

Annual Meeting, American Road Builders' Association,
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HIGHWAY BUILDING WITH PARTICULAR REFERENCE TO THE
FEDERAL EMPLOYMENT PROGRAM

by

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Situated as it is the City of St. Louis is a particularly desirable place in which to hold the annual meeting of the American Road Builders Association this year. North and south this wonderful Mississippi Valley stretches to the nearly equidistant boundaries of the Nation. It lies in the very heart of the great agricultural States. There is today perhaps no other such large area in which there is as nearly universal enthusiasm and support for the improvement of the highways. This casts no reflection upon the support that is being given this industry elsewhere. It refers rather to the quality of spontaneous delight with which these people generally are regarding the large mileage of high-class roads which have been built within the past very few years.

Certainly no section needed roads more, no section was more difficult to persuade to start on an adequate scale, and now no section finds the utility and desirability, in fact, the inestimable value of roads once possessed, of greater degree

than do these States of the Mississippi Valley. The roads are still so glisteningly new, they have not yet lost their power to stimulate the pride of the communities. They are so lately acquired they have not yet assumed the aspects of the routine or commonplace.

The man on the street is thinking in terms of more roads. He is wondering now why he delayed so long his support. Thus just at this time it becomes a desirable place in which to bring the annual meeting of the great industry which must be and is relied upon to give form and substance to activities that will help to take up unemployment, to stimulate industry, to release funds for a truly economic purpose, and to reestablish faith and optimism.

When economic conditions become seriously sub-normal on a wide scale, the building upwards to the normal must be accomplished through processes that are sound. The building of roads and the expenditure of the necessary funds will bear a critical analysis as one of the means which may be reasonably used under such conditions.

During the past thirty years the business of providing highway service has grown from an infant industry so far as the manufacture of the vehicle is concerned to one of the leading industries of the country and in the matter of building roads the change has been from a matter of intermittent community

effort to one of County, State, and Federal activity involving the planning, financing, construction, maintenance, and operation of coordinated systems of highways with the annual expenditure or investment exceeding one and one-half billions of dollars.

Since 1925 the annual increase in income, State and Local, has been at the rate of about \$100,000,000 per year. The following table shows how the income available for State highways has grown from \$592,000,000 in 1925 to \$887,000,000 in 1929, and the income for local roads from \$652,000,000 to \$758,000,000, the total income having increased from \$1,245,000,000 in 1925 to \$1,646,000,000 in 1929:

HIGHWAY INCOME, STATE AND LOCAL

Year	State Highways	Local Roads	Total
1925	\$592,687,543	\$652,583,801	\$1,245,271,344
1926	603,234,860	745,459,113	1,348,693,973
1927	649,949,861	802,629,572	1,452,579,433
1928	762,616,694	804,329,476	1,566,946,170
1929	887,616,626	758,413,807	1,646,030,433

Note: Transfers between State and local funds are not included.

During this same period total expenditures for State and Local roads have increased from \$1,241,000,000 in 1925 to \$1,615,000,000 in 1929. The expenditure for 1930 is expected to exceed the 1929 total by a considerable margin. The division of these expenditures by years between State highways and Local roads by construction, maintenance and other items is shown in the following table:

HIGHWAY EXPENDITURES*
STATE AND LOCAL ROADS

Year	Construction	Maintenance	Other	Total
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State Highways

1925	\$389,327,384	\$119,303,560	\$114,918,660	\$623,549,604
1926	356,174,616	125,617,313	116,104,243	597,896,172
1927	404,217,317	138,783,358	128,188,913	671,189,588
1928	536,294,303	158,878,573	96,491,757	791,664,633
1929	557,400,625	173,060,321	134,232,971	864,693,917

Local Roads

1925	264,965,764	196,573,516	155,960,209	617,499,489
1926	265,718,219	213,236,069	199,847,134	678,801,422
1927	289,180,355	237,970,467	221,094,913	748,245,735
1928	282,314,715	259,753,188	220,435,948	762,503,851
1929	256,581,811	260,477,801	233,765,809	750,825,421

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1925	654,293,148	315,877,076	270,878,869	1,241,049,093
1926	621,892,835	338,853,382	315,951,377	1,276,697,594
1927	693,397,672	376,753,825	349,283,826	1,419,435,323
1928	818,609,018	418,631,761	316,927,705	1,554,168,484
1929	813,982,436	433,538,122	367,998,780	1,615,519,338

* Transfers excluded.

In all the preceding figures the Federal aid funds have been included with the State highway income and expenditures. Beginning in 1916 with an initial appropriation of \$75,000,000 for a five-year program of cooperation with the States the Federal aid authorizations, including the one for the fiscal year 1933 total \$1,290,000,000. Up to January 1, 1931, the Federal Government had cooperated with the States in improving 88,945 miles of road, 9,088 miles were under construction, and an additional 2,875 miles were approved for construction.

Up to January 1, 1931, the Bureau of Public Roads had expended about \$75,000,000 in the survey, construction and maintenance of Forest roads and had under construction projects involving an estimated total cost of \$17,000,000. These projects were about 65 per cent complete on January 1, 1931.

