Twenty-five years ago American transportation moved 619 billion ton miles of cargo. In 1964, 1531 billion ton miles were moved. Soon the 1940 figure will have tripled.

The manufacturing of transportation equipment has kept pace. It has tripled since 1947. Last year $4.5 billion was spent for new transportation plant and equipment.

Transportation is one of America's largest employers. There are 737,000 railroad employees -- 270,000 local and inter-urban workers -- almost a million in motor transport and storage -- 230,000 in air transport. Together with pipeline and water transportation employees, the total number of those who earn their livelihoods by moving people and goods is well over two and one-half million.

The Federal government supports or regulates almost every means of transportation. Last year alone $5 billion in Federal funds were invested in transportation -- in highway construction, in river and harbor development, in airways operations and construction, in maritime subsidies. The government owns 1500 of the nation's 2500 ocean-going cargo vessels.

In all, our transportation system -- the descendant of the horse-drawn coaches and sailing ships of colonial times -- accounts for one in every six dollars in the American economy. In 1965, that amounted to the staggering total of $120 billion -- a sum greater than the entire gross national product in 1940.

Shortcomings of Our System

Vital as it is, mammoth and complex as it has become, the American transportation system is not good enough.

It is not good enough when it offers nearly a mile of street or road for every square mile of land -- and yet provides no relief from time-consuming, frustrating, and wasteful congestion.

It is not good enough when it produces sleek and efficient jet aircraft -- and yet cannot move passengers to and from airports in the time it takes those aircraft to fly hundreds of miles.

It is not good enough when it builds super-highways for super-charged automobiles -- and yet cannot find a way to prevent 50,000 highway deaths each year.

It is not good enough when public and private investors pour $15 million into a large, high-speed ship -- only to watch it remain idle in port for days before it is loaded.

It is not good enough when it lays out new freeways to serve new cities and suburbs -- and carelessly scars the irreplaceable countryside.

It is not good enough when it adheres to custom for its own sake -- and ignores opportunities to serve our people more economically and efficiently.

It is not good enough if it responds to the needs of an earlier America -- and does not help us expand our trade and distribute the fruits of our land throughout the world.

Why We Have Fallen Short

Our transportation system has not emerged from a single drawing board, on which the needs and capacities of our economy were all accounted for. It could not have done so, for it grew along with the country itself -- now restlessly expanding, now consolidating, as opportunity grew bright or dim.

Thus investment and service innovations responded to special needs. Research and development were sporadic, inconsistent, largely oriented towards the promotion of a particular means of transportation.

As a result, America today lacks a coordinated transportation system that permits travellers and goods to move conveniently and efficiently from one means of transportation to another, using the best characteristics of each.

Both people and goods are compelled to conform to the system as it is, despite the inconvenience and expense of

-- segments of transportation with aging plant and equipment.

-- networks chiefly designed to serve a rural society.

-- services long outstripped by our growing economy and population, by changes in land use, by new concepts in industrial plant location, warehousing and distribution.

-- the failure to take full advantage of new technologies developed elsewhere in the economy.

The result is waste -- of human and economic resources.

We have abided this waste in the past. We must not permit it to continue. For we have too much at stake in the quality and economy of our transportation system.

If the growth of our transport industries merely keeps pace with our current national economic growth, the demand for transportation will double in the next twenty years. But that is too conservative an estimate. Passenger transportation is growing much faster than the Gross National Product -- reflecting the desires of an affluent people with ever-increasing incomes.

Private -- and Public -- Responsibility

The United States is the only major nation in the world that relies primarily upon privately owned and operated transportation.

That national policy has served us well. It must be continued.

But private ownership has been made feasible only by the use of publicly granted authority and the investment of public resources --

-- by the construction of locks, dams, and channels on our rivers and inland waterways.

-- by the development of a vast highway network.

-- by construction and operation of airports and airways.

-- by the development of ports and harbors.

-- by direct financial support to the Merchant Marine.

-- by grants of eminent domain authority.

-- in years past, by grants of public land to assist the railroads.

Thus enlightened government has served as a full partner with private enterprise in meeting America's urgent need for mobility.

Now that partnership must be strengthened. The costs of a transportation paralysis in the years ahead are so severe, and the rewards of an efficient system are so great, that we cannot afford the luxury of drift -- or proceed with "business as usual."

We must mobilize our science and technology so that our travellers and shippers may take full advantage of every means of transportation.

We must acquire the reliable information we need for intelligent decisions.

We must clear away the institutional and political barriers which impede adaptation and change.

We must coordinate our transportation agencies in a single coherent instrument of government, where policy guidance and support for each means of transportation will strengthen the national economy as a whole.

A Department of Transportation

I urge the Congress to establish a Department of Transportation that will give greater force and sharper focus to the Federal government's transportation programs.

In doing so I follow the recommendations of many distinguished ~~forebears~~ Americans.

In 1936, a Select Committee of the United States Senate recommended a Department of Transportation, or, in the alternative, the consolidation of all transportation programs in the Department of Commerce.

In 1949, the Hoover Commission's Task Force on Transportation recommended a Department of Transportation.

In 1961 President Eisenhower recommended such a Department in his Budget Message.

In 1961 a Special Study Group of the Senate Committee on Commerce recommended that all promotional and safety programs of the Federal Government be concentrated in a Department of Transportation.

Many distinguished Members of Congress have offered bills to create the Department. Private citizens, experts in the field, have made the same recommendation to me.

Now it is time to act on these recommendations.

Scope of the Department

I propose that the following agencies and functions be consolidated in the Department of Transportation:

1. The Office of the Under Secretary of Commerce for Transportation, and its Policy, Program, Emergency Transportation and Research staff.

2. The Bureau of Public Roads and the Federal-aid Highway Program it administers.

3. The Maritime Administration, and its shipping promotional programs that include construction and operating subsidies.

4. The Alaska Railroad.

5. The safety functions of the Civil Aeronautics Board, principally the responsibility for determining the probable cause of aircraft accidents.

6. The safety functions of the Interstate Commerce Commission, principally the inspection and enforcement of safety regulations for railroads, motor carriers, and pipelines.

7. The car service functions of the Interstate Commerce Commission, affecting the distribution of rail car supply in times of shortage.

As this list indicates, I am recommending the consolidation into the Department of only those Federal agencies whose primary function is transportation promotion and safety.

But other Federal responsibilities bear such a close relationship to transportation promotion and safety that coordination must be effected between them and the new Department.

1. The subsidy functions of the Civil Aeronautics Board.

Aviation subsidies -- now provided only for local service airlines -- clearly promote our domestic transportation system. But subsidy awards are an integral part of the process of authorizing air carrier service. That process is just as clearly a regulatory function.

Therefore the airline subsidy program should remain in the CAB. The Secretary of Transportation, however, should participate in proceedings which set standards for airline subsidy. In that way the CAB will be fully apprised of the relationship between its subsidy program and national transportation policy.

economic evaluation of federal transportation investments generally; in the case of

2. The navigation program of the Corps of Engineers.

The Corps of Engineers -- through its construction of locks and harbor facilities, its channel deepening and river bank protection work -- makes a major contribution to water transportation. The Department of Transportation should not assume the responsibility for that construction, but its Secretary should be involved in the planning of water transportation projects.

He should also issue standards and criteria for the transportation features of multi-purpose water projects, after consulting with the Water Resources Council.

3. International Aviation.

Subject to policy determinations by the President, the CAB regulates international aviation affecting the United States. This function has far-reaching effects on our foreign policy, our balance of payments, and the vitality of American aviation.

The Secretary of Transportation should provide leadership within the Executive Branch in formulating long-range policy for international aviation. He should participate in CAB proceedings that involve international aviation policy.

4. Urban Mass Transportation.

The Departments of Transportation and Housing and Urban Development must cooperate in decisions affecting urban mass transportation.

The future of mass transit -- the safety, convenience, and indeed the livelihood of its users -- depends upon wide-scale, rational planning. If the Federal government is to contribute to that planning, it must speak with a coherent voice.

The Department of Housing and Urban Development should bear the principal responsibility for bringing about a unified Federal approach to

urban mass transit problems. Yet it cannot perform this task without the counsel, support, and cooperation of the Department of Transportation.

I shall ask the two Secretaries to agree on the means and procedures by which this cooperation can be achieved -- not only in principle, but in practical effect.

Role of the Department

The Department of Transportation will:

-- coordinate the principal existing programs that promote transportation in America.

-- bring new technology to a total transportation system, by promoting research and development in cooperation with private industry.

-- improve safety in every means of transportation.

-- plan for the fullest use of our labor force, consistent with our established human resource policies.

-- encourage improved service to the public.

-- conduct systems analysis and planning, to strengthen the weakest parts of today's system.

-- develop cost effectiveness and budgeting methods that will assist all levels of government and industry in their transportation investments.

The Interstate Commerce Commission

The measure I recommend will not affect the economic regulatory functions of the Interstate Commerce Commission, the Civil Aeronautics Board, or the Federal Maritime Commission.

I do recommend, however, a change in the manner of selecting the chairman of the Interstate Commerce Commission.

Today the chairman of this vital commission -- alone among the federal regulatory agencies -- is selected, not by the President, but by annual rotation among the eleven commissioners.

This is not sound management practice in an agency whose influence on our rail, highway, waterway and pipeline industries is profound and far-reaching. The ICC's jurisdiction extends to 18,000 transport companies, and it handles 7,000 cases each year. No private corporation of such size and importance would change its chief executive officer each year.

I request the Congress to enact legislation giving the President authority to designate the ICC Chairman and Vice Chairman from among its members.

Safety

105,000 Americans died in accidents last year.

More than half were killed in transportation, or in recreation accidents related to transportation.

49,000 deaths involved motor vehicles.

1,300 involved aircraft.

1,500 involved ships and boats.

2,300 involved railroads.

Each means of transportation has developed safety programs of varying effectiveness. Yet we lack a comprehensive program keyed to a total transportation system.

Proven safety techniques in one means have not always been adapted in others.

Aircraft, train and maritime accidents are investigated in detail. The intensity of aviation safety requirements is reflected in last year's record: 62 billion passenger miles flown -- with seven fatal accidents resulting in 253 deaths.

In contrast, the highway death toll set a new record. The prediction for this year is that more than 50,000 persons will die on our streets and highways -- 50,000 useful and promising lives, and as many families stung by grief.

The toll of Americans killed in this way since the introduction of the automobile is almost unbelievable. It is 1.5 million -- more than all the combat deaths suffered in all our wars.

No other necessity of modern life has brought such tragedy, along with such convenience, to our people.

Why We Are Failing

The carnage of the highways must be arrested.

The weaknesses of our present highway safety program must be corrected:

-- Our knowledge of causes is grossly inadequate. Expert opinion is frequently contradictory and confusing.

-- Existing safety programs are widly dispersed. Government and private efforts proceed separately, without effective coordination.

-- There is no clear assignment of responsibility at the Federal level.

-- The allocation of our resources to safety is inadequate.

-- Neither private industry nor government officials concerned with automotive transportation have made safety first among their priorities. Yet we know that expensive freeways, powerful engines, and smooth exteriors will not stop the massacre on our roads.

