

# NEWS

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WASHINGTON, May 14 -- All levels of government this year will spend a record-breaking total of nearly \$20 billion for highway, water and air transportation facilities -- equal to about \$400 for each American family -- according to a study released today by the Association of American Railroads.

These outlays by Federal, state and local governments will surpass 1967 transportation spending by more than \$1.5 billion and will boost the total for all years of record to over \$298 billion.

Federal spending alone will total an estimated \$6.4 billion in 1968, or over a half-billion dollars more than in 1967. Specific outlays include:

- \* \$4.9 billion in Federal highway spending.
- \* \$419 million for waterways (not including multiple-purpose projects, TVA or the St. Lawrence Seaway).
- \* \$922 million for the Federal Airways System and aircraft development.
- \* \$87 million for airports.
- \* \$59 million for Federal cash subsidies to airlines.

The AAR report notes that transport spending by state and local governments will also increase over 1967 -- from \$12.4 billion last year to \$13.4 billion in 1968.

Compared to these billions for other transportation facilities in 1968, the Federal Government is spending \$22 million for high-speed intercity ground transportation research and development, a major part of which will go into railroad demonstration projects in the Boston-Washington corridor.

(more)



Costs of ownership and maintenance of the railroads' privately owned and maintained facilities account for about one-fifth of the rail revenue dollar. The AAR report contrasts this outlay with comparable costs paid for, or provided gratis, by the government -- ranging from about 5-1/3 cents of every revenue dollar for ICC-regulated truckers to a free ride by users of the nation's inland waterways.

President Johnson's recommended program to revise and update user charges for government provided and maintained transport facilities, if enacted by Congress, would raise an additional \$239 million from highway users, \$40 million more from airway users and \$7 million more from waterway users, the AAR study points out.



ASSOCIATION OF  
**AMERICAN RAILROADS**

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**GOVERNMENT EXPENDITURES**

FOR

**HIGHWAY, WATERWAY, AND AIR FACILITIES**

AND

**PRIVATE EXPENDITURES**

FOR

**RAILROAD FACILITIES**

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**ECONOMICS AND FINANCE DEPARTMENT**  
**WASHINGTON, D. C. 20006**  
**MAY 1968**

## PREFACE

Government funds provide the construction, operation and maintenance of transport facilities for carriers by highway, airway, and waterway as evidenced by the following tables. Railroads, as investor-financed private enterprises, provide almost entirely for their own facilities and pay property taxes on their rights-of-way. Costs of ownership and maintenance of the railroad ways account for about one-fifth of the railroad revenue dollar. Comparable costs paid as user charges by other carriers range from five and one-third cents per revenue dollar paid by ICC-regulated motor carriers down to a completely free ride enjoyed by users of the waterways.

Railroads have a vital interest in the level of government expenditures for transport facilities as well as in the establishment of adequate charges for their use. Why? Because any excess of public costs of providing rights-of-way over charges collected from commercial users represents a subsidy to railroad competitors.

Such uncompensated costs not paid for by the direct beneficiaries also add to the heavy and growing burdens which general taxpayers, including the railroads, must bear.

Federal government expenditures in the aggregate for domestic transportation by highway, air, and water have increased 12-fold since 1947, including:

An increase from \$88 million to \$922 million in annual spending relative to the airways system and aircraft development (Table 2);

An increase from \$3 million to \$87 million in outlays for airports (Table 3);

An increase from \$17 million to \$59 million in cash subsidy to airlines (Table 4);

An increase from \$337 million to \$4.9 billion in highway spending (Table 5); and

An increase from \$89 million to \$419 million in outlays for waterways -- not including multiple-purpose projects, TVA, or the St. Lawrence Seaway (Table 6).

Spending for transport facilities by State and local governments has also increased from \$3 billion in 1947 to \$13.4 billion in 1968. The total for all levels of government in 1968, as summarized in Table 1, is \$19.8 billion, or five and one-half times the 1947 total of \$3.5 billion.

Other programs. Government expenditures set forth herein do not include programs of Federal and local loans and grants to public bodies conducting experiments or demonstration projects in local mass transportation. Some railroads having suburban passenger service have participated in such projects,



Waterways. The Administration proposes "A user charge of 2 cents per gallon, increasing to 10 cents per gallon over the next 5 years ....." on fuel used by vessels navigating the inland waterways. (Budget, Page 69) The Bureau of the Budget estimated the proposed tax would yield \$7 million in fiscal 1969.

The waterway user charge, when enacted, will meet only about one-seventh of the \$50 million cost of operation and maintenance of inland navigation projects (not including the navigation portion of costs of multiple-purpose projects), with nothing for past or future investments or interest. Total spending by the Federal government in fiscal 1969 for inland and intracoastal waterways (not including the Great Lakes and seacoast harbors) is estimated at \$216 million. This total expenditure also is exclusive of any allowance for return on the \$4.3 billion of taxpayers' money the Federal government has already sunk in existing waterways.

Highways. By enactment of the Federal Aid Highway Act of 1956, Congress adopted a position that highway funds should be provided by highway users. Nevertheless, significant amounts of Federal highway expenditures still come from the General Fund and substantial amounts of revenue have been diverted from the General Fund to the Highway Trust Fund. Also, studies by impartial government bodies have shown that the large and heavy vehicles which compete with rail carriers bear less than their appropriate share of highway costs.

