developed, and as you are helping 104 foreign countries to do." And I think that is the issue.

Mr. TURNER. I am sure we don't consider it a controlling precedent either, Senator, and it has no real bearing on the question, the merits of it. The important thing is that Alaska did receive consideration from other sources during that period of time by special appropriations made through the Alaska Road Commission, and the Department of Interior appropriation.

Senator GRUENING. If you looked through the window of a restaurant and you saw a man eating a sumptuous meal and he tossed you out a crust of bread, you would have received consideration, would you not?

That is the kind of consideration we have been receiving.

Mr. TURNER. If you did get a full meal, though, but on a different tray, you would be getting equality, would you not?

Senator GRUENING. No, because we never got a full meal.

Mr. TURNER. You did get the same meal, but in a different form.

Senator GRUENING. No, we got inadequate crumbs.

Let's go ahead.

Mr. ARMSTRONG. The Federal Government has given quite extensive study to the need and requirements for improving the transportation systems of the State of Alaska. And as you know, the status of Alaska was extensively considered by the Department of Commerce in connection with the report that was submitted to Congress, Committee Print No. 17 of the 86th Congress, 2d session, on the extension

of the National System of Interstate and Defense Highways within Alaska and Hawaii.

And currently, in addition to that, studies are being made by the Alaska International Rail and Highway Commission which we think will be helpful in connection with action on Alaska's highway transportation problems. And I think, as was so ably pointed out by the chairman, there are changes going on, this is a changing world, there is no question about that.

Senator GRUENING. Mr. Armstrong, would you mind pointing out what the connection between the labors of the International Rail and Highway Commission are with the problem in hand?

On the question of getting highways in Alaska, the International Rail and Highway Commission is dealing with the possibility of additional railways and highways between Alaska and the 48 States. It has nothing whatever to do with highways within Alaska.

Mr. ARMSTRONG. I don't think I will agree with you there, because the study must of necessity consider what the development demands are, the demands for moving goods, and so on, and consider the overall economic aspects of development, probable development, to determine what these needs are.

I think it ties into the overall program that we are talking about. The State, I am sure, has similar studies that are underway, and certainly there are funds available under the Federal aid moneys that you have, 1½-percent funds, for a good, careful analysis of the needs—

Senator GRUENING. Mr. Armstrong, we do not need analyses. We need action. We need some money to build roads. We are sick and tired of these surveys which, by the time they are completed, are already obsolete and out of date. Any procedure to deviate this program into a vague discussion of surveys is nothing more but an evasion of our need.

We know what our needs are, they have been studied and restudied.

Now, I know that the Bureau has some idea that by waiting until the International Rail and Highway Commission makes a finding of some kind, it can postpone action. Now, only last night I spoke to the acting chairman of the International Rail and Highway Commission, my colleague, Senator Warren Magnuson, the senior Senator from the State of Washington, and I asked him specifically whether the International Rail and Highway Commission was making any studies on which to make any recommendations on highways inside of Alaska, and he said categorically no, and he said he would write a letter, if I requested it, to this committee so stating.

So that the Department of Commerce, which should know, is misled in thinking that that Commissions' study furnishes any prospect of a solution to our problem. It does not.

The International Rail and Highway Commission is merely studying whether additional connections between the 48 States and Alaska are desirable, and is making an international study to ascertain that and nothing else.

Mr. ARMSTRONG. Yes. But a part of that study, I understand, certainly, will include the rate of development, the resources that you have, what will happen with the tapping of these additional areas with highways. That will be part of the study, to determine what these connection needs are, I believe. And it is my understanding

that this final report and recommendation will be submitted to Congress by June 1961, a year from now.

Senator GRUENING. Are you suggesting that we wait until we get this report?

Mr. ARMSTRONG. We are suggesting, Senator, that you have sizable amounts of money now, \$38 million, I think it is, that has been apportioned to you, and is available for obligation, and that a sound additional study would help a determination as to—

Senator GRUENING. Well, actually, of course, as you know, if the Alaska road authorities are going to plan intelligently and systematically, they have to know considerable time in advance.

Now, I think Mr. Sherard, who is a practical roadbuilder, as you know, from personal contacts, will tell you that it will take about 2 or 3 years to plan an adequate highway program, and we naturally cannot plan that unless we at least have an authorization. And we are not asking for any money this year.

Mr. ARMSTRONG. We recognize that surely, and within the next month or two there will be another \$38 million that will be apportioned to Alaska, which will give quite a backlog of money ahead to plan against as these additional studies proceed. It is for these reasons, then, that the Department of Commerce would oppose enactment of the pending bill.

Senator RANDOLPH. Will you state specifically some of the reasons that you have given? You say "for these reasons." What are they?

Mr. ARMSTRONG. I will sum it up very quickly.

First, that Alaska has received year by year special consideration over the years by Congress.

Senator GRUENING. You mean special discrimination?

Mr. ARMSTRONG. Special consideration.

I think that in the deliberations of August bodies such as yourselves, in considering these problems, certainly, I feel sure, you have viewed what the problems were, what the various aspects of the program were, and what was needed, and so on.

Senator GRUENING. Mr. Armstrong, do you think that Alaska has a problem in highways?

Mr. ARMSTRONG. Surely. We all do; we all have a problem these days.

Senator GRUENING. What would be your recommendation? What would be your suggestion as to solving this problem?

Do you think it is possible for an area to develop when the majority of its major communities are unconnected with any others by highway or railway?

Mr. ARMSTRONG. There is no question but that transportation needs is one of the big problems of Alaska. I think we are agreed on that.

Senator GRUENING. Well, the transportation need is there, is it not?

Mr. ARMSTRONG. There is need, certainly.

Senator GRUENING. There is need.

Now, the question I would like to ask your agency and the Department of Commerce, which is primarily concerned with various forms of transportation, is: What do you propose? What is your program?

We have been excluded from the legislation beneficial to the rest of the country for nearly half a century and, as a result, we are way behind.

Now, what is your Department's proposal to meet that situation?

Mr. ARMSTRONG. Well, certainly it will be a continuation of the regular ABC program as far as Alaska is concerned, and that will be a sizable amount.

Senator GRUENING. Do you consider that that amount will enable us through the years to catch up and fill in the gaps that were left by 40 years of exclusion from the program?

Mr. ARMSTRONG. It will enable you to make a sizable contribution to a solution of the problem, there is no question about that.

Senator GRUENING. Would you consider being retained in your former capacity as chief of roads in Utah and coming up to Alaska and showing us how you can make these amounts of money do the job? I am sure Mr. Sherard would welcome your cooperation.

Mr. ARMSTRONG. I expect he would. And I note that they plan to do a very thorough job and careful job of roadbuilding, and I think they are to be commended for it, because they have got a job ahead of them, there is no question about it.

Senator GRUENING. Well, would you mind giving us something specific that we could visualize? You say that for these reasons the Department opposes. I have been listening carefully, and I have not heard any reasons. Maybe my hearing is defective.

Mr. ARMSTRONG. Well, I started to summarize here, Senator.

Again, up to 1956, as I pointed out, we think that Alaska did receive special consideration by Congress, and as a result of that, the funds appropriated for the road construction. After that—

Senator GRUENING. Wait a minute. You said it received special consideration.

You admit that it received far less than it would have received if it had been under the Federal-aid highway program?

Mr. ARMSTRONG. Yes; I think that is pointed out in this tabulation of yours, and in the data—

Senator GRUENING. Would you equate your words "special consideration" with my word "discrimination"?

Mr. ARMSTRONG. Let me put it this way: The rest of the States were not given special consideration: they were part of the overall Federal aid program.

Senator GRUENING. They were given equal treatment.

Mr. ARMSTRONG. And Alaska being a special problem, a Territory, it did receive special consideration by Congress.

Senator GRUENING. What do you mean by "special consideration?" What was that special consideration?

Mr. ARMSTRONG. Separate and apart from—

Senator GRUENING. The words "special consideration" imply a favored treatment, out of the ordinary—it was out of the ordinary, I will grant you, but it was not special in a generally accepted sense.

Mr. ARMSTRONG. It was out of the ordinary in that it was not considered in the same status as the other States; it was considered on its own merits by the committees that considered the problem, surely, and by Congress.

Senator GRUENING. Let's go on.

Mr. ARMSTRONG. Again in 1956, when Alaska was brought under the program, and then when it became a State—of course, it is now under the program on the same footing as the rest of the States with some special provisos for the transition period.

Senator GRUENING. Excluded from the throughway system?

Mr. ARMSTRONG. There is no interstate mileage in Alaska, and I think we need to look at that from the standpoint of what the traffic needs are. And at present you don't have many needs in Alaska for our limited-access high capacity roads. Your needs—

Senator GRUENING. You have recommended inclusion of Hawaii in the throughway system, but you have recommended against inclusion of Alaska; is that correct?

Mr. ARMSTRONG. Yes, sir; that was on the basis of the studies of the needs—

Senator GRUENING. We are still getting the special treatment?

Mr. ARMSTRONG. Yes, sir.

Senator GRUENING. Special consideration.

Go ahead.

Mr. ARMSTRONG. Maybe not quite in the way that you would like to interpret "special," but you were given consideration.

Then this amounts to a very substantial amount of money that Alaska now has in getting her accelerated program rolling that should certainly enable Mr. Sherard and his boys to make inroads on the problem that Alaska faces.

Senator GRUENING. Inroads?

Mr. ARMSTRONG. Alaska does have a favorable position matching-wise, 86 percent of Federal funds, 14 percent State funds, and that is quite a bit higher than any other State. And of course we recognize that is because of the Federal land formula that applies to Alaska.

Then, in view of the transitional grants that were provided, we think that some consideration has been given to the special problem. We believe that—

Senator GRUENING. Now, the committee, or this body of the Senate that made those special transitional grants, made it very clear in its report that it did not consider that a solution of Alaska's highway needs, but specifically stated that that problem should be left to future legislation and action by the Congress, and that is what we are trying to do now.

The committee did not agree with your conclusion that our needs were taken care of by the transitional grants—that is another committee, the Interior Committee, not this one—and that action of that committee was approved by the entire Congress when it enacted the legislation.

Mr. ARMSTRONG. Then again, we feel that this would provide, authorize special appropriations outside the framework of the Federal highway grants. And that would give us quite a bit of trouble, we think, with the well-established principle that has been set up.

Senator RANDOLPH. Commissioner, I want to ask you a question, because I find it necessary to go to an appointment. We are going to have to conclude the hearing presently.

I want a very definite statement from you for the subcommittee in reference to the legislation which I know—

Mr. ARMSTRONG. We will have it to you shortly.