What Can Be Done

State and local resources are insufficient to bring about swift reductions in the highway death rate. The Federal government must provide additional resources if existing programs are to be expanded and pioneer work begun in neglected areas.

Federal highway safety responsibilities should be incorporated into the Department of Transportation, in a total transportation safety program.

I have already set in motion a number of steps we can accomplish under existing law:

1. To strengthen the Federal role, I am today issuing an executive order assigning responsibility for coordinating Federal highway safety programs to the Secretary of Commerce. The activities now carried on by the President's Committee on Traffic Safety, and the Inter-departmental Safety Board, will be brought under the Secretary's jurisdiction. The Secretary will establish a highway safety unit within his Department, which will ultimately be transferred to the Department of Transportation.

2. To give greater support to our safety programs, I will shortly submit an amendment to the 1967 budget increasing funds for research, accident data collection, improved emergency medical service, driver licensing and traffic control technology.

I have also ordered a systematic evaluation of the resources allocated to traffic safety, to insure that we are receiving the maximum benefits from our present efforts.

3. To improve driving conditions, I have ordered that high priority be given to our efforts to build safety features into the Federal-aid highway network.

4. To save those who are injured, I have directed the Secretary of Health, Education and Welfare immediately to initiate projects that will demonstrate techniques for more effective emergency care and transportation. He will work in full cooperation with state, local and private officials. The Secretary of Commerce will establish a number of accident investigation teams, who will bring us new understanding of highway accidents and their causes.

5. To make vehicles safer, I have asked the Administrator of General Services, in cooperation with the Secretary of Commerce, to begin a detailed study of the additional vehicle safety features that should be added to the Federal fleet.

The Highway Safety Act of 1966

More -- much more -- remains to be done. I believe the people of America will support an aggressive highway safety program. I believe that the same Congress that enacted P.L. 89-139 last year, giving the Secretary of Commerce broad authority to establish a coordinated highway safety program, will be sympathetic to our efforts to bring that program into being.

I urge the Congress to enact the Highway Safety Act of 1966.

I urge greater support for state highway safety programs.

I urge direct Federal action to create uniform standards and to carry out programs in all areas of highway safety.

The components of this Act are as crucially important as the problem they address. They include:

-- a $500 million, five-year program to improve vehicle safety standards and inspection -- driver education and licensing -- advanced traffic control techniques -- police and emergency

medical services. Special accident investigation teams would be supported. Data collection efforts would be expanded, and fellowship grants and research support would be available in all areas of highway safety.

-- the improvement of automobile safety performance. Proper design and engineering can make automobiles safer. Vehicles sold in interstate commerce must be designed and equipped for maximum safety. Federal facilities are needed for the testing of essential safety features.

To make certain that safe performance design standards are met in tomorrow's cars, I request that the Secretary of Commerce be given authority and necessary funds to investigate and determine design criteria for all vehicles and their components. This authority would be transferred to the Secretary of Transportation when the new Department is created.

If, by 1970, adequate voluntary standards are not satisfactory, the Act would give the Secretary standby authority to prescribe mandatory safety standards for vehicles and their components. He would be authorized to prohibit the sale in interstate commerce of new vehicles which failed to meet those standards.

Congress has not hestitated to establish rigorous safety standards for other means of transportation. Today's highway death toll calls for an equally vigorous and effective expression of concern for our millions of car-owning families.

-- A Highway Safety Research Facility

Funds are needed to support research and testing in many disciplines related to highway safety. The public interest requires a better understanding of the human, highway and vehicle factors which cause accidents and injuries. We need to develop more effective counter-measures and objective standards to guide our national programs.

. . . Safety standards for motor vehicle tires.

I urge the Congress to act speedily and favorably on S. 2669, a bill establishing safety standards for motor vehicle tires sold or shipped in interstate commerce.

Evidence has shown that numbers of inferior tires are being sold to unwitting customers throughout the country. The dangers such tires hold for high-speed automobiles and their occupants is obvious.

S. 2669 provides that the Secretary of Commerce shall establish, and publish in the Federal Register, interim minimum safety standards for tires. These will be substantially as prescribed by the Vehicle Equipment Safety Commission, an interstate agency established by a joint resolution of Congress.

The Secretary would be required to review these standards two years from the enactment of the bill, and to revise them where that is necessary. A research and development program under his direction would improve the minimum standards for new tires, and develop such standards for retreaded tires.

Our driving public deserves the prompt passage of S. 2669, and the protection it will afford them from accidents caused by tire blow-outs.

Safety at Sea

Last year 90 men and women lost their lives when the cruise ship Yarmouth Castle burned and sank in the calm waters of the Caribbean.

The Yarmouth Castle was exempt from United States safety standards -- partially because of its "grandfather rights" under law. It was built before 1937.

We cannot allow the lives of our citizens to depend upon the year in which a ship was built.

The Coast Guard is presently completing its investigation of the Yarmouth Castle disaster. The Maritime Administration has already finished its investigation of financial responsibility.

Later in this session -- when our inquiries are accomplished and our findings reported -- I will submit to the Congress legislation to improve safety measures and guarantees of financial responsibility on the part of owners and operators of passenger-carrying vessels sailing from our ports.

Responsibility for Air Safety

The United States has declared its intent to denounce the Warsaw Convention, because it limits the air carrier's financial responsibility for passenger loss of life to $8,300.

Negotiations are under way in the International Civil Aviation Organization to increase this responsibility for passengers flying anywhere in the world.

We have expressed our opinion that the limit of liability should be $100,000.

(A National Transportation Safety Board)

Research and Development

Today the United States easily ranks as the world's leader in technology.

Despite this -- and despite the importance of transportation in the sharp competition for international trade -- the Federal government spends only a pittance on transportation research and development. Exclusive of national security applications, less than one percent of our total research and development budget goes for transportation.

Private enterprise will continue to conduct research and development in those components of transportation for which it has primary responsibility. But the government can help. It can plan and fashion a new concept of research and development for a total transportation system which is beyond the responsibility and capability of private industry.

Through government-sponsored research and development we can --

-- Provide comprehensive and reliable data for both private and public decisions.

-- Identify areas of transportation which can be exploited by private industry to provide safer and more efficient services to the public.

-- Fully understand the complex relationships among the components of a total transportation system.

-- Build the basis for a more efficient use of public resources.

-- Assure adequate domestic and international transportation in times of emergency.

The Department of Transportation, working with private industry and other government agencies, will provide a coordinated program of research and development to move the Nation more rapidly toward our transportation goals.

We must make significant advances in every phase of transport -- in aircraft, in ocean-going ships, in swifter rail service.

Supersonic Transport Aircraft

The United States is pre-eminent in the field of aircraft design and manufacture.

We shall not relinquish this leadership.

As I stated in my State of the Union Message, I shall propose a program to construct and flight test a new 2000-mile-per-hour supersonic aircraft.

Our supersonic transport must be competitive. It must be introduced into the market in a timely manner. It must be safe and reliable. And it must have profit potential for both the airlines and the manufacturers.

We have underway an intensive study and research program on the supersonic transport, ~~this aircraft~~, supported by appropriations of $231 million.

The design competition for this aircraft and its engines -- an intense and resourceful completion -- will be completed by the end of this year.

I have requested appropriations for Fiscal Year 1967 to initiate the prototype phase of the supersonic transport. My request includes funds for the completion of design competition, expanded economic and sonic boom studies, and the initial six months of prototype construction.

We hope to conduct first flight tests of the supersonic transport in late 1969, and to introduce it into commercial service by mid-1974.

Advanced Ocean Vessel Concepts

After years of United States leadership, maritime technology in other countries has caught up with and, in some instances, surpassed our own.

The U. S. Merchant Marine suffers in world competition because it bears much higher costs than its competitors. This can be overcome in some measure by technological improvement.

To accomplish substantial improvement in maritime technology, I have directed the Secretary of Commerce, in cooperation with the Navy and the Atomic Energy Commission, to form a Task Force on advanced vessel concepts. This program will be transferred to the Department of Transportation when it is established.

The Department of Defense recently launched the Fast Deployment Logistics Ship program. This concept introduces to the maritime field the same systems approach that has proven so successful in other Defense and Aerospace programs.

The concept places design, development, construction and maintenance of vessels into a single contract, for competitive bidding and building. Emphasis is placed on value engineering, automation, and other techniques for reducing costs.

The Task Force will apply the same concept to:

-- Research, development and planning of high speed, large capacity ships, devoted primarily to transporting pre-loaded containers of varying types between the major ports of the world.

-- Research on an ocean-going Surface Effects Vessel capable of speeds of more than 100 knots.

-- Continue studies and research on the application of nuclear propulsion to merchant marine ships.

Advanced Land Transport

Last year Congress took a long step towards advanced land transportation by enacting the High-Speed Ground Transportation Research and Development program. This program will be continued at the most rapid pace consistent with sound management of the research effort.

Similar vision and imagination can be applied to highway transport.

Segments of the Interstate Highway network already in operation are the most efficient, productive roads ever built anywhere in the world.

Motor vehicles move at higher rates of speed, more safely and in greater number per lane than on conventional roads. Transportation costs are reduced, and less land area is needed for this volume of traffic.

With the network about half completed after 10 years, it is apparent that Interstate Highways, as well as other roads and streets, can become even more productive and safe.

Accordingly, I am directing the Secretary of Commerce to:

-- Investigate means for providing guidance and control mechanisms to increase the capacity and improve the safety of our highway network.

-- Conduct research into the means of improving traffic flow -- particularly in our cities -- so we can make better use of our existing roads and streets.

-- Investigate the potential of separate roadways for various classes of vehicles. Emphasis will be placed on improving mass transportation service.

Systems Research

Some of our brightest opportunities in research and development lie in the less obvious and often neglected parts of our transportation system.

We spend billions for constructing new highways, but comparatively little for traffic control devices.

We spend millions for fast jet aircraft -- but little on the traveler's problem of getting to and from the airport.

We have mounted a sizable government-industry program to expand exports, yet we allow a vertable storm of red tape paperwork negate our efforts. Worldwide, a total of 810 forms are required to cover all types of cargo imported and exported. In this country alone, as many

as 43 separate forms are used in one export shipment. Eighty separate forms may be needed to process some imports. This is paperwork run wild.

I will direct the Secretary of Commerce to attack these problems, through the use of effective systems research programs.

Transportation for America

The Founding Fathers, riding by stage to Philadelphia to take part in the Constitutional Convention, could not have anticipated the immense complexity -- or the problems -- of transportation in our day.

Yet they, too, recognized the vital national interest in commerce between the States. The early Congresses expressed that interest even more directly, by supporting the development of road and water-way systems.

Now the very size of our transport requirements -- rising step-by-step with the growth of our population and industry-demands that we respond with new institutions, new programs of research, new efforts to make our vehicles safe, as well as swift.

Modern transportation can be the rapid conduit of economic growth--or a bottleneck.

It can bring jobs and loved ones and recreation closer to every family Or it can bring instead sudden and purposeless death.

It can improve every man's standard of living -- or multiple the cost of all he buys.

