INTERVIEWEE: ALAN S. BOYD (Tape 1)

INTERVIEWER: DAVID G. McCOMB

November 20, 1968, Room 812, Department of Transportation Building, Washington, D. C.

M: I had better start off by identifying the tape so, in case it's lost, we'll know who's talking. This is an interview with Secretary Alan Boyd, Department of Transportation, on November 20, at 3:20 in the afternoon in his office at the Department of Transportation in Washington, D. C. My name is David G. McComb.

First of all, Mr. Secretary, I'd like to know something about your background. Where were you born, and when?

B: I was born in Florida, July 20, 1922. I was actually born in Jacksonville, Florida, because that was the nearest hospital. My home was a small town of 600 people, turpentine-sawmill-farming community west of Jacksonville, which was where I grew up. I attended the public schools there, and I also attended the public schools in New York and Massachusetts.

M: Your family must have moved some then?

B: No, I had a lot of relatives. During the depression my mother, who was a New Englander, felt, and I guess quite rightly, that the public school system in New York and in New England was better than the one in Baker County, Florida. And I attended military school in Georgia for one year. After graduating from high school, I went to the University of Florida where I spent two years, after which I went to work for a construction company, building bridges. In fact, I had worked in construction while I was going to college my second year from four till midnight. Military expansion was taking place in this country, and a major army post was being

constructed near the university, so I took the examination to be an aviation cadet immediately after December 7 of 1941 and was called in in March--sworn in in March--put on active duty, and then they had a glut of cadets, so I was put on leave and went back in August, after having been struck by lightning. It was quite an experience for me. I never did tell the people in the Air Corps about that though.

M: You mean literally struck by lightning?

B: Yes, I was damn near dead. I was out for twenty-eight minutes. In fact, a doctor who lived next door was the only thing that caused me to be here today, I think. But, anyway, I got through my physical exams out at Kelly Field. My heartbeat was then at the maximum, but it had come down from 172 to the time I took the physical exam which was about three weeks later--

M: Was this due to being struck?

B: Yes.

M: Caused your heart to actually speed up?

B: But, anyway, that's a side issue. I was in the class of 43E in the Air Corps. I went immediately from graduation to the Troop Carrier Command, and was assigned to an organization in Alliance, Nebraska, from there to Laurinburg, North Carolina, and from there to Europe. I was in Europe for twenty-one months. I came back in September of '45, entered law school at the University of Virginia, and during that period they had accelerated courses. I graduated in February of '48, went to Miami, practiced law, which I did for three years. I was called back in the Air Force on active duty for another twenty-one months.

M: That was for Korea?

B: Yes. I came back out, started practicing law, and--

M: Again in Miami?

B: Yes. I became active in a political campaign for a candidate for governor who was elected. I became general counsel to the Florida Turnpike Authority in January of '55, and in July of '55, I was appointed to the Florida Public Service Commission.

M: This is your first step into politics?

B: Yes. In '56 I ran for a four-year term on the commission--statewide--and was elected. I stayed there till November of '59 when I was appointed to the Civil Aeronautics Board by President Eisenhower. The CAB, as you probably know is a bi-partisan group, and I was appointed as an honest Democrat, which I was and am.

M: How did they happen to select you for that, do you know?

B: No, I don't really know. When I first started practicing law in Miami, I went into George Smathers' law firm. George is retiring now from the Senate. He was then a Senator from Florida and in 1957, there was a vacancy--Democratic vacancy--at the CAB, and George knew that I was interested in aviation law and that I was a pilot. Then I had some experience in the regulatory atmosphere. And he asked me if I were interested. Since I had just run for office in Florida, I didn't really think it would be a good idea to try it then. In September of '59, he called me again and said, "You want to be on the CAB?"

And in September of '59 I had reached the stage where I was ready to move, so I said, "Yes," and the next thing I knew I got a call from the White House, asking me if I would come up and talk to them, which I did. I talked to General Persons who, I believe, sort of took Sherman Adams' place; and I talked to Dave Kendall, who was special counsel to the President; and I talked to Romer McFee, who was Dave Kendall's assistant. And they wanted to know if I believed in the free enterprise system and so forth, which I did and still do.

Senator Holland set up the appointment, and when you ask me how I was appointed, I really don't know. I had worked pretty hard on the Florida commission and I had made a number of speeches, and I had tried to understand what the hell the regulatory process was all about. I guess maybe I had been able to fool some people. Anyway, I was appointed November 16, and I served as a board member until February 10, I think, 1961, at which time President Kennedy designated me as chairman of the board.

M: Was that a political move to be sure a Democrat was in the chairmanship?

