

Dec 22, 1944

Dear Harold:

Just a line to wish you
the seasons good cheer
and hope you can enjoy
some part of it even tho
you will be away from
your loved ones.

I am enclosing the Pearson
Washington Merry go round
column clipped from
the Chicago Exam.
Thought you would
enjoy it and would

3-
Guess I will ring off for
now.

Hope to see you again
soon.

Our Christmas at home
this year won't be so
nice - as we received
word that my brother
Bud, got it over in Leyte.

If you get a chance
drop a line and say
hello.

Lotsa Luck
Buster

2-

be pleased to hear that the
stassen for president
boom is still rolling.

Remember to count me
in as I am sick of the
gang running things. I
did not vote for any of
them. Sure hope that
you can take over again
soon. When the time
comes, call on me for
any assistance I can
give at anytime. That's
a promise.

Ed Hye sure made a
good run - he is a
damn good man.

HAROLD E. STASSEN, COMM. U.S.N.R.
STAFF COMMANDER, THIRD FLEET
FLEET POST OFFICE
SAN FRANCISCO, CALIFORNIA

December 22, 1944

Dear Harold:

Be on the lookout for a Christmas present that is on its way to you today. It consists of 5 boxes of stationery in three of which the envelopes are addressed to Mrs. Stassen. In the other two the envelopes are blank with your corner card address only. Trust it meets with your approval and that I have made a fair estimate of the amount of your correspondence you devote to Mrs. Stassen as compared with the world in general.

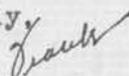
Which reminds me to say that the Governor and Sydney were kind enough to share with me your ~~alucida~~ letters on the election and on your activities in the Pacific. It is not only at this season of the year, with all the strain and stress of life, that we value those who can be depended upon and it did something good to my insides to have you comment as you did about Joe's performance.

Whatever may be your destiny in public life, I have learned to have great faith not only in your wisdom but in your integrity. My devotion to public affairs could never continue as steadily if it were not for knowing such people as you.

Jim Forrestal was our guest in Minneapolis in November and we all enjoyed him immensely. He half promised to take me with him when going on one of his jaunts and I fondly hope I may be shaking your hand before long. However, this is nothing to count on. In fact he might not even want me, in any event. We will just wait and see. He did speak very warmly of you in a letter that I had from him after his return to Washington.

Warmest regards.

Sincerely,





State of Minnesota
EXECUTIVE DEPARTMENT

Saint Paul

EDWARD J. THYE, GOVERNOR

3

December 23, 1944

Dear Harold,

Weeks slip by. I needn't tell you what the office is like these days. Biennial budget, preparation of the inaugural message, and budget message, listening to all suggestions, all manner of advice and I appreciate all of them. They help to formulate proper thinking, but they are full days.

We were guest at a Weyerhaeuser dinner party last evening. Esther was there also. She looked very well. Frankly, I felt sorry that she was entering in upon the Christmas Holidays again without you. We took her home after the party and she is bearing up courageously.

I am enclosing a newspaper clipping I thought you would enjoy seeing. It is very possible you have already received it. However, if you haven't I am sure you will appreciate reading them.

Elden Rowe has resigned effective as of February 1st, to go into business. I have not appointed his successor as yet because I am still undecided.

Wilbur Elston of the Civil Service Board accepted a position with the Star Journal earlier in the fall and it seems advisable both from the Civil Service Board standpoint and also the press that he resign. I have appointed George Ziesmer of Mankato, a Ford Dealer, a man whom I have known for 25 years a veteran flyer in the last war, very sound in every manner, in his place. I haven't had any repercussion as that was just done yesterday.

You are being talked of as the No. 1 man. It is rather interesting to see public thinking shape up. I have tried to urge upon Republican leadership, not only in the state, but throughout the nation, that there is a definite need for a strong organization. An organization that will keep alive the Republican political organization that will enable the party to give proper

P. R. GRIEBLER
ATTORNEY AT LAW
WINDOM, MINNESOTA

December 26, 1944

Dear Harold,

It's just two years ago today since our last visit. That was in your office in the Capitol. How things have changed for you. But future events may change things still more. Anyway that was a good visit that day two years ago - the best I have had with you since 1936 or 1937 - it seemed more like the old times when we were boys in school together. I was always sorry after that that I had spoiled the visit by asking a favor of you. Since that time my income has risen rapidly so that this past year was beyond anything I had hoped for. Blanche has learned to like Windom much better, too, - probably due somewhat to the prosperity. Anyway I had no right to ask you for such a favor after all you had done for me, and now I am glad nothing came of it.

