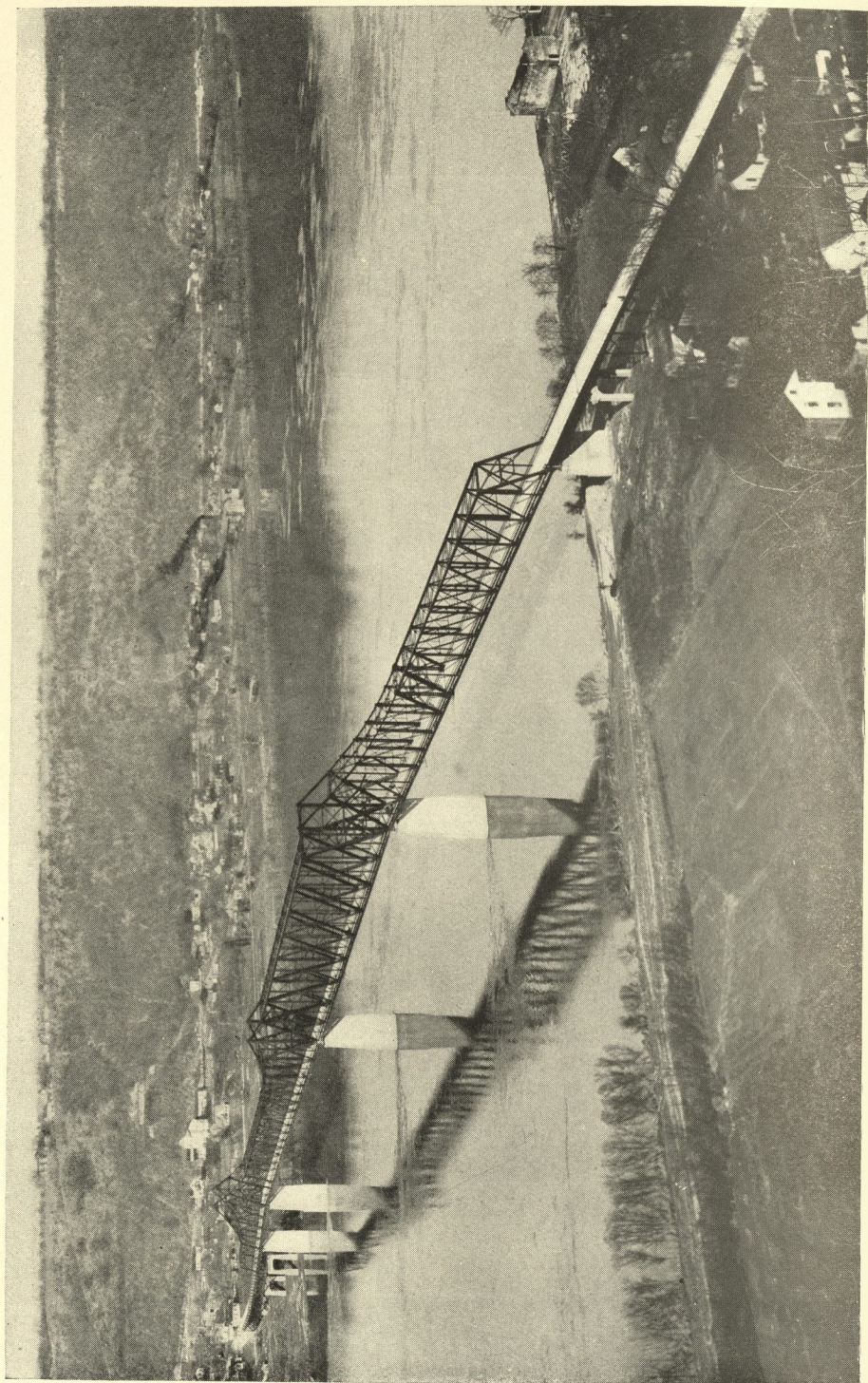


THE COMPLETED
MILTON — MADISON
BRIDGE
OVER THE OHIO RIVER

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Why should Carrollton receive over \$1,000,000 of the Kentucky taxpayers' money?