It can be a convenience, a pleasure, the passport to new horizons of the mind and spirit. Or it can frustrate and impede and delay.

The choice is ours to make. We built the cars, the trains, the plane the ships, the roads and sirports. We can, if we will, plan their safe and efficient use in the decades ahead.

I believe the program I have outlined in this message makes that possible. I urge its early adoption by the Congress.

MASTER
February 12, 1966

THE PRESIDENT'S MESSAGE ON TRANSPORTATION

TO THE CONGRESS OF THE UNITED STATES:

Two centuries ago the American nation came into being. Thirteen sparsely populated colonies, strung out along the Atlantic seaboard for 1300 miles, joined their separate wills in a common endeavor.

Three bonds united them. There was the cultural bond of a single language. There was the moral bond of a thirst for liberty and democratic government. And there was the physical bond of a few roads and rivers, by which the citizens of the colonies engaged in peaceful commerce.

Two centuries later the language is the same. The thirst for liberty and democracy endures.

The physical bond -- that tenuous skein of rough trails and primitive roads -- has become a powerful network on which the prosperity and convenience of our society depend.

In a nation that spans a continent, transportation is the web of union.

The Growth of our Transportation System

It is not necessary to look back to the 1760's to chronicle the astonishing growth of American transportation.

Twenty years ago there were 31 million motor vehicles in the United States. Today there are 90 million. By 1975 there will be nearly 120 million.

Twenty years ago there were 1.5 million miles of paved roads and streets in the United States. Today there are 2.7 million paved miles, out of a total of 3.6 million miles.

Twenty years ago there were 38,000 private and commercial aircraft. Today there are more than 97,000. [redacted]

[redacted]

Twenty years ago commercial airlines flew 209 million miles. Last year they flew a billion miles.

Twenty-five years ago American transportation moved 619 billion ton miles of cargo. In 1964, 1.5 trillion ton miles were moved.

The manufacturing of transportation equipment has kept pace. It has trippled since 1947. Last year $4.5 billion was spent for new transportation plant and equipment.

Transportation is one of America's largest employers. There are:

-- 737,000 railroad employees,

-- 270,000 local and inter-urban workers,

-- 230,000 in air transport,

-- almost a million men and women in motor transport and storage.

Together with pipeline and water transportation employees, the total number of those who earn their livelihoods by moving people and goods is well over two and one-half million.

The Federal Government supports or regulates almost every means of transportation. Last year alone $5 billion in Federal funds were invested in transportation -- in highway construction, in river and harbor development, in airway operation and airport construction, in maritime subsidies. The government owns 1500 of the nation's 2500 ocean-going cargo vessels.

Our transportation system -- the descendant of the horse-drawn coaches and sailing ships of colonial times -- accounts for one in every six dollars in the American economy. In 1965, that amounted to $120 billion --a sum greater than the gross national product of this Nation in 1940.

Shortcomings of Our System

Vital as it is, mammoth and complex as it has become, the American transportation system is not good enough.

It is not good enough when it offers nearly a mile of street or road for every square mile of land -- and yet provides no relief from time-consuming, frustrating, and wasteful congestion.

It is not good enough when it produces sleek and efficient jet aircraft -- and yet cannot move passengers to and from airports in the time it takes those aircraft to fly hundreds of miles.

It is not good enough when it builds super-highways for super-charged automobiles -- and yet cannot find a way to prevent 50,000 highway deaths this year.

It is not good enough when public and private investors pour $15 million into a large, high-speed ship -- only to watch it remain idle in port for days before it is loaded.

It is not good enough when it lays out new freeways to serve new cities and suburbs -- and carelessly scars the irreplaceable countryside.

It is not good enough when it adheres to custom for its own sake -- and ignores opportunities to serve our people more economically and efficiently.

It is not good enough if it responds to the needs of an earlier America -- and does not help us expand our trade and distribute the fruits of our land throughout the world.

Why We Have Fallen Short

Our transportation system has not emerged from a single drawing board, on which the needs and capacities of our economy were all charted. It could not have done so, for it grew along with the country itself -- now restlessly expanding, now consolidating, as opportunity grew bright or dim.

Thus investment and service innovations responded to special needs. Research and development were sporadic, sometimes inconsistent, and largely oriented towards the promotion of a particular means of transportation.

As a result, America today lacks a coordinated transportation system that permits travellers and goods to move conveniently and efficiently from one means of transportation to another, using the best characteristics of each.

Both people and goods are compelled to conform to the system as it is, despite the inconvenience and expense of:

-- aging and often obsolete transportation plant and equipment.

-- networks chiefly designed to serve a rural society.

-- services long outstripped by our growing economy and population, by changes in land use, by new concepts in industrial plant location, warehousing and distribution.

-- the failure to take full advantage of new technologies developed elsewhere in the economy.

-- programs and policies which impede private initiative and dull incentives for innovation.

The result is waste -- of human and economic resources -- and the taxpayers' dollar.

We have abided this waste too long.

We must not permit it to continue.

We have too much at stake in the quality and economy of our transportation system. If the growth of our transport industries merely keeps pace with our current national economic growth, the demand for transportation will more than double in the next twenty years.

But that is too conservative an estimate. Passenger transportation is growing much faster than our Gross National Product -- reflecting the desires of an affluent people with ever-increasing incomes.

Private -- and Public -- Responsibility

The United States is the only major nation in the world that relies primarily upon privately owned and operated transportation.

That national policy has served us well. It must be continued.

But private ownership has been made feasible only by the use of publicly granted authority and the investment of public resources --

-- by the construction of locks, dams, and channels on our rivers and inland waterways.

-- by the development of a vast highway network.

-- by the construction and operation of airports and airways.

-- by the development of ports and harbors.

-- by direct financial support to the Merchant Marine.

-- by grants of eminent domain authority.

-- by capital equipment grants and demonstration projects for mass transit.

-- in years past, by grants of public land to assist the railroads.

Thus enlightened government has served as a full partner with private enterprise in meeting America's urgent need for mobility.

That partnership must now be strengthened with all the means that a creative federalism can provide. The costs of a transportation paralysis in the years ahead are too severe. The rewards of an efficient system are too great. We cannot afford the luxury of drift -- or proceed with "business as usual."

We must secure for all our travellers and shippers the full advantages of modern science and technology.

We must acquire the reliable information we need for intelligent decisions.

We must clear away the institutional and political barriers which impede adaptation and change.

We must promote the efforts of private industry to give the American consumer more and better service for his transportation dollar.

We must coordinate the executive functions of our transportation agencies in a single coherent instrument of government. Thus policy guidance and support for each means of transportation will strengthen the national economy as a whole.

A Department of Transportation

I urge the Congress to establish a Cabinet level Department of Transportation.

I recommend that this Department bring together almost 100,000 employees and almost $6 billion of Federal funds now devoted to transportation.

I urge the creation of such a Department to serve the growing demands of this great Nation, to satisfy the needs of our expanding industry and to fulfill the right of our taxpayers to maximum efficiency and frugality in Government operations.

In doing so I follow the recommendations of many distinguished Americans.

In 1936, a Select Committee of the United States Senate recommended a Department of Transportation, or, in the alternative, the consolidation of all transportation programs in the Department of Commerce.

In 1949, the Hoover Commission Task Force on Transportation recommended a Department of Transportation.

In 1961 President Eisenhower recommended such a Department in his Budget Message.

In 1961 a Special Study Group of the Senate Committee on Commerce recommended that all promotional and safety program of the Federal Government be concentrated in a Department of Transportation.

Many distinguished Members of Congress have offered bills to create the Department. Private citizens, experts in the field, have made the same recommendation to me.

It is time to act on these recommendations.

Scope of the Department

I propose that the following agencies and functions be consolidated in the Department of Transportation:

1. The Office of the Under Secretary of Commerce for Transportation, and its Policy, Program, Emergency Transportation and Research staffs.

2. The Bureau of Public Roads and the Federal-aid Highway Program it administers.

3. The Federal Aviation Agency. This key agency, with its functions in aviation safety, promotion and investment, will be transferred in its entirety to the new Department. It will continue to carry out these functions in the new department.

4. The Coast Guard, whose principal peacetime activities relate to transportation and marine safety. The Coast Guard will be transferred as a unit from the Treasury Department. As in the past, the Coast Guard will operate as part of the Navy in time of war.

5. The Maritime Administration, with its construction and operating subsidy programs.

6. The safety functions of the Civil Aeronautics Board, the responsibility for investigating and determining the probable cause of aircraft accidents and its appellate functions related to safety.

7. The safety functions and car service functions of the Interstate Commerce Commission, principally the inspection and enforcement of safety regulations for railroads, motor carriers, and pipelines, and the distribution of rail car supply in times of shortage.

8. The Great Lakes Pilotage Administration, the St. Lawrence Seaway Corporation, the Alaska Railroad, and certain minor transportation-related activities of other agencies.

As this list indicates, I am recommending the consolidation into the Department of those Federal agencies whose primary functions is transportation promotion and safety.

National Transportation Safety Board

No function of the new Department -- no responsibility of its Secretary -- will be more important than safety. We must insure the safety of our citizens as they travel on our land, in our skies, and over our waters.

I, therefore, recommend that there be created under the Secretary of Transportation a National Safety Transportation Board independent from the operating units of the Department. The sole function of this Board will be the safety of our travellers. It will review investigations of accidents to seek their causes. It will determine compliance with safety standards. It will critically

examine the adequacy of the safety standards themselves. It will assume safety functions transferred from the ICC and the CAB.

I consider the functions of this Board so important that I am requesting authority from the Congress to name five Presidential appointees as its members.

Relation to Other Government Activities

The activities of several departments and agencies affect transportation promotion and safety. Sound management requires that an appropriate and intimate relationship be established between those activites and the new Department of Transportation.

1. The subsidy functions of the Civil Aeronautics Board.

Aviation subsidies -- now provided only for local service airlines -- clearly promote our domestic transportation system. But subsidy awards are an integral part of the process of authorizing air carrier service. This is a regulatory function.

Therefore the airline subsidy program should remain in the CAB. The Secretary of Transportation, however, will develop principles and criteria which the Board will take into consideration in its proceedings.

In this way the subsidy program will be coordinated with overall national transportation policy.

2. The navigation program of the Corps of Engineers.

The Corps of Engineers -- through its construction of locks and harbor facilities, its channel deepening and river bank protection work -- makes a major contribution to water transportation. The Department of Transportation should not assume the responsibility for that construction, but its Secretary should be involved in the planning of water transportation projects.

With the approval of the President, the Secretary of Transportation should also issue standards and criteria for the economic evaluation of Federal transportation investments generally. In the case of transportation features of multi-purpose water projects, he should do so after consulting with the Water Resources Council.

3. International Aviation.

The Secretary of Transportation should provide leadership within the Executive Branch in formulating long-range policy for international aviation. While foreign policy aspects of international aviation are the responsibility of the Secretary of State, the Secretary of Transportation should insure that our international aviation policies are consistent with overall national transportation policy.

