BOURNE'S PLAN TO SPEND $3,000,000,000 FOR GOOD ROADS

AFTER detailed study, Jonathan Bourne Jr. has evolved what he conceives to be a practical plan for the expenditure, during a 50 year period, of $3,000,000,000 by the federal government and the states for the construction and maintenance of good roads. Great care has been exercised in working out the financial features of the plan and its administration in order to secure the maximum results through the co-operation of the states and the nation. The plan as submitted to the joint congressional committee on federal aid in the construction of post roads is in part as follows:

By Jonathan Bourne Jr.

OUTSIDE of a few great fundamentals of government, I deem federal aid to good roads the greatest, and certainly the most important, economic question now before the American people.

About a year ago I began the study of federal aid to good roads. After devoting considerable time and thought to the problems involved, I arrived at the following general conclusions:

1. A plan should be developed that would be satisfactory and acceptable to the federal government and the forty-eight states, representing, in effect, forty-nine different personal equations, thus insuring co-operation between the federal government and the states.

2. A plan to be satisfactory must be practicable, simple, and so framed as to insure the most intelligent and honest expenditure of funds, whether contributed by the states or by the federal government, or both.

3. The federal government's contribution or plan of cooperation must be such as to induce the states to undertake road construction, improvement, and maintenance activity, intelligently, and extensively.

4. The plan should not only encourage construction but insure improvement and maintenance of roads already built or to be built.

5. The money expended today should benefit and co-ordinate with the money to be expended years hence; in other words, the expenditures of today should be so made as to correlate with the expenditures of the future.

6. Federal supervision of expenditures of the federal money should not interfere with the rights of states or lead to a federal espionage irritating to the states and resulting in the building up of a great federal bureau.

7. Any plan of federal aid or cooperation must insure an equitable apportionment among the forty-eight states.

The New Plan.

I was convinced of the desirability of the earliest possible solution of the problem to prevent unintelligent or undesirable legislation in response to the steadily insistent, growing demand for federal aid in the construction of good roads.

For a number of months I sought in vain for a key to the problem, but finally an idea occurred to me from which I evolved a plan that, after weeks of careful analysis and study, appeals to me as having merit, and I therefore respectfully submit the same herewith in the form of a suggested bill for your consideration, criticism, modification, adoption, or rejection:

Be it enacted by the senate and house of representatives in congress assembled, That in order to establish, construct, improve, or maintain public roads that are now or may hereafter be needed for use as post roads, military roads, or for interstate commerce, there be, and hereby is, created a fund to be known as the United States Highway Fund. Said fund shall be raised in the manner herein provided, but the treasurer of the United States is hereby authorized to receive and place to the credit of said fund any money that may be contributed from other sources and to expend the same upon the order of the United States Highway Commission or in accordance with the conditions of the contribution.

Sec. 2. That for the purpose of providing money for the United States Highway Fund the secretary of the treasury is hereby authorized and directed to issue and sell by popular subscription and upon a pro rata allotment basis, at not less than par, bonds of the United States in such form as he may prescribe and in denominations of $20 or multiples of that sum, said bonds to be payable fifty years from the date of issue and to bear interest, payable semi-annually, at the rate of 3 per cent per annum, the total amount of said bonds not to exceed $1,000,000,000 and the issue and sale of same not to exceed such amounts as may be necessary from time to time to enable the treasurer of the United States to make payments from the United States Highway Fund to the several states in accordance with the provisions of this act. Bonds issued under authority of this act or the income therefrom shall not be subject to taxation or any kind for any purpose.

Sec. 3. That before any state shall be entitled to take advantage of the provisions of the act, it shall establish by law a state highway commission having general supervision of road construction and improvement in that state, which said commission shall have general supervision of the expenditure of money received from the United States Highway Fund, subject only to the provisions of this act and of state laws not inconsistent therewith.