*The Milton, Kentucky - Madison, Indiana Bridge
Now in Operation*

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The Highway Commission's toll bridge program.

Charges have been made recently that "private toll bridge interests," actuated by selfish motives, have been fighting the Highway Commission's program for the building of toll bridges. So far as these charges may refer to the Bridge Company which owns and operates a bridge over the Ohio River between Milton, Kentucky, and Madison, Indiana, there is little basis for the statement.

This Company, a Kentucky corporation, favors the Highway Commission's program of building toll bridges where such bridges serve a useful purpose and where the expenditure of the money is justified. This Company is opposed only to the building of a toll bridge over the Ohio River at Carrollton (as every taxpayer in the State should be), and such opposition is based not on "selfish motives" but upon the principle of a square deal and the best interests of the Kentucky taxpayers, of which this Company is a sub-

stantial one. *The outstanding fact of the matter, not generally known, is that the Highway Commission is planning to take in excess of \$1,000,000 of the money paid in by taxpayers throughout the State, in addition to the money raised from the sale of bonds, to be sunk into a useless and unprofitable toll bridge at Carrollton.*

In order that the people of Kentucky, and especially those who pay real estate taxes, gasoline taxes and automobile license taxes, may understand the true situation, we submit the following as an accurate statement of the facts:

The Milton-Madison bridge.

For years there has been a demand for a bridge over the Ohio River at some point between Louisville and Cincinnati. The distance along the River between these two Cities is about 150 miles. There were no bridges and ferries were few and far between. Unquestionably there was a real need for a bridge to serve the motor traffic between Kentucky and Indiana in this section.

The location of the Milton-Madison bridge.

Neither State being in a position to build such a bridge, the matter was presented to private capital about two years ago. A careful survey of the entire district between Louisville and Cincinnati was then made with a view to finding the place for a bridge which would best serve the public. The engineers' reports showed that the best place was between Milton, Kentucky, and Madison, Indiana. In the first place, a bridge located there served the highway routes of Indiana and Kentucky better than at any other place. An examination of the attached map shows this clearly. The routes north from Madison were better than at any other point, there being excellent roads leading to Indianapolis and to other points north and west. Two through routes to the north of the River converge there and offer easy connections from Kentucky to the entire highway system north of the Ohio River. It is planned that these two roads shall be concreted during the current year.

The roads on the Kentucky side were satisfactory, and the Kentucky Highway Commission gave assurance of further improvement of the roads leading to Milton. In the second place, the River conditions at this point were the best obtainable. Finally, the River road on the Indiana side between Vevay and Madison, which is the only road on the Indiana side which the proposed Carrollton bridge would reach, is not a hard surfaced road and is sometimes under flood. It thus appeared that a bridge between Madison and Milton would benefit the travelling public more than a bridge at any other place.

Residents of Carrollton desired to have the bridge built at their town, ten miles up the River from Milton. The experts who studied the matter, however, unanimously reported that the Milton-Madison bridge was a better enterprise than a bridge at Carrollton.

The building of the Milton-Madison bridge was encouraged by the Highway Commission.

Before committing themselves to the bridge project, the persons contemplating the investment called upon the Highway Commissions of Kentucky and Indiana, to ascertain whether the building of such a bridge would be favorably regarded by them. The reception by the authorities of both States was favorable, and cordial support was promised in the way of good roads leading to the bridge. The Kentucky Highway Commission, as well as the Governor, gave assurances that a bridge at this point was needed and that the enterprise would have their moral support. Also, it was expressly stated that the Highway Commission had no intention of building a bridge across the Ohio in that vicinity.

The Milton-Madison bridge is now in full operation.