Subject to policy determinations by the President, the CAB regulates international aviation routes and fares as they affect the United States. This function has far-reaching effects on our foreign policy, our balance of payments, and the vitality of American aviation. The Secretary of Transportation should participate in CAB proceedings that involve international aviation policy.

4. Urban Transportation.

The Departments of Transportation and Housing and Urban Development must cooperate in decisions affecting urban transportation.

The future of urban transportation -- the safety, convenience, and indeed the livelihood of its users -- depends upon wide-scale, rational planning. If the Federal Government is to contribute to that planning, it must speak with a coherent voice.

The Department of Housing and Urban Development bears the principal responsibility for a unified Federal approach to urban problems. Yet it cannot perform this task without the counsel, support, and cooperation of the Department of Transportation.

I shall ask the two Secretaries to recommend to me, within a year after the creation of the new department, the means and procedures by which this cooperation can best be achieved -- not only in principle, but in practical effect.

Role of the Department

The Department of Transportation will:

-- coordinate the principal existing programs that promote transportation in America.

-- bring new technology to a total transportation system, by promoting research and developments in cooperation with private industry.

-- improve safety in every means of transportation.

-- encourage private enterprise to take full and prompt advantage of new technological opportunities.

-- encourage high quality, low cost service to the public.

-- conduct systems analysis and planning, to strengthen the weakest part of today's system.

-- develop investment criteria and standards and budgeting techniques to assist all levels of government and industry in their transportation investments.

The Interstate Commerce Commission

The measure I recommend will not alter the economic regulatory functions of the Interstate Commerce Commission, the Civil Aeronautics Board, or the Federal Maritime Commission.

I do recommend, however, a change in the manner of selecting the chairman of the Interstate Commerce Commission.

Today, the Chairman of this vital commission -- alone among the Federal regulatory agencies -- is selected, not by the President, but by annual rotation among the eleven commissioners.

This is not sound management practice in an agency whose influence on our rail, highway, waterway and pipeline industries is so far-reaching.

The ICC bears the demanding and challenging responsibility to keep federal regulation attuned to the needs and opportunities of a dynamic industry. Its jurisdiction extends to 18,000 transport companies. It handles 7,000 cases each year. No private corporation of such size and importance would change its chief executive officer once each year.

I shall shortly submit to the Congress a reorganization plan to give the President authority to designate the Chairman of the Interstate Commerce Commission from among its members, and to strengthen his executive functions.

Safety

105,000 Americans died in accidents last year.

More than half were killed in transportation, or in recreation accidents related to transportation.

49,000 deaths involved motor vehicles.

1,300 involved aircraft.

1,500 involved ships and boats.

2,300 involved railroads.

Each means of transportation has developed safety programs of varying effectiveness. Yet we lack a comprehensive program keyed to a total transportation system.

Proven safety techniques in one means have not always been adapted in others.

Last year the highway death toll set a new record. The prediction for this year is that more than 50,000 persons will die on our streets and highways -- 50,000 useful and promising lives, and as many families stung by grief.

The toll of Americans killed in this way since the introduction of the automobile is truly unbelievable. It is 1.5 million -- more than all the combat deaths suffered in all our wars.

No other necessity of modern life has brought such tragedy, along with such convenience, to our people.

Why We Are Failing

The carnage of the highways must be arrested.

The weaknesses of our present highway safety program must be corrected:

-- Our knowledge of causes is grossly inadequate. Expert opinion is frequently contradictory and confusing.

-- Existing safety programs are widely dispersed. Government and private efforts proceed separately, without effective coordination.

-- There is no clear assignment of responsibility at the Federal level.

-- The allocation of our resources to safety is inadequate.

-- Neither private industry nor government officials concerned with automotive transportation have made safety first among their priorities. Yet we know that expensive freeways, powerful engines, and smooth exteriors will not stop the massacre on our roads.

What Can Be Done

State and local resources are insufficient to bring about swift reductions in the highway death rate. The Federal government must provide additional resources. Existing programs must be expanded. Pioneer work must begin in neglected areas.

Federal highway safety responsibilities should be incorporated into the Department of Transportation, in a total transportation safety program.

I have already set in motion a number of steps we can accomplish under existing law:

1. To strengthen the Federal role, I am assigning responsibility for coordinating Federal highway safety programs to the Secretary of Commerce. I am directing the Secretary to establish a major highway safety unit within his Department. This unit will ultimately be transferred to the Department of Transportation. The President's Committee on Traffic Safety will be reorganized, strengthened and supported entirely by federal funds. The Interdepartmental Safety Board will be brought under the Secretary's jurisdiction.

2. To give greater support to our safety programs, I am requesting increased funds for research, accident data collection, improved emergency medical service, driver licensing and traffic control technology.

I have also asked the Secretary of Commerce to evaluate systematically the resources allocated to traffic safety, to insure that we are receiving the maximum benefits from our present efforts.

3. To improve driving conditions, I have ordered that high priority be given to our efforts to build safety features into the Federal-aid highway network.

4. To save those who are injured, I have directed the Secretary of Health, Education, and Welfare immediately to initiate projects to demonstrate techniques for more effective emergency care and transportation. He will work in full cooperation with state, local and private officials.

5. To help us better understand the causes of highway accidents, I have asked the Secretary of Commerce to establish accident investigation teams, who will bring us new understanding of highway accidents and their causes.

6. To make government vehicles safer, I have asked the Administrator of General Services, in cooperation with the Secretary of Commerce, to begin a detailed study of the additional vehicle safety features that should be added to the Federal fleet.

The Highway Safety Act of 1966

More -- much more -- remains to be done. The people of America deserve an aggressive highway safety program.

I believe that the Congress -- the same Congress which last year gave the Secretary of Commerce broad authority to set unform standards for State highway safety programs -- will be sympathetic to our efforts to bring that program into being.

I urge the Congress to enact the Highway Safety Act of 1966.

I urge greater support for state highway safety programs.

I urge the creation of a National Highway Research and Test Facility.

To begin, I recommend a $500 million, five year program.

The three components of this program are as crucially important as the problems they address.

First, Federal grants to the States for highway safety will be increased. With these funds a comprehensive highway safety program can be developed by each State under standards approved by the Secretary of Commerce. Included will be measures such as driver education and licensing -- advanced traffic control techniques -- regular vehicle safety inspections -- police and emergency medical services.

Second, Automobile safety performance will be improved. Proper desig and engineering can make our cars safer. Vehicles sold in Interstate Comm

must be designed and equipped for maximum safety. Safe performance design standards must be met in tomorrow's cares.

I request that the Secretary of Commerce be given authority to determine the necessary safety performance criteria for all vehicles and their components.

If, after a two year period, the Secretary finds that adequate voluntary standards are not satisfactory, he would be authorized to prescribe mandatory safety standards. He would be also authorized to prohibit the sale in Interstate Commerce of new vehicles and their components which failed to meet those standards.

Third, the Federal government's highway safety research efforts will be expanded. I recommend construction of a National Highway Safety Research and Test Center. Funds are needed to support research and testing in many disciplines related to highway safety. The public interest demands a better understanding of the human, highway and vehicle factors which cause death and injury. We must develop more effective counter-measures and objective standards to guide our national programs. Special accident teams should be organized -- accurate data collection should be enlarged on a national basis -- fellowship grants and research support should be made available to attract the best minds and talents of our Nation to this urgent work.

This new highway safety program would be transferred to the Secretary of Transportation when the new department is created.

Congress has not hesitated to establish rigorous safety standards for other means of transportation when circumstances demanded them.

Today's highway death toll calls for an equally vigorous and effective

Safety standards for motor vehicle tires

I urge the Congress to act speedily and favorably on S. 2669, a bill establishing safety standards for motor vehicle tires sold or shipped in interstate commerce.

Evidence has shown that numbers of inferior tires are being sold to unwitting customers throughout the country. The dangers such tires hold for high-speed automobiles and their occupants is obvious.

S. 2669 provides that the Secretary of Commerce shall establish, and publish in the Federal Register, interim minimum safety standards for tires. These will be substantially as prescribed by the Vehicle Equipment Safety Commission, an interstate agency established by a joint resolution of Congress.

The Secretary would be required to review these standards two years from the enactment of the bill, and to revise them where that is necessary. A research and development program under his direction would improve the minimum standards for new tires, and develop such standards for retreaded tires.

Our driving public deserves the prompt passage of S. 2669, and the protection it will afford them from accidents caused by tire blow-outs.

Safety at Sea

Last year 90 men and women lost their lives when the cruise ship Yarmouth Castle burned and sank in the calm waters of the Caribbean.

The Yarmouth Castle was exempt from United States safety standards -- partially because of its "grandfather rights" under law. It was built before 1937.

We cannot allow the lives of our citizens to depend upon the year in which a ship was built.

The Coast Guard is presently completing its investigation of the Yarmouth Castle disaster. The Maritime Administration has already finished its investigation of financial responsibility.

Later in this session -- when our inquiries are accomplished and our findings reported -- I will submit to the Congress legislation to improve safety measures and guarantees of financial responsibility on the part of owners and operators of passenger-carrying vessels sailing from our ports.

Air Accident Compensation

The United States has declared its intent to denounce the Warsaw Convention, because it limits their air carrier's financial responsibility for passenger loss of live to $8,300.

Negotiations are under way in the International Civil Aviation Organization to increase this responsibility for passengers flying anywhere in the world.

We have expressed our opinion that the limit of liability should be $100,000.

Research and Development

Today the United States easily ranks as the world's leader in technology.

Despite this -- and despite the importance of transportation in the sharp competition for international trade -- the Federal government spends only a pittance on transportation research and development. Exclusive of national security applications, less than one percent of our total research and development budget goes for transportation.

Private enterprise will continue to conduct research and development in those components of transportation for which it has primary responsibility.

But the government can help. It can plan and fashion research and development for a total transportation system which is beyond the responsibility or capability of private industry.

Through government-sponsored research and development we can --

-- Fully understand the complex relationships among the components of a total transportation system.

-- Provide comprehensive and reliable data for both private and public decisions.

-- Identify areas of transportation which can be exploited by private industry to provide safer and more efficient services to the public.

-- Build the basis for a more efficient use of public resources.

-- Provide the technological base needed to assure adequate domestic and international transportation in times of emergency.

The Department of Transportation -- working with private industry and other government agencies -- will provide a coordinated program of research and development to move the Nation toward our transportation goals. The Department can help translate scientific discovery into industrial practice.

We must make significant advances in every phase of transport -- in aircraft, in ocean-going ships, in swifter rail service.

Supersonic Transport Aircraft

The United States is pre-eminent in the field of aircraft design and manufacture.

We shall not relinquish this leadership.

As I said in my State of the Union Message, I am proposing a program to construct and flight test a new 2000-mile-per-hour supersonic aircraft.

Our supersonic transport must be competitive.

It must be introduced into the market in a timely manner.

It must be safe and reliable.

It must have profit potential for both the airlines and the manufacturers.

We have underway an intensive research and design program on the supersonic transport, supported by appropriations of $231 million.

The design competition for this aircraft and its engines is intense and resourceful.

I will shortly request $210 million in Fiscal Year 1967 appropriations to initiate the prototype phase of the supersonic transport. My request includes funds for the completion of design competition, expanded economic and sonic boom studies, and the initial six months of prototype construction.