Budget proposals for 1969 would help to correct present inequities, and add some \$239 million to annual receipts. The Budget points out that "..... to bring the payments by operators of heavy trucks closer to a fair share of highway costs; receipts to the Highway Trust Fund would be augmented by raising the tax on diesel fuel and by increasing the use tax on heavy vehicles according to a scale graduated by weight." (Page 69)

Legislation has also been proposed "to transfer financing of forest highways and public lands highways to the Highway Trust Fund, so that costs will be borne by highway users rather than by general taxpayers." (Budget, Page 121)

Air. The Federal Budget proposes new user taxes for aviation services in fiscal 1969 amounting to \$40 million. Coupled with the \$230 million revenue from the 5 percent ticket tax already applicable to air passenger transportation, the yield would be \$270 million in the fiscal year. Comparison of these charges with Federal expenditures for airway facilities and services indicates that the combined existing and recommended user charges are modest. For fiscal 1969, the Budget contains requests for \$1,141 million for facilities, operations, administration and research on the Federal Airways System. The Federal Aviation Agency has said that civil aviation's share of airway cost is about 70 percent, which would amount to \$799 million for 1969, or almost three times the indicated yield of existing and proposed airway user charges.

Table 1

## SUMMARY OF GOVERNMENT EXPENDITURES FOR DOMESTIC TRANSPORTATION\*

Expenditures for years	Federal	State and local <u>a</u>	Total <u>a</u>
Prior to 1947	\$13 732 604 489	\$48 742 721 615	\$62 475 326 104
1947	534 102 370	2 994 000 000	3 528 102 370
1948	678 790 053	3 497 000 000	4 175 790 053
1949	861 384 324	3 873 000 000	4 734 384 324
1950	896 368 978	4 208 000 000	5 104 368 978
1951	896 308 768	4 644 000 000	5 540 308 768
1952	963 935 839	5 046 000 000	6 009 935 839
1953	1 080 333 685	5 591 000 000	6 671 333 685
1954	942 875 734	6 593 000 000	7 535 875 734
1955	1 055 817 154	6 839 000 000	7 894 817 154
1956	1 221 572 828	7 821 000 000	9 042 572 828
1957	1 944 045 184	8 332 000 000	10 276 045 184
1958	3 109 201 771	8 355 000 000	11 464 201 771
1959	4 014 005 304	8 197 000 000	12 211 005 304
1960	3 653 058 876	8 588 000 000	12 241 058 876
1961	3 952 608 676	9 266 000 000	13 218 608 676
1962	4 192 740 321	9 782 000 000	13 974 740 321
1963	4 875 781 543	9 967 000 000	14 842 781 543
1964	5 446 064 981	10 109 000 000	15 555 064 981
1965	5 320 193 993	10 865 000 000	16 185 193 993
1966	5 822 145 000	11 670 000 000	17 492 145 000
1967	5 814 816 000	12 439 000 000	18 253 816 000
1968(est.)	6 380 689 000	13 428 000 000	19 808 689 000
Total	\$77 389 444 871	\$220 846 721 615	\$298 236 166 486

\* - This table summarizes expenditures for all types of facilities as shown in Tables 2 through 6 with notes and sources of information. Data are for fiscal years, except highway expenditures (Table 5) which are on a calendar year basis. Not included are Merchant Marine and Coast Guard expenditures, shown separately in Tables 8 and 9.

a - Does not include State and local expenditures for waterways prior to 1947 as they are not available.

Source: Annual Budgets of the U. S. Government; years 1955 and 1956 from Annual Reports of the Postmaster General.

Table 2

AIRWAYS a

Expenditures for years	Federal	State and local	Total
1925 to 1947	\$334 806 569		\$334 806 569
1947	88 201 605		88 201 605
1948	88 730 833		88 730 833
1949	106 841 866		106 841 866
1950	121 311 131		121 311 131
1951	120 204 879		120 204 879
1952	119 218 553		119 218 553
1953	119 002 193		119 002 193
1954	112 202 520		112 202 520
1955	112 099 345		112 099 345
1956	122 053 358		122 053 358
		N O N E	
1957	208 586 318		208 586 318
1958	318 858 835		318 858 835
1959	385 029 244		385 029 244
1960	461 727 000		461 727 000
1961	557 741 000		557 741 000
1962	573 506 000		573 506 000
1963	634 258 000		634 258 000
1964	669 800 000		669 800 000
1965	634 688 000		634 688 000
1966	721 714 000		721 714 000
1967	869 554 000		869 554 000
1968(est.)	921 581 000		921 581 000
Total	\$8 401 716 249		\$8 401 716 249

a - Obligations for establishment, administration, maintenance and operations of the Federal Airways System, including flight and medical standards programs, years 1925 to date. Does not include costs of military facilities and funds transferred to the Civil Aeronautics Administration, the amounts of which could not be ascertained. Obligations of the Federal Aviation Agency for an accelerated research and development program for improving the national system of aviation facilities, including administrative expenditures for the program are included for years 1958 through 1968. Research expenditures for "civil supersonic aircraft development" are included for years 1962 through 1968.

Source: Annual Budgets of the U. S. Government; years 1925 and 1926 from Annual Reports of the Postmaster General.