Thus encouraged, the company owning the Milton-Madison bridge invested over \$1,700,000 in building the bridge between Milton and Madison. The bridge was opened for traffic about a month ago. It conforms to the best engineering practice, was built

without waste and will adequately and safely serve the traffic of the entire section year in and year out. A photograph of the bridge is shown in the frontispiece. Due to economy in construction, the bridge is able to operate on low tolls. The rate charged for the use of this long bridge over one of the greatest rivers in the United States is only 50 cents for an automobile, and when commutation tickets are purchased only 35 cents. The rate for pedestrians is 5 cents. These rates are subject to the constant control of the Secretary of War, and will be kept as low as possible.

The State of Kentucky can buy the Madison Bridge.

Furthermore, the bridge itself is for sale at any time to the State at a fair price, which fact is well known, or it can be condemned if the State does not consider the price fair. In any event, this bridge can be made a State-owned bridge and operated either as a free bridge or a toll bridge, whenever the State so desires.

The proposed bridge at Carrollton.

As will be shown later, the building and operation of a bridge at Carrollton will cost the taxpayers of Kentucky directly in excess of \$1,000,000, and this sum is over and above the additional sum of around half a million dollars which it is expected will be raised from the proceeds of bonds, the payment of which bonds it is hoped will be provided by the tolls collected upon the bridge. When the bridge is built it will be of little service. The same funds spent on the roads would build over fifty miles of first class highway, the need for which is well known throughout the State, or would build a number of bridges in other parts of the State where bridges are sorely needed. Except for a few residents and landowners in Carrollton, who look forward to a rise in the value of real estate in their town if a bridge is built, no one will be benefited by the investment of this \$1,000,000 of the taxpayers' money in the Carrollton bridge.

Carrollton has 2300 inhabitants by the last census. It is ten miles up the River from Madison and Milton. On the Indiana side there is no City—nothing but woods and hills. There is no highway leading north. The only road in the neighborhood is an east and west road along the north side of the River, without hard surface and sometimes impassable because of floods. For practical purposes anyone using such a bridge must make a long detour on the Indiana side and go through Madison in order to reach hard surfaced roads. The attached map shows this clearly. So far as we know, *every engineer who has investigated the proposed Carrollton bridge has reported that the enterprise will now be unprofitable and that the expenditure of large sums of money to build the bridge is senseless.* Consulting engineers engaged by the Highway Commission itself have reported that the tolls to be received will not be enough to pay for more than one-third of the cost required for building the bridge. With the Milton-Madison bridge in operation, the Carrollton region already has excellent bridge facilities across the Ohio.

Toll costs over the proposed Carrollton bridge route will not be cheaper than over the Milton-Madison bridge.

The travelling public will not obtain cheaper tolls by this proposed Carrollton bridge. A glance at the attached map will show that Carrollton is in a triangle between the Ohio River and the Kentucky River. Any traveller coming to the proposed Carrollton bridge from Newcastle, Frankfort, Shelbyville and all points west and south of these cities (including Louisville), must first cross the toll bridge over the Kentucky River into Carrollton and pay toll over that bridge, and must then pay toll over the proposed bridge across the Ohio River at Carrollton. The same, of course, is true for traffic from the north coming to Kentucky. This Kentucky River toll bridge has been "coupled" by the Highway Commission under one bond issue with the proposed Ohio River bridge, so that both bridges will remain toll bridges until all the bonds of the issue

have been paid off. It is also notable that even with the small percentage of the cost of the Ohio River bridge that can be met by a bond issue, it is estimated that an average toll of 60 cents will have to be charged over the Ohio River bridge. The present one way toll over the Kentucky River bridge is 25 cents. It is obvious that the through traveller will not get across these *two* toll bridges for less than he can get across the *one* Milton-Madison bridge.

Why is the Highway Commission spending over \$1,000,000 of general State taxes for a Carrollton bridge?