We hope to conduct first flight tests of the supersonic transport by 1970, and to introduce it into commercial service by 1974.

Advanced Ocean Vessel Concepts

After years of United States leadership, maritime technology in other countries has caught up with and, in some instances, surpassed our own.

The U. S. Merchant Marine suffers in world competition because it bears much higher costs than its competitors. This can be offset in some measure by technological improvement.

To accomplish substantial improvement in maritime technology, I have directed the Secretary of Commerce, in cooperation with the Secretary of Defense and the Atomic Energy Commission, to form a Task Force on advanced vessel concepts. This program will be transferred to the Department of Transportation when it is established.

The Department of Defense recently launched the Fast Deployment Logistics Ship program. This conept introduces to the maritime field the same systems approach that has proven so successful in other Defense and Aerospace programs.

The concept places design, development, construction and maintenance of vessels into a single contract, for competitive bidding and building. Emphasis is placed on value engineering, automation, and other techniques for reducing costs.

The Task Force will apply the same concept to:

-- Research, development and planning of high speed, large capacity ships, devoted primarily to transporting pre-loaded containers of varying types between the major ports in the world.

-- Research on an ocean-going Surface Effects Vessel capable of skimming over the water at speeds more than 100 knots.

-- Continue studies and research on the application of nuclear propulsion to merchant marine ships.

Maritime Policy

Faced with increased competition abroad and rising costs at home, the share of trade carried by our merchant marine fleet is shrinking -- and its ships are aging rapidly.

One of the most urgent tasks of the new Department of Transportation will be to develop and recommend a long range plan of action to strengthen our merchant fleet. Many of the methods and approaches that have resulted in the economic growth of other modes of transportation may be capable of adaptation to our maritime industry.

There are steps, however, which should and can be taken at once:

1. To promote labor peace and harmony, I am today issuing an Executive Order creating a Maritime Labor Management Commission to aid in the resolution of the complex manning, wage subsidy, and jurisdictional issues that have hampered progress in the industry.

2. To apply the benefits of modern technology to the shipping industry, I am directing the Secretary of Commerce to undertake a research program aimed at developing improved port facilities and cargo handling methods.

3. To inject a more efficient, business like approach to our subsidy program, I have asked the Secretaries of Commerce and Labor to begin immediate discussions with the maritime industry. These meetings will develop changes in the government subsidy program to stimulate and reward efficient operation.

This Administration will not allow our merchant fleet to decline.

Our private shipyards will continue to serve the needs of the Country. They can become more productive and competitive through research and development and through standarization of ship construction. With a new Department of Transportation, we will increase our efforts to bring a modern, efficient merchant marine fleet to this Nation.

Advanced Land Transport

Last year Congress took a long step towards advanced land transportation

by enacting the High-Speed Ground Transportation Research and Development program. This program will be continued at the most rapid pace consistent with sound management of the research effort.

Similar vision and imagination can be applied to highway transport.

Segments of the Interstate Highway network already in operation are the most efficient, productive roads ever built anywhere in the world. Motor vehicles move at higher rates of speed, more safely and in greater number per lane than on conventional roads. Transportation costs are reduced, and less land area is needed for this volume of traffic.

With the network about half completed after 10 years, it is apparent that Interstate Highways, as well as other roads and streets, can become even more productive and safe.

Accordingly, I am directing the Secretary of Commerce to:

-- Investigate means for providing guidance and control mechanisms to increase the capacity and improve the safety of our highway network.

-- Conduct research into the means of improving traffic flow -- particularly in our cities -- so we can make better use of our existing roads and streets.

-- Investigate the potential of separate roadways for various classes of vehicles, with emphasis on improving mass transportation service.

Systems Research

Some of our brightest opportunities in research and development lie in the less obvious and often neglected parts of our transportation system.

We spend billions for constructing new highways, but comparatively little for traffic control devices.

We spend millions for fast jet aircraft -- but little on the traveler's problem of getting to and from the airport.

We have mounted a sizable government-industry program to expand exports, yet we allow a mountain of red tape paperwork negate our efforts.

Worldwide, a total of 810 forms are required to cover all types of cargo imported and exported. In this country alone, as many as 43 separate forms are used in one export shipment. Eighty separate forms may be needed to process some imports. This is paperwork run wild.

I have directed the Secretary of Commerce to attack these problems, through the use of effective systems research programs. And I have directed him to eliminate immediately every unnecessary element of red tape that inhibits our import and export programs.

Transportation for America

The Founding Fathers rode by stage to Philadelphia to take part in the Constitutional Convention. They could not have anticipated the immense complexity -- or the problems -- of transportation in our day.

Yet they, too, recognized the vital national interest in commerce between the States. The early Congresses expressed that interest even more directly, by supporting the development of road and water-way systems.

Most important, The Founding Fathers gave us a flexible Federal system of Government under which government at every level can join with private enterprise in a partnership of creative Federalism to solve our most complex problems.

For the very size of our transportation requirements -- rising step-by-step with the growth of our population and industry -- demands that we respond with new institutions, new programs of research, new efforts to make our vehicles safe, as well as swift.

Modern transportation can be the rapid conduit of economic growth -- or a bottleneck.

It can bring jobs and loved ones and recreation closer to every family. Or it can bring instead sudden and purposeless death.

It can improve every man's standard of living -- or multiple the cost of all he buys.

It can be a convenience, a pleasure, the passport to new horizons of the mind and spirit. Or it can frustrate and impede and delay.

The choice is ours to make. We built the cars, the trains, the planes, the ships, the roads and airports. We can, if we will, plan their safe and efficient use in the decades ahead.

I believe the program I have outlined in this message makes that possible. I urge its early adoption by the Congress.

# # # #

MASTER

February 17, 1966

THE PRESIDENT'S MESSAGE ON TRANSPORTATION

To the Congress of the United States ~~February 10, 1966~~

Two centuries ago the American nation came into being. Thirteen sparsely populated colonies, strung out along the Atlantic seaboard for 1~~200~~ 300 miles, joined their separate wills in a common endeavor.

Three bonds united them. There was the cultural bond of a single language. There was the moral bond of a thirst for liberty and democratic government. And there was the physical bond of a few roads and rivers, by which the citizens of the colonies engaged in peaceful commerce.

Two centuries later the language is the same. The thirst for liberty and democracy endures.

The physical bond -- that tenuous skein of rough trails and primitive ~~highways~~ roads -- has become a powerful network on which the prosperity and convenience of our society depend.

IN A NATION THAT SPANS A CONTINENT, TRANSPORTATION IS THE WEB OF UNION.

The Growth of our Transportation System

It is not necessary to look back to the 1760's to chronicle the astonishing growth of American transportation.

Twenty years ago there were 31 million motor vehicles in the United States. Today there are 90 million. By 1975 there will be nearly 120 million.

Twenty years ago there were 1.5 million miles of paved roads and streets in the United States. Today there are 2.7 million ~~surfaced~~ PAVED miles, out of a total of 3.6 million miles.

Twenty years ago there were 38,000 ~~active~~ aircraft, private and commercial. Today there are more than 90,000. The number of private aircraft has almost doubled.

Twenty years ago commercial airlines flew 209 million miles. ~~Today~~ Last year they fly a billion miles.

Twenty-five years ago American transportation moved 619 billion ton miles of cargo. In 1964, ~~1531 billion~~ 1.5 trillion ton miles were moved. ~~Soon the 1940 figure will have tripled.~~

The manufacturing of transportation equipment has kept pace. It has tripled since 1947. Last year $4.5 billion was spent for new transportation plant and equipment.

Transportation is one of America's largest employers. There are: --737,000 railroad employees; --270,000 local and inter-urban workers; --almost a million in motor transport and storage; --230,000 in air transport. Together with pipeline and water transportation employees, the total number of those who earn their livelihoods by moving people and goods is well over two and one-half million.

The Federal government supports or regulates almost every means of transportation. Last year alone $5 billion in Federal funds were invested in transportation -- in highway construction, in river and harbor development, in airways operations and airport construction, in maritime subsidies. The government owns 1500 of the nation's 2500 ocean-going cargo vessels.

~~In all,~~ Our transportation system -- the descendant of the horse-drawn coaches and sailing ships of colonial times -- accounts for one in every six dollars in the American economy. In 1965, that amounted to ~~the staggering total of~~ $120 billion -- a sum greater than the ~~entire~~ gross national product of this nation in 1940.

Shortcomings of Our System

Vital as it is, mammoth and complex as it has become, the American transportation system is not good enough.

It is not good enough when it offers nearly a mile of street or road for every square mile of land -- and yet provides no relief from time-consuming, frustrating, and wasteful congestion.

It is not good enough when it produces sleek and efficient jet aircraft -- and yet cannot move passengers to and from airports in the time it takes those aircraft to fly hundreds of miles.

It is not good enough when it builds super-highways for super-charged automobiles -- and yet cannot find a way to prevent 50,000 highway deaths ~~each~~ this year.

It is not good enough when public and private investors pour $15 million into a large, high-speed ship -- only to watch it remain idle in port for days before it is loaded.

It is not good enough when it lays out new freeways to serve new cities and suburbs -- and carelessly scars the irreplaceable countryside.

It is not good enough when it adheres to custom for its own sake -- and ignores opportunities to serve our people more economically and efficiently.

It is not good enough if it responds to the needs of an earlier America -- and does not help us expand our trade and distribute the fruits of our ~~land~~ throughout ~~the~~ the world.

Why We Have Fallen Short

Our transportation system has not emerged from a single drawing board, on which the needs and capacities of our economy were ~~all accounted for.~~ CHARTED. It could not have done so, for it grew along with the country itself -- now restlessly expanding, now consolidating, as opportunity grew bright or dim.

Thus investment and service innovations responded to special needs. Research and development were sporadic, sometimes and inconsistent, and largely oriented towards the promotion of a particular means of transportation.

As a result, America today lacks a coordinated transportation system that permits travellers and goods to move conveniently and efficiently from one means of transportation to another, using the best characteristics of each.

Both people and goods are compelled to conform to the system as it is, despite the inconvenience and expense of:

-- ~~segments of transportation with~~ aging and often obsolete transportation plant and equipment.

-- networks chiefly designed to serve a rural society.

-- services long outstripped by our growing economy and population, by changes in land use, by new concepts in industrial plant location, warehousing and distribution.

-- the failure to take full advantage of new technologies developed elsewhere in the economy.

-- PROGRAMS and policies WHICH IMPEDE PRIVATE INITIATIVE and dull incentive FOR INNOVATION.

The result is waste -- of human and economic resources -- and the taxpayers' dollar.

We have abided this waste ~~in the past.~~ too long. We must not permit it to continue.

~~For~~ We have too much at stake in the quality and economy of our transportation system.

If the growth of our transport industries merely keeps pace with our current national economic growth, the demand for transportation will more than double in the next twenty years. But that is too conservative an estimate. Passenger transportation is growing much faster than ~~the~~ our Gross National Product -- reflecting the desires of an affluent people with ever-increasing incomes.

