

U.S. DEPARTMENT OF COMMERCE OFFICE OF THE SECRETARY WASHINGTON, D.C. 20230

February 11, 1966

MEMORANDUM

To: Henry Wilson, The White House (Attn: Mrs. Jean Lewis)

From : Paul Southwick \$15.

Subject: Commerce Department Legislative Report

I. Department of Transportation

Lee White and Joe Califano have talked to Magnuson. So has Secretary Connor. Magnuson satisfied with proposal. He told Secretary Connor that he will get his turn at questions "when the nominations are up" before his Committee.

Senator McClellan told Alan Boyd and me that he will hold the hearings himself on the Department of Transportation bill and will "expedite" the matter. His first question concerned what functions if any the new Department would take from the Corps of Engineers on navigation projects. Alan Boyd assured him that there would be only a minor effect on the Corps of Engineers, and Senator McClellan seemed reasonably satisfied. He said he would not want any change which would make it more difficult to obtain navigation projects, and he cited a number of specific examples in his State.

McClellan also said his schedule of hearings might be affected by his re-election campaign, depending upon what kind of opposition he encounters.

Without making a commitment, he said he looked favorably toward the new Department proposal despite his general opposition to "adding new Departments!"

He told us he was particularly anxious about a project in Camden, Arkansas, involving Federal aid for the establishment of some kind of vocational or manpower training school on land and buildings donated by Brown-Root. He indicated this was a matter before the Economic Development Administration, and as I understand it, the question is whether donation of the land can be counted as the local matching requirement. "Can it be done," McClellan said. "Let me know and, if so, then hold it." We will pursue this with Gene Foley.

Senator Ribicoff told Alan Boyd and me that he will go with us on the Department of Transportation. He said that because of the number of reorganization plans being discussed and proposed, he would ask Joe Califano for a list of priorities. He said he would cooperate fully.

Since it was only today that we learned through you that we could discuss these matters with key members of Congress, we have not had a chance to schedule meetings for Alan Boyd or the Secretary with any others. We are seeking appointments with Congressmen Carl Albert, Fallon, Staggers and Dawson and Senator Randolph as soon as possible next week on both the Department of Transportation and the highway safety bill. (McNamara, of course, is in the hospital.)

In the House, Reorganization Subcommittee of Government Operations expects to schedule prompt hearings when the bill is transmitted. Both Interstate and Foreign Commerce and Merchant Marine and Fisheries are expected to hold separate hearings on their respective phases of the proposal although we expect actual bill will be handled through Government Operations.

II. Highway Safety

Senator Ribicoff in a discussion with Alan Boyd and me said he would express no positive opinions on the proposed highway safety program until he has had a chance to look at it further with the assistance of his staff. He said that obviously it was a step in the right direction, but he served notice that he would publicly criticize shortcomings if he felt the proposal was deficient. He said he did not intend to hold any additional highway safety hearings during the consideration of the President's program in view of the fact that the President's bill would be handled by a different Committee. (Ribicoff expects that the President's bill will be handled by the Commerce Committee.) In doubt about the jurisdiction and at your suggestion, I have asked for an appointment for the Secretary to talk to Carl Albert in the House, and at Mike Manatos' suggestion, I will talk to Frank Valeo tomorrow.

Alan Boyd, the Secretary and myself will discuss highway safety with Fallon, Staggers and Randolph as soon as we can get appointments.

THE WHITE HOUSE WASHINGTON

February 12, 1966

MEMORANDUM FOR

Honorable John T. Connor The Secretary of Commerce

Would you please write your comments on the attached draft and return it to me by 1:30 pm. today.

Joseph A. Califant, Jr. Special Assistant to the President

Two centuries ago the American nation came into being. Thirteen sparsely populated colonies, strung out along the Atlantic seaboard for 1280 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 -- has become a powerful network on which the prosperity and convenience of our society depend.

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 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 they fly a billion miles.

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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.

Shortcoming's of Our System

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

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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 supercharged 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.

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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.