Table 3

## AIRPORTS

Expenditures for years	Federal		State and local <u>b</u>	Total <u>b</u>
	Grants in aid <u>a</u>	Administration and research		
Prior to 1947	\$1 758 019 920	NOT AVAILABLE	\$1 546 721 615	\$3 304 741 535
1947	3 041 906	\$258 859	80 000 000	83 300 765
1948	25 490 758	268 462	80 000 000	105 759 220
1949	49 908 900	633 558	80 000 000	130 542 458
1950	44 049 461	808 386	90 000 000	134 857 847
1951	39 703 042	778 847	90 000 000	130 481 889
1952	19 538 231	778 055	90 000 000	110 316 286
1953	11 007 077	645 415	100 000 000	111 652 492
1954	(855 556)	2 233 770	113 000 000	114 378 214
1955	19 698 475	2 132 334	114 000 000	135 830 809
1956	17 794 280	2 680 190	171 000 000	191 474 470
1957	45 141 216	3 330 650	225 000 000	273 471 866
1958	70 325 745	4 012 191	254 000 000	328 337 936
1959	72 956 360	4 506 700	308 000 000	385 463 060
1960	82 202 876	5 842 000	342 000 000	430 044 876
1961	73 783 676	7 638 000	422 000 000	503 421 676
1962	46 381 321	10 743 000	371 000 000	428 124 321
1963	75 279 543	9 957 000	361 000 000	446 236 543
1964	71 596 981	10 792 000	359 000 000	441 388 981
1965	59 587 993	11 034 000	415 000 000	485 621 993
1966	74 919 000	10 569 000	424 000 000	509 488 000
1967	60 000 000	11 346 000	435 000 000	506 346 000
1968(est.)	75 000 000	12 147 000	435 000 000	522 147 000
Total	\$2 794 571 205	\$113 135 417	\$6 905 721 615	\$9 813 428 237

a - Federal expenditures for civil airports prior to 1947 include military contribution of \$1 billion estimated by Undersecretary of Commerce Rothschild, April 1958, and other Federal expenditures for civil airports prior to the Federal Airport Act of 1946. Grant agreements are shown for the years 1947-1967, except 1954 when none was made and some were cancelled; appropriations are shown for 1968. Expenditures for development of Washington National (\$45 million) and Dulles International (ultimately \$175 million) airports, revenue-producing Federal facilities, not included.

b - The President's Airport Commission in 1952 estimated the acquisition cost of all U.S. Civil Airports to be in the vicinity of \$4 billion. Deducting from this \$4 billion total the Federal, State and local expenditures of \$695,258,465 shown for the 1947-52 period leaves \$3,304,741,535 spent prior to 1947. State and local expenditures prior to 1954 and since 1966 not available but are here estimated. Amount of revenues not available.

Sources: The National Airport Program, S.Doc.95, 83d Cong., 2d Sess., p. 34; Hearings on bills to amend the Federal Airport Act, U.S. Senate, April 14-17, 1958, p.6; Continuing Federal Airport Program, Report No. 2164, U.S. House of Rep., 89th Cong., 2nd Sess., p.5; Hearings on Department of Transportation Appropriations for 1968, House of Rep., 90th Cong., 1st Sess., p.266; Budgets of the U.S. Government; and The Airport and Its Neighbors, President's Airport Comm., May 16, 1952, p. 95. State and local expenditures 1954-66 are from Governmental Finances, Bureau of the Census.



Table 4

CASH SUBSIDY TO DOMESTIC AIRLINES <sup>a</sup>

Expenditures for years	Federal	State and local	Total
1939 to 1947	\$118 678 000		\$118 678 000
1947	16 500 000		16 500 000
1948	29 600 000		29 600 000
1949	33 500 000		33 500 000
1950	36 800 000		36 800 000
1951	34 922 000		34 922 000
1952	25 401 000		25 401 000
1953	25 379 000		25 379 000
1954	30 695 000		30 695 000
1955	27 787 000		27 787 000
1956	28 645 000		28 645 000
1957	33 787 000	N O N E	33 787 000
1958	39 405 000		39 405 000
1959	42 513 000		42 513 000
1960	56 787 000		56 787 000
1961	72 046 000		72 046 000
1962	79 810 000		79 810 000
1963	82 687 000		82 687 000
1964	82 476 000		82 476 000
1965	78 384 000		78 384 000
1966	73 043 000		73 043 000
1967	65 716 000		65 716 000
1968 (est.)	59 261 000		59 261 000
Total	\$1 173 822 000		\$1 173 822 000

<sup>a</sup> - Includes domestic trunk, local service, and helicopter airlines. Subsidy payments to domestic airlines as distinguished from compensation for carrying mail not available separately for years prior to 1951, and are here estimated by applying the subsidy ratio (59 percent), as determined by C.A.B. for entire 1939-1950 period, to the total mail payments for each year from 1947 through 1950. Subsidy payments for years 1961 to date include Alaskan and Hawaiian operations.

Sources: 1939 through 1950, Civil Aeronautics Board, Administrative Separation of Subsidy from Total Mail Payments to Domestic Air Carriers, September 1951, page 5; 1951-1953, C.A.B., Service Mail Pay and Subsidy for United States Certificated Air Carriers, February 1961, Table 2; 1954-1968, C.A.B., Subsidy for United States Certificated Air Carriers, November 1967, Appendix No. 1.