B: Yes. Well, historically, the--I believe this is true--historically, the chairman has been a member of the same party as the Administration, although the board is an independent agency. But the law requires that no more than three members of one party can sit on the board, and it has normally worked out so that there was a vacancy on the date the new President takes office. So that was the reason, I guess, for working it out that way.

M: Did President Kennedy live to regret your appointment? I'm referring especially to the Northeastern Airlines decision that made the newspapers and news periodicals.

B: No, as a matter of fact, I always felt sort of bad about the way people who were critical of President Kennedy sometimes picked up with sort of glee the notion that I had thumbed my nose at him, because that wasn't true at all. I talked to President Kennedy about the thing one day, or rather I should say he talked to me, and the conversation was just about this. He said, "Alan, I've been hearing a lot and reading a lot about the Northeast Airlines case. As far as I'm concerned, I want good air service in New England and whatever you do to accomplish that is all right with me, but I want you to get good airline service in New England."

M: Was this after your decision?

B: No, it was before the decision.

M: Of course, the problem was brewing, obviously. So you never had any pressure from the White House to change your decision, once it was made?

B: No. No, I never had any pressure on that or any other case from the White House, either when Kennedy was President or after President Johnson became President. You know, there are a lot of people who, particularly here in Washington, seem to think that the President, either directly or through his henchmen, gets involved in all of these regulatory activities; and the fact of the matter is, to my knowledge, the President has never gotten involved during my nine years here. In the associations I've had in the CAB and other regulatory agencies, I'm just absolutely confident the President, whether it be Eisenhower or Kennedy or Johnson, has stayed out of it.

M: Did your decision in the Northeastern Airlines case stick, or did they get around that by going through courts?

B: They got around it by going to the courts, but really the way they got around it, or they reversed it, was that the Storer broadcasting interests bought up a majority of the stock and pumped a hundred million dollars in the company. And the crucial thing was, at that stage of the game and in my decision, we had two major cripples operating in the area. One was Eastern Airlines, which was in parlous condition then, and the other was Northeast Airline, which was flat on its tail financially. And I couldn't see any sense at all in letting these two drag on. And we had, as I saw it, a hell of a lot more stake in the maintenance of Eastern Airlines than we did in Northeast, because Eastern had a major monopoly operation to a bunch of piddling towns all over the Southeast; and if anything happened

to it, these towns were going to lose service, whereas Northeast was providing at best very indifferent service to New England, and we had some possibilities up there of putting other carriers in.

M: There was the accusation at the time that Robert Kennedy was putting pressure on you to change.

B: Absolutely untrue!

M: And that this was tied in with the White House, too.

B: That's absolutely untrue! I never heard directly or indirectly from Bobby on the Northeast case. In fact, the only official meeting I had with Bobby as Attorney General was when the American-Eastern merger came up. And I requested an appointment and went over to see him, told him that this was going to be a major case before the board, that I appreciated that the Justice Department had antitrust interests, and I wanted him to know that the board did too; that I would hope if his Antitrust Division got into the case that they had something to offer besides spending an interminable amount of time saying, "Me too," to the positions of the Bureau of Counsel of the board. That I thought the Antitrust Division had made a nuisance of itself on a number of cases and hadn't accomplished anything--hadn't contributed anything, and with the responsibilities I had for running the board and trying to get cases moved, I was very hopeful that they wouldn't take that sort of an approach in this case.

M: In your time with the CAB, could you foresee the problem of air congestion and stacking over airports and this sort of thing we find today?

B: No.

M: This is a recent phenomenon?

B: Well, let me put it this way. I think those of us at the board who thought about it, and we didn't any of us think about it very much, realized that

as time went on, there would be congestion. However, I also think--I also recall--that I felt that New York was going to get a fourth jet airport, and that would have done a hell of a lot to resolve the congestion problem. It wouldn't have eliminated it by any means, but it would have brought the congestion to us in a different form over a different period of time. But this was not a major source of concern before; I'd say very honestly we were more concerned with international routes and with subsidized service, with the role of the all-cargo carrier and with the role of the supplemental carrier, and the role of the board in carrying out safety functions.

M: Did the death of President Kennedy have any effect on your board operations?

B: No, none at all.

M: Did you have any contact with the new President Lyndon Johnson shortly after that?

B: Same as everybody else. He called in all the heads of agencies and talked to us. Other than that, I had no direct contact with him.

M: Had you had any dealings with Lyndon Johnson up to that time of any significance?