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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.

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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.

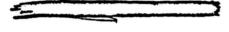
Now it is time to act on these recommendations.

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 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.
- 4. The Coast Guard, whose principal peacetime activities relate to transportation. 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 intimes of shortage.
- 8. The Great Lakes Pilotage Administration, the St. Lawrence
 Seaway Corporation, the Alaska Railroad, and certain minor transportationrelated 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

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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 proceeding.

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

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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

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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.

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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.

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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 such with 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.

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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 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.

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- 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. If 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

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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.

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.

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. . . 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 automobile 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 in 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.

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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.

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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.

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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 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.

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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.

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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

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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, 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 waterway systems.

Now the very size of our transport requirements -- rising step-bystep 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 sirports. We can, if we will, plan their safe and efficient use in the decades ahead.

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

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MASTER February 12, 1966

THE PRESIDENT'S MESSAGE ON TRANSPORTATION

TO THE CONGRESS OF THE UNITED STATES:

Iwo 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.

40.

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.

Twenty years ago commercial airlines flew 209 million miles. Last year they flew 4 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. Lat 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 men and women number of these 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 work Than 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.

enterprise in meeting America's urgent need for mobility.

That partnership must now be strengthened with all the means that 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.

C.6 A Department of Transportation 23 spure

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.

Indoing 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 value of the create the planting the Department. Private citizens, experts in the field, have made the same recommendation to me.

It is time to act on these recommendations.

6.7 Scope of the Department 3 spure

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.

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.

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 activities
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 SAB.

The Secretary of Transportation, however, will develop principles and criteria which the Board will take into consideration in its proceedings.

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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 and 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 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 Civil Acronal Evans Spans participate in GAP 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 parts of today's system.

 -- develop investment criteria and standards, and bydgeting techniques partsof today's system.
- to assist all levels of government and industry in their transportation investments.

Cabinit live Department:

Cabinit live Department:

The Interstate Commerce Commission

The Partment:

The Partment: 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.

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.

[. 12 1,500 involved ships and boats.

2,300 involved railroads.

there of american were enjoyed in Kongrepotion Each means of transportation has developed safety programs of varying

effectiveness. Yet we lack a comprehensive program keyed to a total transportation system.

ed migros in operations have not thanys been a potet

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 People -- \$00 Been involves we mone TRAGEDY -- THAN THE AUTOHOBILE. With such convenience, to our people.

The carnage of the highways must be arrested. The carnage of the highways must be arrested.

As I to sal & some mens AGO, we must replace suicide with

As I to sal & some mens highway safety program must be starts un 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 Highway Interdepartmental Safety Board will be brought under the Secretary's ROLE STAONG THONE.

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2. To give greater support to our safety programs, I am requesting increased funds for research, accident data collection, improved emergency medical service, driver heparing 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 History 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 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 design and engineering can make our cars safer. Vehicles sold in interstate commerce

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 warrow-wide 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.

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Third, the Federal government's highway safety research efforts will be expanded. I recommend construction of a National Highway Safety Research and Vest 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.

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. For unless we are the slaughter, me out of every two brunces will suffer one day suffer to helled a suite with the hilled

Safety standards for motor vehicle tire

I urge the Congress to act speedily and favorably on S. 2669

bill establishing safety standards for motor vehicle tires sold or

shipped in interstate commerce.

dence 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. The will be substantially as preserioed by the Vehicle Equipment Salaty Compaign on An animate agency established by

olation 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 orlynes.

Safety at Sea

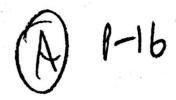
Safety at Sea

Spenc

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.



Air Accident Compensation

The United States has declared its intention to withdraw from the Warsaw Convention. Under this pact, the financial liability of a member nation's airline is limited to \$8300 for a passenger's death.

Discussions are underway in the International Civil

Aviation Organization to increase this liability for passengers

flying anywhere in the world. We have expressed our opinion

that the limit of liability should be raised to \$100,000.