Sec. 4. That the United States Highway Fund shall be apportioned and credited to the several states in the following manner: The United States Highway Commission hereinafter created, shall ascertain in the most practicable manner from the best information available the total land area, the population according to the last federal census, the total assessed valuation of all valuation of all taxable property, and the total mileage of public highways in each of the several states, and shall compute the percentage of the total of each of these four items possessed by each state. They shall then compute the average of the four percentages for each state, and this average shall be the per cent of the $1,000,000,000 United States Highway Fund that shall be apportioned and credited to each state. Said commission shall notify the treasurer of the United States of the result of their ascertainment and computation, which shall be made as of a date to be fixed by the commission. Such fund, so apportioned, shall be paid to the states only in accordance with the provisions of this act.

Sec. 5. That whenever any state, through its duly authorized agents, shall apply for any part of its share of the United States Highway Fund, but not exceeding 20 per cent thereof in any year, and shall deposit with the treasurer of the United States its bonds for such amount payable in fifty years and bearing interest, payable semi-annually, at the rate of 4 per cent per annum, said treasurer of the United States shall issue and sell by popular subscription and upon a pro rata allotment basis United States highway bonds herein authorized to the amount that may be necessary to pay to said state the amount of money applied for, and upon the sale of said bonds shall pay over the proceeds to the custodian of the public funds of the state: Provided, That the bonds of any state shall not be accepted if the total amount of bonds of such state, including the bonds issued to take advantage of the provisions of this act, shall exceed 10 per cent of the amount of the assessed valuation of all taxable property in such state. When the treasurer of the United States shall receive any payment of interest on state bonds deposited in the manner above provided he shall devote three-fourths thereof to the payment of the interest due on the corresponding United States highway bonds and one-fourth, herein designated as a sinking fund, he shall deposit in the treasury of the United States to be used from time to time as the general funds of the United States are used. The treasurer of the United States shall keep an account with each state that shall deposit bonds and receive funds under the provisions of this act, and shall credit said state with interest compounded annually at the rate of 3 per cent per annum on the sinking funds paid in. At the time of the maturity of the bonds deposited by any state, if all payments of interest have been made when due, the treasurer of the United States shall cancel said bonds and return them to the state issuing the same, without requiring any payment of the principal.

Sec. 6. That on the first day of February of each year the treasurer of the United States shall pay to the custodian of the public funds of each state, from any funds in the treasury not otherwise appropriated, an amount of money equal to 2 per cent of the amount of state bonds said state has on deposit with the treasurer of the United States under the provisions of this act. The money so paid shall be expended by said state only in the maintenance of public highways. The treasurer of the United States shall withhold the payment of money to any state under the provisions of this section in the event that such state default in payment of any interest due or in the event that the United States Highway Commission herein created shall certify to said United States treasurer that money theretofore paid to said state for maintenance purposes has not been expended with reasonable effectiveness for the maintenance of public highways or that the state has failed to expend an equal amount of its own funds during the preceding 12 months for the same purpose.

Sec. 7. There is hereby created a United States Highway Commission, to be composed of the chairman of the senate committee on postoffices and post roads, the chairman of the house committee on postoffices and post roads, and the director of the office of public roads. Such commission shall have only an advisory voice in the expenditure of the United States Highway Fund in the several states. It shall have its head office in the District of Columbia, but may create highway divisions, never exceeding in number one for each state and may maintain a division office in charge of a United States highway engineer in each division. Said commission shall have power to employ such clerical and expert assistance as may be provided for by appropriations made by congress from time to time, and may require the assistance and co-operation of the officers and employes of any department in its work.

Sec. 8. For the further aid and encouragement of highway improvement in the several states, the United States Highway Commission shall maintain in the District of Columbia a school for special instruction in practical highway and bridge engineering, the entrance requirements of which school shall include completion of preparatory courses in civil engineering and such other studies as the commission shall specify as qualifying the student to enter upon the special study of the practical problems of highway and bridge engineering. The rules, regulations, and curriculum of said school shall provide for instruction for two years for one student from each congressional district, selected by competitive examination, but if there be no qualified applicant for admission from any congressional district such vacancy may be filled by the admission of a student from some other congressional district in the same state. Upon the admission of a student to the school of highway engineering such student shall be paid as traveling expenses 4 cents for each mile of distance necessarily traveled in going from his home to Washington, D. C., and at the end of each calendar month thereafter during the continuance of such student in said school he shall be paid $50 to cover living and incidental expenses. The United States Highway Commission shall make rules and regulations for the management of said school and shall have entire control of same, subject only to the constitution and laws of the United States. In connection with said school said commission shall maintain a testing laboratory in which said commission shall cause tests to be made of road or bridge building material free of charge at the request of the duly authorized highway officials of any state.