B: Yes, nothing major, but I met him in 1958 when I was up here testifying, I think, on the Transportation Act of 1958, which was essentially dealing with the railroads. I met him at that time. He was not a member of the committee or anything, but I just happened to meet him with Smathers or somebody. And then I spent some time with him after he became Vice President, I guess about the time he became Vice President; I've forgotten exactly what the date was, but Lady Bird owned a Convair airplane which crashed and the two pilots were killed. It seems to me it was in the fall of 1960. And he was very much concerned about that. He was concerned about

the pilot and co-pilot, and also very much concerned to know what the hell really happened. So I assured him we were going to have, and did have, a thorough investigation, which we did, and I told him exactly what had happened. And then in '60--well, when--after I became chairman of the board, the President, as I recall, assigned to the Vice President on this Space Council of which he was chairman--I'm not sure which, the responsibility for trying to develop a position on whether we should go ahead with the supersonic transport. And I've forgotten whether I was a member of that group, or whether I was just an observer, but I used to go to the meetings. I talked to him some there. And some time in that same period I went down to the ranch and spent the weekend with him in connection with the dedication of a new passenger terminal at the airport at Austin. Then we were invited out to their house when they lived at a place called the Elms.

M: In 1965, you were appointed Under Secretary for Transportation in the Department of Commerce. How did that come about?

B: In 1964 in the fall, I guess after the election, I had lunch one day with John Macy, and John asked me what my thoughts were when my term expired in '66 as a member of the board. The chairman is designated every year by the President from one of the members. And I said, "I don't really want to spend any more time at the CAB; it's a great place but, you know, I've been there."

M: Johnson had reappointed you every year then; that's almost automatic?

B: Yes, unless you put your foot in it somewhere.

M: At any rate, you were ready to move?

B: With all due modesty, I ran the board pretty well, I think. I could do better if I did it over again, but then that's, I guess, true of most people. You should learn something as you go along. And I said, "You

know, I'm getting sick of this, John. I'm getting to where I hear the same arguments from the same people that I heard when I first came here."

And he said, "Well, is there anything else in government that interests you?"

And I said, "Yes, I think so. I think either Under Secretary of Commerce for Transportation or Federal Aviation Administrator." I knew Jeeb was leaving--Jeeb [Najeeb] Halaby--and I said, "I wouldn't be interested in trying to roll Dan Martin for his job, but if Dan should decide he wants to go, then I think I could do a job over there, because I do have a fairly extensive background in transportation by now."

And so that sort of rocked along for awhile, and I didn't hear anything else about it. Then one day, I guess the first of April, John called me, and he said, "You still interested in that Under Secretary job?" I said, "Yes." By then, I knew that Dan had submitted his resignation in March. So on April 27 I got a call; I was at lunch. I was told, "Be over at the White House at one o'clock."

M: This came from one of the staff members?

B: Yes, from Jack Valenti, I think. And so I tore over there, and I walked in a room and here was Charlie Murphy and a fellow who turned out to be Bozo McKee, and a couple of other people. I knew Charlie and I knew that Charlie wanted out of Agriculture. I had never heard of Bozo McKee, but Jim Jones was then in Jack Valenti's office and Jim came in and he said, "All right, let's go," and we started walking. I said, "Jim, what the hell is this all about?" And he says, "It's a secret, I can't tell you." So we went charging over to the East Room and Jim said, "Now, you all sit here." And the President came in for the press conference and said, "I've got a few announcements to make."

M: Were there lots of other people in the East Room with you?

B: Oh, hell, there were a couple of hundred people, mostly press.

M: This was a press conference you were taken to?

B: Yes.

M: And you still didn't know what was going on?

B: No, I didn't know. I didn't know whether I was going to be appointed FAA Administrator, Under Secretary of Commerce, or whether he was going to say, "Boyd, you're Ambassador to Zambezi." I had literally no idea.

M: But you were pretty sure it was going to be an appointment?

B: Yes, I couldn't see why the President would haul me in there to say, "I'm firing Boyd." Nothing I had done in the last few days would have caused him to do that.

And so he said, "I've got a few announcements I want to make before we start the press conference. First of all, I'd like to announce the appointment--" I don't know whether he announced mine first or somebody--I think he announced mine first. "--Alan Boyd as Under Secretary of Commerce for Transportation. Stand up, Alan!" And so I stood up, and I didn't even realize it, but at that moment, my wife was upstairs in the White House watching television. Mrs. Johnson had invited a bunch of ladies over, which had nothing to do with this, and my wife was among them, and she said, "Oh, Lyndon is going to have a press conference. We've got television sets here in all the rooms; you just spread out." So my wife was sitting up there on the bed and all of a sudden, somebody says, "Flavil, that's your husband."

So there it was. And then he appointed Charlie to my place on the CAB and Bozo McKee as Federal Aviation Administrator, and he accepted Jeeb's resignation. Jeeb didn't know anything about it. He was in Dallas

or Fort Worth, and he happened to be watching the news conference on television. The White House had tried to get hold of him, but that was sort of a blow to Jeeb when he found out that his resignation was being accepted on television.