My principal purpose in coming that day was to tell you of the birth of our daughter, Mary Alice, and to visit with you. Now she is two years old and very interesting - time passes quickly. Esther says your family is well/

I couldn't talk with you without mentioning politics nor could I write you without it. It seems to have become part of you. I am merely an amateur, but even from a distance the last campaign was interesting. The Joe Ball episode with all of its trimmings was certainly interesting. But the most interesting thing to me and doubtless to many of us who knew both you and him was the Dean Frazer episode injected into Minnesota politics, especially the speech in which he mentioned you so prominently. Old "fish-eyes" may have a human side to him after all. Anyway, he is nobody's fool. I am too much of a beginner to predict what the campaign and the election might mean for the future, but I can do a little guessing with the rest of the guessers. I think Roosevelt could not have been re-elected if the War had not been on in Europe. As a corollary to that it would seem to follow that neither he nor any other Democrat can be elected in 1948 unless the Republicans nominate another Harding. If you were to get the nomination I think you would be elected without too much trouble, but if you were to ask me about your chances of getting the nomination (which I know you will not ask me) I could not be nearly so encouraging. It will, of course, depend on events which transpire between now and then, when you will return to civilian life, and a number of other factors which are unforeseeable. There is still a great group in the Republican Party who would like to nominate a puppet. Then there are those who would like to stick with Dewey - undoubtedly he did a lot of fence-mending while campaigning. But some aspects of his campaign looked like "now or never". There is, of course, the possibility of a split in either or both parties, but mostly in the Democratic Party. But the biggest factor or combination of factors looks to me like the future of organized labor and the Service men, - will they clash? will one absorb the other or enough of the other to minimize this or prevent it? how well

P. R. GRIEBLER
ATTORNEY AT LAW
WINDOM, MINNESOTA

will the Service men be organized? what questions or candidates will they stick together on and how large a percentage of them will go along on these questions or candidates? Then there is the factor of the temper of the people back home. Undoubtedly there is and will be a back to normal tendency, but will they be fooled by another Lodge, Johnson-Borah "back to normalcy" campaign? The factor of the kind of peace and when it will be made is, of course, of tremendous importance also. The last three factors are more than just of political significance - they will be vital to the future of the nation. If one knew the outcome of them he would not only be in a position to be a successful politician, but he would also know the greatness of the good old U. S. A. in the future. I have purposely avoided mentioning the effect of Russia and Communism on world history, but that will, of course, be vital. Anyway I am sure that you do not need my advice on these things, but I hope you have time to think about them.

Another chapter of history will some day be written on the effect of the Vatican on these times of ours, but you and I may not see eye to eye on that. And then again we may not be so far apart.

Anyway, it has been fun reminiscing and trying to peer into the future. The present is here for such a short time that the future seems more important, and the past often furnishes a clue to the future. But I wish you were here so that we could thresh it out good.

I haven't seen Vi for nearly two years, - I hear she has another youngster and is pretty much of a homebody now.

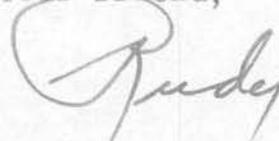
I notice that Wayne Morse was elected Senator from Oregon quite handily. His presence there might be of value to you someday. I hope so. And I hope he does well on his own.

If ever I can do anything in a small way be sure to let me know.

I am such a poor correspondent that you probably will not hear from me for many months again. Also I know you must be busy in that part of the World, but I hope you will someday find time to answer.

I am a little little late for Christmas greetings, but I sent them to you and Esther and the family at South St. Paul. I sincerely wish you health, happiness and prosperity in the New Year.

Your friend,



December 26, 1944

Dear Commander Stassen:

This is another of my sporadic notes on current events which I promised I would write from time to time. From the news reports you have been getting you probably know as much about the main currents as I do myself. In fact, you probably get a better perspective than we do here as obscured as events are in this Gehenna of intrigue and the cross currents of gossip. However, there are a few matters of personal interest to you which might be worth reporting.

