

*Approved*  
*April 16, 1958*

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D. C.

*Last Day*  
*4/16/58*

APR 10 1958

My dear Mr. President:

On April 4, 1958, the Executive Clerk notified this office that H. R. 9821 "To amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, and the Act approved June 29, 1956, 1956 (70 Stat. 374), to authorize appropriations for continuing the construction of highways, and for other purposes," had been received at the White House and requested reports and recommendations thereon.

The bill provides appropriation authorizations and advance contract authority for the Federal-aid primary, secondary, and urban highways, for the Interstate System of National and Defense Highways, and for highways and roads on the public domain. It also contains provisions for the control of outdoor advertising on the Interstate System. The attached analysis describes in detail the provisions of the bill and compares them with the recommendations of the administration.

The bill contains provisions which it is essential to enact into law in this session of Congress. First, it provides the contract authorization necessary to continue the construction of the Federal-aid primary, secondary and urban highways in fiscal years 1960 and 1961. Second, it approves the estimate of the Secretary of Commerce of the cost of completion of the National System of Interstate and Defense Highways. This approval is required by law before the existing 1960 authorization can be made available to the States. Third, it would waive for 1960 the requirement that highway trust fund receipts must equal expenditures in each year and thus allow the apportionment of the full 1960 authorization; and fourth, it provides a start in controlling highway advertising.

We are convinced, however, that the provisions in the bill which purport to use the highway program as a method of stimulating economic recovery are so unwise as to justify disapproval of the bill. Therefore, for the reasons stated in the attached draft veto message, we join the Department of Commerce in recommending that the bill be disapproved.

In addition, there are other undesirable provisions in the bill which we believe we should bring to your attention. First, the bill continues the Congressional policy of increasing the annual authorization for the Federal-aid primary, secondary and urban highways by \$25 million each year. The Department of Commerce recommended to the Congress that the authorization for these programs for fiscal years 1960 and 1961 should be at a \$900 million level in order to maintain a balanced highway program.