The 1956 Federal Highway Act

By Geoffrey Perret

Dwight D. Eisenhower's first important achievement as President was to bring an end to the fighting in Korea. In June 1953, five months after his inauguration, he secured an armistice that remains in force to this day. Yet even as the armistice went into effect, he was worried about the economic implications of peace.

Eisenhower was deeply troubled that deficit financing on a prodigious scale was paying for the war, and he had pledged during the campaign that he would seek a balanced budget. If Eisenhower stuck rigidly to that goal however, the end of the Korean War would be followed by a severe and prolonged recession, something that every modern President has a duty to avoid.

Eisenhower's solution was entirely pragmatic. The budget remained in deficit in 1954 and the recession proved to be short lived and shallow. Eisenhower meanwhile looked for a public works project that would act as a counter to future recessions. Hastily improvised New Deal make-work projects like the Civilian Conservation Corps—"raking leaves," in his words—were not for him. What Eisenhower wanted was a wide range of public works projects that could be initiated when the economy was functioning successfully, when there was still time to think carefully about national needs and devise programs that could be justified over the long term.

Eisenhower had in mind new highways, urban redevelopment, land reclamation, hospital construction, and water conservation. Such projects could move forward in low gear while the good times lasted, but when the economy turned down—most, if not all—could be rapidly accelerated, and together might provide work for millions, if necessary.

Cold War Considerations

There was already a federal highway system and most people considered it adequate for their needs, but Eisenhower was anticipating future demands, including those of national defense. This was, after all, the height of the Cold War. "If I had all the money I wanted right now," he told Senator Styles Bridges, "I wouldn't use it to keep men in the Army. I would much rather put that money into new highways and roads so we could get around this country in a hurry in case of attack."

He created a committee, chaired by an old friend and Army engineering officer, General Lucius D. Clay, to decide whether such a venture made economic sense. The committee's report, issued in January 1955, recommended 41,000 miles of divided highways, built over a period of 10 years, and costing as much as $101 billion.

The Democrats—and Lucius Clay—expected the federal government to finance the project. However, Eisenhower could not accept this

and still achieve a balanced budget. He also was convinced that the states, as major beneficiaries, must bear part of the cost. Legislation was introduced in Congress in the spring of 1955, passed the Senate, but was rejected by the House—mainly because of disagreements over financing. Forced to think again, the White House reintroduced the measure in 1956, with a self-financing proposal: a tax on gasoline of four cents a gallon and a small federal tax on new cars and trucks. The states would cover 10 percent of construction costs; the new taxes would allow the federal government to cover the remaining 90 percent.

As the legislation moved through Congress in 1956, the annual Governors' Conference met. The governors inevitably turned their attention to Eisenhower's highway project. A draft resolution was drawn up in which the governors commended the program as being "bold and imaginative" and proposed naming it in Eisenhower's honor. Governor Averell Harriman of New York, a highly partisan Democrat, got "bold and imaginative" struck out, along with the compliment to Eisenhower.

When this was drawn to his attention, Eisenhower laughed it off. "A project as good as this doesn't need to carry my name," he told his staff. It was enough for him that the Congress enact his legislation, which it did.

It was an extraordinary achievement. The Democrats controlled both the Senate and the House and his own party—which contained a powerful and vociferous anti-New Deal element—hardly seemed to notice that Eisenhower's highway program amounted to the biggest public works project in American history. It was the biggest, some writers have even claimed, since the Pyramids.

The Federal Interstate and Defense Highway came into being because Eisenhower was making an investment in the future of the country, rather than an investment in the next election; because his approach was nonpartisan yet persistent; because he had a clear idea of where he wanted to go and was flexible about how he got there; and because he did not seek to capitalize, either personally or as the leader of his party, on this legislative success. Nearly all the benefits, he knew, would accrue to the nation after he left the White House, not while he occupied it.