With the facts so clear and undisputed, one naturally asks why the Highway Commission has determined to devote over \$1,000,000, nearly one-tenth of its entire annual income, to this proposed Carrollton bridge. A brief account of what the Highway Commission has tried to do will be illuminating.

The purpose of the Murphy Act.

The General Assembly in 1928 passed the Murphy Act. This Act gave the Highway Commission power to build or to purchase bridges and operate them as *toll* bridges. The money necessary to build or to buy the bridges was to be raised by selling bonds, and the bonds were to be paid off by the money collected in tolls. Obviously, the purpose was to provide bridges without the use of State tax funds. As soon as all bonds were paid off, which it was hoped might be in about twenty years, the bridges were to become free bridges. This is the theory of the Act.

The policy behind the Murphy Act may be a sound one. If administered on a business rather than a political basis, the state-owned toll bridge plan has its good points. It is unquestionably true that new bridges are badly needed in certain sections of the State, to replace inadequate ferries and old bridges. In places where the tolls will be sufficient ultimately to pay the cost of building the bridges, the bridges will be built and operated without cost to the

taxpayers. The cost will be borne by those who use the bridge, and when the entire cost has been met (through using the tolls to retire the bonds), the bridges will be operated without tolls.

The Louisville Bridge not built with taxes.

At the same time the General Assembly passed an act allowing Louisville to construct a toll bridge over the Ohio, the tolls similarly to be used to pay off the bonds. The bridge has been built and is now in operation. In both of these statutes, the great purpose was to bring about the construction of self-supporting bridges—toll bridges which would pay for themselves and not be a burden on the general taxpayers, and which would become free bridges as soon as paid for.

The Highway Commission's Record.

The Highway Commission was then beset with requests for toll bridges. It met the situation by resolving to build or to buy some 29 bridges at a cost of \$25,000,000, and in October, 1928, it offered \$25,000,000 bonds for sale. Included among these 29 bridges was the one over the Ohio at Carrollton. It was apparent to anyone who looked into the matter that about one-half of the 29 bridges were "weak sisters" from the point of view of affording adequate security for a bond issue. The tolls to be collected would not be sufficient to retire the bonds. Consequently the bonds on such bridges would not be a safe investment and no satisfactory bids for them were received.

The Commission then proceeded to throw most of the "weak sisters" overboard. The Carrollton bridge was the only strikingly weak one that escaped. The Commission then took steps to build 14 bridges (most of which had real merit and could be financed by the sale of bonds), and they again advertised for bids on the bonds in April, 1929. *The Commission knew that the Carrollton bridge could not pay for itself and that the taxpayers of Kentucky would*

be obliged to foot a large part of the bill. In their advertisement for bids on the bonds, they asked the bidders on the Carrollton bridge to name "the maximum amount of bonds which bidder may feel the project can carry," and they promised that the balance of the cost would be "*otherwise provided*". Though this language is somewhat vague, the only possible source for the "otherwise provided" money is the funds raised by taxes.

Upon these bonds, the joint bid of Stifel, Nicolaus & Company and C. W. McNear & Company was accepted. But the presence of the Carrollton bridge bonds on the list was a factor causing further complications. The bidders wanted to have it made perfectly clear that they would take only a limited amount of bonds on this bridge, instead of taking enough bonds to furnish the entire cost of construction. *They also wanted the Commission to bind the State to furnish \$1,000,000 out of tax money toward the building of this bridge, and the cost of its operation.* They accomplished their purposes and the Commission made the necessary concessions. But private dickering behind closed doors had been necessary to bring this about, and the courts held that this *dickering in secret* with two bidders, in a sale of bonds which was required by the Murphy Act to be a *public sale*, was unlawful, and set the sale aside.

It will be apparent to anyone that the thing which has held up the program of the Commission for the past year and has postponed the building of a dozen meritorious bridges in this State has been this proposed bridge at Carrollton, which has been a stone around the neck of the whole enterprise. If the Commission had concentrated upon the self-supporting bridges and had dropped the Carrollton bridge when it cast out the other financially weak bridges in 1928, there would have been no need for the secret dickering, and the construction of the other bridges could have been commenced in April of last year.