As you probably hear from your friends in Minnesota, your name is being mentioned with increasing frequency as one of two who might possibly edge out the little District Attorney. The other name often mentioned is Leverett Saltonstall. However, you are in a good political position, if that interests you in the far Pacific. I think I can enlist some good New Dealers on your side if you can convince Colonel McCosmick not to support you. In fact, I am having a hard time dictating this letter to my secretary because she is breathing hard at the very thought of you.

There was a good deal of speculation and discussion behind the scenes at the President's recent action in naming three five-star admirals. Carl Vinson, in reporting the bill to the House floor, said that the President would probably name Halsey but that, as you know, was not done. The reason usually given around here is that there was authority for only four, and Nimitz did not want Halsey named as a four-striper unless he also named Spruance. It might also be interesting to you to know that one of the major controversies in Naval circles under that bill was the design of the shoulder boards. One school of thought held to five stars in a circle; another hell-bent for an eagle in the middle. I have lost sight of the final outcome, although my old boss, Admiral Leahy, appeared to be the only one unconcerned over this burning issue.

Your old friend, Joe Ball, has not disappeared from the scene as some prognosticators had him doing. In fact, he looms larger in the picture than ever, although his political affiliations are a little obscure. He remains, of course, a Republican, but actually he is an Independent with a capital I, and I hear a rumor that he may join up with a to-be formed Independent Voters' League which will be an outgrowth of the Independent Voters for Roosevelt Committee. Joe, however, increases his stature more every day with his sincere and deeply felt views on world events. He is today one of the three or four leaders of what may soon be called the Atlantic Charterites, or perhaps, the

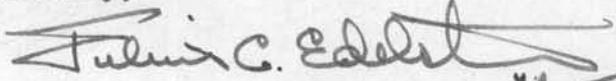
Dumbarton Oakies, demanding a firm adherence to the principles of international cooperation without power politics.

Well, that is all the news you probably have time to read, and I have time to write at this sitting. There will be more anon.

As for me personally, I have been serving for the past two months as Naval Aide to the Governor of Alaska, but that duty is soon to be terminated, and I will report to the Special Assistant to the Chief of Naval Personnel; ~~and~~ I don't know what my situation will be from then on in. I still have my eye out to westward, however, and am hoping that you will cast out a line in case I should need it. Is your offer still good, and, incidentally, how is the news broadcasting since I left? Or am I one of those, in the words of the High Executioner, who "never will be missed".

I had lunch with Harrison Salisbury in New York a few weeks ago, and we spoke very respectfully and warmly regarding you, if that means anything.

Respectfully,


"ACB"

Commander Harold E. Stassen,
Staff Commander, Third Fleet,
% Fleet Post Office,
San Francisco, California

December 27, 1944

Dear Harold:

I am enclosing copy of an editorial from the Lincoln Journal.

I have started at least five letters to you but it seems everything has happened to prevent my finishing them.

Also am enclosing copy of your picture in the morning paper.

Esther was talking to Sarah-Maud this morning and they both agree you look a little thin in this picture.

I am having Klingman make up a scrap book of clippings from the local papers pertaining to labor, etc. etc. which might be of interest to you, including the Ball articles and comments.

I am having to catch a train for Rock Island in a few minutes, but will send this on, and will do my best to write again in a few days.

As ever,

THE EAGLE MAGAZINE

ROBERT W. HANSEN, *Editor*

MILWAUKEE 3, WISCONSIN

December
28
1944

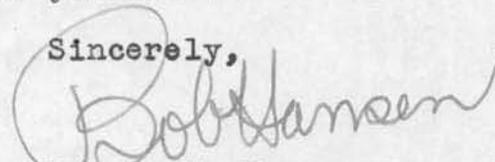
H. E. Stassen, Comm., USNR
Staff-Commander Third Fleet
Fleet Post Office
San Francisco, California

Dear Commander:

Some time ago we wrote to Mrs. Stassen in South St. Paul, asking whether or not we might have permission to reprint a portion of the certainly non-controversial talk that you gave on brotherhood some years ago. She wrote that this would be perfectly all right. We want to use it primarily as a way of letting our members know that former Governor Harold E. Stassen is a member of the Fraternal Order of Eagles in good standing, one of the 135,000 members of the Order who are serving in the armed forces. Our membership has now reached the 950,000 mark and it looks as though the year's end dream of an Order with a million members may soon be reached.