So that was April 27, and Dan left the first of June; I took over the first of June. And the first thing that hit me in the face after I found my way to the men's room was the maritime strike. You talk about somebody being afloat--well, I was really at sea without a rudder!

M: Now, you know something about railroads and you knew something about aircraft, but this is a few facet.

B: Yes, I didn't know anything about the maritime unions. I knew a lot about the Railroad Brotherhoods and the Teamsters--I say a lot, I knew something about them, and all the unions connected with the airlines, pilots and stewardesses, engineers and all that, but, boy, the NMU and the SIU and MEBA, and the Masters, Mates, and Pilots--I'd never even heard of these outfits, much less the people involved. And I didn't have any concept of what the hell the Maritime Administration role was in that, and, of course, that's how I got into it.

M: What is MEBA?

B: Marine Engineers Benevolent Association. And that strike went on for seventy-two or seventy-six days.

M: Did you have to arbitrate in this?

B: No, heck no! They had mediators--there wasn't any arbitration. That was really the first major contact I had with the Labor Department, too. And, of course, we wanted to get the strike settled, but we didn't want to get it settled with Uncle Sam picking up the price of the settlement. Yet, it wasn't clear to me then or now that there was a hell of a lot the

government could do about it. We made all sorts of noises about, "We'll have to review any contract agreement and this and that and the other," but I'm sure the subsidized lines who were struck knew it was all sort of charade; and they spent a lot of time in our offices telling us how they were fighting this thing off, but it was going to kill them and making noises that if it weren't settled in the next couple of days, various ones of them were going to consider closing down their businesses. You know, they may have been serious, but after you have been here for a long time, you tend to become a little bit skeptical, if not cynical, about these things.

M: How would the federal government have to pay for this? I realize there are subsidies.

B: Through the operating differential subsidy. The way it works out, the subsidy is based on what is called the parity concept, and that is that in the merchant marine it works in a way that means the operator pays the equivalent of the salaries and expenses which it would cost to run the same vessel if it operated under a foreign flag. And the government makes up the difference. That's supposed to put the operator on parity with his competition. There's a lot of hocus-pocus in that, too, because who is the representative foreign seaman in terms of wages? So it works out that the operator pays about 28 percent of the seaman's income, and the government pays 72 percent.

M: And if there was a wage increase, it would likely be that the federal government would have to meet that differential?

B: Yes.

M: And this is what you were worried about?

B: Yes. Well, there were all sorts of issues involved in this thing, not the least of which was the old question of manning--how many men in a crew; because that has a direct relationship to the amount of payment obviously.

M: Does this put you in a position of being anti-labor?

B: Yes.

M: I mean, you're trying to protect the federal government and the American taxpayers?

B: Yes.

M: And hold down the differential?

B: Yes.

M: And the union wants to increase the wages? It would seem to put you naturally on the side of the operator.

B: Superficially, one would think so. However, the issues are so complicated that it didn't really work out that way. I don't know that the maritime unions then or now look on me as a hero; in fact, I'm sure they don't, but not because of our efforts in and around that strike.

This thing was finally settled; I think Bill Wirtz ought to get the credit for it, through a very involved, vague agreement, which provided for the establishment of a panel composed of George Meany and Bill Wirtz. I don't know who else, who were going to look into various unsolved problems--they sort of finessed these things, and then the panel never met. But we were--I was pretty callow in this business and my basic position was to tell the operators to "go paddle your own boat, boys, we're not about to pay for wage increases," and let them fight it out. You know, it's hard to have collective bargaining if you've got somebody sitting at the bank waiting to shovel money through. And it's hard for the unions, really. It's hard for a union to be responsible when it's dealing with a management which isn't spending its own money.

M: I read, incidentally, that that position that you had as Under Secretary of Commerce was one that had great responsibility, but very little authority. Is that correct?

B: Yes, it was completely unworkable. Like so many compromises, it was a poor compromise. That office was set up in 1950 as a result of, I guess the key item was the task force report to the Hoover Commission on transportation, which as I recall, I'm not sure about this, urged the establishment of a Department of Transportation and Commerce, or Commerce and Transportation. Nobody was really willing to do that for whatever reasons I don't know--I haven't been into the history of it. So they set up this sort of odd duck as specialized Under Secretary and gave him the Maritime Administration, the CAA (predecessor to the FAA), the Bureau of Public Roads, and practically no staff. And without staff, you just can't move.

Well, those organizations were people with good bureaucrats, and I don't use that term in any bad sense, but, hell, you know, you've got to be on top of a situation to control it. There's not much point in putting out a policy pronouncement and then being unable to see that it's carried through. And what used to happen over at the Commerce Department when I was there, and I'm sure before, the Bureau of Public Roads would want to do something. So, they would either be operating against a time limit or they'd set their own time limit, and say a decision had to be made for whatever reason by five o'clock this afternoon. At eight o'clock this morning, you'd get this much paper [about one foot high]. And so what the hell do you do? You've got the paper on top that says we recommend thus and so; it has been thoroughly staffed out, please sign here. So you sign there. And without a staff there was nothing you could do about it. Nothing!