Private -- and Public -- Responsibility

The United States is the only major nation in the world that relies primarily upon privately owned and operated transportation.

That national policy has served us well. It must be continued.

But private ownership has been made feasible only by the use of publicly granted authority and the investment of public resources --

-- by the construction of locks, dams, and channels on our rivers and inland waterways.

-- by the development of a vast highway network.

-- by construction and operation of airports and airways.

-- by the development of ports and harbors.

-- by direct financial support to the Merchant Marine.

-- by grants of eminent domain authority.

-- by capital equipment grants and demonstration projects for mass transit.

-- in years past, by grants of public land to assist the railroads.

Thus enlightened government has served as a full partner with private enterprise in meeting America's urgent need for mobility.

~~Now~~ that partnership must NOW be strengthened. The costs of a transportation paralysis in the years ahead are ~~so~~ TOO severe, ~~and~~ the rewards of an efficient system are ~~so~~ TOO great, ~~that~~ we cannot afford the luxury of drift -- or proceed with "business as usual."

We must ~~mobilize our science and technology so that~~ SECURE FOR ALL our travellers and shippers ~~may take~~ the full advantage of ~~every means of transportation.~~ modern science and technology.

We must acquire the reliable information we need for intelligent decisions.

We must clear away the institutional and political barriers which impede adaptation and change.

We must coordinate ~~our~~ transportation agencies in a single coherent instrument of government. Thus ~~where~~ policy guidance and support for each means of transportation will strengthen the national economy as a whole.

with all the means that a certain reduction can provide.

We must promote the efforts of private industry

the operating functions of our

to give the American consumer more and better service for his transportation dollar.

(Insert A, Page 6)

A Department of Transportation

I urge the Congress to establish a Cabinet level Department of Transportation. I recommend that this Department bring together almost 100,000 employees and almost $6 billion of Federal funds now devoted to transportation.

I urge the creation of such a Department to serve the growing demands of this great Nation, to satisfy the needs of our expanding industry and to fulfill the right of our taxpayers to maximum efficiency and frugality in Government operations.

A Department of Transportation

I urge the Congress to establish a Department of Transportation that will give greater force and sharper focus to the Federal government's transportation programs.

In doing so I follow the recommendations of many distinguished Americans.

In 1936, a Select Committee of the United States Senate recommended a Department of Transportation, or, in the alternative, the consolidation of all transportation programs in the Department of Commerce.

In 1949, the Hoover Commission's Task Force on Transportation recommended a Department of Transportation.

In 1961 President Eisenhower recommended such a Department in his Budget Message.

In 1961 a Special Study Group of the Senate Committee on Commerce recommended that all promotional and safety programs of the Federal Government be concentrated in a Department of Transportation.

Many distinguished Members of Congress have offered bills to create the Department. Private citizens, experts in the field, have made the same recommendation to me.

It is time to act on these recommendations.

Scope of the Department

I propose that the following agencies and functions be consolidated in the Department of Transportation:

1. The Office of the Under Secretary of Commerce for Transportation, and its Policy, Program, Emergency Transportation and Research staffs,

2. The Bureau of Public Roads and the Federal-aid Highway Program it administers.

3. The Federal Aviation Agency. This key agency, with its functions in aviation safety, promotion and investment, will be transferred in its entirety to the new Department. It will continue to carry out these functions in the new department.

4. The Coast Guard, whose principal peacetime activities relate to transportation and MARINE SAFETY. The Coast Guard will be transferred as a unit from the Treasury Department. As in the past, the Coast Guard will operate as part of the Navy in time of war.

5. The Maritime Administration, with its construction and operating subsidy programs.

[redacted]

6. The safety functions of the Civil Aeronautics Board, the responsibility for investigating and determining the probable cause of aircraft accidents and its appellate functions related to safety.

7. The safety functions and car service functions of the Interstate Commerce Commission, principally the inspection and enforcement of safety regulations for railroads, motor carriers, and pipelines, and the distribution of rail car supply in times of shortage.

8. The Great Lakes Pilotage Administration, the St. Lawrence Seaway Corporation, the Alaska Railroad, and certain minor transportation-related activities of other agencies.

As this list indicates, I am recommending the consolidation into the Department of ~~only~~ those Federal agencies whose primary function is transportation promotion and safety.

But other Federal responsibilities bear such a close relationship to transportation promotion and safety that coordination must be effected between them and the new Department.

1. The subsidy functions of the Civil Aeronautics Board.

Aviation subsidies -- now provided only for local service airlines -- clearly promote our domestic transportation system. But subsidy awards

Draft A

National Transportation Safety Board

No function of the new Department -- no responsibility of its Secretary -- will be more important than safety. We must insure the safety of our citizens as they travel on our land, in our skies, and over our waters.

I, therefore, recommend that there be created under the Secretary of Transportation a National Safety Transportation Board independent from the operating units of the Department. The sole function of this Board will be the safety of our travellers. It will investigate ~~accidents~~ several major accidents to seek their cause. It will determine compliance with safety standards. ~~Indeed,~~ It will critically examine the ~~the~~ adequacy of the safety standards themselves. ~~It shall be established by the Department of Transportation.~~ I consider the functions of this Board so important that I am requesting authority from the Congress to name five ~~five~~ Presidential appointees as its members.

It will assume ~~the~~ safety functions transferred from the ICC and the CAB.

Relationship to Other Government Activities

4. The Coast Guard, whose principal peacetime activities relate to transportation and marine safety. The Coast Guard will be transferred as a unit from the Treasury Department. As in the past, the Coast Guard will operate as part of the Navy in time of war.

5. The Maritime Administration, with its construction and operating subsidy programs.

6. The safety functions of the Civil Aeronautics Board, the responsibility for investigating and determining the probable cause of aircraft accidents and its appellate functions related to safety.

7. The safety functions and car service functions of the Interstate Commerce Commission, principally the inspection and enforcement of safety regulations for railroads, motor carriers, and pipelines, and the distribution of rail car supply in times of shortage.

8. The Great Lakes Pilotage Administration, the St. Lawrence Seaway Corporation, the Alaska Railroad, and certain minor transportation-related activities of other agencies.

As this list indicates, I am recommending the consolidation into the Department of those Federal agencies whose primary functions is transportation promotion and safety. Insert A

~~But other Federal responsibilities bear such a close relationship to~~ The activities of several departments and agencies ~~transportation promotion and safety that coordination must be effected~~ Sound management ~~between them and~~ the new Department of Transportation, requires that an appropriate and enforceable allocation of responsibilities be established between those departments and offset

I. The subsidy functions of the Civil Aeronautics Board.

Aviation subsidies -- now provided only for local service airlines -- clearly promote our domestic transportation system. But subsidy awards are an integral part of the process of authorizing air carrier service. This is a regulatory function.

Therefore the airline subsidy program should remain in the CAB. The Secretary of Transportation, however, will develop principles and criteria which the Board will take into consideration in its proceedings.

are an integral part of the process of authorizing air carrier service. This is a regulatory function.

Therefore the airline subsidy program should remain in the CAB. The Secretary of Transportation, however, will develop principles and criteria which the Board will take into consideration in its proceedings. In this way the subsidy program will be ~~more fully~~ coordinated with overall national transportation policy.

Insert C

While foreign policy aspects of international aviation are, and should remain, the responsibility of the Secretary of State, the Secretary of Transportation should take the lead to insure that our international aviation policies are consistent with overall national transportation policy.

2. The navigation program of the Corps of Engineers.

The Corps of Engineers -- through its construction of locks and harbor facilities, its channel deepening and river bank protection work -- makes a major contribution to water transportation. The Department of Transportation should not assume the responsibility for that construction, but its Secretary should be involved in the planning of water transportation projects. He should also issue standards and criteria for the transportation features of multi-purpose water projects, after consulting with the Water Resources Council.

3. International Aviation.

Subject to policy determinations by the President, the CAB regulates international aviation affecting the United States. This function has far-reaching effects on our foreign policy, our balance of payments, and the vitality of American aviation.

The Secretary of Transportation should provide leadership within the Executive Branch in formulating long-range policy for international aviation. He should participate in CAB proceedings that involve international aviation policy.

4. Urban ~~Mass~~ Transportation.

The Departments of Transportation and Housing and Urban Development must cooperate in decisions affecting urban ~~mass~~ transportation.

The future of ~~mass~~ transit -- the safety, convenience, and indeed the livelihood of ~~its users~~ -- depends upon wide-scale, rational planning. If the Federal government is to contribute to that planning, it must speak with a coherent voice.

The Department of Housing and Urban Development ~~should~~ bear the principal responsibility for ~~bringing about~~ a unified Federal approach to

recommend to me, within a year after the creation of the new department,

urban ~~mass transit~~ problems. Yet it cannot perform this task without the counsel, support, and cooperation of the Department of Transportation.

I shall ask the two Secretaries to ~~agree on~~ the means and procedures by which this cooperation can best be achieved -- not only in principle, but in practical effect.

Role of the Department

The Department of Transportation will:

-- coordinate the principal existing programs that promote transportation in America.

-- bring new technology to a total transportation system, by promoting research and development in cooperation with private industry.

-- improve safety in every means of transportation.

and more efficient

-- ~~plan for the fullest~~ use of our transportation labor force, consistent with our ~~established human resource policies.~~ encourage private enterprise to the full and prompt advantage of new technological opportunities.

-- encourage ~~improved~~ service to the public. (high quality, low cost)

-- conduct systems analysis and planning, to strengthen the weakest parts of today's system.

-- develop ~~cost effectiveness~~ investment criteria and standards and budgeting methods ~~that will~~ (techniques to) assist all levels of government and industry in their transportation investments.

The Interstate Commerce Commission

The measure I recommend will not ~~affect~~ alter the economic regulatory functions of the Interstate Commerce Commission, the Civil Aeronautics Board, or the Federal Maritime Commission.

I do recommend, however, a change in the manner of selecting the chairman of the Interstate Commerce Commission.

Today the Chairman of this vital commission -- alone among the federal regulatory agencies -- is selected, not by the President, but by annual rotation among the eleven commissioners.

This is not sound management practice in an agency whose influence on our rail, highway, waterway and pipeline industries is ~~profound~~ so ~~and~~ far-reaching. ~~The ICC's~~ Its jurisdiction extends to 18,000 transport companies, ~~and~~ It handles 7,000 cases each year. No private corporation of such size and importance would change its chief executive officer each year.

I ~~request~~ shall shortly submit to the Congress ~~to enact legislation~~ a reorganization plan to giving the President authority to designate the ~~ICC~~ Chairman ~~and Vice Chairman~~ from among its members, and to strengthen his executive functions.

Safety

105,000 Americans died in accidents last year.

More than half were killed in transportation, or in recreation accidents related to transportation.

49,000 deaths involved motor vehicles.

1,300 involved aircraft.

1,500 involved ships and boats.

2,300 involved railroads.

Each means of transportation has developed safety programs of varying effectiveness. Yet we lack a comprehensive program keyed to a total transportation system.

Proven safety techniques in one means have not always been adapted in others.