Table 5

## HIGHWAYS

Expenditures for years	Federal	State and local	Total
1921 <u>a</u> to 1947	\$8 951 000 000	\$47 196 000 000	\$56 147 000 000
1947	337 000 000	2 789 000 000	3 126 000 000
1948	419 000 000	3 292 000 000	3 711 000 000
1949	510 000 000	3 668 000 000	4 178 000 000
1950	503 000 000	3 968 000 000	4 471 000 000
1951	496 000 000	4 404 000 000	4 900 000 000
1952	584 000 000	4 806 000 000	5 390 000 000
1953	653 000 000	5 316 000 000	5 969 000 000
1954	701 000 000	6 285 000 000	6 986 000 000
1955	784 000 000	6 571 000 000	7 355 000 000
1956	904 000 000	7 450 000 000	8 354 000 000
1957	1 455 000 000	7 878 000 000	9 333 000 000
1958	2 454 000 000	7 882 000 000	10 336 000 000
1959	3 238 000 000	7 648 000 000	10 886 000 000
1960	2 753 000 000	8 009 000 000	10 762 000 000
1961	2 941 000 000	8 551 000 000	11 492 000 000
1962	3 173 000 000	9 129 000 000	12 302 000 000
1963	3 759 000 000	9 293 000 000	13 052 000 000
1964	4 278 000 000	9 459 000 000	13 737 000 000
1965	4 137 000 000	10 174 000 000	14 311 000 000
1966	4 532 000 000	10 928 000 000	15 460 000 000
1967	4 421 000 000	11 674 000 000	16 095 000 000
1968(est.)	4 894 000 000	12 663 000 000	17 557 000 000
Total	<u>b</u> \$56 877 000 000	<u>c</u> \$209 033 000 000	\$265 910 000 000

a - Records not available prior to 1921.

b - Of this total, \$39,398,000,000 was covered by receipts of the Federal Highway Trust Fund from user charges in the period 1956-68. This includes substantial amounts of formerly general fund revenues which, beginning in 1956, were dedicated to the Highway Trust Fund.

c - Of this total \$123,356,000,000 was covered by State and local highway user imposts and toll receipts in the period 1921-68.

Sources: U.S. Department of Commerce, Bureau of Public Roads, Highway Finance, Summary to 1965, Table HF-201 for years through 1964, and Bureau of Public Roads release of November 29, 1967, Table HF-1, for years 1965-1968.

Table 6

## WATERWAYS

Expenditures for years	Federal <u>a</u>	State and local <u>b</u>	Total
Prior to 1947	\$2 570 100 000	NOT AVAILABLE	\$2 570 100 000
1947	89 100 000	\$125 000 000	214 100 000
1948	115 700 000	125 000 000	240 700 000
1949	160 500 000	125 000 000	285 500 000
1950	190 400 000	150 000 000	340 400 000
1951	204 700 000	150 000 000	354 700 000
1952	215 000 000	150 000 000	365 000 000
1953	271 300 000	175 000 000	446 300 000
1954	97 600 000	195 000 000	292 600 000
1955	110 100 000	154 000 000	264 100 000
1956	146 400 000	200 000 000	346 400 000
1957	198 200 000	229 000 000	427 200 000
1958	222 600 000	219 000 000	441 600 000
1959	271 000 000	241 000 000	512 000 000
1960	293 500 000	237 000 000	530 500 000
1961	300 400 000	293 000 000	593 400 000
1962	309 300 000	282 000 000	591 300 000
1963	314 600 000	313 000 000	627 600 000
1964	333 400 000	291 000 000	624 400 000
1965	399 500 000	276 000 000	675 500 000
1966	409 900 000	318 000 000	727 900 000
1967	387 200 000	330 000 000	717 200 000
1968 (est.)	418 700 000	330 000 000	748 700 000
Total	\$8 029 200 000	\$4 908 000 000	\$12 937 200 000

a - Includes inland waterways, intracoastal waterways, Great Lakes and coastal harbors -- obligations for construction, operation and maintenance of channels and harbors, locks and dams, alteration of bridges over navigable rivers, advanced engineering and design, and other minor costs related to navigation. Expenditures by the Corps of Engineers exclude the navigation portion of multiple-purpose projects. The table does not include construction and operating expenditures for navigation on the Tennessee River as reported by the Tennessee Valley Authority (\$321 million through fiscal 1967) and the U. S. portion of construction costs for the St. Lawrence Seaway (\$132 million through fiscal year 1968). Thus far at least, toll revenues on the Seaway have failed by a wide margin to cover total annual costs as contemplated by law.

b - State and local expenditures for years 1954-1966 are for water transport and terminal facilities. Expenditures not available prior to 1954 and since 1966 but are here estimated.

Sources: Federal Expenditures from Annual Reports of the Chief of Engineers, U. S. Army, and Budgets of the U. S. Government. State and local expenditures for years 1954-1966 are from Governmental Finances, published annually by the Bureau of the Census.