Also, when you look at the Commerce Department and you've got the Census Bureau, the Patent Office, the Bureau of Standards, what's now--used to be Coast and Geodetic Survey, and the Weather Bureau, the Domestic and

International Commerce, which is a group of specialists dealing in export and strategic stockpiles, and I don't think of anything else; then you've got the Bureau of Public Roads, with a mammoth budget, you've got the CAA, with a mammoth budget relatively, and the Maritime Administration, with a mammoth budget, for capital items. Whereas, the other budgets are mostly salaries and expense.

So every year the budgets would come to the Secretary of Commerce, this was before my time and before Jack Connor's time, it had to be this way pretty much, and the Bureau of the Budget would say to the Commerce Department, "You're $200,000,000 over your budget," so where do they chop? In the Transportation area! Every time! Well, you can't blame them. What the hell! And then, the Secretary, in addition to everything else, has got an Under Secretary for Transportation who he may or may not get along with. And on top of that, where he's got the Bureau of Standards, which is a fine professional organization except for this ruckus they had ten years ago over the battery, and the Bureau of Census, which is grinding out all this information which is helpful to everybody, and the Patent Office was just a chaos, but at least it's operating, and Coast and Geodetic Survey and the Weather Bureau, all being helpful to people--here these damned outfits that are creating nothing but problems. And it's hard for a Secretary to get interested in that if he can say, "Well, Christ, Boyd, Martin, whoever, don't bother me with these things. That's what you're here for."

So it was an all around pretty sad operation, and I think, really, that one of the reasons the office was set up was to move old General Fleming, who was head--I think it was called the Public Works Administration. He was then seventy years old in 1950, and apparently a sweet old gentleman

who had become quite ineffective, but nobody wanted to throw him out. And the Bureau of Public Roads was the major activity under the Public Works Administration, so they put him in there. And if it had gotten off to a vigorous start, that might have made some difference, but all the office of Under Secretary really got into was paper shuffling.

M: I suppose these various agencies that you had control of were almost independent.

B: Oh, yes.

M: So they would present you with the program, as you say, "Here it is, sign it!"

B: Yes.

M: Then there was little you could do about it. Then, in a position like this where you have responsibility and no authority, did you have any reflections on what to do about it?

B: Well, of course, the first thing that came up was this strike, and that took a hell of a lot of time. While I was trying to figure out what I was doing in that mess and what the mess was, and at the same time--I really have forgotten exactly how this all transpired, but in this period along about August 1st, I got started into the legislative program of '66. And Charlie Schultz got hold of me and he said, "We ought to talk about what your legislative program is going to be." I had some ideas, mainly trying to chop at the regulatory laws, do some revamping of the rule rate making of the Interstate Commerce Commission, and things of that nature. And trying to get into broader areas of transportation research, both in terms of what I guess is called software and hardware, economic research or economic studies and technical research. I think Charlie was the one who told me--it was either Charlie or Joe Califano--that the President had had

a task force on transportation which recommended the establishment of a department, and he wished I'd look into that. They'd never given me the task force report.

M: This was from '64?

B: George Hilton headed it. Yes, that's right--'64.

M: Was that one of those series of task forces that the President had right at first to map out a comprehensive program?

B: Yes. I know that Allen Ferguson was on the task force. Allen was--oh, what the heck was he? He was head of the Office of Transportation in the State Department. He is a transportation economist. Hilton was on it, and I've forgotten who else was on it, if I ever knew.

So, there had been a lot of interest over a long period of years in the Bureau of the Budget in establishing a Department of Transportation.

M: Had Halaby said anything to do with this?

B: Halaby wrote a letter to the President, I think in May of '65, in which he urged the consolidation--I think we've even got a copy of that letter somewhere--Jeeb sent me a copy of it. This was not a new thought. I was a little bit leery about the thing because I didn't know Jack Connor very well, and I didn't know how he would react to it. Anyway, I went back and talked to Jack, and he said, "Fine, go ahead. I think it makes a lot of sense to try to create a Department of Transportation."

So, I had pulled some people in, in whom I had confidence, primarily Cecil Mackey, who is now Policy Development here, and Paul Sitton, who is now Urban Mass Transit Administrator. Paul had about ten years with the Bureau of the Budget and a couple of years over in the State Department. And I found and kept Lowell Bridwell as my Deputy, a really tremendously able man. And we picked up a couple of other people who, I guess--

Dave Schwartz from the ICC came in, a very bright fellow. I got Dave here, too. And essentially, the three of us--four of us, Lowell, Cecil, Paul, and I started working up the concept of a department.

