As I have said earlier, gentlemen and Mrs. Dwyer, the present level of expenditure is not enough. We in America should invest, in my judgment, at least $12 billion over the next 20 years in America's mass transit system. This amount would be but 25 percent of the amount to be invested in the Interstate Highway program.

These amounts could be used not as capital grants but as the annual debt service payments on a national investment in improved mass transit. Used in this way, even these small annual amounts, such as the $95 million proposed in this bill, would permit an annual capital investment in our transit plant and equipment of $1.5 to $2 billion. This investment could be made by the appropriate local agencies in our cities and States, with the annual debt service met by Federal appropriations. Exhibit A, attached, shows Federal transportation expenditures for all purposes other than rail. It is submitted as pertinent background information to permit the $12 billion estimate of urban mass transit needs to be viewed in proper perspective.

It is true that I suggest here an unprecedented method of financing for this Federal purpose. But why should we not move forward in this way? Every private corporation, and probably every State and local government finances capital investment—and I use the word advisedly—in this manner. Our Federal housing program is financed this way. It is a sound and logical procedure to pay for a capital investment over the life of the facility.

The sources of funds for such an investment is also at hand. It is the same source as for the Federal funds used to finance the $47 billion Interstate Highway program. In all fairness and equity I see no reason why the automobile—the creator of many of our urban problems—should not be taxed to help solve them. As a tax resource the automobile, its parts, and its fuel will continue to be available, and will grow as its use grows. This growth should be encouraged where and when it is economically and specially justifiable, and this justification includes full payment for the consequences of its growth. I urge the use of highway funds for expansion of needed mass transit to permit the development of the kind of balanced transportation system we all seek to achieve. I also believe the 90 to 10 split for highway aid is much more realistic and has established a precedent which should be applied to mass transit aid.

I would submit also that there must be a review of the matching features of the existing legislation, and the 12½ percent limitation in the amount which any one State may receive.

A recent published study by Senator Javits shows that the formulas for determining Federal and State participation are not at all uniform but are more and more related to need and numbers of people affected.

To the credit of the Congress, I think the needs of the people have become the guiding principles in recent Federal aid legislative programs, such as poverty and education. Rather than melting down the effectiveness of these programs, the funds authorized have been channeled toward those States and localities where the need is most urgent among the greatest number of people. In this respect, I think the 12½ percent limitation on the amount which any one State may receive from the aggregate authorization is unfair and shortsighted and considera-