We have met at certain labor union conventions that you addressed, the last one being the Building Service Employes Convention in Minneapolis. I feel I know you much better than that casual acquaintanceship would indicate because I worked for a year with Walter Finke in the U.S. Office of Civilian Defense and spent a lot of time discussing Minnesota's able young Governor. I hope that when the war is over we may have a chance to meet and, until then, I wish you the best of everything and know that there will always be room in America for one as courageous, as forthright and as liberal as yourself.

Sincerely,



Robert W. Hansen
Editor

RWH/pm

"EVERY MEMBER OWES AT LEAST ONE NEW MEMBER TO HIS AERIE EACH YEAR"

Dear Hased; -

Dec. 28, '44

Letters seem to take a long time to reach their destinations these days. However, we want you to know, you are constantly in our prayers! We all anxiously await your safe return and the cessation of this awful war mess!

Time surely marches on - I'm still thinking of those hectic days of Oct. + Nov. - with the outcome as I had anticipated. Frankly, as things move on here at home - it is all for the best - and I have no regrets for the results. It may all serve to wake up or drop up our stolidly blocks! ~~Oh~~ Who knows?!"

I am sure my Co. worker won the state election - bursting with results!!! I'm glad I have a sense of humor!

I haven't had a word about your feeling in regard to Esther's participation with me to clear the air! It was my "hunch" so I'm at fault if you didn't approve - blame me.

MAY THE COMING YEAR

BRING LASTING PEACE AND HAPPINESS

TO YOU AND YOURS

908
1945

MRS. MILTON L. SPENCER

P.S. Whenever Esther was introduced at gatherings - a glorious tribute to you came in sincere, spontaneous applause which far outstripped everything else. We were always careful to keep Myrtle Ilye out in front to avoid misunderstanding. More later Ques.



Merry Christmas



To all our friends we owe a letter,
This is bad, we'll try to do better.

FRANK's score for '44. Law: So far, it is still legal to practice it. He hopes practice will make perfect. War bond sales: \$26,000. Ducks, some; pheasants, more; geese, one. No deer this year. Garden: 7 bushels of potatoes (the pocket gophers ate the other nine), 2 bushels potato bugs, 8 bushels of tomatoes, 5 bushels of sweet corn; brussels sprouts, broccoli, kohlrabi, celery root, cucumbers, pumpkins, etc. etc. A strawberry bed and raspberry patch. Cribbage + \$1.93. Fishing - very little.

CHARLOTTE tucked the vegetables and a short ton of fruit into cans, then tried her wings as Republican committee woman for St. Louis Park. Result locally: crash landing. Nationally, only time will tell. Call it a test run to become familiar with the controls before the Stassen flight in '48. Domestic: 186 yards of ruffled curtains on a 1902 pedal-job Singer look very nice thank you, also reduce the ankles. Miscellaneous: P.T.A., Sunday School, washing, ironing, cleaning, cooking, mending. Reading, music and theatre sadly neglected.

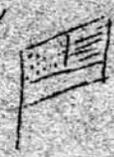
NANCY (8) decided that all she wanted for Christmas was a War Bond. She is growing up too fast. Her red pigtails and freckles will soon have a mouth full of braces to complete the picture. Piano lessons have reached the inevitable "Country Gardens" stage, but that will soon pass, we hope.

ALEC (5) is busy eating wheaties so Jack Armstrong will send Father Stormovicks and Liberators to assemble for him. He also supplied the neighborhood with pumpkins for jack-o'-lanterns, gourds for centerpieces (or throwing purposes) and matches to light fires.

DINA, the new cocker puppy, is busy re-aligning our slippers and re-designing the rugs. She also says we made a mistake because puppies are nice.



Happy New Year
*we mailed 20% of these
all over the world.*
The Janes





*Read at leisure,
of which you have
little Julius*

STATE TREASURER

MINNESOTA

ST. PAUL

JULIUS A. SCHMAHL
TREASURER

December 29, 1944

H. E. Stassen, Cdr. U.S.N.R.
Staff Com. Third Fleet
c/o Fleet Post Office
San Francisco, California

My Dear Harold:

This is the morning of Dec. 29th. We have been having ten days of mighty cold weather, continuous and bitter at times. It has modified this morning but it has commenced snowing and it looks as though we might have white New Year. Your letter came in with the snowstorm.