M: Now, what you're talking about here, is this the '65 task force on transportation?

B: Yes.

M: This was the genesis of it? You pulled this together, and this was the one you were chairman of?

B: Yes. And we had Gordon Murray from the Bureau of Budget, and it seems to me we had somebody from Treasury, although, hell, I've been on so many task forces with so many Treasury people and it's never produced anything--because it's really out of their line. I don't know who the hell else was on that task force--I've forgotten, but most of the work was done by the four of us with very close contact with Joe Califano's office and with the Bureau of the Budget through Gordon Murray and Walt Boehner.

M: Did you have any doubts about the logic of such a department at this point in time?

B: No.

M: You were convinced that this was the way to go?

B: It became apparent to me very rapidly that we had to go in this direction.

M: This came out of your experience in the Department of Commerce?

B: Well, I had given, I would say, a fair amount of thought to it while I was at the CAB and had concluded that the way the government was operating, it just didn't make any sense at all with waterway development creating competition for the railroads, and with rate regulations keeping the railroads from a free pricing policy or anything approaching it, and with tremendous sums of government money going into research for aviation.

And, from what I could see, practically none into the surface modes, highways, rail, or water, and with increasing congestion, it just seemed to me that something has got to be changed. And when I got over to the Commerce Department, and I looked at what were the terribly feeble efforts we had going there, and really couldn't see any way to break out of it, I rapidly concluded that it was a good idea. Now, I was leery of one aspect of this thing, and that was the view which was held by some that we ought to sweep in the economic regulatory agencies into the department.

M: This would be the ICC, the CAB--

B: And the Federal Maritime Commission. I looked at that and said, "To hell with it! That doesn't make any sense at all; because we'll wind up spending all of our time getting pushed around by various special interests on rail mergers and air mergers and what not and rate cases, when we ought to be doing something else. And we ought not to be involved in that sort of an adversary process, except on the record. If we've got anything to say, we ought to be able to go over to the CAB and say it, and put it out on the record! Lay out our philosophy and be able to support our recommendations with economic justification, particularly in rate cases." I didn't think we should ever get into such things as selection of carrier, like the CAB, for example. I didn't then and don't now think it's our business to say to the CAB, "You should give that route to United Airlines."

M: Well, then, what did you see the purpose of this new department to be?

B: To do a couple of things. One, to provide a base from which it would be possible to get the resources to look at the whole system of transportation, and to develop some intelligent, hopefully, means for articulating to the Congress the need for research and economic studies on the whole system. And second, to bring these various operating agencies together so that they would not be completely captive of their constituencies.

M: You want to explain that?

B: Yes. Very simple. When the FAA was an independent agency, it couldn't get a damned thing through the Congress that the aviation industry didn't want. Now, with a department, there's more muscle and if the aviation community opposes something, it's still awful tough, but it's not as tough as it used to be. I don't mean to say we've changed this situation overnight, but this is the direction in which it's going.

M: Wasn't the purpose of making the FAA independent in the first place to free it of bureaucratic control and make it independent even of the constituency?

B: Well, I don't know to what extent anybody focused on the thought of making it independent of its constituency. If they thought making it independent was going to make it independent of the constituency, they were nutty.

M: It didn't work that way?

B: No. But to free it from bureaucratic control, actually what was involved was trying to free it from that budget-cutting cycle over in the Commerce Department. And the whole thing was triggered by the mid-air collision over the Grand Canyon in 1957, which led to the Curtis Commission and the recommendations for a tremendously expanded investment in airways facilities and the belief that it couldn't be accomplished in the Commerce Department, because of the way the budgets were prepared and the fact that it wasn't a matter of primary concern to the Secretary.

M: At any rate, your thought was to bring these agencies back into a department and free them from that outside control?

B: To bring them into a department where the whole focus is on transportation.

M: Now, is your emphasis here on planning a transportation system for the country, or coordinating it, or precisely what?

B: Let me go back and stay where we were in the fall of '65 for a minute, and give you a little bit on what we thought about. First of all, not necessarily first, but there was this question of whether or not we should try to include the regulatory agencies. I vetoed that as a matter of philosophy. Also, I would say that even though it didn't affect my thinking in terms of philosophy, I was convinced that we'd never do it politically. I just didn't think we could do it. But that suited me, because I didn't think we ought to.

M: You mean the Congress would block it?

B: Yes. Congress has a peculiar relationship with the regulatory agencies, which I think it wants to maintain. It sees the regulatory agency as somebody who works for it. And if you'll notice in the hearings every year on appropriations, there's a dog and pony show where some Congressman or Senator always asks if the agency really is independent and reports to the Congress and isn't subject to the influence of the President and the chairman says, "Yes, sir, that's right," and so forth and so on. And everybody is happy!