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 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 the 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

3 Special States Tranks as the world's leader in technology.

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

development budget gas for transportation.

to confluct research and development

transportation for s 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.

et/make significant advances in every phase of transport -- in

aircraft, in ocean-going ships, in swifter rail service, in soft weller

Supersonic Transport Aircraft

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

manufacture.

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.

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

partial 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 of prototype construction. boom studies, and the initial

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

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The jet age has brought progress and prosperity to our

The jet age has brought progress and prosperity to our air transportation system. Modern, sleek jets can carry passengers and freight across a continent at speeds close to that of sound.

Yet this progress has created special problems of its own.

ANNOYANCE

ircraft noise that is a growing source of hardship and distress to the thousands of citizens who live near many of our large airports. As more of our airports begin to accommodate jets and as the volume of air travel expands, the problem will take on added dimension.

There are no simple or swift solutions. But it is clear that
we must embark now on a concerted effort to alleviate the problems
of aircraft noise. To this end, I have today directed my Science

Advisory Generates to work with the Federal Aviation Agency, the Mohing MASA, The Secretary of Commerce, the Department of Housing and Urban Development, to frame an action program. To affact fin will include the development of noise standards and the

compatible uses of land near airports. It will also embrace related research, consultations with local communities and industry for their views, and if appropriate, recommendations for legislation.

adminition attions needed to so that we may move ahead in this area, effectively and seen

(45pm

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 improvements,

To accomplish substituted improvement maritime technology. I have an directed the Secretary of Commerce, in cooperation with the Secretary of the Secretary of Medical Sculpin hours.

Defense and the Atomic Energy Commission, to find the secretary of advanced vessel concepts. This program will be transferred to the

Department of Transportation when it is notablished

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 Tank Force will be a reduced to the red

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

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.

Faced with increased competition sbroad 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 hodes 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, Lam. me Labor Manager in the readmine the complex manning, wage subsidy, and jurisdictional issues that have hampered progress in the industry.
- 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. This work will suppliced the spaceach on advanced wer ject a more efficient, business-like approach-to our subsidy the Secretaries of Commerce and Labor to begin immediate discussions with the maritime industry. These meetings will Lea develop changes in the government subsidy program to stimulate and reward

Aministration will not allow our merchant

efficient operation.

SHOULD continue to serve the needs of the Country. Our private shipyards 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, officient 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-bystep 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, - -

It can improve every man's standard of living -- or multiply 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 build 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 to much the quality flift.

Thelieve the program I have outlined in this message makes that possible from the formula

I urge its parly adoption by the Congress.

Royal Reker Barrows

9:15 p.m., Sunday (.6.C.)
February 13, 1966

FOR THE PRESIDENT

FROM

Joe Califano

Attached are:

- 1. The Transportation Message.
- 2. A list of the Congressmen Wilson, Manatos and the appropriate Departments recommend we invite for the White House briefing.
- 3. A report on the contacts on the Hill.

The message was drafted by McPherson and White and edited by me. It has been coordinated with all the appropriate agency heads and Schultze. Their comments are incorporated.

The present schedule is as follows:

- 1. Congressional briefing in White House Mess -- the evening of February 16.
- 2. Submission of the message -- February 17.
- 3. Press briefing -- morning of February 17.
- 4. Industry briefing -- afternoon of February 17. (We are inviting about 50 industry representatives to the White House to be briefed in the Fish Room.)

Magnuson has made arrangements to come back on February 16 to be at the Congressional briefing and to introduce the bill on the 17th. Both Magnuson and Ribicoff are enthusiastic about the program.

General McKee asked that I raise with you his request that the message and legislation indicate that the FAA will move into the Department as a single entity, like the Coast Guard. Schultze and I told him (a) the Coast Guard was a special case and (b) sound Government management required that the broadest authority and flexibility possible be given to the new Department.

Schultze and I feel strongly that we should not accede to the request (we face similar requests in every reorganization situation). Unless you disagree, we will not go along with McKee. He will be satisfied by the fact that I have brought it to your attention.

