

BUSINESSMEN'S CONFERENCE ON URBAN PROBLEMS
CHAMBER OF COMMERCE OF THE UNITED STATES
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Washington, D. C.

Before: June 23, Monday 2:30 P.M. Session
"Streamlining Urban Traffic"
Empire Room, Multnomah Hotel
Portland, Oregon

Subject: The Role of the Federal Government in Urban Highway
Financing

The role of the Federal Government in urban highway financing is an extension of its earlier role in the financing of improvement of the primary rural highways. The circumstances of its entrance into the financing partnership in the two fields were similar. The purposes and the method of its participation are the same. The salutary effects of its cooperation in the urban field already appear to follow the pattern of the beneficial results of its contribution to improvement of the principal rural highways.

In 1916, when the original Federal-Aid Road Act was enacted, 48 States were separately attempting to deal with what then appeared as the staggering problem of impassability on the rural roads. Their separate efforts were applied in many different ways, and with widely varying success. Improved roads in each State often failed to connect with roads improved in the neighboring States. In some States a move in the direction of ordered effort had appeared in the designation of limited systems of State highways. In most, what was at best, a feeble attack was scattered without plan or perceptible objective over the whole of an overwhelming mileage of mud.

After five fumbling years, the Federal Highway Act of 1921, by restricting the further application of the Federal contribution to a limited and connected system of primary interstate highways, gave common direction and specific objective to the subsequent effort of all States. Thereafter, the common necessity to apply and match the never large Federal contribution for the improvement of a limited mileage of greatest utility was the powerful coordinating force that resulted in two decades in a continuously improved system of main roads interlacing the entire country.

To overcome the obstacles of utter impassability on rural highways appeared to be, and was, in 1921, the undertaking of greatest necessity. City streets were well paved and generally of ample capacity to discharge the volumes of city traffic. Both the Federal and the State revenues were specifically withheld from expenditure within the cities.

By the late thirties a complete reversal of predominant need had occurred. Concentration of State and Federal expenditure upon the primary rural highways had brought about a condition of relative adequacy of the arteries joining the cities. The swollen streams of city traffic were beginning to congest city arteries. The mud of rural roads had given place to the middle of city streets as the greatest impediment to efficient highway transportation. The cities stood alone in their efforts to cope with a problem no less staggering than that which confronted the States in 1921.

There was the same lack of essential cooperation in matters of route location between city and State authorities as existed earlier between adjacent states. There was the same tendency to scatter inadequate means over all the streets of the city, the very paucity of the means in this case preventing an essential concentration of large sums on needed radical improvements of extreme urgency.

From 1939 onward for several years the Bureau of Public Roads, in a series of reports, brought to Congressional attention the necessities of the altered situation. The Congress acted in 1944, and the first of the Federal-aid appropriations authorized specifically for urban highways became available in 1946.

The provision followed the pattern long tested and found efficacious in the rural highway program. The annual Federal aid authorization is apportioned among the States in proportion to their respective urban populations. The apportioned funds are expendable in cities of 5,000 population and more. The State highway departments are brought into cooperation with city authorities by the necessity of administering the State allotment and apportioning it among their respective cities. The Federal contribution must be matched with State or city funds or both. The State and city governments jointly are asked to define at the outset, subject to Bureau of Public Roads concurrence, limited systems of primary highways in each city upon which future Federal-aid apportionments, annually continuing, will be expended. Plans for the improvements are subject to the Bureau's approval.

We are beginning to follow, in the attack on urban highway congestion, the same course that led to such satisfying results in the improvement of rural highways. Since 1946, including the funds authorized for the fiscal year beginning July first, a total of \$850 million of Federal aid has been made available for this purpose. The matching contributions raise the total to at least \$1.75 billion. Federal legislation now pending will provide for continuance of the program through the fiscal year 1955, and this is just the beginning. The past record indicates that the Federal Government will stick with the job if the States and cities do.