Senator RANDOLPH. When would we expect that in writing?

Mr. ARMSTRONG. I expect within a week.

Senator RANDOLPH. Could you have it ready for the committee by Tuesday?

Mr. ARMSTRONG. We shall do it.

(Comments on S. 2976 included following insert on bill. There follows information requested relative to Alaska highway funds.)

HIGHWAY STATISTICS BRANCH,
May 26, 1960.

Comparison of estimated payments to the highway trust fund and apportionments of Federal-aid highway funds to Alaska, fiscal years 1957 to 1961, inclusive

[Thousands of dollars]

Fiscal year	Payments to trust fund	Federal-aid highway apportionments	Differences	Percent apportionment is of payment to trust fund
1957.....	1,331	1,932	+601	145.2
1958.....	1,823	13,141	+11,318	720.8
1959.....	1,920	1,20,009	+18,089	1,042.1
1960.....	2,326	13,830	+11,504	594.6
1961.....	2,568	36,769	+34,201	1,431.8
Total.....	9,968	85,681	+75,713	859

¹ Includes \$6,560,423 pursuant to sec. 4 (a) and (c) of Federal-Aid Highway Act of 1958.

FEDERAL HIGHWAY PROGRAMS

Actual apportionments and allocations to Alaska, and estimated amounts Alaska would have received had they participated in all apportionments on the same basis as other States

[In millions]

Fund	Estimated	Actual
1917-33:		
Federal-aid.....	\$67.3	
Emergency funds ¹	36.8	
1936-43:		
Prewar primary.....	48.1	
Prewar secondary.....	6.1	
1946-48 and 1950-60, including primary.....	204.8	² \$25.2
1950-60:		
Secondary.....	136.8	² 17.0
Urban.....	.6	² .2
1959:		
"D" funds.....	16.1	6.2
Subtotal.....	516.6	48.6
Forest highways.....	40.8	32
Public lands.....	14.6	
Access road funds, sec. 6.....	2.5	2.0
Access road funds, sec. 12.....	1.1	³ 1.1
Subtotal.....	59.0	36.1
Total.....	575.6	84.7

¹ 1934-35 public works and work program highway.

² Alaska received their first Federal-aid highway funds under the Federal-Aid Highway Act of 1956.

³ Total approved as of Dec. 31, 1958.

Actual apportionments and allocations made to Alaska for highways

[In millions]

U.S. Bureau of Public Roads.....	\$84.7
Congressional appropriations to Alaska Road Commission, 1905-56.....	187.6
Roads and trails, National Park Service, 1925-52.....	2.5
Estimated expenditures in Alaska on Alaska Highway, 202 miles, at estimated \$66,160 per mile.....	13.4
Total.....	288.2
Estimated expenditures in Canada on Alaska Highway, 1,220 miles, at estimated \$66,160 per mile.....	80.7
Total, including cost of Alaska Highway in Canada.....	368.9

Estimated apportionments Alaska would have received had the State participated in all apportionments on same basis as other States, and estimated State matching funds required under sliding scale rates

Fiscal years	Estimated apportionments				Estimated State matching funds required			
	Primary	Secondary	Urban	Total	Primary	Secondary	Urban	Total
1917	\$262,870			\$262,870	\$262,870			\$262,870
1918	525,740			525,740	525,740			525,740
1919	788,610			788,610	788,610			788,610
1920	2,628,700			2,628,700	2,628,700			2,628,700
1921	1,051,480			1,051,480	1,051,480			1,051,480
1922	3,943,050			3,943,050	3,943,050			3,943,050
1923	1,314,350			1,314,350	1,314,350			1,314,350
1924	3,943,050			3,943,050	3,943,050			3,943,050
1925	1,321,125			1,321,125	264,850			264,850
1926	2,642,250			2,642,250	520,719			520,719
1927	2,642,250			2,642,250	520,719			520,719
1928	3,434,925			3,434,925	688,634			688,634
1929	3,963,375			3,963,375	794,578			794,578
1930	3,963,375			3,963,375	794,578			794,578
1931	3,963,375			3,963,375	794,578			794,578
1932	3,963,375			3,963,375	794,578			794,578
1933	2,642,250			2,642,250	520,719			520,719
1934	6,605,625			6,605,625	1,324,297			1,324,297
1935	5,747,057			5,747,057	1,152,171			1,152,171
Total 1917-33 Federal-aid	67,236,957			67,236,957	25,039,014			25,039,014
1936	6,544,687			6,544,687	1,312,080			1,312,080
1937	6,544,687			6,544,687	1,312,080			1,312,080
1938	6,712,500	\$1,342,500		8,055,000	1,345,723	\$269,145		1,614,868
1939	6,544,688	1,308,937		7,853,625	1,312,080	262,416		1,574,496
1940	5,235,750	785,363		6,021,113	1,049,664	157,450		1,207,114
1941	6,021,113	785,363		6,806,476	1,207,114	157,450		1,364,564
1942	5,235,750	916,256		6,152,006	1,049,664	183,091		1,233,355
1943	5,235,750	916,256		6,152,006	1,049,664	183,091		1,233,355
Total 1936-43 Federal-aid	48,074,925	6,054,675		54,129,600	9,638,069	1,213,843		10,851,912
1946	11,778,902	7,840,676	\$29,981	19,658,559	2,361,437	1,573,705	\$6,011	3,941,153
1947	11,778,902	7,840,676	29,982	19,658,560	2,361,437	1,573,705	6,011	3,941,153
1948	11,627,891	7,749,039	29,597	19,406,527	2,331,162	1,553,529	5,934	3,890,625
1949	10,465,101	6,974,136	26,637	17,465,874	1,727,723	1,151,387	4,398	2,883,508
1950	10,465,101	6,974,136	26,637	17,465,874	1,727,723	1,151,387	4,398	2,883,508
1951	11,716,950	7,835,175	37,102	19,589,246	1,853,762	1,239,617	5,870	3,099,249
1952	11,626,374	7,774,594	36,816	19,437,784	1,839,429	1,230,032	5,825	3,075,286
1953	12,888,666	8,618,692	40,813	21,548,171	2,039,138	1,363,578	6,457	3,409,173
1954	12,955,103	8,663,119	41,023	21,659,245	2,049,649	1,370,607	6,490	3,426,746
1955	16,615,146	11,110,601	52,613	27,778,360	2,584,237	1,728,087	8,183	4,320,507
1956	16,657,424	11,138,872	52,747	27,849,043	2,590,819	1,732,485	8,204	4,331,502
1957	3,019,838	2,019,375	9,562	5,048,775	470,301	314,893	1,491	787,285
1958	20,534,895	13,731,750	65,025	34,331,670	3,202,124	2,141,270	10,140	5,353,534
1959	21,033,168	14,094,947	66,603	35,164,718	3,279,822	2,193,228	10,386	5,483,436
1960	21,634,116	14,466,803	68,506	36,169,425	3,367,752	2,252,026	10,604	5,630,442
Total 1946-60 Federal-aid	204,797,596	136,820,501	613,644	342,231,831	33,787,109	22,569,536	100,462	56,457,107
1959 (D) funds	9,663,480	6,462,000	30,600	16,156,080	953,395	637,539	3,019	1,593,953
Total Federal-aid				479,754,468				93,941,986
Emergency funds ¹				36,796,988				
Grand total				516,551,456				93,941,986

¹ 1934-35 Public works and works program highway.

Actual apportionments made to Alaska and estimated State matching funds required (10 percent of Federal funds)

Fiscal years	Actual apportionments				Estimated State matching funds required			
	Primary	Secondary	Urban	Total	Primary	Secondary	Urban	Total
1957	\$1,148,518	\$774,495	\$9,575	\$1,932,588	\$114,852	\$77,449	\$958	\$193,259
1958	7,800,925	5,266,562	65,112	13,141,599	780,993	526,656	6,511	1,314,160
1959	7,991,038	5,389,478	66,692	13,448,108	799,194	538,918	6,669	1,344,811
1959 (additional)	3,671,816	2,476,142	30,641	6,178,599	367,181	247,615	3,064	617,860
1960	8,218,724	5,542,560	68,597	13,829,881	821,872	554,256	6,860	1,382,988
Total	28,840,921	19,449,237	240,617	48,530,775	2,848,092	1,944,924	24,062	4,853,078

¹ Alaska has actually used \$381,824 of Federal funds provided by sec. 2(e) of 1958 act, in lieu of State matching funds.

ALASKA HIGHWAY PROGRAM EXPENDITURES, FISCAL YEARS 1905-56, INCLUSIVE

(From Annual Report of the Alaska Road Commission for the fiscal year ended June 30, 1956)

The commission has expended the following funds since the beginning of road and trail development in the Territory:

C. Summary of all net expenditures to June 30, 1956

Fiscal year	Congressional appropriations	Alaska fund	Other funds	Total
1905		\$28,000.00		\$28,000.00
1906	\$118,172.09	57,420.77		175,592.86
1907	107,930.91	148,814.79		256,745.70
1908	244,857.18	120,772.72		365,629.90
1909	236,074.97	146,971.92		383,046.89
1910	237,498.50	102,898.29		340,396.79
1911	100,000.00	166,777.95		266,777.95
1912	150,103.58	167,302.40		317,406.07
1912		¹ 17,052.23		17,052.23
1913	125,010.91	228,117.56		353,128.47
1914	153,174.43	170,686.37		323,860.80
1915	126,852.28	157,915.84		284,768.12
1916	165,011.73	135,708.89		300,720.62
1917	500,031.75	76,716.15		576,747.90
1918	325,000.00	272,020.18	\$145.20	597,165.38
1919	246,051.95	52,372.31		298,424.26
1920	132,426.73	124,992.96	101,184.56	358,604.25
1921	350,000.00	218,247.21	98,551.98	666,799.10
1922	426,807.34	173,029.19	83,411.15	683,247.68
1923	555,613.67	34,398.23	150,070.59	740,082.49
1924	730,423.17	67,683.67	138,000.81	936,107.65
1925	775,665.02	168,518.01	194,164.61	1,138,347.64
1926	¹ 1,013,577.53	115,036.11	182,705.05	1,311,318.69
1927	889,443.65	207,909.20	119,814.04	1,217,166.89
1928	860,192.90	134,593.11	258,882.17	1,253,668.18
1929	907,297.64	134,371.66	315,494.61	1,447,163.91
1930	775,406.36	138,542.03	342,401.26	1,256,349.65
1931	751,366.08	202,547.78	334,359.60	1,288,273.46
1932	710,738.05	68,270.32	260,022.41	1,039,030.78
1933	448,777.90	162,310.04	83,948.22	695,036.16
1934	467,737.60	88,433.80	599,005.70	1,155,177.10
1934 (NIRA)	780,396.23		53,479.55	833,875.78
1935	522,914.86	242,253.92	72,107.68	837,276.46
1935 (NIRA)	734,751.80		93,727.33	828,479.19
1935 (ERA)	1,454.28		1,454.28	2,908.56
1936	446,805.60	149,562.32	203,749.55	800,117.47
1936 (NIRA)	77,797.00		80,590.12	158,387.12
1936 (ERA)	559,945.03		559,945.03	1,119,890.06
1937	558,472.55	122,394.77	208,313.82	889,181.14
1937 (ERA)	170,723.05		170,723.05	341,446.19
1938	659,793.85	159,163.39	181,669.48	1,000,626.72
1938 (ERA)	376,455.02		376,455.02	752,881.74
1939	561,752.44	154,034.97	245,877.93	961,665.34
1939 (NIRA)	2,600.00		2,600.00	5,200.00
1939 (ERA)	10,870.22		10,870.22	21,740.44
1940	410,540.94	140,251.32	272,040.44	822,832.70
1941	794,909.55	144,973.15	273,112.90	1,212,995.60
1942	1,892,925.33	153,421.65	148,255.07	2,194,602.05
1943	2,795,743.82	112,938.41	47,381.34	2,955,063.57
1944	2,366,075.32	181,748.24	83,651.54	2,631,475.10
1945	2,188,304.06	116,503.16	214,986.51	2,519,793.73
1946	2,257,909.74	119,615.18	179,392.09	2,556,917.01
1947	3,776,113.24	179,677.52	253,802.59	4,209,593.35
1948	3,936,842.28	29,462.08	111,136.87	4,077,441.23
1949	15,352,935.21	77,235.34	304,243.28	15,734,413.83
1950	23,633,376.10	216,620.00	431,019.44	24,281,015.54
1951	29,380,476.14	287.11	500,619.51	29,891,382.76
1952	18,149,624.11		858,041.51	19,007,665.62
1953	20,445,121.63		260,791.13	20,705,912.76
1954	15,135,182.92		-1,124.32	15,134,058.60
1955	13,289,316.25		459,395.34	13,748,711.59
1956	13,515,843.48		1,073,120.92	14,588,964.40
Totals	² 187,607,416.03	¹ 6,388,576.40	9,237,575.09	203,233,566.61

¹ Includes \$17,052.23 U.S. Treasury adjustment in 1912, and refunds, reimbursements and receipts from sales \$130,182.29 through fiscal year 1929.² Includes refunds and reimbursements \$23,245.63, but is exclusive of reversions to Treasury \$3,400.39; Legislative deductions \$47,094.50; transfer to U.S. Engineer Department \$417.21; transfer to the Bureau of Public Roads \$75,000.00; return of unexpected balance Red Mountain Road to Bureau of Public Roads \$26,295.62.

"Other funds" in the foregoing table include the following expenditures from other appropriations:

Sources of "Other funds" reported in table of Alaska highway program expenditures fiscal years 1905-56, inclusive

Fiscal year	Increase of compensation acts	Quarter-master general, U.S. Army	Funds contributed	National Park Service
1918				
1919	\$145.20			
1920				
1921			\$101,184.56	
1922	940.00		97,611.98	
1923	4,322.09		79,089.06	
1924	28,857.72		121,212.87	
1925	45,675.36		92,325.45	
1926	15,136.08		98,708.53	\$80,020.00
1927		\$300.00	290.17	132,414.88
1928			812.00	103,001.10
1929			792.83	198,089.34
1930		1,000.00	249,494.61	60,000.00
1931		1,499.80	180,080.15	65,000.00
1932		937.47	165,604.86	160,821.31
1933		2,324.83	161,459.79	167,817.27
1934			6,698.71	96,237.79
1934 (NIRA)			36,027.35	77,249.51
1935				6,806.86
1935 (NIRA)				53,479.55
1936			51,607.68	20,500.00
1936 (NIRA)				93,727.33
1937			60,101.48	143,648.07
1938				2,793.12
1939			76,656.30	131,657.52
1940			90,845.47	90,824.01
1941			146,953.91	98,924.02
1942			220,871.71	51,168.73
1943			222,205.86	50,907.04
1944			116,664.22	31,590.85
1945			41,362.13	6,019.21
1946			73,662.54	9,989.00
1947			199,544.82	15,441.69
1948			154,112.31	25,279.78
1949			167,900.50	85,902.09
1950			47,697.43	63,439.44
1951			255,723.28	48,520.00
1952			315,689.44	115,330.00
1953			309,909.56	190,709.95
1954			439,751.46	418,290.05
1955			260,791.13	
1956			-1,124.32	
1956			459,395.34	
Total	¹ 95,076.45	7,957.10	² 6,606,446.41	³ 2,528,095.13

¹ Includes refunds of \$16.95.² Includes refunds of \$10,571.43 but is exclusive of reversions to the Treasury \$377.92 and economy legislation \$302.39.³ Includes refunds of \$20.94 but is exclusive of reversions to the Treasury of \$48.74 and economy legislation, \$3,506.39.

ALASKA HIGHWAY PROGRAM EXPENDITURES FOR CONSTRUCTION AND FOR MAINTENANCE

D. Cost balance sheet, Jan. 27, 1905, through June 30, 1956

[From Annual Report of the Alaska Road Commission for the fiscal year ended June 30, 1956]

	Construction costs	Maintenance expense	Total
Cost distribution:			
Active routes ¹	\$140,973,397.69	\$44,378,591.93	\$185,851,989.62
Inactive routes.....	3,136,256.60	1,887,072.19	5,023,328.79
Buildings and improvements.....	6,659,343.92	443,864.71	7,103,208.63
Surveys:			
Active.....	880,553.83		880,553.83
Inactive.....	208,848.52		208,848.52
Total.....	151,858,400.56	47,209,528.83	199,067,929.39

¹ Includes McKinley Park costs through June 30, 1952: Construction, \$1,771,938.32; maintenance \$894,332.84. Subsequent to that date receipts from the National Park Service were by reimbursement.

Federal-aid highway program in Alaska—Construction and maintenance authorized, fiscal years 1957-59 and 10 months of 1960, inclusive

[Millions of dollars]

Fiscal year—	Construction		Maintenance		Total	
	Total cost	Federal funds	Total cost	Federal funds	Total cost	Federal funds
1957.....	4.7	4.3	0.3	0.3	5.0	4.6
1958.....	7.9	7.0	4.3	2.9	12.2	10.8
1959.....	12.9	11.0	5.6	4.2	18.5	15.2
1960 through Apr. 30, 1960.....	12.6	10.5	6.2	6.2	18.8	16.7
Total.....	38.1	33.7	16.4	13.6	54.5	47.3

Senator RANDOLPH. That will be helpful in connection with programming this subcommittee's report to the full Public Works Committee. And we are grateful for your cooperation, Commissioner.

Mr. ARMSTRONG. Thank you.

Senator RANDOLPH. Is there any comment, Mr. Sherard, on this testimony—not from the standpoint of rebuttal but do you feel that any statements made need clarification or extension of comment by you?

Mr. SHERARD. Mr. Chairman, I would like to mention that this money would and could all be spent on a Federal-aid system. We would not take this money and spend it for our local roads. We can very easily spend all this money in rebuilding the roads which we inherited; they are in a very suid condition, and it is going to take all of our money for many years to try to get our present system into a decent condition.

One thing on the matching funds. I mentioned that we were in a favorable position as far as matching funds are concerned. And yet in my old State of Wyoming we received 90-10 under the interstate program, and approximately 50 percent of their entire program is interstate program, which means that they are relieved of a burden of 1,000 miles of highways which they had to match on a 35-percent ratio. And so Wyoming and these other States under the interstate program have actually been given more favorable consideration than

Alaska because they get at least a 90-10 ratio, and this 90-10 ratio is a sizable portion of their existing program, and it gives them a lot of money to spend other places that they did not have before.

Senator RANDOLPH. I interrupt to say that I believe, Commissioner Armstrong, although the Bureau of Public Roads may not agree with the contention which has just been given by Mr. Sherard, that this 90-10 is an important factor for you to weigh in reference to the report on this specific bill.

Mr. ARMSTRONG. Yes, sir; that is true. And that 90-10 and the interstate moneys that are available to the various States, their net matching for all of the Federal aid would step it up considerably, but even with that stepup Alaska would still be in the most favorable position of the States.

Senator GRUENING. Mr. Chairman, I would appreciate it if the Department of Commerce, in addition to making the specific report on this bill, would also make some recommendations about Alaska highway problems. We would like something constructive and not something purely negative.

Here is an agency which has dealt with all forms of transportation for years, and it should be in a position to make some constructive recommendations to the Congress in addition to purely negative ones.

Senator RANDOLPH. Senator Gruening, if you have no further witnesses—

Senator GRUENING. I would like that request to be followed up by the Department.

Senator RANDOLPH. I am sure the Bureau would want to give to the committee—

Senator GRUENING. The benefit of its thinking.

Senator RANDOLPH (continuing). The benefit of its thinking on this question. I am hopeful that it would be provided as expeditiously as possible, in accordance with other work that you have, which the Chair understands.

Mr. ARMSTRONG. All right, we will do it on the basis of the data that we now have available.

Senator RANDOLPH. Senator Gruening.

Senator GRUENING. Mr. Chairman, there are exhibits that show into the record.

Senator RANDOLPH. That is correct.

Senator GRUENING. There is a letter from Commissioner Downing in Alaska, a letter to Mr. Cafferty in answer to an inquiry as to how much Alaska could have reported in penny-matching funds, a letter to me from Commissioner Armstrong dated April 12, 1960, the exhibit from the ICA showing what has been spent on foreign aid, and also the other table on foreign aid to show a comparison, or rather a contrast, between the administration's policy in foreign countries and what it appears likely to be a matter of domestic policy.

Earlier in the hearing this afternoon, the distinguished senior Senator from Kentucky, Mr. Cooper, asked that certain items be placed in the record.

He asked for a statement showing all the allocations that have been made by the Federal Government to the territory and State of Alaska for its highways.

He asked for a statement showing the contributions of Alaska to the construction of roads.

And finally he asked that there be a statement showing the tax levies of Alaska that Alaska has directed to road construction.

Those data will be found in the table included in my remarks and the tables attached to the letter from Mr. Downing, which has just been made a part of the record.

In addition, we shall have, upon its receipt, the material requested from Mr. Armstrong as well as Mr. Armstrong's letter to me dated April 12, 1960.

Senator RANDOLPH. The communications and data referred to by Senator Gruening will be included as part of the record.