The Commission has now closed a sale of the toll bridge bonds to Stifel, Nicolaus & Company and associates. As we have stated above, the Carrollton bridge over the Ohio has been "coupled" with another bridge at Carrollton, over the Kentucky River, in an effort

to bolster up the former bridge and reduce the amount of taxpayers' money that will be needed. Even on this basis, however, it is made entirely clear that the taxpayers of Kentucky will contribute a minimum of about \$1,000,000 toward the Carrollton bridges.

What the Commission's attitude towards Carrollton is costing the rest of the State.

Furthermore, this desperate clinging to a project involving the extra and useless expenditure of \$1,000,000 of general road funds in the building and operation of this Carrollton Bridge will not only cripple by that amount the Highway Commission in fulfilling the general road and bridge requirements of the whole State of Kentucky, but also undoubtedly is a very strong, if not determining, factor in the Highway Commission's decision to abandon the construction or acquisition of a large number of bridges included in its original program but now cast overboard while it still persists in its project of building the Carrollton Bridge. The construction or acquisition of the following 13 bridges was within the October, 1928 program of the Highway Commission, *only to be later abandoned:*

Stream	Location	Estimated Cost
Ohio River,	near Wickliffe.....	\$4,500,000
Cumberland River,	near Iuka.....	600,000
Cumberland River,	near Burkesville.....	350,000
Kentucky River,	near Tyrone	200,000
Kentucky River,	near High Bridge	300,000
Kentucky River,	near Gratz	300,000
Green River,	near Brownsville	200,000
Green River,	near Rockport	200,000
Green River,	near Borah's Ferry	200,000
Ohio River,	near Paducah	1,000,000
Green River,	near Calhoun.....	200,000
Ohio River (old Railroad bridge),	near Cincinnati	1,000,000
Ohio River,	near Cincinnati	4,500,000

If the State can spend \$1,000,000 of general tax funds in the construction of bridges which are not self-supporting, obviously it would be to the better interest of the public to build bridges that are at least useful rather than the one entirely useless bridge at Carrollton which is of benefit to almost no one but the landowners of Carrollton.

The Carrollton toll bridge is indefensible.

A toll bridge is generally a bridge which is supported and paid for by the tolls collected. The Carrollton bridge, however, being incapable of support out of its own tolls, must be paid for in large part out of the money collected throughout the State from taxpayers, the vast majority of whom will never use the bridge. The new bridge at Louisville, a badly needed bridge, was constructed without cost to the general taxpayers. The proposed new bridge over the Ohio near Henderson will be constructed without cost to the general taxpayers. The same may be said of most of the new toll bridges on the Highway Commission's program. Those bridges have good prospect of paying for themselves. In view of these facts, why should the general taxpayers of the State be called upon to dig down for the greater part of the cost of the Carrollton bridge? Why should exceptional favors be shown to this structure alone? Neither the Highway Commission nor any spokesman for it has ever answered these questions.

If the proposal were baldly and openly made to appropriate \$1,000,000 of the taxpayers' money for this Carrollton bridge, it is safe to say that the protests of taxpayers throughout the State would cause the Highway Commission instantly to abandon the proposal. Yet the present plan is exactly this under a very thin disguise.

Conclusion.

The foregoing is a plain statement of the facts. This Bridge Company is not in politics and has never attempted to use pressure of any sort, political or otherwise. It is not opposed to the general toll bridge program of the Commission. It believes that the plan of building toll bridges, wisely and prudently administered, has meritorious features.

It is opposed, however, to the bridge at Carrollton, *first*, because such a bridge will injure the bridge at Madison, and *second*, because such bridge will require the unnecessary and senseless expenditure of one million dollars of the taxpayers' money.

A substantial taxpayer,

MADISON BRIDGE COMPANY.