The 1945 legislature convenes next Tuesday. You know what that means. On Wednesday night, tails and v-shaped bodices have been ordered. This means that as usual I am to be the "best-looking man in the bunch". There has been one or two suggestions of rebellion but those suggesters will be the first to appear in tails.

Ed Thye, who has been going along in mighty fine shape and pretty nearly in the path I thought you might have laid out for yourself, is having plenty of trouble with labor. In his inaugural he has taken a firm stand that the white-collar workers and the employees over in the University have not received sufficient compensation. I have backed him up strongly on that theory, possibly overdone it, although I have felt I was right. With most of the state employees here and elsewhere there is darn little left of their salaries after deductions have been made for retirement, for bonds, for withholding taxes and other minor items. A 25% increase would be little enough and I hope the legislature will make the appropriation. We will have about \$7,000,000 plus in the general revenue fund, and it is a good time and a good way to use a part of that surplus.

You may not have heard that Dan Murphy of Blue Earth passed away about three weeks ago. His successor was elected yesterday, a D. M. Carey of Wells beating out D. L. Morse of Blue Earth. Up in Otter Tail County an election was held a day or two ago for a vacancy caused by the death of a newly elected member; Roy B. Aune of Fergus Falls whipped out Mrs. Theodore Rosholt of Pelican Rapids, a mighty good woman.

There will be no women voting in the 1945 session as a result of her defeat.

You probably wanted my reaction on the last election. Frankly, I was never more disappointed in all my life. I think that the president has been and still is suffering from an incurable trouble, that he is influenced by a group of inexperienced men who intend to create as much trouble in the world as they possibly can. Since the election I have turned back and reviewed the pages of history. I find history repeating itself but none quite so wild as the Washington crowd is making at the present time.

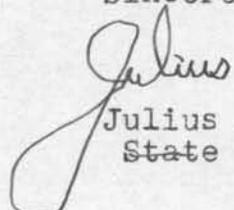
You boys in the southwest Pacific, navy and army, are doing a wonderful job. When it is all over and you and your associates return home, history will give you who are now out there the laurels for most wonderful fighting under Halsey and MacArthur. I congratulate you, young man, on the service you are in and under the man who is your superior. I congratulate you on fighting on the sea while MacArthur and his soldiers are fighting on land. It will probably be a long fight but you are going to have victory.

For the past ten days, up to yesterday, there has been the deepest gloom over the western front. The feeling is that some little event occurred--a lack of intelligence or an erroneous intelligence report. We didn't spend very much of a Christmas as a result. Yesterday the sun commenced to shine, however, and this morning it seems to shine brightly once more. The erratic reports permitted by Washington, or the withholding by Washington of information, has a tendency to cause civilian morale to drop. When all is said and done, there is a feeling that the British House of Commons is a pretty darn good instrument for insisting on facts. We don't have that here.

I will be moving around the building among the offices in the course of thirty minutes and will extend to them your greetings. In the meantime, go along with "Tops" Halsey so that when you return, you, he and all of you will hear the cry "Well done, good and faithful soldiers. We are for you for whatever you want."

Greetings of the season to each and all of you from all of us.

Sincerely yours,


Julius A. Schmahl
State Treasurer

U. S. MARINE CORPS AIR STATION
MOJAVE, CALIFORNIA

29 December 1944.

Comdr. Harold E. Stassen, USNR,
Staff, Commander Third Fleet,
C/o.F.P.O., San Francisco, Calif.

Dear Harold:

The months have whipped along and now time for another year, this last one starting only yesterday. May the New Year be a most successful one for you, with continued good fortune and happiness yours.

It was a pleasure to work for you in the South Pacific days and a thrill to read of the success of THE THIRD FLEET.

Please remember me to the members of the Staff of the Third Fleet and the "Dirty Tricks Department"; God Bless them all. This desert is long removed from you but it is the Third Fleet's desert base and looks forward to it's first use by such parts of your fleet that navigate the Mojave, and may it be soon.

Will stand by to send your family any flowers or presents you may want to send home during the coming months and will consider it a real pleasure to be of service whenever you send the word.

Thanking you again for your consideration and kindness and hoping to meet in the near future.