Table 7

## INLAND AND INTRACOASTAL WATERWAYS

Expenditures for years	Federal <u>a</u>	State and local <u>b</u>	Total
Prior to 1947	\$1 375 000 000		
1947	47 600 000		
1948	61 900 000		
1949	85 900 000		
1950	101 900 000		
1951	109 500 000		
1952	115 000 000		
1953	145 100 000		
1954	54 000 000		
1955	57 200 000		
1956	78 300 000		
1957	106 100 000	NOT	NOT
1958	119 100 000	AVAILABLE	AVAILABLE
1959	145 000 000		
1960	157 000 000		
1961	160 700 000		
1962	165 500 000		
1963	168 300 000		
1964	178 300 000		
1965	213 800 000		
1966	219 300 000		
1967	207 100 000		
1968 (est.)	224 000 000		
Total	\$4 295 600 000		

a - Does not include Great Lakes and coastal harbors. Expenditures for inland and intracoastal waterways prior to 1955 were estimated by the Corps of Engineers at 53.5 percent of the total waterway expenditures. Data shown for subsequent years assumes the same proportion of the total expenditures were for inland and intracoastal waterways.

b - Not available separately for inland and intracoastal facilities. See Table 6.

Sources: Annual Reports of the Chief of Engineers, U.S. Army, and Budgets of the U.S. Government.

Table 8

## MERCHANT MARINE

Expenditures for years	Federal <u>a</u>	State and local	Total
1916 to 1947	\$16 843 000 000		\$16 843 000 000
1947	<u>b</u> (281 000 000)		<u>b</u> (281 000 000)
1948	183 000 000		183 000 000
1949	124 000 000		124 000 000
1950	100 000 000		100 000 000
1951	101 000 000		101 000 000
1952	230 000 000		230 000 000
1953	235 000 000		235 000 000
1954	153 000 000		153 000 000
1955	163 000 000		163 000 000
1956	220 000 000		220 000 000
1957	181 000 000	N O N E	181 000 000
1958	174 000 000		174 000 000
1959	202 000 000		202 000 000
1960	270 000 000		270 000 000
1961	282 000 000		282 000 000
1962	358 000 000		358 000 000
1963	365 000 000		365 000 000
1964	307 000 000		307 000 000
1965	337 000 000		337 000 000
1966	303 000 000		303 000 000
1967	284 000 000		284 000 000
1968(est.)	317 000 000		317 000 000
Total	\$21 451 000 000		\$21 451 000 000

a - Expenditures for years 1916-1926 are those of the U.S. Shipping Board and U.S. Shipping Board Emergency Fleet Corporation. Expenditures for years 1927-1932 are those of U.S. Shipping Board and Merchant Fleet Corporation which functions were transferred to the Department of Commerce in June 1933. Expenditures for years 1933-1938 are those of the U.S. Shipping Board Bureau and the U.S. Maritime Commission (established in 1936). Expenditures for years 1939-1954 are described as "Promotion of Merchant Marine" (functional code 451) by the Bureau of the Budget, which exclude accounts charged to national defense. Expenditures for years 1955 to date also exclude defense functions and are described as "Promotion of Water Transportation - Maritime Activities" (functional code 511 through 1958, 510 through 1960, and 502 to date).

b - Excess of repayments and collections over expenditures.

Sources: Budgets of the U.S. Government for years 1928, 1935, 1941, 1948, and 1956 to date.

Table 9

## COAST GUARD

Expenditures for years	Federal <u>a</u>	State and local	Total
1921 to 1947	\$2 443 000 000		\$2 443 000 000
1947	142 000 000		142 000 000
1948	106 000 000		106 000 000
1949	132 000 000		132 000 000
1950	149 000 000		149 000 000
1951	162 000 000		162 000 000
1952	205 000 000		205 000 000
1953	230 000 000		230 000 000
1954	222 000 000		222 000 000
1955	190 000 000		190 000 000
1956	189 000 000		189 000 000
		N O N E	
1957	194 000 000		194 000 000
1958	219 000 000		219 000 000
1959	229 000 000		229 000 000
1960	238 000 000		238 000 000
1961	276 000 000		276 000 000
1962	284 000 000		284 000 000
1963	297 000 000		297 000 000
1964	350 000 000		350 000 000
1965	386 000 000		386 000 000
1966	405 000 000		405 000 000
1967	497 000 000		497 000 000
1968(est.)	486 000 000		486 000 000
Total	\$8 031 000 000		\$8 031 000 000

a - Expenditures by the U.S. Treasury and U.S. Navy for the Coast Guard, described as "Provision of Navigation Aids and Facilities - Coast Guard" or "Promotion of Water Transportation - Coast Guard", which exclude those accounts charged to national defense by the Bureau of the Budget.

Sources: Budgets of the United States Government for years 1935, 1941, 1943, and 1948 to date.