Aircraft, train and maritime accidents are investigated in detail. The ~~intensity~~ effectiveness of aviation safety requirements is reflected in last year's record -- 62 billion passenger miles flown -- with seven fatal accidents resulting in 253 deaths.

~~In contrast,~~ last year the highway death toll set a new record. The prediction for this year is that more than 50,000 persons will die on our streets and highways -- 50,000 useful and promising lives, and as many families stung by grief.

The toll of Americans killed in this way since the introduction of the automobile is ~~almost~~ truly unbelievable. It is 1.5 million -- more than all the combat deaths suffered in all our wars.

No other necessity of modern life has brought such tragedy, along with such convenience, to our people.

Why We Are Failing

The carnage of the highways must be arrested.

The weaknesses of our present highway safety program must be corrected:

-- Our knowledge of causes is grossly inadequate. Expert opinion is frequently contradictory and confusing.

-- Existing safety programs are widely dispersed. Government and private efforts proceed separately, without effective coordination.

-- There is no clear assignment of responsibility at the Federal level.

-- The allocation of our resources to safety is inadequate.

-- Neither private industry nor government officials concerned with automotive transportation have made safety first among their priorities. Yet we know that expensive freeways, powerful engines, and smooth exteriors will not stop the massacre on our roads.

What Can Be Done

State and local resources are insufficient to bring about swift reductions in the highway death rate. The Federal government must provide additional resources if existing programs are to be expanded, and pioneer work begin in neglected areas.

Federal highway safety responsibilities should be incorporated into the Department of Transportation, in a total transportation safety program.

I have already set in motion a number of steps we can accomplish under existing law:

1. To strengthen the Federal role, I am today issuing an executive order assigning responsibility for coordinating Federal highway safety programs to the Secretary of Commerce. The activities now carried on by the President's Committee on Traffic Safety and the Interdepartmental Safety Board will be brought under the Secretary's jurisdiction. The Secretary will establish a highway safety unit within his Department, which will ultimately be transferred to the Department of Transportation.

2. To give greater support to our safety programs, I will shortly submit an amendment to the 1967 budget increasing funds for research, accident data collection, improved emergency medical service, driver licensing and traffic control technology.

I have also ordered a systematic evaluation of the resources allocated to traffic safety, to insure that we are receiving the maximum benefits from our present efforts.

3. To improve driving conditions, I have ordered that high priority be given to our efforts to build safety features into the Federal-aid highway network.

4. To save those who are injured, I have directed the Secretary of Health, Education and Welfare immediately to initiate projects to ~~that will~~ demonstrate techniques for more effective emergency care and transportation. He will work in full cooperation with state, local and private officials. 5. To help us better understand the causes of highway accidents, I have directed the Secretary of Commerce ~~will~~ to establish ~~a number of~~ accident investigation teams, who will bring us new understanding of highway accidents and their causes.

5. To make government vehicles safer, I have asked the Administrator of General Services, in cooperation with the Secretary of Commerce, to begin a detailed study of the additional vehicle safety features that should be added to the Federal fleet.

The Highway Safety Act of 1966

More -- much more -- remains to be done. ~~I believe~~ The people of America deserve ~~will support~~ an aggressive highway safety program. I believe that the ~~same~~ Congress -- the same Congress that ~~enacted P. L. 89-139~~ last year, ~~in~~ giving the Secretary of Commerce broad authority to ~~establish~~ set uniform standards for ~~coordinated~~ state highway safety programs -- will be sympathetic to our efforts to bring that program into being.

I urge the Congress to enact the Highway Safety Act of 1966.

I urge greater support for state highway safety programs.

~~I urge direct Federal action to create uniform standards and to carry out programs in all areas of highway safety.~~

I urge the creation of a National Highway Research and Safety Authority. ~~The components of this Act are as crucially important as the problem they address. They include:~~

~~-- a $500 million, five-year program to improve vehicle safety standards and inspection -- driver education and licensing -- advanced traffic control techniques -- police and emergency~~

To begin, I recommend a $500 million, five year program.

10/ The components of this program are as crucially important as the problems they address.

~~It will have 3 key sections:~~

~~The New Highway Safety Act I propose will do three~~

First, ~~it will increase~~ Federal grants to the States for highway safety will be increased. With these funds a comprehensive highway safety program can be developed by each State under standards approved by the Secretary of Commerce. Included will be measures such as driver education and licensing -- advanced traffic control techniques -- regular vehicle safety inspections -- police and emergency medical services.

Second, ~~it will improve~~ automobile safety performance will be improved. Proper design and engineering can make our cars safer. Vehicles sold in Interstate Commerce must be designed and equipped for maximum safety. ~~To make certain that~~ Safe performance design standards ~~are~~ must be met in tomorrow's cars, I request that the Secretary of Commerce be given ~~the~~ authority to determine the necessary safety performance criteria for all vehicles and their components.

If, after a two year period, the Secretary finds that adequate voluntary standards are not satisfactory, he would be authorized to prescribe mandatory safety standards. He would be also authorized to prohibit the sale in Interstate Commerce of new vehicles and their components which failed to meet those standards.

Third, ~~It would expand~~ the Federal government's highway safety research efforts will be expanded and ~~accelerated~~. Funds are needed to support research and testing in many disciplines related to highway safety. The public interest demands a better understanding of the human, highway and vehicle factors which cause death and injury. We must develop more effective counter-measures and objective standards to guide our national programs.

~~A key step forward in this endeavor will be~~ I recommend the ~~authority to~~ construct ~~and~~ operate a ~~new Federal~~ National Highway Safety Research and Test Center. Special accident teams ~~would~~ should be organized. Accurate data collection ~~would~~ should be expanded and a national ~~and~~ fellowship grants and research support ~~would~~ should be made available ~~in all areas of highway safety.~~

~~CONTROL IS OVER~~

to attract into the best minds and talents of our nation to this ...

This new highway safety program would be transferred to the Secretary of Transportation when the new department is created.

Congress has not hesitated to establish rigorous safety standards for other means of transportation when circumstances demanded them.

Today's highway death toll calls for an equally vigorous and effective expression of concern for our millions of car-owning families. The Highway Safety Act of 1966 will accomplish this.

Safety standards for motor vehicle tires.

I urge the Congress to act speedily and favorably on S. 2669, a bill establishing safety standards for motor vehicle tires sold or shipped in interstate commerce.

Evidence has shown that numbers of inferior tires are being sold to unwitting customers throughout the country. The dangers such tires hold for high-speed automobiles and their occupants is obvious.

S. 2669 provides that the Secretary of Commerce shall establish, and publish in the Federal Register, interim minimum safety standards for tires. These will be substantially as prescribed by the Vehicle Equipment Safety Commission, an interstate agency established by a joint resolution of Congress.

The Secretary would be required to review these standards two years from the enactment of the bill, and to revise them where that is necessary. A research and development program under his direction would improve the minimum standards for new tires, and develop such standards for retreaded tires.

Our driving public deserves the prompt passage of S. 2669, and the protection it will afford them from accidents caused by tire blow-outs.

Safety at Sea

Last year 90 men and women lost their lives when the cruise ship Yarmouth Castle burned and sank in the calm waters of the Caribbean.

The Yarmouth Castle was exempt from United States safety standards -- partially because of its "grandfather rights" under law. It was built before 1937.

We cannot allow the lives of our citizens to depend upon the year in which a ship was built.

The Coast Guard is presently completing its investigation of the Yarmouth Castle disaster. The Maritime Administration has already finished its investigation of financial responsibility.

Later in this session -- when our inquiries are accomplished and our findings reported -- I will submit to the Congress legislation to improve safety measures and guarantees of financial responsibility on the part of owners and operators of passenger-carrying vessels sailing from our ports.

~~Responsibility for Air Safety~~ Air Accident Compensation

The United States has declared its intent to denounce the Warsaw Convention, because it limits the air carrier's financial responsibility for passenger loss of life to $8,300.

Negotiations are under way in the International Civil Aviation Organization to increase this responsibility for passengers flying anywhere in the world.

We have expressed our opinion that the limit of liability should be $100,000.

~~(A National Transportation Safety Board)~~

Research and Development

Today the United States easily ranks as the world's leader in technology.

Despite this -- and despite the importance of transportation in the sharp competition for international trade -- the Federal government spends only a pittance on transportation research and development. Exclusive of national security applications, less than one percent of our total research and development budget goes for transportation.

Private enterprise will continue to conduct research and development in those components of transportation for which it has primary responsibility. But the government can help. It can plan and fashion research and development for a total transportation system which is beyond the responsibility and capability of private industry.

Through government-sponsored research and development we can --

-- Provide comprehensive and reliable data for both private and public decisions.

-- Identify areas of transportation which can be exploited by private industry to provide safer and more efficient services to the public.

-- Fully understand the complex relationships among the components of a total transportation system.

-- Build the basis for a more efficient use of public resources.

-- Assure adequate domestic and international transportation in times of emergency.

The Department of Transportation, working with private industry and other government agencies, will provide a coordinated program of research and development to move the Nation toward our transportation goals.

We must make significant advances in every phase of transport -- in aircraft, in ocean-going ships, in swifter rail service.

Supersonic Transport Aircraft

The United States is pre-eminent in the field of aircraft design and manufacture.

We shall not relinquish this leadership.

As I ~~stated~~ said in my State of the Union Message, I ~~shall~~ am proposing a program to construct and flight test a new ~~2000-mile-per-hour~~ supersonic aircraft.

Our supersonic transport must be competitive. It must be introduced into the market in a timely manner. It must be safe and reliable. ~~And~~ It must have profit potential for both the airlines and the manufacturers.

We have underway an intensive ~~study and~~ research and design program on ~~this aircraft~~ the supersonic transport, supported by appropriations of $231 million.

The design competition for this aircraft and its engines ~~is an~~ is in intense and resourceful ~~completion -- will be completed by the end of this year.~~ competition which will shortly result in the award of contracts for the prototype aircraft.

I ~~have~~ will shortly request ~~appropriations for~~ $210 million in appropriations for Fiscal Year 1967 to initiate the prototype phase of the supersonic transport. My request includes funds for the completion of design competition, expanded economic and sonic boom studies, and the initial six months of prototype construction.

We hope to conduct first flight tests of the supersonic transport ~~in late 1969~~ by 1970, and to introduce it into commercial service by ~~mid~~ 1974.

Advanced Ocean Vessel Concepts

After years of United States leadership, maritime technology in other countries has caught up with and, in some instances, surpassed our own.

The U. S. Merchant Marine suffers in world competition because it bears much higher costs than its competitors. This can be ~~overcome~~ offset in some measure by technological improvement.

To accomplish substantial improvement in maritime technology, I have directed the Secretary of Commerce, in cooperation with the Navy and the Atomic Energy Commission, to form a Task Force on advanced vessel concepts. This program will be transferred to the Department of Transportation when it is established.

The Department of Defense recently launched the Fast Deployment Logistics Ship program. This concept introduces to the maritime field the same systems approach that has proven so successful in other Defense and Aerospace programs.

The concept places design, development, construction and maintenance of vessels into a single contract, for competitive bidding and building. Emphasis is placed on value engineering, automation, and other techniques for reducing costs.