Respectfully,



L. W. Ashwell
Lt. Col. USMC
Commanding.



M. J. HOFFMANN
COMMISSIONER OF HIGHWAYS

STATE OF MINNESOTA

Department of Highways

1246 UNIVERSITY AVENUE
SAINT PAUL, MINN.

O. L. KIPP
ASSISTANT COMMISSIONER
AND CHIEF ENGINEER

December 29, 1844

Commander Harold E. Stassen
U.S.N.R. Staff Commander
3rd Fleet
c/o Fleet Postoffice
San Francisco, California

NEW YEAR GREETINGS

Dear Commander Stassen: (Still Governor to me)

Kathryn McNamara from your former office called me a few minutes ago to transmit your New Year's message, relayed through Governor Thye's office, to your former associates in the state service. It is inspiring indeed to realize that in your busy war-front life you find time to think of your former associates in the state service on such occasions as calendar changes. This remembrance in a "smaller war edition" will indeed compensate for the usual New Year's Eve personal telephone call that you used to make. I wonder whether even you could sense and understand the feelings that we all experienced on those occasions. Certainly in all relations with your associates you were an inspiration to all of us.

As a result of Kathryn's call I am taking a few moments of the old year to extend my best wishes to you for the coming year and to review briefly some of the happenings on the home front. While I have tried to refrain from bothering you too often, having written you only on one other occasion, I want you to know that with your war service requirements, I do not expect you to answer any of my letters. Isabel and I have encountered Mrs. Stassen on several occasions. She is bearing up wonderfully well during your absence, or at least gives the appearance of being cheerful on all occasions.

You perhaps have had word that your former Highway Chief Elden Rowe, has resigned to take effect February 1, and you may be interested to know that in pursuance of a law passed two years ago, it will be necessary to separate the Bureau of Criminal Apprehension and the State Highway Patrol. Under this law the successor to Mr. Rowe (as chief of the Highway Patrol) will have to be picked from the patrol force. The position is not in the classified service, but it is subject to the Veteran's Preference Act, and whoever is selected must have had at least three years experience with the Patrol. So far no decision has been made.

The news from the Pacific area has been most encouraging now for some time past. We have had disappointing news from Europe in the last two weeks, but we hope that it will soon be followed by good news and that

December 29, 1944

the duration of the European war will not be too prolonged. You may possibly be interested to know that the postwar federal highway aid bill, introduced in Congress early in 1943, was passed and signed by the President this month. I recently made a report to Governor Thye outlining the provisions of this bill, its effect on Minnesota and the preparations we are making to be ready to start work when we get permission to do so. An outline of our progress and preparation of plans is included in this report. I might add that we have not forgotten the continuation of the improvement on Trunk Highway No. 100 from Mendota to South St. Paul as an early postwar project.

At various times during the past year or two it has been my happy lot to come in contact with highway department men in similar assignments in other states, and to note the many inquiries they make concerning you and your past, present and future. When in talking with them I have told them of how you administered state affairs and of the high standards on which all governmental state affairs were conducted during your administration. Many have doubted that relations between a "state administration" and a highway department could exist on such a high level. It does not appear conceivable to some of them that state business could be conducted on such a high plane and so free from political interference.

As far as the past Presidential race is concerned, most of us feel that it was fortunate that you were not on the "firing line" on the home front as it is doubtful with the war full blast if the result would have been any different no matter who had been the Republican victim.

As you foresaw in your unusual characteristic manner, Ed. Thye has turned out to be a popular Governor and has made many friends throughout the state. He has done much to keep intact the many fine practices which you initiated. I don't want to bother you with too lengthy a letter, Governor, but this letter is in immediate response to the impulse I felt when Kathryn called me. I know that you are a very busy man, but possibly in spare moments you may find time to read this letter and the report I am enclosing.

God bless you, may your work continue with success and may you soon return to your family and your friends.

Sincerely yours,



MJH/hg

December 22, 1944

Honorable Edward J. Thye
Governor of Minnesota
Executive Offices
State Capitol
St. Paul 1, Minnesota

Re: Federal Aid for Postwar
Highway Construction

Dear Governor:

The Federal Aid Highway Bill which has been pending in Congress since early in 1943 was passed by Congress December 12 and approved by the President December 20, 1944. The bill, as finally enacted and approved, differs materially from the measure as originally introduced. You may be interested in a summary of its provisions and the effect this bill will have on highway construction in Minnesota, and the following is accordingly submitted for your information.

