
Franklin D. Roosevelt — “The Great Communicator”
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**Series 2: “ You have nothing to fear but fear itself:” FDR
and the New Deal**

File No. 782

1935 June 7

Message to Congress re Transportation

June 7, 1935

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477

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STEPHEN EARLY

Assistant Secretary to the President

* * * *

TO THE CONGRESS OF THE UNITED STATES:

It is high time to deal with the Nation's transportation as a single, unified problem. For many years in the past transportation meant mainly railroads. But the rise of new forms of transportation, great expenditures of Government funds for the development of waterways and for the building of great highways and the development of invention within the railroad system itself, have enlarged the problem far beyond that conception which dominated most of our past legislation on the subject. In some instances the Government has helped a little. In others it retarded. In still others it has given special assistance from time to time - in many instances with ~~little~~ ^{no} reason - in all instances without considering each aspect of the problem in the light of all the others. It is small wonder that in a transportation picture so confused, the public has been inadequately served.

I have from time to time, in this session, addressed the Congress as to the necessity of various forms of Government aid and regulation of transportation. I now wish to draw together and supplement these various suggestions for the consideration of the Congress in this session.

In the railroad field there has been a growing recognition of the necessity for reorganization and coordination. To that end there was created the office of Federal Coordinator of Transportation. The Coordinator has considered various ways of affecting economies through the physical coordination of railway facilities and services, and, in addition, has studied and made suggestions for legislative measures covering both the railroads and other forms of transportation.

Another type of reorganization necessary for the sound and healthy recovery of our railroad system is financial. Many of our railroads are in a sound financial condition. Others are in need of reorganization. To enable necessary financial reorganizations to be effected inexpensively and promptly the Congress passed, two years ago, certain amendments to the Federal Bankruptcy Act. Shortcomings in this legislation have appeared which have prevented an efficient and extensive use of it. In order to correct these shortcomings the Coordinator has recommended certain amendments which are now before the Congress for action. Various differences of opinion as to these amendments are rapidly being adjusted and it is my hope that this legislation may be promptly enacted.

I have already recommended to the Congress my views with regard to the relations that should exist between the Federal Government and air carriers. Legislation has been introduced for the purpose of carrying out these recommendations. I am in general accord with the substance of this legislation although I still maintain, as I indicated in my message on that subject, that a separate commission need not be established to effectuate the purposes of such legislation. Air transportation should be brought into a proper relation to other forms of transportation by subjecting it to regulation by the same agency.

A bill for the regulation of highway motor carriers has passed the Senate and is now before the House of Representatives. The practical unanimity with which the Senate passed this bill convinces me of the extent to which all of the difficult adjustments among the interests concerned were made and I recommend its early passage by the House.

Another bill for the regulation of interoceanic and coastwise trade and of some of the inland waterway carriers prepared by the Coordinator has been introduced and is before the Congress for action. I recommend that this bill be considered by the appropriate committees and pressed to early passage. I can see no reason why the responsibility for the regulation of interoceanic, coastwise and inland waterways should not be vested in the Interstate Commerce Commission, with proper provision for the departmentalizing of the work of the Commission.

It is my hope that the Interstate Commerce Commission may, with the addition of the new duties that I have indicated, ultimately become a Federal Transportation Commission with comprehensive powers. It had been my intention to recommend this strongly to this session of the Congress, but the time remaining seems to preclude the discussions necessary for such changes. Such a reorganization should not be delayed, however, beyond the second session of the Seventy-fourth Congress.

The efforts toward the coordination of the railroads and the general improvement of transportation conditions which were begun by the Emergency Railroad Transportation Act of 1933, should proceed, and I recommend that the Act and the office of Coordinator be extended for at least another year.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

June 7, 1935.

reorganization

J. C. C. Message.

Nothing should be done to
increase R.R. employment
further ——— try to
increase — not decrease

May 8, 1935

Draft for Transportation Message

It is high time to deal with the Nation's transportation as a single, unified problem. For many years in the past to speak of transportation was to mean only railroads. But the development of invention within the railroad system itself, the rise of new forms of transportation, great expenditures of Government funds for the development of waterways and for the building of great highways have enlarged the transportation problem away beyond the conception in the light of which most of our past legislation was conceived. The great changes, however, in the field of transportation have proceeded in the light of no single, unified concept. Transportation facilities have been permitted to grow in the past years like "Topsy". In some instances the Government has helped a little. In others it has retarded. In others it has given special assistance from time to time - in many instances without rhyme nor reason- in all instances without considering one

problem, one aspect, in the light of all others. As a result there have⁵ been impoverishment⁶ in some forms of transportation, undue privilege in others and unsound financial aid in still others. It is small wonder that in a transportation picture so confused, the public has been inadequately served and that there have been occasionally waste, inefficiency and even exhortation and graft, public and private. These unfortunate results have arisen from our failure to coordinate the various forms of transportation within the jurisdiction of a single instrumentality for the protection of the public.