Sec. 9. That for the purpose of carrying out the provisions of this act there is hereby appropriated out of any moneys in the United States treasury not otherwise appropriated, the following amounts, or so much thereof, as may be necessary:

For the renting of suitable quarters for the United States Highway Commission in the District of Columbia, $——.

For the renting of suitable quarters for the school of highway and bridge engineering, $——.

For the payment of salaries of clerical and expert assistance for the United States Highway Commission, $——.

For the payment of salaries of instructors in the school of highway and bridge engineering, $——.

For the purchase of testing laboratory equipment and office furniture and supplies, $——.

For the payment of the salaries of —— division engineers, $——.

For the renting of quarters for —— division engineers, $——.

What Each State Would Get.

I submit herewith a table showing the percentage and amount of apportionment each state would be entitled to receive under a plan giving area, population, assessed valuation, and road mileage equal weight in the calculation, these percentages being computed only to two decimal places and the amounts given in round numbers.

To my mind area should be a factor because of the greater necessity for more or better roads in the newer or larger states; population a factor because whatever direct contribution is made by the people through the federal government is a tax on all the people; assessed valuation of the property in each state a factor because of the utilization of the federal credit through the government becoming practically an indorser for the states under my suggested plan, and because the taxable property of the state must bear a large proportion of the state's expenditure for road improvement, hence the property of the states should receive recognition in accordance with the liability assured; and mileage of roads already in use a factor as a recognition of industry and efficiency of those states that have already constructed roads at their own expense.

The suggested plan, if adopted, enables the states to enjoy the superior credit of the federal government and without additional cost to the states establishes a sinking fund that in fifty years' time would pay off the states' indebtedness. At the same time the federal government really assumes no consequential responsibility, as no state would default on its principal or interest charges if the total bonded indebtedness of the state did not exceed 10 per cent of the assessed value of the property in the state. A sinking fund of $1, or 1 per cent per year, payable at the end of each year, with annual interest on each payment at the rate of 3 per cent compounded each year will amount to $100, or 100 per cent, in 46.89 years.

How It Would Work.

To illustrate the practical working of the plan, let us suppose that all the states avail themselves of the opportunity of utilizing the superior credit of the United States up to the 20 per cent annual limitation for each state. We would have $200,000,000 of fifty-year semi-annual 4 per cent state bonds deposited with the treasurer of the United States, upon which collateral the secretary of the treasury would offer for popular subscription, at not less than par and upon a pro rata allotment basis, $200,000,000 of 3 per cent federal bonds, and from the $200,000,000 obtained in the sale of the same pay to the states the par amount of their bonds according to the percentage of apportionment set forth in the bill.

The federal government would receive from the states, in semi-annal payments, interest at the rate of 4 per cent, or $8,000,000 annually, out of which it would pay to the investors in the federal bonds $6,000,000 annually, to pay annual interest of 3 per cent on $200,000,000 United States fifty-year 3 per cent bonds, leaving an excess of $2,000,000 annually received from the states over what the federal government would pay in interest charges on a similar amount of federal bonds.

On this excess of $2,000,000 the federal government would allow 3 per cent annual compound interest. At the end of 46.89 years this sinking fund would amount, under this plan, to $200,000,000, so that the federal government would have the funds to pay off the bonds it had issued to the public for which it held the state bonds as collateral, and at the end of fifty years from the date of issuance of the state bonds the federal government would return said bonds to the respective states, marked "canceled."

Benefit To States.