In November, 1929, President Hoover called into conference the principal representatives of the large industries and associations whose field includes the carrying on of large works of improvement, both public and private, to plan for the undertaking of as extensive work as possible during the succeeding year. The response was highly gratifying. At this conference the American Association of State Highway Officials was represented by Mr. Samuel Eckels of Pennsylvania, President, and Mr. W. C. Markham, Executive Secretary. President Eckels gave assurance that the Association would make every effort to bring the need before the

States to undertake as large a program of building as their funds would permit. The response of the States was splendid. Their efforts, coupled with one of the most favorable construction seasons which we have had in years, combined to carry work forward at a rate heretofore unprecedented. The Labor Commissioner of a near-by State recently reported that highway building within the State had saved the whole labor situation. The effect of the road building program was felt in every State.

The Federal Congress in April, supporting the spirit of the whole movement in a very substantial way, increased Federal authorizations by 66 per cent over a three-year period. The effect of the pushing forward of the program and the almost unbroken continuity of favorable construction weather resulted in contracts being completed earlier with the consequent greater exhaustion of State funds than has heretofore been the rule.

Many of the States thus faced the beginning of the new year with a depleted treasury. Yet employment conditions, accentuated by the most severe drought that has been experienced in recent years, over a wide area, necessitated that an even greater effort be made to keep road work going as continuously as possible through the winter months and through the succeeding year.

With these conditions in mind President Hoover again acted and recommended to the Congress an emergency appropriation for carrying on public works. The Federal Congress on December 20 appropriated \$116,000,000 immediately available for public works, of which \$80,000,000 was allocated for use on Federal aid road projects. This \$80,000,000 was apportioned among the States to be used in place of State funds to meet the regular Federal aid funds, and thus relieve the immediate condition of temporarily exhausted State funds.

In the period of a little more than a year from December 2, 1929, to December 23, 1930, apportionments of Federal aid funds totaling \$330,000,000 were made by the Secretary of Agriculture under authorizations by the Congress. These apportionments were as follows:

December 2, 1929, authorization 1931	\$75,000,000
April 7, 1930, Act April 4, authorization 1931	50,000,000
September 1, 1930, authorization 1932	125,000,000
December 23, 1930, Emergency Act Dec. 20, 1930	<u>80,000,000</u>
Total	\$330,000,000

Up to December 1, 1930, all but \$155,000,000 of the regular Federal aid apportionments shown above had been obligated on approved projects. By making use of their share of the \$80,000,000 emergency appropriation and providing an additional \$65,000,000 of State funds a new Federal aid program totaling \$300,000,000 is

possible with present available funds, of which \$235,000,000 will be financed from Federal appropriations.

On January 1, 1931, Federal aid projects were under construction involving a total estimated cost of \$233,000,000, with Federal aid of \$99,500,000. This work was about 57 per cent completed, leaving a program of work still to be done of \$77,500,000 estimated total cost and \$33,000,000 Federal aid. On this same date new projects had been approved with an estimated total cost of \$60,000,000, with Federal aid of \$25,500,000, or making a current program of work yet to be done of \$137,500,000, with \$58,500,000 Federal aid. Coupled with the \$300,000,000 possible program previously mentioned the total possible Federal aid program for the calendar year 1931 is \$437,500,000 total cost, with Federal funds available to finance \$293,500,000 of the total, and State funds of \$144,000,000 supplying the balance.

For Forest road work under the supervision of the Bureau of Public Roads there will be \$16,400,000 cash available during the calendar year 1931. Authorizations available for new work including the \$3,000,000 emergency appropriation amount to \$13,500,000. On projects already under way there remains about \$6,000,000 worth of work yet to be accomplished. This makes a total possible program in 1931 of \$19,300,000.

The emergency appropriation of \$3,000,000 for roads through Public Lands will add this amount to the road program for 1931.

The grand total of Federal funds available to the Bureau of Public Roads for work in 1931 totals \$315,800,000 which with the previously mentioned \$144,000,000 of State funds will provide a highway program of \$459,800,000.

It is conservatively estimated that the complete Federal aid program thus made available will give direct employment to at least 100,000 men. There is an element of uncertainty in this because of the varying requirements of labor on different types of work undertaken.

Based on studies which have been made by the Division of Management of the Bureau, the following summaries indicate the work that would be accomplished and expenditures necessary to employ 1,000 men for three months or sixty working days:

On Slip Work

940,000 yards - costing from \$185,000 to \$280,000

On Fresno Work

1,000,000 yards - costing from \$230,000 to \$330,000

On Wheeler Work

750,000 yards - costing from \$215,000 to \$315,000

On Elevating Grader Work

1,200,000 yards - costing from \$375,000 to \$490,000

On Power Shovel Work - hauling with 2-horse team

1,400,000 yards - costing \$445,000 to \$545,000

On Power Shovel Work, with truck haul,

1,500,000 yards - costing \$550,000 to \$650,000

In all of these operations a large percentage of the expenditure goes directly for labor and the work can be organized where desirable to employ a large amount of local labor.

The effectiveness of the road program to assist in relieving the unemployment situation resolves itself largely into a matter of cooperation between the State Highway Departments and the contractors. There is no time and no desire on the part of the Federal Government to attempt to set up any different procedures or organizations than those established and now operating in a highly satisfactory manner. The State Highway Departments have a great capacity for carrying forward work in every State without loss of time and without economic waste. The Federal Bureau of Roads will make every effort to cooperate fully with the State Highway Departments and with the road building industry. It is with a feeling of great faith and confidence in these established organizations and in the spirit with which they will undertake to do their part in the present abnormal situation that we face the new year. There can be no doubt as to the effect which this industry as a whole can have in rebuilding public confidence and substantially relieving unemployment conditions.