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Future of Our Highways
How Will Additional Mileage be Built and Old Construction Maintained?

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The Bureau of Public Roads, within the past year, has urged all State highway departments to join with it in a comprehensive study of the whole road situation. Forty States have thus far accepted the Bureau's invitation, and it is hoped that others will eventually follow. With minor variations, necessitated by local circumstances, the survey in each State follows a common plan designed to develop all facts needed as a basis for a rural road improvement program that will merit the faith and continued support of the public.

In the pre-depression period, 1925-1929, the State highway departments, with and without Federal assistance, built annually an average of 27,640 miles of highways. In the succeeding five-year period, 1930-1934, during which we passed through the lowest depths of the depression, the average annual construction jumped to 37,580 miles. In the same period the mileage of local surfaced roads increased by 218,000, an average of more than 43,000 miles a year.

To a depression-weary country there was cause for congratulation in the heightened activity that these figures represent. But, from the standpoint of a sound development of the highway system, there were several disturbing factors; and it is these factors of which I shall write briefly in this article.

If we examine more closely the 37,580-mile annual construction record of the State highway departments we find that in the later years Federal funds, administered through the Bureau of Public Roads, accounted for more than 20,000 of these miles. And if we ask who paid for the large mileage of surfaced local roads, we find that it was in large part not the local governments that have mediate authority over them, but the Federal government again, acting through the Public Works Administration, the Works Progress Administration and other agencies established to provide employment.

And finally, if we look further into the financial side of the picture, we find that there has been a sharp rise in the expenditures of the State highway departments for maintenance - a rise that undoubtedly reflects the increased maintenance liability growing out of the recent construction of greater mileages of low-cost road types, as well as the normal increase due to simple growth of improved mileage.

Briefly, the condition to which these indications point is this: Both State and local revenues available for highway purposes have been sharply reduced; at the same time improved mileage has grown at an unprecedented rate, largely in the less durable types, with consequently increased maintenance liability; and what would otherwise have been an impossible situation has been saved by largely increased contributions by the Federal government.

Fortunately, there is promise that the Federal government will not sharply or too soon reduce its assistance; but it cannot be expected to continue its expenditures on anything like the scale of the years just past. And when they are reduced, what then?

The cause of the reduction of local expenditures is mainly a sharp decline in the yield of real property taxes; in the case of the States it is an equally serious diversion of road-user revenue to other than highway purposes. When the Federal government reduces its aid, will these lost revenues return?

The shrinkage in yield of property taxes and the pressure for further relief from such taxes constitute the principal incentive toward transfer of jurisdiction over local roads from local to State authorities. It is well known that a number of States have already placed all or a large part of the local road systems under State control. It is not so well known that in no case has the transfer of these large responsibilities been accompanied by transfer of the funds formerly available to the local authorities for their discharge.

The effect in every case has been to place responsibility for all highway improvement or a much larger part of it where it will have to be met with motor vehicle instead of property tax revenue. In no case, I believe, has the change yet resulted in an actual increase in rates of motor vehicle and gas taxes; but this has been due only to the availability of increased Federal contributions. When these are reduced the prospect is clear: Motor taxes must go up unless other means of support are found.

While in some States the road building responsibilities shifted in the direction of the motor vehicle taxpayer have been thus largely increased, and while in others the tendency in the same direction is strong, there has been a simultaneous diversion of road-user taxes in large amount to other than highway purposes. The actual diversion would have run to very much larger sums, unquestionably, had it not been for the penalties threatened by the Federal highway laws; and the tendency remains. Thus we see on the one hand a trend toward the placing of more responsibility upon the State highway departments which depend almost exclusively upon motor vehicle revenues and, on the other, a desire to divert these supporting revenues to other purposes.

If in a situation such as I have here sketched there were a reduction in the need and demand for highways there would be less cause for concern; but such is not the case. The default of the local property taxpayer is accompanied demand for greater and more rapid extension of local road improvement. And diversion of the only revenues available for the preservation and further ovement of the main highways occurs simultaneously with a demand and an estioned need for enlarged expenditure to modernize these roads.

What results is a rather grave situation which has been prevented thus from becoming really serious only, as I have previously said, by the large ncial contributions of the Federal government. It is a situation that calls balancing of desires and needs against the means that may be found for r fulfillment; and it is with this object in view that the highway planning eys are being conducted.