The Tast Force will apply the same concept to:

-- Research, development and planning of high speed, large capacity ships, devoted primarily to transporting pre-loaded containers of varying types between the major ports of the world.

-- Research on an ocean-going Surfact Effects Vessel capable of speeds of more than 100 knots.

-- Continue studies and research on the application of nuclear propulsion to merchant marine ships.

Maritime Policy

~~The United States Merchant Marine fleet moves our trade across the oceans of the world~~. Faced with increased competition abroad and rising costs at home, the share of ~~the~~ trade ~~is~~ carried by our merchant marine fleet is shrinking -- and its ships are aging rapidly.

One of the ~~first~~ most urgent tasks of the new Department of Transportation will be to develop and recommend a long range plan of action to strengthen our ~~merchant marine~~ maritime industry. Many of the methods and approaches that have resulted in the economic growth of other modes of transportation may be capable of ~~adaption~~ adaptation to our ~~merchant marine fleet~~ maritime industry.

There are steps, however, which should and can be taken at once:

1. To promote labor peace and harmony ~~in an industry often beset by crippling strikes,~~ I am today issuing an executive order creating a Maritime Labor Management Commission to aid in the resolution of ~~the~~ THE complex manning, wage subsidy, and jurisdictional issues THAT HAVE HAMPERED PROGRESS IN THE INDUSTRY.

2. To ~~bring the fruits of~~ APPLY THE BENEFITS OF modern technology ~~to bear on the~~ TO THE shipping industry, I am directing the Secretary of Commerce to undertake A research ~~projects~~ PROGRAM aided at developing improved port facilities and cargo handling methods, ~~in addition to the programs listed above.~~

12

3. To inject a more efficient, business like approach to our subsidy program, I have asked the Secretaries of Commerce and Labor to begin immediate discussions with the maritime industry. These meetings will develop changes in the government subsidy program to stimulate and reward efficient operation.

R THIS ADMINISTRATION WILL NOT ALLOW OUR MERCHANT FLEET TO DECLINE.
Our private shipyards will continue to serve the needs of the country. They can become more productive and competitive through research and development and through standarization of ship construction. With a new Department of Transportation, we will increase our efforts to ~~insure a~~ BRING A modern, efficient merchant marine fleet TO THIS NATION.

Advanced Land Transport

Last year Congress took a long step towards advanced land transportation

To accomplish substantial improvement in maritime technology, I have directed the Secretary of Commerce, in cooperation with the Secretary of Defense ~~Navy~~ and the Atomic Energy Commission, to form a Task Force on advanced vessel concepts. This program will be transferred to the Department of Transportation when it is established.

The Department of Defense recently launched the Fast Deployment Logistics Ship program. This concept introduces to the maritime field the same systems approach that has proven so successful in other Defense and Aerospace programs.

The concept places design, development, construction and maintenance of vessels into a single contract, for competitive bidding and building. Emphasis is placed on value engineering, automation, and other techniques for reducing costs.

The Task Force will apply the same concept to:

-- Research, development and planning of high speed, large capacity ships, devoted primarily to transporting pre-loaded containers of varying types between the major ports of the world.

-- Research on an ocean-going Surface Effects Vessel capable of speeds of more than 100 knots skimming over the water at

-- Continue studies and research on the application of nuclear propulsion to merchant marine ships.

Advanced Land Transport

Last year Congress took a long step towards advanced land transportation by enacting the High-Speed Ground Transportation Research and Development program. This program will be continued at the most rapid pace consistent with sound management of the research effort.

Similar vision and imagination can be applied to highway transport.

Segments of the Interstate Highway network already in operation are the most efficient, productive roads ever built anywhere in the world.

Motor vehicles move at higher rates of speed, more safely and in greater number per lane than on conventional roads. Transportation costs are reduced, and less land area is needed for this volume of traffic.

With the network about half completed after 10 years, it is apparent that Interstate Highways, as well as other roads and streets, can become even more productive and safe.

Accordingly, I am directing the Secretary of Commerce to:

-- Investigate means for providing guidance and control mechanisms to increase the capacity and improve the safety of our highway network.

-- Conduct research into the means of improving traffic flow -- particularly in our cities -- so we can make better use of our existing roads and streets.

-- Investigate the potential of separate roadways for various classes of vehicles, with Emphasis ~~will be placed~~ on improving mass transportation service.

Systems Research

Some of our brightest opportunities in research and development lie in the less obvious and often neglected parts of our transportation system.

We spend billions for constructing new highways, but comparatively little for traffic control devices.

We spend millions for fast jet aircraft -- but little on the traveler's problem of getting to and from the airport.

We have mounted a sizable government-industry program to expand exports, yet we allow a ~~veritable stream~~ mountain of red tape paperwork negate our efforts. Worldwide, a total of 810 forms are required to cover all types of cargo imported and exported. In this country alone, as many

I believe the program I have outlined in this message makes that possible. I urge its early adoption by the Congress.

as 43 separate forms are used in one export shipment. Eighty separate forms may be needed to process some imports. This is paperwork run wild.

I will direct the Secretary of Commerce to attack these problems, through the use of effective systems research programs.

Transportation for America

The Founding Fathers, riding by stage to Philadelphia to take part in the Constitutional Convention, could not have anticipated the immense complexity -- or the problems -- of transportation in our day.

Yet they, too, recognized the vital national interest in commerce between the States. The early Congresses expressed that interest even more directly, by supporting the development of road and water-way systems.

Now the very size of our transport requirements -- rising step-by-step with the growth of our population and industry -- demands that we respond with new institutions, new programs of research, new efforts to make our vehicles safe, as well as swift.

Modern transportation can be the rapid conduit of economic growth -- or a bottleneck.

It can bring jobs and loved ones and recreation closer to every family. Or it can bring instead sudden and purposeless death.

It can improve every man's standard of living -- or multiple the cost of all he buys.

It can be a convenience, a pleasure, the passport to new horizons of the mind and spirit. Or it can frustrate and impede and delay.

The choice is ours to make. We built the cars, the trains, the planes, the ships, the roads and airports. We can, if we will, plan their safe and efficient use in the decades ahead.

DRAFT
LCWhite
12/23/65

TRANSPORTATION

A possible transportation program consisting of two principal segments might well have a chance of enactment. Confidential discussions with key leaders in the industry indicate that there is a fairly good chance of getting industry backing (or acquiescence) for a Department of Transportation, or in the alternative, a substantially strengthened transportation division within Commerce, pulling together many functions now scattered around the government.

Senator Magnuson is ~~the most critical~~ one of the keys to enactment of the program. He is aware of our efforts, but has made clear his lack of enthusiasm, maintaining that the transportation industry is in good shape and does a good job. Alan Boyd and the CEA are at work on a paper demonstrating the need for a stronger and more efficient program, emphasizing the national loss in unused capacity, the excess cost to shippers and consumers, and the tremendous projected growth in population and transportation needs.

I. REORGANIZATION

A. Department (or strengthened division within Commerce) -- included would be:

1. Bureau of Public Roads (to Commerce)
2. Maritime Administration (Commerce)
3. Highway Safety Program (Commerce)
4. FAA (independent)
5. Air safety functions (CAB)
6. Air subsidy functions (CAB)
7. Air promotional activities (CAB)
8. Coast Guard (Treasury)
9. Motor carrier safety functions (ICC)
10. Mass transportation, or perhaps all but the planning functions (HUD)

B. ICC Chairman -- Instead of an annual rotating Chairman, the Chairman would be appointed by the President from among the members to serve at the pleasure of the President.

II. CHANGES IN RATE MAKING PRINCIPLES

A. General Policy -- Since "de-regulation" is a term that instinctively arouses opposition from the truckers, we would emphasize a speedier and modernized ICC with emphasis on maximum utilization of capital investment and permitting the advantages of each mode to benefit the shipper and the ultimate consumer who foots the bill.

B. Specific Recommendations --

1. Cost of supplying transportation service would be the dominant factor in rate setting.

2. The present burden on the proponent of rates would shift to those shippers (or the Commission) who oppose, with the understanding that all information would be available for opponents.

3. Through routes and joint rates would be encouraged and facilitated.

4. Setting of rates on the basis of classification of commodities would be repealed.

5. Rail and motor carriers would be required to accept shipper-owned or -leased equipment on a non-discriminatory basis.

6. The period of time ~~which~~ rate ~~of time~~ could be ~~extended~~ suspended would be shrunk to 60 days (currently up to ~~six~~ 7 months).

7. Existing rules restricting the different commodities that can be mixed in containers would be eliminated.

8. The CAB would be authorized to regulate rates and practices of U. S. and foreign carriers coming to and going from the U. S.

9. ~~Motor~~ carrier certification of new routes would be liberalized.

10. Railroad abandonment procedures would be made similar to passenger discontinuance procedures.

11. The exemption enjoyed by agricultural products would be expanded ~~to processing and to utilizing more fully existing equipment~~.

III. MARITIME PROGRAM

A. The basic idea of building a modern efficient merchant marine has universal support. A few elements of the program are acceptable to all parties. The major disputes revolve about how much federal money shall be spent to replace obsolete

vessels and whether they should be constructed in the U. S. or abroad.

B. Elements of the program generally acceptable to all --

1. Establish a mechanism to resolve labor jurisdictional disputes (similar to Missile Labor Commission).

✓ 2. Expanded research and development.

✓ 3. Operating subsidies to reward efficient operators and penalize the inefficient.

4. Continue passenger line subsidies, but phase out when existing contracts expire.

5. As the new efficient bulk ships begin operation, eliminate premium rates under existing cargo preference legislation, although retaining preferences for routing.

6. Eliminate monopoly trade routes.

C. Principal issues still in dispute --

1. The rate of replacing old ships from the National Defense Reserve Fleet. The current 15-17 rate is admittedly inadequate. ~~This can be done simply by making~~ One issue is the amount of money available and ~~Obviously, this could be done more economi-~~ the other is whether to build here or abroad.

~~only if done abroad where~~ Foreign costs are approximately half that of U. S. ship building yards. One alternative would be to require the 15-17 to be built here and permit the additional ~~vessels~~ to be built abroad. Another alternative would be to require at least 50% of the construction in the U. S. Connor opposes foreign construction on balance of payments and national prestige grounds (Budget disagrees with the balance of payments basis over the long run). Wirtz believes ~~that~~ it is totally unacceptable to the ship building unions and probably to maritime unions also. This ~~may~~ should ~~nevertheless~~ be ~~worth~~ checked out with industry and Congressional sources.

2. Increase the current construction rate of new bulk ships from 5 per year to between 10 and 15. Involved is simply budget considerations, although the question of U. S. or foreign construction ~~pertains~~ applies here too. Wirtz would construct them with subsidies and provide them with operating subsidies.

D. Procedure for resolving conflict -- Some sounding out of the industry on the controversial ideas might indicate what

combination would be saleable. The divergence between Wirtz and Budget is sharp; even Connor and Boyd do not see eye to eye on the question of foreign ship construction. With a tentative go-ahead, contacts can be made shortly and a program hammered out in a two or three hour session without any unresolvable questions put to the President.