(Communications and data referred to follow:)

DEPARTMENT OF COMMERCE,
BUREAU OF PUBLIC ROADS,
Washington, D.C., April 12, 1960.

Hon. ERNEST GRUENING,
U.S. Senate, Washington, D.C.

DEAR SENATOR GRUENING: In reply to the telephone request by Mrs. Friedman of your office, I am enclosing a tabulation showing the estimated amounts of Federal-aid highway funds that would have been apportioned to Alaska each year, 1917 through 1960, if Alaska had shared in these apportionments on the same basis as other States. The tabulation also shows the estimated amounts of matching funds Alaska would have been required to provide, based on sliding-scale rates of Federal participation. Provision for sliding-scale rates was first included in Federal-aid highway legislation that authorized funds for the fiscal year 1922.

The tabulation shows that Federal-aid highway funds totaling \$516.5 million would have been apportioned to Alaska, and matching funds totaling \$93.9 million would have been required. As you know, Federal-aid apportionments remain available to each State for 2 years following the close of the fiscal year for which authorized. To the extent that any apportionment would not have been matched by the State within the statutory lapse period, the above amounts would have been proportionately reduced.

Actual Federal-aid apportionments to Alaska, for the years 1917 through 1960, totaled \$48.5 million, leaving a net difference of \$468 million. Actual matching funds required totaled \$4.85 million, leaving a net difference of \$89.05 million in matching funds that would have been required.

In addition to the Federal-aid highway funds actually apportioned to Alaska, appropriations to the Alaska Road Commission totaled \$174.1 million, and an additional amount, estimated at \$13.4 million of Federal funds, was spent on the Alaska Highway in 1942-43. Thus, the net difference between amounts that would have been apportioned and amounts received would be \$280.5 million.

We shall be pleased to furnish any further information you may require concerning the Federal-aid highway program.

Sincerely yours,

ELLIS L. ARMSTRONG,
Commissioner of Public Roads.

Estimated apportionments Alaska would have received had the State participated in all apportionments on same basis as other States, and estimated State matching funds required under sliding scale rates

Fiscal years	Estimated apportionments				Estimated State matching funds required			
	Primary	Secondary	Urban	Total	Primary	Secondary	Urban	Total
1917	\$262,870			\$262,870	\$262,870			\$262,870
1918	525,740			525,740	525,740			525,740
1919	788,610			788,610	788,610			788,610
1919	2,628,700			2,628,700	2,628,700			2,628,700
1920	1,051,480			1,051,480	1,051,480			1,051,480
1920	3,943,050			3,943,050	3,943,050			3,943,050
1921	1,314,350			1,314,350	1,314,350			1,314,350
1921	3,943,050			3,943,050	3,943,050			3,943,050
1922	1,321,125			1,321,125	264,859			264,859
1922	2,642,250			2,642,250	529,719			529,719
1923	2,642,250			2,642,250	529,719			529,719
1924	3,434,925			3,434,925	688,634			688,634
1925	3,963,375			3,963,375	794,578			794,578
1926	3,963,375			3,963,375	794,578			794,578
1927	3,963,375			3,963,375	794,578			794,578
1928	3,963,375			3,963,375	794,578			794,578
1929	3,963,375			3,963,375	794,578			794,578
1930	3,963,375			3,963,375	794,578			794,578
1931	3,963,375			3,963,375	794,578			794,578
1931	2,642,250			2,642,250	529,719			529,719
1932	6,605,625			6,605,625	1,324,297			1,324,297
1933	5,747,057			5,747,057	1,152,171			1,152,171
Total 1917-33 Federal-aid	67,236,957			67,236,957	25,039,014			25,039,014
1936	6,544,687			6,544,687	1,312,080			1,312,080
1937	6,544,687			6,544,687	1,312,080			1,312,080
1938	6,712,500	\$1,342,500		8,055,000	1,345,723	\$269,145		1,614,868
1939	6,544,688	1,308,937		7,853,625	1,312,080	262,416		1,574,496
1940	5,235,750	785,363		6,021,113	1,049,664	157,450		1,207,114
1941	6,021,113	785,363		6,806,476	1,207,114	167,450		1,364,564
1942	5,235,750	916,256		6,152,006	1,049,664	183,691		1,233,355
1943	5,235,750	916,256		6,152,006	1,049,664	183,691		1,233,355
Total 1936-43 Federal-aid	48,074,925	6,054,675		54,129,600	9,638,069	1,213,843		10,851,912
1946	11,778,902	7,849,676	\$29,981	19,658,559	2,361,437	1,573,705	\$6,011	3,941,153
1947	11,778,902	7,849,676	29,982	19,658,560	2,361,437	1,573,705	6,011	3,941,153
1948	11,627,891	7,749,039	29,597	19,406,527	2,331,162	1,553,529	5,934	3,890,625
1950	10,465,101	6,974,136	26,637	17,465,874	1,727,723	1,151,387	4,398	2,883,508
1951	10,465,101	6,974,136	26,637	17,465,874	1,727,723	1,151,387	4,398	2,883,508
1952	11,716,969	7,835,175	37,102	19,589,246	1,853,762	1,239,617	5,870	3,099,249
1953	11,626,374	7,774,594	36,816	19,437,784	1,839,429	1,230,032	5,825	3,075,286
1954	12,888,666	8,618,692	40,813	21,548,171	2,039,138	1,363,578	6,457	3,409,173
1955	12,955,103	8,663,119	41,023	21,659,245	2,049,649	1,370,607	6,490	3,426,746
1956	16,615,146	11,110,601	52,613	27,778,360	2,584,237	1,728,087	8,183	4,320,507
1957	16,657,424	11,138,872	52,747	27,849,043	2,590,813	1,732,485	8,204	4,331,502
1957	3,019,838	2,019,375	9,562	5,048,775	470,901	314,893	1,491	787,285
1958	20,534,895	13,731,750	65,025	34,331,670	3,202,124	2,141,270	10,140	5,353,534
1959	21,033,168	14,064,947	66,603	35,164,718	3,279,822	2,193,228	10,386	5,483,436
1960	21,634,116	14,466,803	68,506	36,169,425	3,367,752	2,252,026	10,664	5,630,442
Total 1946-60 Federal-aid	204,797,596	136,820,591	613,644	342,231,831	33,787,109	22,569,536	100,462	56,457,107
1959 (D) funds	9,663,480	6,462,000	30,600	16,156,080	953,395	637,539	3,019	1,593,953
Total Federal-aid Emergency funds ¹				479,754,468				93,941,986
				36,796,988				
Grand total				516,551,456				93,941,986

¹ 1934-35 Public works and works program highway.

FEBRUARY 16, 1960.

Mr. HUGH J. WADE,
Secretary of State, State of Alaska,
Juneau, Alaska.

DEAR SECRETARY WADE: This will acknowledge receipt of a certified copy of Senate Joint Resolution No. 12 of the Alaska Legislature.

I know that this memorial will be helpful to me in attempting to obtain favorable action in Congress on my bill to obtain equalization grants for the State of Alaska for road purposes.

Cordially yours,

ERNEST GRUENING.

FEBRUARY 16, 1960.

Senator EBEN HOPSON,
Alaska State Legislature,
Juneau, Alaska.

DEAR EBEN: I was very pleased to receive from Secretary of State Hugh J. Wade a certified copy of Senate Joint Resolution No. 12 which you and Senator Bronson sponsored. I feel this action by you and your fellow legislators will be most helpful in my effort to obtain favorable consideration in Congress for my bill to authorize the payment of equalization grants to the State of Alaska for road purposes.

I want you to know how much I appreciate your action in introducing the resolution with its very kind references to my efforts.

With best wishes, I remain,

Cordially yours,

ERNEST GRUENING.

FEBRUARY 16, 1960.

Senator LESTER BRONSON,
Alaska State Legislature,
Juneau, Alaska.

DEAR LESTER: I was very pleased to receive from Secretary of State Hugh J. Wade a certified copy of Senate Joint Resolution 12 which you and Senator Hopson sponsored. I feel this action by you and your fellow legislators will be most helpful in my effort to obtain favorable consideration in Congress for my bill to authorize the payment of equalization grants to the State of Alaska for road purposes.

I want you to know how much I appreciate your action in introducing the resolution with its very kind references to my efforts.

With best wishes, I remain,

Cordially yours,

ERNEST GRUENING.

STATE OF ALASKA,
SECRETARY OF STATE,
Juneau, February 10, 1960.

Hon. ERNEST GRUENING,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR GRUENING: At the request of the Legislature of the State of Alaska, I have the honor to transmit to you a certified copy of Senate Joint Resolution 12, urging the Congress of the United States to enact legislation which will aid this State in acquiring an adequate road system and supporting your proposals to the Committee on Public Works of the U.S. Senate.

Sincerely yours,

HUGH J. WADE, Secretary of State.

In the Senate

By Senators Bronson and Hopson

SENATE JOINT RESOLUTION 12, IN THE LEGISLATURE OF THE STATE OF ALASKA,
FIRST LEGISLATURE, SECOND SESSION

Relating to Federal aid to Alaska for road construction

Be it resolved by the Legislature of the State of Alaska in first legislature, second session assembled:

Whereas the State of Alaska, having the largest area of all the several States, has only 3,000 miles of roads, of which only 1,070 are paved; and

Whereas only two of this State's larger cities are connected by road or rail, the rest being isolated one from another except for air or water transport; and

Whereas this situation is the direct result of the policy followed by the Federal Government when Alaska was still a territory; and

Whereas that policy was one which placed the burden of every excise tax for road construction upon Alaskans but denied Alaskans an equal share in the benefits thereof; and

Whereas the total amount for road construction which Alaska would have received as a State from 1917 through 1959 is \$575,600,000 but the total amount Alaska actually received was only \$84,700,000: Be it

Resolved, That this Legislature of the State of Alaska in first legislature, second session assembled, urge the Congress of the United States to enact legislation which will aid this State to acquire the adequate road system so long denied it during its many years as the undernourished ward of the Federal Government and to erase the inequities which were so long imposed; and be it further

Resolved, That this legislature commend and support the proposals of the Honorable Ernest Gruening, Senator from Alaska, in his memorandum of December 4, 1959, to the Committee on Public Works of the U.S. Senate; and be it further

Resolved, That copies of this resolution be sent to the Honorable Dwight D. Eisenhower, President of the United States; the Honorable Dennis Chavez; Senator from New Mexico and chairman of the Senate Committee on Public Works; the Honorable E. L. Bartlett and the Honorable Ernest Gruening, Senators from Alaska; and the Honorable Ralph J. Rivers, Representative from Alaska.