We will begin inviting Congressional and industry representatives (many of the latter have to come from distant places) tomorrow morning.

Finally, Lee White and I will call in all the key personnel from the various affected Departments and give them a briefing and pep talk on the entire program. We anticipate no problems.

If you approve the attached message, we will have it typed in final for your signature.

Approve	 Disapprove	

List of Senators to be invited to Briefings on Transportation.

Senate

Democrats

Mansfield Long Smathers McClellan Gruening Ribicoff

Kennedy, N.Y.

Harris
Montoya
Magnuson
Lausche
Monroney
Bartlett
McNamara
Randolph
Muskie

Young, Ohio Metcalf

Jackson Ervin

Moss

Jordan

Republicans

Dirks en
Kuchel
Mundt
Javits
Cotton
Morton
Cooper
Fong

List of House Members to be invited to Briefings on Transportation.

House

Democrats

Dawson
Holifield
Brooks
Fountain
Hardy
Blatnik
Jones, Ala.
Garmatz
Moss
Fascell
Reuss
Monagan
Speaker
Albert
Boggs

Fallon
Kluczynski
Staggers
Rogers
Friedel
Macdonald
Mahon
Rooney
Evins

Republicans

Ford
Arends
Bow
Jonas
Mrs. Dwyer
Griffin
Cramer
Baldwin
Springer
Devine



February 14, 1966

MEMORANDUM FOR MR. JOSEPH A. CALIFANO, JR. Special Assistant to the President

Attached are my quick comments on the February 12th draft of the Transportation Message.

John T. Connor Secretary of Commerce

N.B. /3



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COMMENTS ON DRAFT MESSAGE

Page 8, Urban Mass Transportation Section --

Secretary Weaver feels that some reference should be made in the Transportation Message to the need for appropriations to carry out the Urban Mass Transportation Act of 1964. Attached is a copy of his letter to me, dated January 24th, and particular attention is called to the last two paragraphs of his letter.

Page 11, 3d paragraph --

For clarification, suggest this sentence be reworded to read as follows:

"No other necessity of modern life has brought more convenience to the American people -- nor been involved in more tragedy -- than the automobile."

Page 12, 4th paragraph --

I question whether it is desirable to highlight in the Message
the point about issuing an Executive Order directing the Secretary of
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Page 19, Advanced Ocean Vessel Concepts --

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firmer leadership in maritime labor relations than has been the case in the past, our exhortations about value engineering, automation, etc. in the construction of ships is simply not going to be meaningful. For example, two years ago the President participated in a special White House ceremony in launching a Lykes Brothers' ship that was characterized as having the most advanced and most "automated" equipment on any cargo vessel built up to that time. Today, the Lykes Company "automated" ships are tied up in a labor controversy, i.e., they are not being operated. The engineer union refuses to operate these vessels unless additional crew members are put on -- notwithstanding the fact that the Federal Government and the operator built these "advanced automated" vessels so that they could be operated more economically. It is not suggested that this section in the draft message should be deleted; rather, it is only suggested that, even if all these things in the way of engineering and ship construction are accomplished, the accomplishment will be meaningless unless something is done in the area of maritime labor relations.

Page 21, second paragraph --

Suggest this sentence should be revised to read: "The Department of Transportation will be directed to attack these problems, through the use of effective systems research programs."

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Page 21, second paragraph --

Suggest this sentence should be revised to read: "The Department of Transportation will be directed to attack these problems, through the use of effective systems research programs."

February 12, 1966

MEMORANDUM FOR

Honorable John T. Connor The Secretary of Commerce

Would you please write your comments on the attached draft and return it to me by 1:30 pm. today.

Jos ph A. Califan, Jr.