I have from time to time, in this session, addressed the Congress as to the necessity of various forms of Government aid in regulation for transportation. I now wish to draw together these various suggestions in a single plan and to suggest the types of legislation that it seems to me are imperative for the consideration of the Congress in this session.

In the railroad field there has been a growing recognition of the necessity for two sorts of reorganization and coordination.

The first is physical and to that end there was created the office of Federal Coordinator of Transportation. The Coordinator has considered various ways of affecting sweeping economies through the physical coordination of railways and, in addition, has studied and made suggestions for legislative measures in other forms of transportation. The second type of reorganization necessary for the sound and healthy recovery of our railroad system is financial reorganization. A great many of our railroads are in a sound financial condition. Others are in need of reorganization. The entire transportation system would be improved by a careful financial reorganization of those in pressing need of such a procedure. To enable reorganizations to be effected inexpensively and promptly the Congress passed, two years ago, certain amendments to the Federal Bankruptcy Laws. Certain shortcomings have appeared in this legislation which have prevented an efficient and extensive use of them. In order to correct these shortcomings the Coordinator

has recommended certain amendments which are now before the Congress for action. Various differences of opinion as to these amendments are rapidly being adjusted and it is my hope that this legislation may be promptly enacted.

I have already recommended to the Congress my views with regard to the relations that should exist between the Federal Government and air transportation. Legislation has been introduced for the purpose of carrying out these recommendations. I am in general in accord with the substance of this legislation although I still maintain, as I indicated in my message on that subject, that a separate commission need not be established to effectuate the purposes of such legislation. Air transportation should be brought

into proper relation to the general transportation problem by its inclusion with other forms of transportation in a single agency.

I have already communicated to you my views with respect to the Merchant Marine. A bill embodying, in the main, my views on this subject is now before the appropriate committees of the Congress. It provides for the creation of a United States Maritime Authority to administer the quasi-legislative aspects of the granting of subsidies. While in my opinion a properly reorganized transportation commission might well have this responsibility as one of its functions or divisions, it may well appear to the Congress that grants to the Merchant Marine may present such special problems as to justify the separate Authority provided in the bill. Whatever the decision of the Congress may be on this, joint prompt action upon the bill is highly desirable.

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The practical unanimity with which the Senate passed this bill convinces me of the extent to which all of the difficult adjustments among the interests concerned were made and I recommend its early passage by the House.

Another bill for the regulation of intercoastal and coastwise trade and of some of the inland waterway carriers prepared by the Coordinator has been introduced and is before the Congress for action. I recommend that this bill be considered by the appropriate committees and pressed to early passage. I can see no reason why the responsibility for the regulation of intercoastal, coastwise and inland waterways should not be vested in the Interstate Commerce Commission, provided proper provision is made for the departmentalizing of the work of the Commission. Even though the granting of subsidies to the Merchant Marine should after consideration be vested in a separate authority, the work of the physical coordination of railroads should proceed and it is my hope that the Congress may find it possible to con-

tinues the office of Coordinator in a form which will permit it to carry out substantial and effective improvement in the railroad system. Many of the difficulties in the way of effective coordination can be removed by adequate protection to employees who are dismissed through measures of economy recommended or approved by the Coordinator. To this end the Coordinator has submitted with his report to the Congress a bill providing for dismissal compensation. I recommend that this bill, or a measure looking to the same end, be enacted by the Congress.

For the carrying out of quasi-judicial and quasi-legislative functions of the government in relation to transportation, it is logical to look to the Interstate Commerce Commission. It is at the present time, however, largely a railroad body and in order to meet the needs of new forms of transportation, its duties and organization should be redefined. The question of a name for the reorganized body is immaterial, but in fact it should become a federal transportation commission with large powers, adequate salaried

commissioners and a sufficiently large staff. There should be provision for the subdivision of its activities in accordance with the various general forms of transportation with which it is concerned, such as railroads, inland and intercoastal shipping, (ocean), highway and air transportation. Whether its membership should be considerably larger than the present Interstate Commerce Commission, with groups of members designated for each of these functions, or whether the number of commissioners should be very small with additional deputies serving each of the fields, is a question which may be considered with care. I have no specific recommendation on this point. Functions of the Commission, however, should be strictly limited to those which are quasi-judicial and quasi-legislative such as the regulation of rates in the various forms of transportation, the regulation of transportation practices, the approval of security issues, the regulation of accounting, the prevention of discrimination, the approval of consolidation, pooling

agreements, the issuance of certificates of convenience and necessity and other similar functions, proposals for the review and approval of subsidy contracts initiated by the Department of Commerce and the review of administrative orders of the Secretary of Commerce.