Briefly, the bill authorizes federal appropriations of \$500,000,000 for each of the first three postwar years, for apportionment to the states for aid in highway construction. This annual authorization is divided as follows: for projects on the federal aid highway system, \$225,000,000; for projects on the principal secondary and feeder roads, \$150,000,000; for projects on the federal aid highway system in urban areas, \$125,000,000.

In addition to the above sums, the bill authorizes appropriation of \$25,000,000 each year for forest highways, \$12,500,000 for forest roads and trails, \$4,250,000 a year for roads and trails in national parks, \$10,000,000 a year for access roads to national park areas and \$6,000,000 a year for Indian reservation roads, a total of \$57,750,000 per year. Including these miscellaneous authorizations, the total federal aid to be allocated under the postwar highway bill amounts to \$1,675,250,000 for the three-year period.

The sum authorized for federal aid highways is to be apportioned according to the old formula based one-third on area, one-third on population and one-third on rural mail route mileage. The money for secondary and feeder roads is to be allotted on the basis of one-third area, one-third on the mileage of rural delivery routes and one-third on the basis of the rural population, including incorporated places of less than 5,000 population. Funds for urban areas are to be allotted on the basis of the urban population in each state, urban areas being defined as incorporated places with a population of 5,000 or more.

On the basis of the foregoing, it is estimated that the allotments to Minnesota will be \$6,053,000 for federal aid highways, \$4,170,000 for secondary roads and \$2,218,000 for urban highways, a total of \$12,441,000 federal aid monies per year.

It is estimated that Minnesota will also receive about \$300,000 for each of the three postwar years for forest highways. Relatively small sums of the other miscellaneous appropriations will be expended in Minnesota, directly under the supervision of the federal agencies responsible for the specified activities.

The allotment for federal aid highways may be used in either rural or urban areas, the federal aid system constituting about 7,500 miles of Minnesota's main trunk highways. The money for secondary and feeder roads may be used either on the 3,700 miles of trunk highways which are not in the State's federal aid system as well as on a system of approved roads outside of the trunk highway system. Such federal secondary and feeder road allotments may be used either in rural areas or in cities and villages of less than 5,000 population. It is required that these secondary highway funds shall be expended on a system of roads selected by the state highway departments in cooperation with the county commissioners and the U. S. Commissioner of Public Roads. The funds allotted for projects in urban areas may be used only on the federal aid highway system in cities and villages of 5,000 or more.

The bill provides that the first postwar year shall be the fiscal year ending June 30 after the end of the present emergency, as determined either by proclamation of the President, or by a concurrent resolution of the two Houses of Congress, or following a date on which the two Houses of Congress find as a fact that the war emergency has been relieved to an extent that will justify proceeding with the highway construction program. It provides that authorizations for the first postwar year shall be apportioned within 30 days after the passage of the act, that the apportionment for the second year shall be made within one year after the war ends and the apportionment for the third year within two years after the end of the war.

It is further provided that as soon as funds are apportioned, \$100,000,000, or one-fifth of the first year's authorization, may be appropriated to the states to become available for the making of surveys and plans and for construction.

How much of the allotment for secondary and feeder roads can be used for trunk highways will depend on future negotiations between the Department of Highways, the county boards and the Public Roads Administration. Assuming that half of the \$4,170,000 allotment for secondary roads is to be used on trunk highways, this \$2,085,000, plus the allotments for federal aid highways and urban areas, make a total of \$10,350,000 of federal funds, which together with the state matching fund would make a trunk highway construction program of approximately \$20,000,000 for each of the three postwar years. In addition, the funds available for roads outside the trunk highway system, together with the

necessary matching funds, to be furnished by the counties, would provide a program of more than \$4,000,000 per year on such secondary road systems.

Federal funds must be matched on a fifty-fifty basis, with some limited exceptions. Construction costs, including the costs of locating, surveying and mapping, on all projects except projects for elimination of hazards at railroad grade crossings, must be matched dollar for dollar. Federal aid may be used for not to exceed one-third of the cost of right-of-way, except on grade crossing projects. Not to exceed 10 per cent of the federal aid allotments may be used for elimination of hazards at railroad grade crossings without matching, except that federal aid may not be used for more than half of the cost of right-of-way for such projects. Railroad companies shall be liable to the federal government for a portion of the cost of such projects, the ratio depending on the benefits received but not exceeding 10 per cent of the cost. Consequently, on the over-all program, it is very likely that matching requirements will possibly exceed the federal allotments, the extent depending on how large a proportion of the available funds is needed for purchase of right-of-way.