Passed by the senate January 29, 1960.

WILLIAM E. BELTZ,
President of the Senate.

Attest:

KATHERINE T. ALEXANDER,
Secretary of the Senate.

Passed by the house February 4, 1960.

WARREN A. TAYLOR,
Speaker of the House.

Attest:

ESTHER REED,
Chief Clerk of the House.

Certified true, full, and correct.

KATHERINE T. ALEXANDER,
Secretary of the Senate.

STATE OF ALASKA,
DEPARTMENT OF PUBLIC WORKS,
Juneau, Alaska, May 3, 1960.

Re highway expenditures, Alaska.

Hon. ERNEST GRUENING,
U.S. Senate, Washington, D.C.

DEAR SENATOR GRUENING: In response to your wire and letter of April 13 I am enclosing the data you requested on highway expenditures in Alaska. I would like to have sent this to you sooner, but considerable research was required to untangle some of the older records.

Following is a brief explanation of the enclosures:

Table A: Reporting in the older years was on a biennium basis and a fiscal year which was the same as the calendar year. To keep the table consistent the gas tax for the last few years is on a calendar year. This will explain any discrepancy you may encounter in comparison with other sources. Further, gas tax reported is the net available for Department use. Nonhighway expenditures include such items as airfields, docks, harbors, and the highway police. Highway expenditures include roads, trails, trams, bridges, and ferries, as well as Federal-aid contributions.

Table B, Federal appropriations for Alaska highways: This period was made a separate table due to lack of yearly maintenance records. We believe the total maintenance figure for the period to be accurate however, since it was backed in from a later published report. All Federal figures are presumed to be on a fiscal year basis.

Table C, Federal appropriations for Alaska highways: This should be self-explanatory except to warn that the year 1957 shows here and also on table D. This reflects termination of direct appropriations and the beginning of Federal aid.

Table D, Federal-aid highway program: This shows Alaska's total Federal-aid experience. With its footnotes it should be self-explanatory.

Tables B, C, and D have not been summarized since there are several ways this could be done depending on the desired use. It is believed they contain the combined information you may require.

The various tables do not reflect Omnibus Act transitional grants, on which you have ample information and which you would probably want to treat separately. They also do not include the \$13,400,000 spent on the Alaska Highway during 1942-43, mentioned in Commissioner Armstrong's undated letter to you, file 24-40, since there are no Alaskan records on the expenditure and it is a rather special case.

The figures shown should be accurate within a narrow margin, but minor discrepancies may exist due to the many sources used.

If I can supply any additional information on the subject, please do not hesitate to advise me.

Sincerely yours,

RICHARD A. DOWNING, *Commissioner.*

TABLE A.—Territorial and State highway appropriations

Biennium appropriations	Total highway appropriations	Nonhighway expenditures	Total highway expenditures
1913 to 1915.....	(1)		
1915 to 1917.....	(1)		
1917 to 1919.....	\$400,000.00		\$400,000.00
1919 to 1921.....	375,000.00		375,000.00
1921 to 1923.....	240,000.00		240,000.00
1923 to 1925.....	240,000.00		240,000.00
1925 to 1927.....	260,000.00		260,000.00
1927 to 1929.....	460,000.00		460,000.00
1929 to 1931.....	320,000.00	\$118,176.15	201,823.85
1931 to 1933.....	300,000.00	34,328.55	265,671.45
1933 to 1935.....	200,000.00	16,173.50	183,826.50
1935 to 1937.....	200,000.00	27,132.05	172,867.95
1937 to 1939.....	400,000.00	64,859.45	335,140.55
1939 to 1941.....	800,000.00	104,145.00	695,855.00
1941 to 1943.....	300,000.00	72,866.35	227,133.65
1943 to 1945.....	258,296.70	77,578.60	180,718.10
1945 to 1947.....	575,000.00	202,548.00	372,452.00
Subtotal.....	5,328,206.70	717,807.65	4,610,489.05
Gas tax funds:			
1947 to 1949.....	1,047,407.65	666,358.80	381,138.85
1949 to 1951.....	1,930,065.65	820,783.85	1,109,281.80
1951 to 1953.....	2,406,242.00	1,120,779.30	1,285,462.70
1953 to 1955.....	1,662,426.00	199,422.05	1,463,003.95
1955 to 1957.....	3,522,213.00		3,522,213.00
1957.....	2,317,398.70		2,317,398.70
1958.....	2,213,421.80		2,213,421.80
1959.....	2,419,234.75		2,419,234.75
Subtotal.....	17,518,409.55	2,807,344.00	14,711,155.55
Grand total.....	22,846,796.25	3,525,151.65	19,321,644.60

¹ No record.

TABLE B.—Federal appropriations for Alaska highways, 1913 through 1948

Fiscal year:	Federal appropriations	Fiscal year—Continued	Federal appropriations
1913.....	\$353,000.00	1934.....	\$1,000,356.95
1914.....	321,316.32	1935.....	1,227,308.79
1915.....	296,824.31	1936.....	1,434,879.23
1916.....	329,402.30	1937.....	1,365,139.66
1917.....	550,000.00	1938.....	819,858.93
1918.....	756,145.20	1939.....	795,690.00
1919.....	135,000.00	1940.....	750,392.02
1920.....	378,798.15	1941.....	1,770,000.00
1921.....	449,377.82	1942.....	3,572,826.93
1922.....	565,297.14	1943.....	1,755,400.00
1923.....	617,073.77	1944.....	1,847,500.00
1924.....	823,208.74	1945.....	2,427,500.00
1925.....	904,173.50	1946.....	2,451,400.00
1926.....	1,117,731.66	1947.....	3,609,249.00
1927.....	1,093,705.28	1948.....	11,525,876.66
1928.....	1,112,946.47		
1929.....	1,136,608.68	Total, 1913-48..	51,669,159.00
1930.....	1,083,225.58	Maintenance.....	23,818,161.00
1931.....	1,075,643.66	Construction.....	27,851,263.59
1932.....	1,184,092.91		
1933.....	1,032,564.93		

NOTE.—The above are record figures, but no yearly breakdown between maintenance and construction is available for this period.

TABLE C.—Federal appropriations for Alaska highways, 1949 through 1957

Fiscal year	Construction	Maintenance	Total
1949.....	\$8,759,620	\$1,841,300	\$10,600,920
1950.....	25,221,030	1,911,300	27,132,330
1951.....	27,969,200	2,600,000	30,569,200
1952.....	20,119,800	2,940,000	23,059,800
1953.....	17,000,000	3,318,000	20,318,000
1954.....	14,600,000	3,000,000	17,600,000
1955.....	8,000,000	3,500,000	11,500,000
1956.....	6,300,000	3,500,000	9,800,000
1957.....	7,800,000	3,625,000	11,425,000
Total.....	135,769,650	26,235,600	162,005,250

TABLE D.—Federal-aid highway program, 1957 through 1960

Fiscal year	Federal allotment	Territory or State contribution	Total	Maintenance	Construction
1957.....	\$1,932,588	\$193,259	\$2,125,847	(1)	\$2,125,847
1958.....	13,141,599	1,314,160	14,455,759	\$4,423,000	10,032,759
1959.....	13,448,106	1,344,811	14,792,917	4,844,000	9,948,917
1959 ³	6,178,599	617,860	6,796,459		6,796,459
1960.....	13,829,881	1,382,988	15,212,869	5,680,000	(4)
Total.....	48,530,773	4,853,078	53,383,851	14,947,000	26,873,982

¹ See table C.

² \$2,030,000 reserved for 1961-62 maintenance.

³ Special D program provided by 1958 Federal Aid Highway Act. Under the special terms of the act, Alaska's cash contribution was \$236,036; \$381,824 was advanced by the Government to be repaid from future Federal-aid allotments.

⁴ \$9,532,869 reserved for 1961-62 maintenance.

Mr. MICHAEL CAFFERTY,
Care of Hon. Henry M. Jackson,
U.S. Senate, Washington, D.C.

JANUARY 28, 1960.

DEAR MIKE: This is in further reference to our telephone conversation regarding the ability of the then Territory of Alaska to match Federal aid to highway grants through the years if allotments had been made to it on the same basis as to the States.

One answer, of course, lies in the statement by Senator Jackson during the hearings on the Alaska omnibus bill that, since other States and Territories raised the necessary local funds, it could be presumed that the Territory of Alaska could have done so if the allotments had been made and the Federal funds had been available. This is true of most Federal grant-in-aid programs. The fact that Federal funds are available means that State and local funds are raised and channeled into the federally aided program.

One aspect of this question relates, of course, to the very lack of Federal aid for roads in Alaska which prevented the economic growth of the Territory and the development of a broader and bigger tax base. That, to me, seems quite obvious and needs no enlargement.

Another aspect of your question is the willingness of the Territory to assume the financial burden as evidenced by the repeated memorials of its legislature to the Congress requesting that the Territory be included in the Federal program. There is no basis for believing that the Territorial legislature took this action repeatedly without full realization that if there were favorable action by the Congress on its memorial it would be required to raise additional taxes through whatever taxable sources were available to it.

A look at the potential tax sources of the Territory—which remained untapped for reasons set forth fully in Senator Gruening's book "The State of Alaska"—shows that there was a sufficiently large tax base to raise the needed matching funds to match a Federal highway aid allotment to the Territory of Alaska on the same basis as to the States.

At the hearings on Senator Gruening's proposed amendment to the Alaska Omnibus Act to provide for equalization grants for Alaska's road program, detailed charts on this point will be supplied.

In the meantime, however, here are a few figures chosen at random.

Consider the year 1917—the year when the basic Federal-aid Highway Act of 1916 went into effect. The Territory of Alaska was omitted from that act. Had it been included on the same basis as the States, its allotment, according to the Bureau of Public Roads, would have been \$262,800.

How could the Territory have raised that sum, over and above the taxes it was levying?

What were the Territory's untapped resources in 1917?

In that year the Alaska salmon pack amounted to 5,922,320 cases. It was taxed at 4 cents a case, not on its value, which was \$51,850,017. That tax amounted to less than one-half of 1 percent of the value of the pack. Suppose the inhibiting influences on the Territorial legislature had been removed—and an incentive for such removal might well have been the availability of Federal road funds—and the tax had been doubled? The additional Territorial revenue produced would have been \$236,892.80. This would have been only \$25,907.20 less than the amount needed to match the highway aid allotment if the Territory had been treated as a State for purposes of that program.

Would such an additional tax have placed an intolerable burden on the salmon industry? Even at a rate of 8 cents per case, the tax would have amounted to less than 1 percent of the total pack value for that year. The additional tax itself would have been only one-twelfth of a cent per can—an amount which would have had a negligible effect, if any—upon consumer purchases.