The administrative functions of the government relating to transportation to be centralized in the Department of Commerce should include the development of plans for the expansion and improvement of the national transportation system, the enforcement of safety regulations, the gathering of significant information and statistics, the improvement of airways, waterways and highways except for such functions as are now exercised by the Departments of War, Agriculture and the Interior, and the certification of air and foreign trade routes to be subsidized and other activities relating to the administration of subsidies, the study and planning of the problem of transportation and other similar administrative functions.

In the past few years our nation has made great progress in problems of production. It is already able to create vast amounts of the good things of life for the use of its people. It has lagged behind, however, in mastering the problem of distribution. The next generation will be marked, I hope, by the development of our knowledge and mastery of problems of distribution. To this end wise and enlightened legislation intended to not only protect the public interest against exploitation, but to assist in the enlargement and improvement of our means of transportation is essential. I commend these recommendations to you for early action.

May 8, 1935

Draft for Transportation Message

It is high time to deal with the Nation's transportation as a single, unified problem. For many years in the past to speak of transportation was to mean only railroads. But the development of invention within the railroad system itself, the rise of new forms of transportation, great expenditures of Government funds for the development of waterways and for the building of great highways have enlarged the transportation problem away beyond the *far* *than* *which dominated* conception in the light of ~~which~~ most of our past legislation was *on the subject.* ~~conceived. The great changes, however, in the field of transportation have progressed in the light of an entirely unified concept.~~

Transportation facilities have been permitted to grow ~~in the past~~ ~~years~~ like "Topsy". In some instances the Government has helped a little. In others it has retarded. In others it has given special assistance from time to time - in many instances without rhyme nor reason- in all instances without considering one

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TRANSPORTATION MESSAGE

It is high time to deal with the Nation's transportation as a single, unified problem. For many years in the past to speak of transportation was to mean only railroads. But the development of invention within the railroad system itself, the rise of new forms of transportation, great expenditures of Government funds for the development of waterways and for the building of great highways have enlarged the transportation problem far beyond that conception which dominated most of our past legislation on the subject. Transportation facilities have been permitted to grow like "Topsy." In some instances the Government has helped a little. In others it has retarded. In others it has given special assistance from time to time - in many instances without rhyme nor reason - in all instances without considering ^{each} ~~such~~ aspect of the problem in the light of all others. As a result there has been impoverishment in some forms of transportation, undue privilege in others and unsound financial aid in still others. It is small wonder that in a transportation picture so confused, the public has been inadequately served and that there have been occasionally waste, inefficiency and even exhortation and graft, public and private.

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Many of the difficulties in the way of effective coordination can be removed by adequate protection to employees who are dismissed through measures of economy recommended or approved by the Coordinator. To this end the Coordinator has submitted with his report to the Congress a bill providing for dismissal compensation. I recommend that this bill, or a measure looking to the same end, be enacted by the Congress.

For the quasi-judicial and quasi-legislative functions of the government in relation to transportation, it is logical to look to the Interstate Commerce Commission. The question of a name for the reorganized body is immaterial, but in fact it should become a federal transportation commission with large powers, adequate salaried commissioners

and a sufficiently large staff. Its activities should be subdivided in accordance with the various general forms of transportation with which it is concerned, such as railroads, inland and intercoastal shipping, ocean, highway and air transportation. Functions of the Commission, however, should be strictly limited to those which are quasi-judicial and quasi-legislative such as the regulation of rates in the various forms of transportation, the regulation of transportation practices, the approval of security issues, the regulation of accounting, the prevention of discrimination, the approval of consolidation, pooling agreements, the issuance of certificates of convenience and necessity and other similar functions, proposals for the review and approval of subsidy contracts initiated by the Department of Commerce and the review of administrative orders of the Secretary of Commerce.

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In the past few years our nation has made great progress in problems of production. It is already able to create vast amounts of the good things of life for the use of its people. It has lagged behind, however, in mastering the problem of distribution. The next generation will be marked, I hope, by the development of our knowledge and mastery of problems of distribution. To this end wise and enlightened legislation intended to not only protect the public interest against exploitation, but to assist in the enlargement and improvement of our means of transportation is essential. I commend these recommendations to you for early action.

THE WHITE HOUSE
WASHINGTON

Miss Le Hand:

This is the original
of the President's
transportation message.

P.L.S.

[June 7, 1935]

~~Draft June 4, 1957~~
To the Congress of the United States
~~TRANSPORTATION MESSAGE~~

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Insert A -

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THE WHITE HOUSE
WASHINGTON

Do you want to
take this up now?

Transportation
Message.

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