Table 10

## PRIVATE EXPENDITURES FOR CONSTRUCTION, MAINTENANCE AND TAXES ON ROADWAY FACILITIES

## Class I Line-Haul Railroads in the United States

Calendar year	Maintenance <u>a</u>	Construction <u>b</u>	Taxes <u>c</u>	Total
1921 to 1947	\$16 573 389 000	\$5 966 706 000	\$3 077 400 000	\$25 617 495 000
1947	997 650 000	235 016 000	128 100 000	1 360 766 000
1948	1 116 459 000	288 084 000	139 500 000	1 544 043 000
1949	1 059 227 000	262 076 000	143 600 000	1 464 903 000
1950	1 059 910 000	235 591 000	148 100 000	1 443 601 000
1951	1 222 516 000	296 108 000	156 600 000	1 675 224 000
1952	1 257 946 000	359 325 000	160 500 000	1 777 771 000
1953	1 313 369 000	321 811 000	164 000 000	1 799 180 000
1954	1 107 113 000	286 541 000	163 800 000	1 557 454 000
1955	1 136 614 000	291 544 000	171 000 000	1 599 158 000
1956	1 151 504 000	362 876 000	177 500 000	1 691 880 000
1957	1 178 560 000	342 792 000	182 700 000	1 704 052 000
1958	985 040 000	231 798 000	180 100 000	1 396 938 000
1959	997 615 000	217 267 000	183 100 000	1 397 982 000
1960	956 322 000	252 636 000	181 400 000	1 390 358 000
1961	883 308 000	194 250 000	174 300 000	1 251 858 000
1962	915 593 000	181 106 000	166 600 000	1 263 299 000
1963	935 430 000	167 590 000	157 700 000	1 260 720 000
1964	985 728 000	224 860 000	157 500 000	1 368 088 000
1965	994 342 000	255 042 000	161 500 000	1 410 884 000
1966	1 053 249 000	296 114 000	155 317 000	1 504 680 000
1967 (est.)	1 045 731 000	266 000 000	167 000 000	1 478 731 000
Total	\$38 926 615 000	\$11 535 133 000	\$6 497 317 000	\$56 959 065 000

a - Expenditures for maintenance of way and structures other than stations, office buildings, shops and engine houses. Depreciation, amortization, and retirements excluded.

b - Gross capital expenditures for roadway and structures, excluding stations, office buildings, shops and engine houses except 1921 through 1928 for which years expenditures on stations and office buildings are not separately available and in 1921 for which year expenditures on shops and engine houses are not separately available.

c - Estimated taxes chargeable to roadway and track properties only. Estimates are computed on basis of ratio (45.8 percent) of such taxes to total State and local taxes in 1957 as reported by the railroads to the A.A.R.

Sources: Interstate Commerce Commission reports except "Construction" for years prior to 1950 and "Taxes", which are based on reports by railroads to the Economics and Finance Dept., A.A.R.

Table 11

COSTS AND TAXES FOR RIGHT-OF-WAY - RAILROADS VS. MOTOR CARRIERS  
Calendar Year 1964

I t e m	Class I railroads		Class I intercity motor carriers of property	
	Amount (000)	Ratio to revenues	Amount (000)	Ratio to revenues
1. TOTAL OPERATING REVENUES	\$9 856 527	100.0%	\$6 199 465	100.0%
2. RIGHT-OF-WAY COSTS AND TAXES:				
a. Annual carrying charge on investment in way <u>a</u>	597 174	6.1	-	-
b. Maintenance expenses - way <u>b</u>	1 129 173	11.5	-	-
c. Crossing protection and drawbridge operation <u>c</u>	22 941	0.2	-	-
d. Payroll taxes (applicable to Items 2b and 2c)	44 704	0.4	-	-
e. Property taxes - way <u>d</u>	157 500	1.6	-	-
3. USER TAXES:				
a. Gasoline, other fuel, and oil taxes	<u>e</u>	<u>e</u>	<u>f</u> 138 071	2.2
b. License, regis.fees,mileage tax, etc.	-	-	<u>g</u> 122 613	2.0
c. Tolls-bridge,tunnel,highway,ferry	-	-	<u>h</u> 42 400	0.7
d. Other Federal excise taxes	-	-	<u>i</u> 26 059	0.4
4. TOTAL COSTS AND TAXES FOR RIGHT-OF-WAY	\$1 951 492	19.8	\$329 143	5.3

- a Calculated at 4 per cent on depreciated investment in roadway and tracks (exclusive of stations, office buildings, etc.).
- b Maintenance expenses-way exclude maintenance of stations, shops, office buildings, and other facilities not forming part of roadway tracks, yard track and appurtenances. Depreciation and retirements included.
- c Operations only, exclusive of maintenance and carrying charges included in Items 2a and 2b above.
- d Represents ad valorem or equivalent taxes on roadway and track properties estimated at 45.8 per cent of total State and local taxes.
- e Not available.
- f Includes \$52,328,148 of Federal motor fuel and oil taxes.
- g Includes \$16,782,463 of Federal tax on trucks exceeding 26,000 pounds gross weight.
- h Toll expense derived from toll receipts paid by all vehicles as reported in Bureau of Public Roads' release dated January 12,1966, Table HF-1, on basis of estimated portion paid by Class I motor carriers of property.
- i Estimated at 49.8 per cent of Federal motor fuel and oil taxes, based on such ratio shown for typical four axle tractor semi-trailers in Supplementary Report of the Highway Cost Allocation Study, House Document No. 124, 89th Congress, 1st Session, Table 82, page 315.

Source: For Class I railroads, data from Interstate Commerce Commission, Transport Statistics in the United States, Part 1 - Railroads, calendar years 1963 and 1964. For Class I intercity motor carriers of property, data from same publication, Part 7 - Motor carriers, calendar year 1964, and other data indicated in footnotes.