By depositing their bonds with the federal government as collateral and utilizing the superior credit of the federal government in getting money at 3 per cent, the states would ultimately have received $200,000,000 cash at 1 per cent cheaper interest than they themselves could secure in a public sale of their own bonds.

The proceeds from the sale of the federal bonds would be turned over to the highway commissions in the states, an instrumentality which should be directly responsive and accountable to the electorate of the states, thus preventing interference with state rights and eliminating any legal supervision on the part of the federal government and minimizing the danger of building up a large federal bureau.

At the same time co-operation would be assured through realization on the part of the members of the state highway commission that although the federal district engineers would have no legal supervision as to the expenditure of money put into construction of roads yet in their inspection of the maintenance of roads the federal district engineers would necessarily learn whether the road construction had been honest and intelligent, and the anticipation of this maintenance inspection by federal agents would cause the state engineers to do better construction work. Any state could take as much or as little money as it desired, except that it could not exceed 20 per cent of its apportionment in any one year, and in an aggregate of years could not exceed its total apportionment.

The 20 per cent per annum limitation and the fact that states representing practically 50 per cent of the proportional allotment would have to amend their constitutions before permitted to issue bonds for public improvement clearly shows that not over $100,000,000 of federal bonds would be offered for sale in any one year. Would the people absorb this amount of federal 3 per cent nontaxable fifty-year bonds? In my opinion they unquestionably would.

Maintenance of roads is a factor which should be given weight equal with construction. The federal government, by the suggested plan, would contribute—donate, if you please— to each state 2 per cent of the total amount of federal aid that had been extended to the state for construction in utilization of the federal government's superior credit.

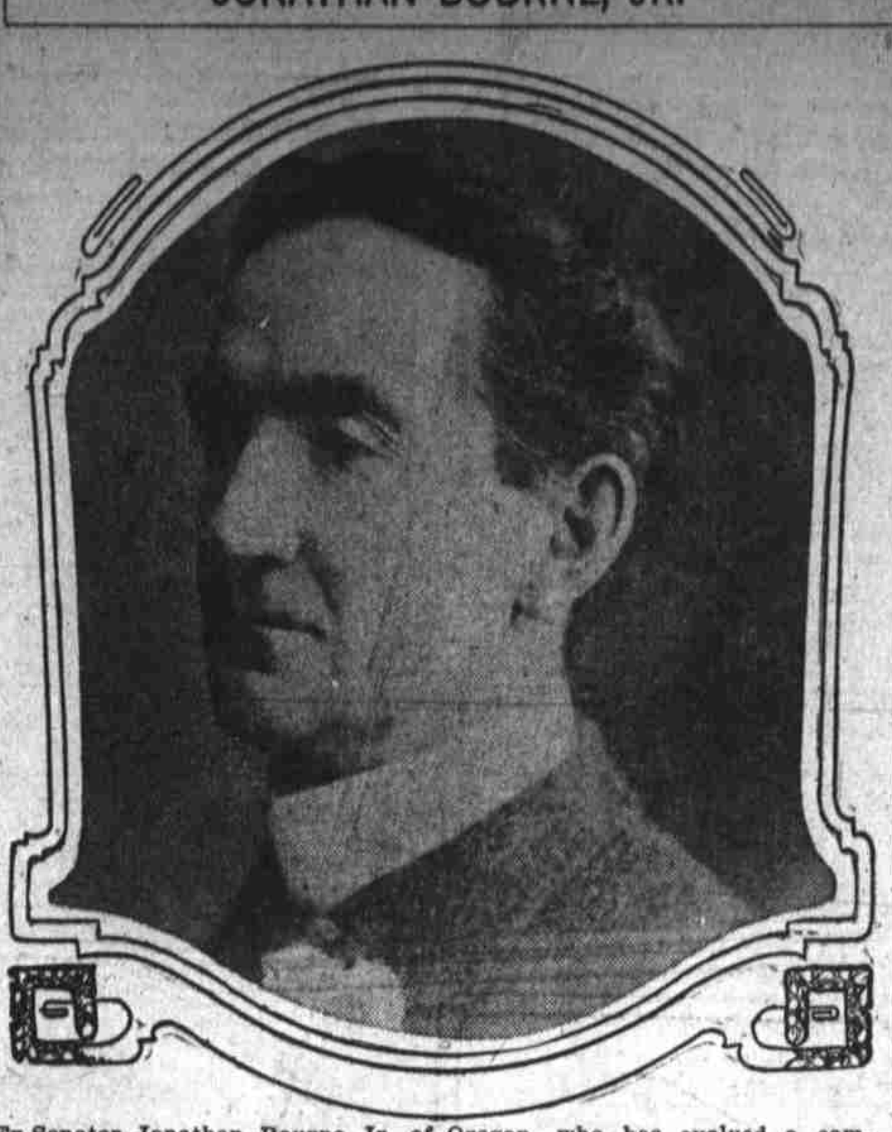
Where direct federal contributions are made, it is desirable that direct federal supervision should be provided, and here we again get into the danger zone of the creation of a great federal bureau.