All the entities, which are now in the department, were included obviously. We considered and concluded that we ought to try to bring in the car service functions on the Interstate Commerce Commission. This has to do with railroad car shortage, things of that nature, because we saw that more in terms of promotional rather than regulatory activity. We considered and rejected the idea of trying to include the Panama Canal Company, because of the political situation and the relationship with the Department of Defense to the canal. I think ultimately the canal company will be included in the department where it ought to be for for those two items. We considered the U. S. Travel Service and the Weather Bureau and

the Coast and Geodetic Survey, and Jack Connor vetoed them, and I didn't have any great argument about it. On the Travel Service, our thinking was primarily not only is it involved in transportation, but we'd get it out from under John Rooney and maybe be able to get some money for it. I really think the Weather Bureau--and I think what is now ESSA--really ought to be in the department. About 75 percent of the Weather Bureau activities are related to transportation and Coast and Geodetic Surveys completely related to transportation. I say completely, that may be an overstatement, but I think essentially. But what the hell, you've got a constant evolution in the government and government organizations. We considered the civil functions of the Corps of Engineers, and felt that we ought to try to get them in. We realized, however, that this was going to be a political impossibility. So, we then moved into the area of authority--

M: Excuse me a minute, how about NASA?

B: No, we talked about the aeronautical research functions of NASA, and concluded that that was logically in the department, but too tough a nut to crack.

M: And Alaska?

B: The Alaska railroad is in the department.

M: And the St. Lawrence Seaway?

B: Yes, well, that was in my office over at Commerce and just automatically came. So, we wanted to try to get a handle on waterway development, waterway improvement, and we felt we couldn't take over these functions from the corps politically, and with some logic, because the corps has done a very good job in covering up its activities in such a way that you can't tell what's flood control, what's conservation, what's recreation, and what's erosion control, and what's navigation or transportation.

We had a big argument, which we lost, in the Commerce Department. The Bureau of the Budget insisted on putting in a provision which became Section 7 of the Act to spell out the authority of the Secretary of Transportation to analyze and evaluate waterway improvement projects. We took the position that we would have the authority under the policy sections of the act to do that without anything specific, and that we'd get clobbered if we went up with anything specific, which is exactly what happened! It went to Senate government operations--Senator McClellan looked it over and his beady eyes settled on Section 7, and, boy, that was the end of it. And that was the only thing he was interested in, in the whole damn thing, as far as I could tell. And that cost us a hell of a lot, but I don't know what point there is in saying, "I told you so!"

M: When you say "that cost a lot," cost us how?

B: Because the Senate amended that section to make it damned clear we had no business being involved in this stuff.

M: And you would have preferred to have had it at least vague, so that you could possibly go into this in the future.

B: Yes, right. Those were the, as far as I can recall, all of the areas that we looked into. Well, the other one was Urban Mass Transit, which was in HUD, and we had a big battle over that and a statesmanlike decision was reached that we ought not to move it now, but we ought to have a study. And there was just logic in it--HUD had just been in business for about eight months then and / to have started chopping out a segment of it, even though it wasn't a major segment, it would have created some political embarrassment, I think.

M: To clarify the record a bit--when you talk about Urban Mass Transit, you're talking about freeways, roads, thoroughfares, railroads, any kind of mass transit used?

B: No. The Urban Mass Transit, as I refer to it here, really pertains to a specific program authorized originally by the Congress in 1962 on an experimental basis, and subsequently made more or less permanent in 1964, which provides, in addition to the cost of administering the office, for funds for research and to mass transportation--mass transit activities, for demonstrations of equipment and of operating techniques for capital grants to public agencies, not private bus companies or anything like that, but the public agencies; and for loans to public agencies for improvement--for capital improvement of publicly owned mass transit facilities. So this pertains really primarily to buses, subways, and to some experimentation on commuter railroads and things of that nature.

M: Now, did all of this come out of that '65 task force?

B: Yes.

M: At that same time, were you putting together a bill? Is that part of the function of a task force?

B: Yes. We developed--

M: So you're developing the idea of the department and actually writing the proposed bill at the same time?

B: Yes. Yes, we spent a hell of a lot of time trying to develop the policy provisions of the legislation. Of course, one other thing I forgot to mention was the Maritime Administration, which we sought to include and were unable to do so.

M: Well, now at the time you were planning this with the task force, did you foresee any problem with the Maritime Administration?

B: Oh, yes. Because--

M: Well, now you had had some experience with this.