# NEWS

NEWS SERVICE

## ASSOCIATION OF AMERICAN RAILROADS

AMERICAN RAILROADS BUILDING · WASHINGTON, D. C. 20036  
293-4196

FOR RELEASE AT 6:30 P.M., TUESDAY, DECEMBER 17, 1968

WASHINGTON -- One of the great moments of American history -- the driving of the Golden Spike that marked completion of the nation's first transcontinental rail system -- will be re-enacted next May 10 at Promontory, Utah, as the highlight of a year-long centennial celebration.

Plans for the nationwide observance -- arranged by the Congressionally-authorized and Presidentially-appointed Golden Spike Centennial Celebration Commission -- were announced tonight in a report personally delivered to President Johnson by Commission Chairman Thomas M. Goodfellow, president of the Association of American Railroads.

Mr. Goodfellow assured the President that the re-enactment will be "as authentic as we can possibly make it."

Promontory has long since been by-passed by the railroads, and tracks in the vicinity were taken up and used for scrap iron during World War II. But a new mile-long section of old-type rail has been relaid on the original roadbed, and replicas of the historic engines -- the Jupiter and No. 119 -- will stand nose-to-nose on these rails during the commemorative ceremonies, just as the originals did a century ago.

"Descendants of Utah pioneers who helped build the railroad in this vicinity, dressed in costumes of the period, will take part in the program," Mr. Goodfellow said. "And we've arranged to borrow the original golden spike, a companion silver spike and a silver maul from the Stanford University Museum for use in the re-enactment.

(more)



"We're also working with Western Union to re-create the coast-to-coast telegraph network that was 'tuned in' to Promontory a hundred years ago to give the nation a running description of what was happening.

"We plan to send out the same series of messages that went out over the wires that day in the first nationwide, on-the-spot 'broadcast' of any event in history. And we hope to have local celebrations in every city where the original messages were received."

Coincident with the May 10 ceremonies, the National Park Service will dedicate a segment of the original roadbed and approximately a square mile of land in the remote Promontory area as a National Historic Site. A visitors' center, museum and other facilities are now being built.

Mr. Goodfellow said major centennial celebrations also are being planned in Salt Lake City, Ogden and Brigham City, Utah; Sacramento and San Francisco, Calif., and in numerous other towns and cities along the routes of both the Southern Pacific and Union Pacific railroads.

At Sacramento, work will start January 8 on reconstruction of the historic "Big Four Building" -- original headquarters of the Central Pacific Railroad, now part of the Southern Pacific. January 8 is the anniversary of ground-breaking for the western segment of the transcontinental line in 1863. A Transportation Museum, which ultimately will cover several blocks in the old Sacramento restoration area, will be opened in May adjacent to the restored "Big Four Building."

At that time, the American Society of Civil Engineers will dedicate a plaque citing the original Central Pacific route as a National Historical Engineering Landmark. There have been only four other such designations by the Society.

The Southern Pacific Railroad will run a special train to Utah for the May 10 ceremonies. It will make numerous stops en route to dedicate plaques at cities in California and Nevada which trace their existence to the coming of the railroad.

(more)

Union Pacific, which built the eastern segment of the original "Pacific Railway," will operate a steam locomotive between Salt Lake City and Ogden for a week during the peak of the celebration period. It is also putting together a museum train to tour its routes all summer -- and to be in Utah during May.

An official Golden Spike Centennial medallion already has been struck by the U.S. Mint in Philadelphia, and the new Congress will be asked to authorize a Golden Spike postage stamp for issue on May 10, Mr. Goodfellow's report noted.

After submitting the report, Mr. Goodfellow presented the President with a commemorative silver medallion  $2\frac{1}{2}$  inches in diameter, and a reproduction of an authentic railroad poster advertising the opening of the transcontinental rail route on May 10, 1869. The medal was the first to be struck in silver. There are also bronze medals -- in two sizes,  $1\frac{5}{16}$ ths and  $2\frac{1}{2}$  inches.

Both the bronze and silver medallions and copies of the six-color poster are on sale at Golden Spike Commission headquarters in Ogden, with proceeds to help finance the centennial celebration.

The official Golden Spike program will begin January 1 with a proclamation by Utah Governor Calvin W. Rampton designating May 10 as an official state holiday. The first issue of the Utah Historical Society's official Golden Spike Commemorative Magazine also will be presented at this time.

Historical societies in Utah, California and Oregon have scheduled numerous Golden Spike events during the centennial year, featuring historical art exhibits, luncheon programs and parades.

Also participating in the observance will be colleges and universities, railway labor unions, public officials, libraries, pioneer organizations, model train builders, antique gun collectors, artists and writers, railroad buffs, women's organizations and the Utah Boy Scouts.

(more)

The official Golden Spike Commission delegation attending the Utah celebration May 8-9-10 will include approximately 800 railroad officials, public figures, foreign transportation executives and other dignitaries from throughout the country, Mr. Goodfellow said.