Federal Machine Impossible.

To minimize this danger, and, I think, avoid same, I would suggest that either in the law or by authorized rule and regulation we divide the United States into federal road districts composed of states or groups of states containing approximately 50,000 miles of roads and create in the office of public roads a number of district road and bridge engineers, so that there would be one federal representative for each district.

My idea in making the two chairmen of the postoffices and post roads committees ex-officio members of the highway commission is that much valuable information could be secured from the 43,000 rural carriers under the fourth assistant postmaster general's jurisdiction and which comes directly under that of these congressional committees, and for the further reason that as an expenditure of the people's money is involved, and as congress under our form of government is the only direct representative of the people, the determinative power of withholding maintenance should be in congress and not in a bureau; and for the still further reason that the patrol system built up in the states and responsive to the state highway commissions, if under the subservience of the federal bureau, would be responsive to a federal head and the danger would exist of building up a big federal political machine.

JONATHAN BOURNE, JR.



Ex-Senator Jonathan Bourne Jr. of Oregon, who has evolved a comprehensive plan of road building.

SUM EACH STATE IS ENTITLED TO GET

State—	Land area in square miles	Population, 1910	Assessed valuation, fiscal year 1912	Total mileage of roads	Per Ct.	Apportionment to each State Amount
Alabama	51,279	2,138,093	$ 454,852,050.00	49,639	1.72	$17,200,000
Arizona	113,810	204,354	356,638,101.00	5,597	1.18	11,800,000
Arkansas	52,525	1,574,449	425,478,614.00	36,445	1.44	14,400,000
California	155,652	2,377,549	2,919,242,980.00	48,069	2.59	25,900,000
Colorado	103,658	799,024	480,087,160.00	39,092	1.59	15,900,000
Connecticut	4,820	1,114,756	*1,041,334,019.00	12,582	.87	8,700,000
Delaware	1,965	202,322	72,575,702.00	3,414	.14	1,400,000
Florida	54,861	752,619	218,887,518.00	17,579	.95	9,500,000
Georgia	58,725	2,609,121	843,000,000.00	82,236	2.45	24,500,000
Idaho	83,779	325,594	396,125,883.00	[illegible]	1.16	11,600,000
Illinois	56,002	5,638,591	2,345,873,222.00	94,141	2.94	29,400,000
Indiana	36,045	2,700,876	1,891,652,077.00	[illegible]	2.51	25,100,000
Iowa	55,586	2,224,771	713,318,825.00	102,422	2.54	25,400,000
Kansas	81,774	1,690,949	2,746,900,391.00	[illegible]	2.28	22,800,000
Kentucky	40,181	2,289,905	1,059,309,145.00	57,544	1.98	19,800,000
Louisiana	45,409	1,656,388	548,650,157.00	24,962	1.22	12,200,000
Maine	29,895	742,371	415,722,055.00	25,528	.92	9,200,000
Maryland	9,941	1,295,346	970,899,976.00	16,773	.99	9,900,000
Massachusetts	8,039	3,366,416	4,708,030,898.00	17,373	2.73	27,300,000
Michigan	57,480	2,810,173	*2,288,000,000.00	[illegible]	2.88	28,800,000
Minnesota	80,858	2,075,708	1,312,567,794.00	79,323	2.50	25,000,000
Mississippi	46,362	1,797,114	296,628,739.00	38,618	1.48	14,800,000
