

FROM THE OFFICE OF U. S. REPRESENTATIVE JOHN E. FOGARTY
SECOND CONGRESSIONAL DISTRICT OF RHODE ISLAND

STATEMENT OF HONORABLE JOHN E. FOGARTY TO WAYS & MEANS COMMITTEE
OF HOUSE OF REPRESENTATIVES IN OPPOSITION TO INCREASED GASOLINE
TAX ON MOTORISTS

I appreciate very much the opportunity, Mr. Chairman, to appear before this committee to express my opposition to current proposals to change the method of financing the Federal Highway Program from the sound plan devised by your committee and incorporated in the 1959 Federal Highway Act.

As a member of Congress for twenty-one years, I have been acutely aware of the ever-growing burden of highway-user taxes that our motorists have been forced to carry. In my state, for example, the combined state and federal tax on gasoline has risen from 44¢ per gallon in 1947 to 11¢ today. There have been three increases in our state rate during this period and three more imposed by the federal government. Several years ago, before the "temporary" fourth cent of federal gasoline tax was imposed, I came to the conclusion that this tax burden on automobile owners had reached its peak and should go no higher. Accordingly, I voted against imposition of the fourth cent in 1959 and will vote against its continuance in 1961.

My reasons for doing so are simple. Under the terms of the 1959 Highway Act, there will be one million dollars a year more available for roads in Rhode Island and \$2.6 million less in taxes for Rhode Island motorists. In a state where unemployment is high, where my constituents need assistance, where industrial competition with other regions has given us difficulty, I can think of no better way to help relieve the situation than by giving our motor vehicle owners some needed tax relief.

I'm sure you're aware of the injustice under which motorists are laboring...they aren't getting their money's worth from the highway-user taxes they pay. The federal government actually diverts from the Highway Program some \$1.6 billion every year in taxes paid solely by motorists. If this tremendous amount of money were devoted to highways, as it should be, we would have more than enough to pay for the Federal Highway Program without any tax increases whatever. We would also be doing justice to the motorist whose patience we have tried to the breaking point.

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In my state, combined state and federal highway-user taxes amount to some \$142 per year per vehicle, which I'm told is roughly equal to the national average. In my judgment this loan cannot go higher and, in fact, when the Congress passed the "temporary" fourth cent, it promised motorists that they would be relieved of it on June 30 of this year.

Not only that, but Congress also promised that about \$500 million in now-diverted money would go to highways when the tax expired: a sum that is \$225 million in excess of the revenue derived from the "temporary" tax.

In all my experience in the House of Representatives, I do not remember a comparable opportunity in which the Congress can lower taxes and find that more money is available for highways. I ask you, what better way to deal with a recession than to act in accord with the 1959 Highway Act and let this one cent in federal gasoline tax expire on schedule?

I might add that the tax on gasoline is one of the most regressive levies imaginable, falling with particular severity on low and moderate income families who must use their cars to drive to their employment, to do the shopping, to take children to school and church and to the doctor's office. I feel very strongly that these people -- your constituents and mine -- deserve to receive fair treatment at our hands and that they should not be burdened with more and more taxes until finally they are forced to reduce their driving. If this were to happen it would threaten the highway tax base on which the entire program rests.

I know that you will weigh these and other factors with the utmost care and I am confident that, after doing so, you will conclude that on all counts -- fairness to the taxpayer, sound fiscal policy and the future of the road program itself -- the decision you reached two years ago should be reaffirmed by this Congress.

Thank you.