In this example, I have assumed that the salmon industry would have borne the entire tax, as though that were the only industry in the Territory of Alaska at that time which was a potential tax source.

This is not so.

During that same year, and for many years thereafter until 1949, many Alaska businesses—potential tax sources—were entirely tax free. I refer to such businesses as steamship companies, airlines, buslines, lighterage companies, banks, construction companies, newspapers, and logging companies. (As the years went by and new types of businesses such as airlines, buslines, motion picture theaters, oil companies, garages, service stations, and radios, came into existence, they too were made tax exempt.)

Also in 1917, as a potential tax source, there was the mining industry, with a total value of the ore mined of \$40,066,000. A modest severance tax of only

1 percent on this ore would have realized \$400,660—more than sufficient to match the \$262,800 in Federal aid highway funds Alaska did not receive.

Consider another year (chosen at random).

In 1929, if the Territory of Alaska had been treated, for highway aid purposes, as a State, it would have received a Federal allotment of \$3,963,300 in Federal aid and would have been required to match it, according to the Bureau of Public Roads, with \$795,000 in Territorial funds.

Where would the money have come from?

The businesses enumerated above were still untaxed.

The salmon pack that year—1929—was 5,370,242 cases with a value of \$41,672,456 still taxed by the case at 4 cents per case. Doubling that tax would bring in additional revenue of \$214,809.68, with the tax still amounting only to slightly more than one-half of 1 percent of the total value of the pack. The added tax would still amount to about one-twelfth of a cent per can.

The value of the ore mined in 1929 was \$40,066,000. A modest severance tax of only 1 percent of the value of the ore would have realized the territory of Alaska in that year the sum of \$400,660.

The value of the Pribilof Island seals killed in the year 1929 amounted to \$286,000. If the territory of Alaska had been given only 50 percent of this total it would have had an additional \$143,000 in revenue.

On this basis—and using only a very limited number of revenue sources—the territory of Alaska in 1929 could have raised, in additional revenue, \$214,809.68 plus \$400,660 plus \$143,000 for a total of \$758,469.69—approximately the amount needed to meet the \$795,000 matching for the Federal-aid highway assistance the territory of Alaska did not receive.

Consider another year—1936.

If the territory of Alaska had been treated as the States were for Federal-aid highway allotments, its allotment would have been \$6,604,600. It would have been required to match this with territorial funds in the amount of \$1,324,000.

Where would the territory have obtained these funds?

The salmon pack in that year was 8,454,948 cases (an alltime high) with a value of \$44,079,213. Doubling the 4 cents per case tax would have brought in revenue of \$338,197.92.

A severance tax of only 1 percent of the value of the ore mined that year (\$19,752,000) would have brought in \$197,520 for the territory.

A severance tax of only 1 percent of the value of the timber products (\$130,985,000) would have brought in for the territory the sum of \$1,309,850.

One half of the value of the seals killed on the Pribilof Islands would have been \$611,000.

Thus: \$338,197.92 plus \$197,520 plus \$1,309,850 plus \$611,000 would have equaled \$2,456,567.92—much more than the \$1,324,000 needed to match the Federal-aid highway grant that was not made.

Thus should give you a general idea without multiplying redundantly the examples.

If you want any further information, please do not hesitate to call upon us.

With all best wishes, I am

Sincerely yours,

HERBERT W. BEASER,
Legislative Assistant to Senator Ernest Gruening.

HIGHWAY PROJECTS OF ICA AND PREDECESSOR AGENCIES

Recapitulation, transportation: Code (S1), highways—Mutual security projects by countries and fiscal years, 1956-59 inclusive

Country	Fiscal year 1955	Fiscal year 1956	Fiscal year 1957	Fiscal year 1958	Fiscal year 1959	Cumulative through fiscal year 1959
Far East.....	\$9,156,430	\$29,592,119	\$41,886,000	\$36,622,000	\$25,618,000	\$142,872,549
Near East and Asia.....	16,526,628	5,544,339	9,411,000	4,108,000	3,376,000	38,965,967
Africa.....	-----	262,200	1,267,000	1,765,000	898,000	4,133,200
Europe.....	17,400	15,000	12,000	56,000	73,000	173,400
Latin America.....	4,225,345	11,523,312	8,816,000	1,019,000	754,000	26,337,657
Asian economic development fund, India-Nepal Roadway.....	-----	-----	-----	5,000,000	-----	5,000,000
Total.....	29,925,803	46,936,970	61,392,000	48,570,000	30,718,000	217,542,773

Transportation: (31) highways

FISCAL YEAR 1955

Far East:	
China: Traffic safety engineering.....	\$5, 000
Laos: Improvement of and extension of Laotian highway system.....	1, 370, 930
Philippines: Highway improvement (Barrio roads).....	3, 789, 000
Thailand:	
Highway development.....	55, 000
Construction equipment training.....	75, 000
Special northeast highway project, Saraburi-Korat-Ban Thai Highway.....	3, 130, 000
Expanded aid program highways.....	355, 000
Vietnam: General program for roads and bridges.....	376, 500
Near East, Africa and South Asia:	
Egypt:	
Highway improvement.....	6, 514, 000
Transportation and communications-highways.....	10, 500
Transportation, asphalt and bitumen training.....	3, 000
Iran: Demonstration and training in use of highway maintenance equipment.....	406, 667
Iraq: Highway development (Edwards, Kelcey, Beck contract).....	176, 496
Israel: For road construction.....	18, 750
Jordan: Roads.....	2, 537, 250
Lebanon: Public roads development.....	5, 700, 000
Liberia: Highway program (PW-5) highway maintenance.....	291, 000
Pakistan:	
East Pakistan road development training program.....	4, 660
Baluchistan States Union road projects.....	693, 815
Pakistan highway system and research development program.....	35, 340
Turkey: Istanbul arterial highway study.....	90, 000
Overseas territories: United Kingdom:	
Highway economist-engineer.....	6, 000
Road research engineer.....	24, 000
Study of low-cost earth-road construction.....	3, 150
U.S. highway economist-engineer to the Federation.....	12, 000
Europe: Spain: American highway practices (II).....	17, 400
Latin America:	
Bolivia:	
Transportation (highways).....	5, 328
Observation and seminar program for Latin American public works and highway officials.....	4, 884
Public roads, administration.....	38, 146
Brazil: Transportation highways.....	18, 500
Colombia: Transportation, roads.....	12, 000
Costa Rica: Highway planning, construction, and maintenance improvement project.....	2, 400
Cuba: Public works and highway training.....	2, 120
Dominican Republic: Specialized training for other departments, inter-American highway seminar.....	1, 200
Guatemala:	
Pacific (Slope) Highway, from Popoya through Retalhuleu to Coatepeque and from Retalhuleu to Champerico.....	3, 675, 000
Observation and seminar program for Latin American public works and highway officials.....	1, 100
Haiti: Market roads.....	325, 000
Honduras: Consultation in highways.....	9, 600
Mexico: Observation and seminars for Latin American public works and highway officials.....	3, 000
Paraguay:	
Trans-Chaco Road project.....	20, 817
Demonstration and training project, road construction and maintenance.....	100, 000
Peru: Bridge construction.....	3, 650
Overseas territories: British Guiana: Transportation, highways.....	2, 600

Transportation: (31) highways—Continued

FISCAL YEAR 1956

Far East:	
Cambodia:	
Port highway.....	\$7, 400, 000
Highway repair and maintenance.....	765, 000
Repair, rehabilitation, and construction bridges.....	650, 000
China (Taiwan):	
East-West highway construction (RETSEK).....	400, 000
Heavy construction equipment, THB.....	208, 200
Highway improvement and administration.....	13, 000
Indonesian Republic: Highway technical training.....	34, 000
Korea:	
Highway transportation trainees.....	15, 000
Asphalt hot-mix plant.....	160, 000
Highway and bridge construction.....	545, 000
Heavy equipment and spare parts for highway and street construction.....	275, 000
Laos: Reopening and establishing maintenance on national roads.....	2, 678, 000
Philippines: Highway improvement.....	2, 419, 000
Thailand:	
Highway development.....	75, 000
Highway:	
Special northeast.....	2, 612, 000
Expanded aid.....	2, 302, 900
Vietnam: Highways and bridges.....	5, 440, 000
Near East and south Asia:	
Egypt: Transportation and communications highway improvement.....	21, 500
Greece: Training in road design, pavements, and testing material.....	27, 000
India: Highway transportation.....	8, 000
Iran: Demonstration and training in the use of highway maintenance equipment.....	354, 900
Iraq: Highway development (Edwards, Kelcey back contract).....	316, 000
Israel: Road construction.....	25, 000
Jordan: Roads.....	263, 100
Lebanon:	
Public roads development of Lebanon-Beirut-Maameltein Highway.....	100, 000
Beirut-Syrian border highway.....	3, 200, 000
Pakistan:	
East Pakistan road development and training program.....	939, 300
Pakistan highway system and research demonstration program.....	142, 400
Turkey: Highway engineering advisers.....	147, 000
Africa:	
Liberia: Highway program, PW-5.....	256, 200
Overseas territories: United Kingdom: Public works department engineer to United States.....	6, 000
Europe: Spain: American highway practices study.....	15, 000
Latin America:	
Bolivia:	
Administration (Bolivian-American Cooperative Road Service).....	52, 313
Demonstration of equipment maintenance and repair (Servicio Cooperativo Boliviano-Americano de Caminos).....	32, 187
Demonstration of road maintenance and betterment (Bolivian-American Cooperative Road Service).....	51, 100
Construction and maintenance of road system, Cochabamba-Santa Cruz.....	1, 187, 350
Colombia:	
Training program in highway construction and maintenance.....	23, 500
Highway construction and maintenance project Valle, Cauca, and Caldas (CVC).....	10, 000
Costa Rica: Highway improvement project.....	27, 960

Transportation: (\$1) highways—Continued

FISCAL YEAR 1956—continued

Latin America—Continued

Guatemala:	
Pacific Slope Highway (Popoja to Coatepeque section).....	\$1,700,000
Atlantic highway.....	5,205,000
Quetzaltenango-Retalhuleu road.....	950,000
Pacific Slope Highway, east and west sections.....	1,206,000
Haiti:	
Voldrogue Pourcine Road (completion).....	423,740
Anse D'Hainault-Sources Chaudes market road (completion).....	38,800
Low-level bridge across Voldrogue River.....	63,842
Survey and construction of Pestel-Corail Highway.....	222,000
Survey and construction of Les Anglais-Tiburou market road.....	40,000
Honduras: Consultation in highways.....	39,076
Nicaragua: Public roads.....	17,644
Paraguay:	
Trans-Chaco road project.....	91,200
Demonstration and training, road construction and maintenance.....	123,700
Oversea territories: British Guiana: Highway construction, maintenance, and design project.....	18,000