B: At the same time the strike was going on, we were working on another task

force on maritime policy, and there was something the President had set up called the Maritime Advisory Committee, of which Connor and Bill Wirtz were co-chairmen and had all sorts of interests represented--unions, management, the Department of Defense, a couple of labor mediators, longshoremen, to try to develop some sort of maritime policy. Well, I got involved in that, and we came out in October of '65 with our task force report and with a couple of exceptions. And the best light in which I can put it is that the Maritime Advisory Committee urinated all over it. So, at that stage of the game, I knew we were in for trouble.

M: Well, now, the inclusion of the Maritime Administration was part of that bill you sent to Congress, was it not?

B: Yes.

M: And yet you foresaw trouble before it ever got that far?

B: Yes. I thought we could lick it. I thought the maritime interests would come around, but it didn't work that way.

M: Let me get one other point straight. On Mass Transit, you already foresaw the problem with HUD on that and, therefore, left it out of the bill?

B: Well, I was forced to.

M: So this never got into--

B: Well, the only thing that was in the bill was that the Secretary of Transportation and the Secretary of HUD should conduct a study and report back to the President within a year, or to the Congress--

M: But you foresaw the difficulty there?

B: Oh, it was very clear, yes.

M: Then you made your task force report in the fall of '65, and according to the information I have, this idea of the department became part of the State of the Union address. Did you have to consult with the President on that point?

B: Gee, I've forgotten. I don't think so. I talked to him on the maritime business and on other things, but I don't think we ever sat down and talked about that being included. I think my dealings there, or contacts there, were through Joe Califano. Now, it's entirely possible that Jack Connor talked to the President directly about it.

M: Well, then he must have sent a transportation message, introducing the bill, to Congress. This would be early in '66?

B: March.

M: Then your legislative struggle began? With hearings and so forth? It's in that legislative struggle apparently that you ran afoul of the unions and the Maritime Administration. The story that I've been able to get on this is that the unions tried to use this issue as a lever to get a larger ship construction program. Is that right?

B: That's exactly right. It didn't have a damned thing to do with where the Maritime Administration was located. They really couldn't care less! From all I could find, and this is from face-to-face discussions with these people.

M: This is George Meany?

B: No. The prime mover has been Paul Hall, and the story is that Paul had two things in mind: one, to get a shipbuilding program, and the other to maintain solidarity with the shipbuilders (workers), to pursue his ambitions to succeed George Meany. I don't know whether it's true or not, it's obviously the sort of thing that Hall isn't going to sit down and say, "Look, this is really what I've got in mind." But that feeling is fairly strong and has been fairly strong with members of Congress to whom I've talked and with members of the labor community and the whole maritime community. Actually, as best I can understand it, it wouldn't make a

nickel's worth of difference to Paul Hall's union where the ships come from. His union is represented primarily aboard the non-subsidized lines, and what he needs is more ships. So from his own selfish union interests, it would have been to his advantage to see our program go through. But we really got clobbered on that one.

M: Was there a point of decision on whether to go along with the unions or whether to back down? Or, was this a foregone conclusion?

B: Well, to go along with the unions would have required substantial expansion of the budget for shipbuilding. We went to great lengths to offer them up to twenty-five ships a year and at the same time, bring in some fairly major reforms to the Merchant Marine Act, and we just never could get consensus. So finally, it got to the stage where we'd have to make a commitment to build fifty new ships a year.

M: This is what they wanted?

B: Yes, and, in effect, not undertake any of the reforms in the subsidy law. At that stage of the game, I said, "To hell with it! It's not worth it!" The Department of Defense had been violently opposed to doing anything for the merchant marine in this area, and the Bureau of the Budget was quite opposed, and I didn't feel that it was going to be a net gain for the government, although having a lot of my own self wrapped up in the thing and being conscious of the political problems that were facing the President, would face him, when he ran for reelection, I was prepared to see how far we had to go to strike a deal. And it just got to be too rich for my blood, and I couldn't recommend it to the President.

M: So you were the one actually who decided not to go with the maritime interests?

B: Well, I'm not sure. I think most of this was collective.

M: What was the position of the Department of Defense? You said that they were against this particular--

B: Well, the Department of Defense felt it was foolish to add a lot of money for additional U. S. shipbuilding, and they didn't need it insofar as the security of the United States was concerned. And I have no argument with that whatsoever.

M: What about for the commercial development?

B: Well, that gets into a whole question of what is the public purpose to be accomplished with subsidy money? And it has been very difficult to see that this was a good investment. In addition to which, to start on a shipbuilding program such as the maritime interests and the shipbuilding interests demand is going to mean that within about seven or eight years you've replaced your fleet, but you've doubled your work force in the shipyards. And you've got an average twenty-five year life to the fleet, and what the hell are you going to do with all these people? If you've got a political problem today, just imagine what the President is going to have then!

(End of tape)

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By Alan S. Boyd

to the

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