Special Assistant to the President

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MEMORANDUM 5	EXECUTIVE
THE	WHITE HOUSE 77 999-15
1/2-	LE/542
	7:45 pm. Monday 40 /4F 8-U
•••	February 14, 1966
	5P 2-3/TN
	5/2-3/NR
FOR THE PRESIDENT	SA2 HE8-4
FROM Joe Califano	HE8-4
	76 400
Attached are:	76400
l. Henry Wilson's memoran	dum with enclosures reviewing
Congressional contacts on th	e Transportation Department, Safety
Bill and Water Pollution.	
,	tatives with whom Lee White and I
have reviewed the transporta	tion program.
In view of this, I believe that	we should go of Wednesday night with
	and of Thursday with the message. We
	have. It would be helpful to have your
decision tonight so that we ca	an invite the industry people (many of
whom have to come from far	-off places) tomorrows.
Approve	Disapprove
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LA DATA	not wan line
Why Ph	y not want until
Attachments	1 1/
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7:30 pm. Monday February 14, 1966

FOR THE PRESIDENT

FROM Henry Wilson

Larry O'Brien, Joe Califano and I have conferred at some length on the question of messages and prior consultation with committee members.

As a result of our discussion, the contacts reported in the attached papers and the desire of the leadership to get the message, we think the Transportation message should go Thursday and Pollution on Wednesday. (See the attached memos from Southwick, Manatos and Udall.)

They are continuing their contacts on the bill.

inger - "I bard on troot or or. I think it is that only.

Senator Magnuson is enthusiastic. He is ready to move ahead and has made plans to be here Wednesday night for a briefing and to introduce the bills Thursday.

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February 14, 1966

MEMORANDUM FOR JOE CALIFANO

FROM:

Mike Manatos 7h. 7h

Since Secretary Connor and Paul Southwick are concentrating on the Government Operations Committee on the Department of Transportation I have called as many of the Senate Commerce Committee members as I could reach, some in and some out of Washington. Here is the run-down:

Senator Pastore - "I applaud the idea. It's great."

Senator Monroney - Won't know until he sees the proposed program. He worries about the different modes of transportation and what emphasis will be given to each by the Chairman of the new department.

Senator Lausche - Out of the city. Will be back late Tuesday.

Senator Bartlett - Out of the city. Back late Tuesday.

Senator Hartke - Claims he will have to see the program until he can commit himself. He has heard some objections. Asked the question why we omitted including the Interstate Commerce Commission.

Senator McGee - Out of the city. Back Wednesday afternoon.

Senator Hart - "I have no problem with the broad conception. I think it is long overdo."

Senator Cannon - Out of the city. Back Wednesday evening.

Senator Brewster - "Very appealing. Most anxious to see what the President recommends."

Senator Neuberger - Out of the city. Back Wednesday.

Senator Bass - Out of the city. Back Wednesday.

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Congressional sentiment on proposed Department of Transportation, appointment of ICC Chairman and proposed highway safety program

- McClellan (previously talked to) Okay on new Department; will hold hearings himself and expedite.
- Ribicoff All the way with us on new Department; will probably have reservations about adequacy of highway safety proposal.
- Jackson For the Department proposal; questioned whether it will cost more money.
- Irwin Normally not in favor of new Departments; wants to study proposal.
- Robert Kennedy Unavailable; will call Secretary Connor later.
- Metcalf Wholeheartedly in favor of new Department, but makes no final commitment. Wants assurance the new Department will not hurt the Corps of Engineers.
- Dawson Favorably disposed toward the President's proposals, but just beginning to think about them.
- Jack Brooks Most enthusiastic about new Department and ICC appointment.
- Fountain Has not had time to consider carefully, but his natural reaction is against setting up new Departments.
- Porter Hardy General aspects of new Department make sense, but wants more details.
- Garmatz (Secretary Connor has an appointment to see him tomorrow.)
- Fascell Has a favorable impression on the new Department.
- Reuss Has reservations; opposed to proliferation of new Departments, but is open to "persuasion."
- Holifield Will go along with both Department and ICC proposals; expects to handle the Department bill himself; wants to be informed of any jurisdictional problem among House Committees and the attitude of outside interests. Will offer Staggers and Garmatz both an early opportunity to testify or make statements.