FISCAL YEAR 1957

Far East:

Cambodia:	
Port highway.....	\$,500,000
Highway-bridge rehabilitation and construction.....	435,000
China:	
Highway bridge engineering.....	5,000
Municipal road improvement, provincial department of reconstruction.....	6,000
East-west highway construction.....	450,000
Highway improvement.....	5,000
Highway and traffic engineering training.....	4,000
Japan: Highway study.....	39,000
Korea:	
Highway and bridge construction and rehabilitation.....	1,561,000
Heavy equipment and spare parts for highway, street paving, bridge construction, and repair shop.....	2,400,000
Road and street paving rehabilitation.....	913,000
Laos: Reopening and establishing maintenance on national roads.....	1,050,000
Philippines: Highway improvement.....	3,579,000
Thailand:	
Highways, special northeast.....	1,824,000
General highway improvement.....	8,102,000
Highway department operations.....	454,000
Bangkok-Bangkapi road improvement.....	97,000
Vietnam: Highways and bridges.....	12,462,000
Near East and south Asia:	
Afghanistan: National roads improvement and maintenance.....	2,132,000
Ceylon: Highway development.....	965,000
India: Highway transportation.....	13,000
Iran: Highway equipment maintenance and repair shops.....	1,060,000
Iraq: Highway development.....	304,000
Israel: Road construction.....	7,000
Jordan:	
Road development.....	7,000
Roads.....	1,358,000
Highway administration.....	16,000
Lebanon:	
Public roads development of Lebanon (coastal).....	1,000,000
Highway advisory and training project.....	28,000

Transportation: (\$1) highways—Continued

FISCAL YEAR 1957—continued

Near East and South Asia—Continued

Pakistan:	
East Pakistan road development and training.....	\$79,000
West Pakistan road construction.....	35,000
Highway system.....	34,000
Turkey: Highway engineering advisers.....	173,000
Baghdad Pact:	
Regional highway project—Turkey and Iran.....	1,340,000
Do.....	860,000
Railroad link: Turkey and Iran.....	2,100,000
Africa:	
Liberia: Highway program.....	343,000
Libya: Rehabilitation and construction of provincial and federal roads.....	907,000
Oversea territories:	
Somalia: Highway improvement.....	2,000
United Kingdom:	
Road research engineer.....	8,000
U.S. highway economist-engineer to the Federation of Rhodesia and Nyasaland.....	4,000
Southern Rhodesia, highway planning and construction.....	3,000
Europe: Spain: American highway practices studies.....	12,000
Latin America:	
Bolivia:	
Administration (Bolivian-American Cooperative Road Service).....	46,000
Demonstration of road maintenance and betterment (Bolivian-American Cooperative Road Service).....	133,000
Colombia: Highway construction and maintenance project Valle, Cauca, and Caldas; training of highway engineers.....	24,000
Costa Rica: Highway improvement project (training personnel).....	14,000
Guatemala:	
Atlantic Highway.....	6,043,000
Pacific Slope Highway, east and west sections.....	1,700,000
Project access roads (rural development program).....	700,000
Honduras: Consultation in highway development.....	32,000
Mexico: Training facilities for operators and mechanics.....	100,000
Nicaragua: Transportation, highways.....	14,000
Oversea territories: British Guiana: Road development project.....	10,000
FISCAL YEAR 1958	
Far East:	
Cambodia:	
Port highway.....	6,111,000
Highway and bridge repair and rehabilitation.....	398,000
China (Taiwan): East-west highway construction (RETSER).....	589,000
Indonesian Republic: Highway construction and rehabilitation.....	8,000,000
Korea: Highway and bridge construction and rehabilitation.....	992,000
Laos: Reopening and maintenance on national roads.....	1,107,000
Philippines: Highway improvement.....	1,635,000
Thailand:	
Highways, special northeast.....	692,000
Highway department operations.....	154,000
East-west highway.....	2,000,000
Vietnam: Highways and bridges.....	14,944,000
Near East and south Asia:	
Afghanistan: National roads improvement and maintenance.....	1,311,000
Ceylon: Highway development.....	111,000
India: Highway transportation.....	12,000
Iraq: Highway development.....	140,000

Transportation: (31) highways—Continued

FISCAL YEAR 1958—continued

Near East and south Asia—Continued

Jordan:	
Roads.....	\$1, 200, 000
Highway administration.....	402, 000
Highway construction.....	1, 045, 000
Lebanon: Highway development of Lebanon.....	37, 000
Nepal: Regional projects personnel.....	43, 000
Pakistan:	
East Pakistan road development and training program.....	83, 000
Karachi-Kalat-Quetta road project.....	66, 000
Turkey: Highway engineering advisers.....	162, 000
Africa:	
Liberia: Highway program.....	394, 000
Libya: Rehabilitation and construction of provincial and federal roads.....	1, 300, 000
Overseas territories:	
Somalia: Highway improvement.....	47, 000
United Kingdom:	
Highway engineering.....	22, 000
Study of highway maintenance.....	2, 000
Europe: Spain:	
American highway practices study.....	15, 000
Training highway construction mechanics and operators.....	41, 000
Latin America:	
Bolivia:	
Administration (road servicio).....	68, 000
Demonstration road maintenance and betterment.....	181, 000
Colombia: Transportation, practical training in highway construction and maintenance.....	29, 000
Cuba: Public roads training.....	5, 000
Guatemala: Project access roads (rural development program).....	675, 000
Honduras: Consultation in highways.....	37, 000
Mexico: Training facilities for operators and mechanics.....	2, 000
Nicaragua: Transportation, highways.....	5, 000
Overseas Territories: British Guiana: Roads development project.....	17, 000
Asian Economic Development Fund: India-Nepal roadway.....	5, 000, 000

FISCAL YEAR 1959

Far East:

Burma: Rangobn-Mandalay road.....	750, 000
Cambodia:	
Port highway.....	2, 246, 000
Highway engineering advisory services.....	6, 000
China (Taiwan): East-west highway construction (RETSER).....	33, 000
Korea: Highway and bridge construction rehabilitation.....	1, 057, 000
Laos: Development of Lao national road system.....	1, 265, 000
Philippines: Highway improvement.....	546, 000
Thailand:	
Highway department operations.....	
East-west highway.....	
Bangkok-Saraburi Highway.....	
Korat-Nongkai Highway.....	85, 000
Highway materials survey.....	15, 000
Vietnam: Highway and bridge construction.....	15, 282
Near East and south Asia:	
Afghanistan: National roads improvement and maintenance.....	400, 000
Ceylon: Highway development.....	151, 000
India: Highways and bridges.....	29, 000
Jordan:	
Highway and management.....	150, 000
Highway construction.....	470, 000
Lebanon: Highway development.....	361, 000
Nepal: Regional project.....	96, 000

Transportation: (31) highways—Continued

FISCAL YEAR 1959—continued

Near East and south Asia—Continued

Sudan:	
Highway development.....	\$901, 000
Highway construction demonstration (North Khartoum-Khoggalab road).....	560, 000
Turkey: Highway engineering advisers.....	132, 000
United Arab Republic: Highway development.....	225, 000
Africa:	
Liberia: Highway program.....	292, 000
Libya: Roads.....	600, 000
Overseas territories: United Kingdom	
Southern Cameroons, highways engineering training.....	3, 000
Road engineering study courts.....	4, 000
Europe:	
Spain:	
American highway practices study.....	29, 000
Training highway construction mechanics operators.....	4, 000
Latin America:	
Argentina: Highway transportation, advanced highway engineering training.....	4, 000
Bolivia:	
Administration (roads servicio).....	91, 000
Demonstration road maintenance and betterment.....	168, 000
Colombia: Training, highway construction and maintenance.....	38, 000
Costa Rica: Ministry of Public Works, highway planning.....	7, 000
Cuba: Public roads training.....	1, 000
El Salvador: International Road Educational Foundation training program.....	6, 000
Honduras: Consultation in highways.....	47, 000
Mexico: Training facilities for operators and mechanics.....	31, 000
Nicaragua: Transportation, highways.....	7, 000
Overseas territories: British Guiana: Roads development project.....	19, 000
The West Indies and east Caribbean: Road improvement demonstration and training.....	11, 000

Development Loan Fund—Loans approved June 12–Sept. 15, 1959, highways

	Amount
Latin America:	
Ecuador: Pan American Highway.....	\$4, 700, 000
Honduras: Highway development.....	5, 000, 000
Paraguay: Brazilian road.....	2, 000, 000
Africa: No loans authorized for highways.	
Europe: No loans authorized for highways.	
Near East: Iran. Highways.....	25, 000, 000
South Asia:	
Ceylon: Highway development.....	900, 000
India: Roads, cement, jute, refractories.....	35, 000, 000
Far East:	
Malaya: Roads and bridges.....	10, 000, 000
Philippines: Roads, bridges, and rehabilitation of equipment.....	18, 750, 000
Total loans approved.....	101, 850, 000

Source: Information taken from Development Loan Fund furnished by that organization.

Senator RANDOLPH. We thank all witnesses who appeared this afternoon.

We thank, of course, the Commissioner and the Director, and we recall the helpful testimony of Representative Rivers, and the excellent presentation of Senator Gruening, and the comments by Senator Long and the questions by other members of the subcommittee who were privileged to sit in on this very important subject matter, which has its relationship not only to Alaska as a State, but Alaska in its relationship to the other 49 States of the Union.

(Whereupon, at 5:15 p.m., the committee adjourned.)

×

COPYROADS (MLC)

RICHARD A. DOWNING - COMMISSIONER

April 8, 1960

April 15, 1960

Honorable E. L. (Bob) Bartlett
Senator, State of Alaska
U. S. Senator
Mr. Richard A. Downing,
Commissioner,
Department of Public Works,
P. O. Box 1361,
Juneau, Alaska

Dear Mr. Downing: Juneau, Alaska submitted to this office suggestions submitted to this office suggested methods sent to you by Mr. Ellis Armstrong, Commissioner, Bureau of Pub Dear Mr. Downing: ing the State of Alaska in financing its highway activities.