At the present time Minnesota has \$21,800,000 of trunk highway funds invested in U. S. Government bonds. After deducting encumbered funds, required for the current fiscal year, there will remain about \$13,000,000 of unencumbered funds which presumably should be available for postwar construction. Whether there will be this amount in the reserve fund when the war ends and highway construction starts, depends on how long the war lasts and whether there will be further shrinkage in state revenues from motor vehicle and gasoline taxes. If it develops that it is possible to retain this fund intact without using any of it for current expenditures, Minnesota will have more than ample funds to match federal allotments for trunk highways in the first postwar year and part of the second year.

Since most of the reserve fund will be used in the first postwar year, the State will have to depend on current revenues from motor vehicle and gas taxes in the second and third years. While little increase in these revenues may be expected the first year after the war, it is reasonable to assume that the increase will be sufficient to provide the necessary matching funds in the second and third years. If it should not be possible to match all of the federal allotments within the three-year period, Minnesota will not lose these allotments. The federal aid act provides that the funds allotted to any state shall be available for expenditure in that state one year after the end of the fiscal year for which such sums are authorized, and further that such funds shall be deemed to be expended if covered by formal agreements with the Commissioner of Public Roads for the improvement of specific projects as provided by this act.

The work of making surveys and preparing plans for postwar construction is well advanced. At the present time the Department has plans completed for about 900 miles of grading, 162 miles of paving, 37 miles of various betterments such as pavement reconstruction, pavement widening and shoulder widening. The Department also has plans for a considerable amount of gravel base and bituminous surfacing and also plans for 85 bridges. The above figures include projects for which plans are completed and a pro rata of projects for which plans are partially completed. This work is well distributed in all sections of the state, except that it includes relatively little work in the larger cities. A considerable amount of advance engineering has been done on projects in the three large cities, but these projects are of such a nature that the making of surveys, preparation of plans, and negotiations with local authorities, are much more complicated than plans for projects in rural areas. Consequently, few of these city plans have reached the blue print stage. The estimated cost of the projects for which plans are completed, including the pro rata of projects with plans partially completed, is approximately \$28,000,000, including right-of-way. In other words, plans are ready for a program of about one and one-half years work under the new federal aid bill.

The work of making surveys and preparing plans has been limited by our reduced personnel during war time, but when the war ends so that men are available for construction work, we will also have more technical personnel available so that the work of making surveys, preparing plans and acquiring right-of-way can be kept ahead of construction.

Construction with federal aid on roads not in the trunk highway system must be handled through the Department of Highways, acting as agency for the counties or local units. Seventy-nine counties and 30 cities and villages have applied for federal aid for making surveys and plans for postwar construction, under the provisions of the act of Congress passed in July, 1943. While surveys and plans for many of these projects have not been started, many are well advanced or completed, so that plans will be ready for as many projects as may be undertaken with federal aid on roads not in the trunk highway system. It may also be assumed that normal road tax levies, allotments from the state road and bridge fund, and reserves built up during the war, will provide ample funds to match federal aid allotments for highway improvements outside of the trunk highway system.

With the passage of this bill, Minnesota, like all other states can now proceed to develop a somewhat definite postwar highway program. Any figures quoted herein are of course approximate, but we believe they are relatively close to the allotments which will be made. Exact details as to expenditures under the various categories of work cannot be made available until federal rules and regulations covering the federal aid funds to be allotted are released by the Public Roads Administration. Ordinarily, formulating such rules and regulations requires some 90 days more or less.

Your attention is particularly invited to the element of uncertainty which attaches to the definition of the postwar period. In brief, while the Government has made funds available, it is impossible to make any forecast as to when construction may be started, since highway construction, like many other civilian activities, cannot be undertaken until the war situation justifies such action.

There is further uncertainty regarding the amount of construction work which the dollar will purchase after the war, and the amount of work to be accomplished will depend on prices obtainable.

If and when further information is available regarding federal regulations and construction programs, I will be glad to transmit additional information regarding Minnesota's postwar highway program.

Yours very truly

DEPARTMENT OF HIGHWAYS

Commissioner of Highways

MJH/JJM
HES



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