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James C. Hagerty, Press Secretary to the President

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THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have today approved H. R. 8678, the Federal-Aid Highway Act of 1959. In my budget message submitted to the Congress on January 19, 1959, I proposed a 1-1/2 cent increase in highway fuel taxes for the purpose of keeping the Federal-aid highway program on schedule and continuing the self-sustaining features of the program established in 1956. Although the bill does not meet these objectives, I have approved it in order to avoid a serious disruption of the highway program with its attendant adverse effects on State finances, highway contractors and workers, and the economy generally.

Because the bill does not provide the level of revenues required for continuing the highway program on the schedule contemplated under existing authorizations, it will be necessary to make orderly use of these authorizations so that spending can be held within limits that will avoid future disruption of the program. This action will be required if the Federal Government is to meet promptly its obligations to the States and at the same time adhere to the self-financing principle upon which the highway program has been established. Of necessity, such actions may lead to some deferment or delay in the completion of the Interstate System as originally contemplated.

In this connection, at my direction there has been underway since July a comprehensive review of the interstate program's current policies, practices, methods and standards -- including an examination of the relative Federal, State, and local responsibilities for planning, financing, and supervising the program. This study is being conducted by the Special Assistant to the President for Public Works Planning, General John S. Bragdon, in collaboration with the Secretary of Commerce and the Director of the Bureau of the Budget. If actions are needed to insure that our national objectives are being achieved at minimum Federal cost on a pay-as-you-go basis, it is expected that the necessary recommendations will be developed by this study.

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