I very much appreciate having your views, as outlined in your letter of April 8, commenting on suggested means which might be taken to assist State of Alaska in the road problem which will really become serious when transitional funds may no longer be used for maintenance purposes. This is a subject upon which I hope to have meetings with Governor Egan and you and others interested when I get to Alaska after adjournment. I do not think that legislation in this connection should be considered until we have had a chance to talk over all angles and maybe come up with an idea or two or three of our own. This will afford us plenty of time because introduction of corrective measures should await an opportunity to go into the problems involved as thoroughly as possible. But I wanted you and Governor Egan to have the suggestions from the Bureau of Public Roads officials; we thus have a starting point, at least, from which to proceed. Sincerely yours,
E. L. Bartlett

Very truly yours,

Richard A. Downing
RICHARD A. DOWNING
Commissioner

MAILING ADDRESS FOR:

AVIATION
BLDG., ROOM 202
ANCHORAGE, ALASKA

DIVISION OF AIR TERMINALS
P.O. BOX 6-243
ANCHORAGE, ALASKA

STATE OF ALASKA

DEPARTMENT OF PUBLIC WORKS

P.O. BOX 1361
JUNEAU, ALASKA

RICHARD A. DOWNING - COMMISSIONER

Boards

USE JUNEAU ADDRESS FOR:

DIVISION OF HIGHWAYS

DIVISION OF BUILDINGS

DIVISION OF COMMUNICATIONS

DIVISION OF WATER & HARBORS

DIVISION OF PROPERTY & SUPPLY

DIVISION OF EQUIPMENT OPERATION

SOUTHEASTERN REGION

April 8, 1960

Honorable E. L. (Bob) Bartlett
Senator, State of Alaska
U. S. Senate
Washington, D. C.

Dear Senator Bartlett:

You recently submitted to this office suggested methods sent to you by Mr. Ellis Armstrong, Commissioner, Bureau of Public Roads, for assisting the State of Alaska in financing its highway activities.

After studying such proposals carefully, it is my recommendation that the State of Alaska consider adopting the second suggestion made by Mr. Armstrong, that is, that the State of Alaska borrow from its future appropriations of federal aid highway funds for matching purposes for the fiscal years 1963 to 1966, inclusive, which will be a critical period from the standpoint of highway financing in the State of Alaska.

The method for repayment of the funds so borrowed should be, preferably, by a reduction of the apportionment to Alaska for the years 1967 through 1970; unless the State could, in the meantime, devise a method whereby the borrowed funds could be repaid from other State revenues, which might be made available. However, I doubt very seriously if the State, because of the many problems it will encounter with respect to finances, will be able to make funds available out of its revenues for the repayment of the funds borrowed for matching purposes.

I believe we all recognize the fact that Alaska needs highways badly to develop its economy and I certainly hesitate to recommend too strongly a solution to the financial problem which will result in the reduction in the amounts of monies which would be available for highway construction. However, the financial situation for the maintenance of highways is going to be critical, if the State must provide the funds for maintenance and for matching federal aid out of its own revenues.

Very truly yours,

Richard A. Downing
RICHARD A. DOWNING
Commissioner

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DIVISION OF HIGHWAYS
AVENUE
ALASKA
DIVISION OF AVIATION
BLDG., ROOM 202
ANCHORAGE, ALASKA
DIVISION OF AIR TERMINALS
P.O. BOX 6-43
ANCHORAGE, ALASKA

STATE OF ALASKA
DEPARTMENT OF PUBLIC WORKS
P.O. BOX 1361
JUNEAU, ALASKA

USE JUNEAU ADDRESS FOR:
DIVISION OF HIGHWAYS
DIVISION OF BUILDINGS
DIVISION OF COMMUNICATIONS
DIVISION OF WATER & HARBORS
SOUTHEASTERN REGION

RICHARD A. DOWNING - COMMISSIONER

April 8, 1960

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U. S. Senate
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Very truly yours,

RICHARD A. DOWNING
Commissioner

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COPY

March 16, 1960

**PERSONAL
AND
CONFIDENTIAL**

Hon. William A. Egan
Governor of Alaska
P. O. Box 1571
Juneau, Alaska

Dear Bill:

I'm not exactly sure why I have sought to impose the seal of confidentiality on this communication; but there it is and there it had better remain. After all, this is only an effort to toss out an idea or two and to gain the benefit of your thinking on the subject. You doubtless will want to talk all of this over with Dick Downing so I am sending for his use an extra copy of the enclosed memorandum.

Warned by several in both the executive and legislative branches of the government that Senator Gruening's proposal for the appropriation of several hundred million dollars in federal highway funds to "equalize" the situation will most probably remain only a piece of paper, I have cast about in effort to make what may be a more realistic approach. However, anything at all that is to be done for us will require a departure from formula and custom, and you and I know it is mighty difficult to bring that about.

Anyway, a couple of weeks ago Mary Lee and I had lunch with B. D. Tallamy, Federal Highway Administrator; with Frank C. Turner, Deputy Commissioner and Chief Engineer; and with James C. Allen, Assistant Commissioner in Charge of Administration. We talked about Alaska highways. They thought there was no likelihood of the Gruening proposals being acceptable, or accepted. Then, mindful of what you had told me about a five-year need for \$5,000,000 for maintenance and \$3,000,000 for access roads, I propositioned them on that approach, suggesting that we didn't want something for nothing, and would be willing now or later to have deductions made from our construction allocations to match in amount the money we were allowed to use for maintenance and for access roads. Mr. Tallamy talked pretty consistently about these local roads in the state; being built by the local tax districts, frequently with the revenue bonds. But I

other

COPY

persisted in my approach. Now Frank Turner has offered a memorandum which suggests that we be given exemption from the matching requirements for a stated period. You'll note that this does not meet my recommendation; I suppose that the reason he did this is because there is precedent for such action during the depression in the 1930's. Anyway, I wish you would study the memo, and give me your opinions on it, your opinions on my proposals, and any further opinions you may have or may acquire before writing the letter. We have to do something. Of course, our success in doing something will be magnified--or at least I so believe--if a Democratic president is installed next year. But that is another story.

With kindest regards, I am

Sincerely yours,

E. L. Bartlett

handwritten note by ELS
* But cannot be construed,
I fear, as an official endorsement
by the BPR, much less
the Dept. of Commerce

PROPOSAL FOR ASSISTANCE IN
FINANCING HIGHWAY ACTIVITIES IN ALASKA

Beginning with the fiscal year 1963 (July 1, 1962) the financing of its highway activities by the State of Alaska is expected to become critical. It is on this date that the authority to use Federal-aid funds for maintenance purposes will expire. Under present legislation, Alaska can use Federal-aid funds authorized for fiscal 1960 and prior years for maintenance of its highways on the Federal-aid systems and practically the full amount of the 1960 authorization has been reserved by Alaska for this purpose. These funds will have been expended when the 1960 authorization expires June 30, 1962.

It is extremely doubtful that Alaska can assume the annual maintenance expenditure of approximately \$6 million beginning with the fiscal year 1963 have sufficient State funds to and/continue to match Federal aid. Present Federal-aid matching requires an annual contribution of almost \$6 million by the State. In addition to matching Federal aid, the State provides funds for its development road program and for the administrative expenses of its highway organization.

A possible solution to this financing problem would be for Alaska to be relieved of the requirement to match Federal aid for fiscal years 1963 to 1966, inclusive, which is the critical financial period. This provision would provide the State with approximately ~~\$5~~⁶ million annually that ^{could} be used by the State for maintenance or whatever other purpose Alaska wished.

Authorization for the State to use Federal aid without matching is considered more advisable than authorization of a specific amount of an annual apportionment that could be used for maintenance or for the construction of development roads. In the first place, it is not considered advisable to depart from 40 years of basic Federal-aid principles that Federal-aid funds should be available only for construction of roads on the Federal-aid systems. The only exception has been for Alaska, and continuation of such exception would not be appropriate.

In the second place, it is believed there would be a much more rigid criterion applied to need of development roads and more critical review of maintenance requirements if these activities are financed 100 percent with State funds.

It is believed that relieving Alaska of the obligation of matching Federal aid would be more acceptable to the Administration and to the Congress if provision were made by Alaska to repay in the four fiscal years subsequent to 1966 the amounts that the State would have had to contribute for matching.

The repayment could be accomplished by several methods. One method would be the reduction of the apportionment to Alaska for the fiscal years 1967 through 1970 by the amount of savings in nonmatching of Federal aid during four prior fiscal years. The amount of this deduction could be added to the apportionment to all other States or it could be a net deduction in the total authorization for fiscal years 1967 through 1970. The latter plan would have the effect of increasing the revenues in the Highway Trust Fund. It should be understood that this method would reduce the Federal-aid highway program in Alaska in fiscal years 1967 through 1970 by the amount of reduction in the apportionment.

Another method of repayment would be accomplished by deduction from reimbursement vouchers due the State in fiscal years 1967-1970, a total amount equal to the annual repayment due. Under this method of repayment the State would receive the full amount of its apportionments during fiscal years 1967 through 1970, but the net effect would be the State would be contributing double its normal matching share during this period. It is doubtful if the State would be in a financial position to do this.

PROPOSAL FOR ASSISTANCE IN
FINANCING HIGHWAY ACTIVITIES IN ALASKA

Beginning with the fiscal year 1963 (July 1, 1962) the financing of its highway activities by the State of Alaska is expected to become critical. It is on this date that the authority to use Federal-aid funds for maintenance purposes will expire. Under present legislation, Alaska can use Federal-aid funds authorized for fiscal 1960 and prior years for maintenance of its highways on the Federal-aid systems and practically the full amount of the 1960 authorization has been reserved by Alaska for this purpose. These funds will have been expended when the 1960 authorization expires June 30, 1962.

It is extremely doubtful that Alaska can assume the annual maintenance expenditure of approximately \$6 million beginning with the fiscal year 1963 have sufficient State funds to and/continue to match Federal aid. Present Federal-aid matching requires an annual contribution of almost \$6 million by the State. In addition to matching Federal aid, the State provides funds for its development road program and for the administrative expenses of its highway organization.

A possible solution to this financing problem would be for Alaska to be relieved of the requirement to match Federal aid for fiscal years 1963 to 1966, inclusive, which is the critical financial period. This provision would provide the State with approximately ~~\$5~~⁶ million annually that ^{could} be used by the State for maintenance or whatever other purpose Alaska wished.

Authorization for the State to use Federal aid without matching is considered more advisable than authorization of a specific amount of an annual apportionment that could be used for maintenance or for the construction of development roads. In the first place, it is not considered advisable to depart from 40 years of basic Federal-aid principles that Federal-aid funds should be available only for construction of roads on the Federal-aid systems. The only exception has been for Alaska, and continuation of such exception would not be appropriate.

In the second place, it is believed there would be a much more rigid criterion applied to need of development roads and more critical review of maintenance requirements if these activities are financed 100 percent with State funds.

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