Missouri	68,727	3,293,335	1,776,571,586.00	107,923	3.35	33,500,000
Montana	146,131	376,053	444,590,235.00	23,140	1.72	17,200,000
Nebraska	76,808	1,192,214	463,371,880.00	80,338	2.05	20,500,000
Nevada	109,821	81,875	85,347,658.44	12,731	1.12	11,200,000
New Hampshire	9,031	430,572	[illegible]	[illegible]	.51	5,100,000
New Jersey	7,514	2,537,167	2,259,779,289.78	14,842	1.77	17,700,000
New Mexico	122,503	327,301	72,088,000.00	[illegible]	1.35	13,500,000
New York	47,654	9,113,614	11,062,885,614.00	79,279	7.88	78,800,000
North Carolina	48,740	2,206,287	494,708,570.00	48,285	1.74	17,400,000
North Dakota	70,183	577,056	[illegible]	[illegible]	1.50	15,000,000
Ohio	40,740	4,767,121	6,400,000,000.00	86,861	5.02	50,200,000
Oklahoma	69,414	1,657,155	[illegible]	[illegible]	2.39	23,900,000
Oregon	95,607	672,765	905,011,679.00	29,475	1.68	16,800,000
Pennsylvania	44,832	7,665,111	5,917,319,265.25	87,387	[illegible]	[illegible]
Rhode Island	1,067	542,610	[illegible]	2,121	.39	3,900,000
South Carolina	30,495	1,515,400	291,531,008.00	22,075	1.15	11,500,000
South Dakota	76,868	583,888	354,278,418.00	56,354	1.58	15,800,000
Tennessee	41,687	2,184,789	625,010,886.00	45,913	1.70	17,000,000
Texas	262,398	3,896,542	2,515,594,636.00	128,971	5.66	56,600,000
Utah	82,184	373,351	200,209,207.00	8,320	.96	9,600,000
Vermont	9,124	355,956	221,447,887.00	14,406	.42	4,200,000
Virginia	40,262	2,061,612	907,273,651.00	43,390	1.73	17,300,000
Washington	66,836	1,141,990	1,005,086,251.00	34,284	1.64	16,400,000
West Virginia	24,022	1,221,119	1,119,828,173.00	32,109	1.32	13,200,000
Wisconsin	55,256	2,333,860	2,077,925,166.00	81,099	2.56	25,600,000
Wyoming	97,594	145,965	182,028,280.00	10,569	1.05	10,500,000
Total and average	2,974,039	91,972,266	$67,763,567,564.45	2,199,646	....	1,000,100,000

*1911. †Rough estimate. ‡1910.

WOMEN LAWYERS IN NEW YORK HAVE CLUB

(United Press Leased Wire.)

New York, May 31.—Women lawyers in New York have become so numerous that they now have a Women Lawyers' club, and at their first annual luncheon the other day, Justice Robert J. Wilkin of the Brooklyn Children's court was the principal speaker. He said several things that the women present seemed to take as particularly pertinent testimony to the spirit of the time as they themselves interpret it. For one thing he said:

"The solution of wrong lies in its discovery. Where the harm lies is in non-knowledge—ignorance." He also said that women must make it their business to inquire into social conditions, investigate the administration of public institutions and keep up with modern social legislation. He remarked that it took a woman to discover social wrongs and he reverted to an oldtime situation in the Coney Island police court to illustrate his point. Every Monday morning, he said, after the Sunday night revelers were rounded up and sentenced in police court, it was customary to load them all, women and men alike, into one steel van and then seal that van and drive twelve miles to jail. It was a woman who discovered the custom and through her instigation, Justice Wilkin took up the matter with the sheriff.

Strong tea will remove fruit stains from the fingers.