## GOLDEN SPIKE CENTENNIAL CELEBRATION

### Schedule of Events

(Subject to Additions and Revisions)

Dec. 5-6-7 (1968)	Golden Spike Invitational Basketball Tournament.	Weber State College Ogden, Utah
Jan. 1, 1969	Proclamation by Utah Governor Rampton, proclaiming May 10, 1969, as official State Holiday.	State Capitol, Salt Lake City
	Presentation of first issue of Utah Historical Society's official Golden Spike Commemorative Magazine.	State Capitol, Salt Lake City
Jan. 4 to Labor Day	Golden Spike Art and Historical Exhibit, Utah Historical Society.	Utah Historical Society Bldg., Salt Lake City
	Daughters of Utah Pioneers - Golden Spike Museum Exhibits.	Daughters of Utah Pioneers Museum, Salt Lake City
Jan. 8	Ground breaking by State of California for reconstruction of the "Big Four Building" -- original Central Pacific Railroad headquarters -- in Old Sacramento restoration area.	Sacramento, Calif.
	Premier of Southern Pacific historical movie at Crocker Gallery. Host Sacramento County Historical Society.	Sacramento
Jan. 15 to Labor Day	Golden Spike Art and Western History Exhibit - Weber State College.	Fine Arts Bldg., Weber College, Ogden, Utah.
	Weber County Library - Historical Railway Pictorial Exhibit.	Ogden
Jan. 15 to Labor Day	Box Elder County Historical Exhibit.	Court House, Brigham City, Utah
Jan. 15	Initial distribution of Golden Spike Boy Scout neckerchief slide - profits for Boy Scout scholarship fund.	Troop 322, Bountiful Council BSA, Bountiful, Utah
March 30	Author's Luncheon for Gerald Best, introducing first issue of his book, "Iron Horses to Promontory."	Ogden
May 1-4	Golden Spike Invitational Handicap Bowling Tournament.	Ogden
May 1	Opening of Utah Travel Bureau's Visitor Information Center.	Echo Junction, Utah

May 2	National Model Railroad Convention. Special Awards for best models of engines Jupiter and 119 individually, and best diorama of the two engines meeting at Promontory.	Disneyland
May 6	Luncheon by California Historical Society.  Opening of early California historical art exhibit -- featuring 100 paintings from California fine artists -- at City Hall Rotunda. Exhibition deals extensively with building of Central Pacific Railroad.	Palace Hotel, San Francisco  San Francisco
May 6-7	Railroad History Symposium.	University of Utah, Salt Lake City
May 7-11	Brotherhood of Locomotive Engineers - 32nd International Western Convention.	Ogden
May 8	Parade produced by Sacramento County Historical Society. Luncheon by a citizen's committee.  Golden Spike Empire Youth Centennial Symphonic and Drama Extravaganza.	Sacramento  Fine Arts Auditorium, Weber State College, Ogden
May 9	Dedication of plaque by American Society of Civil Engineers designating Central Pacific Railroad's original route as National Historical Engineering Landmark.  Departure of two special trains -- one through to Ogden for Promontory ceremony; the second running to Truckee, Calif., and return. Historic plaques prepared by California State Department of Parks and Recreation will be dedicated in Roseville, Rocklin, Newcastle, Auburn, Colfax and Truckee.	Sacramento  Sacramento to Truckee
	Golden Spike Centennial Celebration Ball.	Salt Palace, Salt Lake City
May 10	Parade in San Francisco.  Dedication of historic plaques along rail- road from Reno to Wells, Nev., by officials aboard train for Promontory.  Golden Spike Re-enactment Ceremonies, Dedication of National Historic Site.	San Francisco  Reno to Wells, Nev.  Promontory Summit, Utah
May 10-18	Golden Spike Special "Steam" Excursion trains by Union Pacific.	Between Salt Lake City and Ogden
May 16-18	Convention of Business and Professional Women's Clubs. Golden Spike program theme.	Ogden

May 17	Pilgrimage to Promontory Summit -- Utah Historical Society.	Promontory Summit
May 24-25	Utah Gun Collectors' Association Gun Show - Golden Spike theme.	Ogden
June 1 - Sept. 1	Daily re-enactments of "The Driving of the Golden Spike."	Promontory Summit
June 10-13	University of Utah "Utah and the West" Workshop. Major part of program will be devoted to railroad history, with Golden Spike emphasis. Promontory field trip, June 13.	University of Utah, Salt Lake City
June to September	Honor the Golden Spike Days: Sponsored by individual railroad societies, union brotherhoods, universities, historical, scientific, technical and fraternal organizations.	Promontory Summit
June 27-29	National Muzzle Loaders' "Golden Spike Shoot."	Brigham City
July 15 to Labor Day	Amon Carter Museum of Western Art, traveling exhibit, "A Century of Trans-continental Railroading."	To be displayed in turn at Brigham Young U., University of Utah, Weber State College and Brigham City Museum.
July 20-26	Intermountain West's Ogden Pioneer Days Celebration - Golden Spike theme.	Ogden
	Intermountain West's Salt Lake City Pioneer Days Celebration - Golden Spike theme.	Salt Lake City
July 26	Golden Spike Centennial Railroad Parade.	Ogden
Aug. 16	(Tentative) Enshrinement of California Governor Leland Stanford and W. B. Ogden in Railroad Hall of Fame.	Promontory Summit
Aug. 28-30	Brotherhood of Locomotive Firemen and Enginemen and Ladies Society Convention - Pilgrimage to Promontory.	Ogden - Promontory Summit

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