

## NATIONAL TRANSPORTATION POLICY IN THE UNITED STATES—AN ANALYSIS OF THE CONCEPT

BYRON NUPP\*

Transportation leaders and practitioners, statesmen, and members of the general public use the term "National Transportation Policy." Political leaders may criticize the party in power by saying that the need for a "National Transportation Policy" has not been met. Frustrated shippers, travelers, or transportation executives may remark on the need for a "National Transportation Policy." The term was apparently used first in the works of Harold G. Moulton, the Brookings Institution scholar in his groundbreaking studies of the relationships of government and transportation in the 1930's.<sup>1</sup> The phrase attained a legislative sanctity when the preamble to the Interstate Commerce Act as consolidated in the Transportation Act of 1940 was officially entitled The National Transportation Policy.

Despite its wide and popular usage, the concept and content of National Transportation Policy as a process of government has not been elaborated or given articulation in any of the scholarly writings on transportation. Textbook treatments do not provide any background discussion of the concept, other than to repeat the delphic utterances in the Interstate Commerce Act.

Yet the historic national struggle with transportation policy shows a definite form and content; a series of processes and institutions which are characteristic of the operation of policy making; an awareness of practitioners and scholars that National Transportation Policy is a discrete entity that can be identified. It is the purpose of this paper to set forth the background and features of the institutions and processes which may be termed the National Transportation Policy.

In fact the policy making process which we characterize as National Transportation Policy is not unique; it is characteristic of an entire approach to policy making. In such areas as anti-trust policy, labor relations, banking and finance, international trade, and economic stabilization the features of policy making are similar to those displayed in transportation.

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\* Assistant Director for Regulatory Policy Studies, Office of Policy Review, U.S. Department of Transportation; Ph.B. Loyola College, Baltimore, Md. (1943); MA American University (1960); Ph.D. American University (1965).

1. Harold G. Moulton; *The American Transportation Problem*, Washington Brookings Institution, 1933. See also his "Fundamentals of a National Transportation Policy" in *American Economic Review*, Vol. XXIV, 1934.

*The Planning Approach to National Transportation Policy*

Salient features of the policy making process might be made clearer if they were contrasted with the features of another approach which has received considerable attention in administrative literature. The concepts of national planning utilized in many foreign countries, and further elaborated in the extensive literature on United States foreign aid are suitable for this purpose.<sup>2</sup>

An excellent description of how the planning process might be applied to transportation is contained in the compendium by Gary Fromm of the Brookings Institution entitled *Transport Investment and Economic Development* (1962). This book is concerned with the programming of transportation investment for underdeveloped countries, particularly with reference to United States aid programs. Fromm expresses the planning philosophy as it has been developed in the extensive literature on planning. National development is seen as a rational process dependent upon a general development plan, with transportation plans a principal sector within such a general plan and related specifically to it. A comprehensive National plan, or indeed a comprehensive sectoral plan for National transportation development might contain the following parts or elements: (1) a data and information system, (2) specification of goals, (3) a long range development plan, (4) near term plans implementing long term plan, (5) cost-benefit evaluation of projects, (6) specification of political and social constraints, and (7) presentation of legislative alternatives. Certain limitations on the planning process are noted, including political leaders prerogatives, free enterprise incentives and existing disequilibria among economic sectors.

Rationality and the search for predictable results are the foremost aims of the planning process. The rationality not only embraces the analytical processes which relate intellectual conclusions to action programs, but also the administrative control which exists throughout. Rationality also features the initial collection of data, program formulation, implementation, and finally revision and reevaluation of policies and plans after the passage of time. Goal setting is perhaps the key element. Goals are specified rationally after a suitable analytical process has been implemented. The processes of rational analysis and rational

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2. National planning received its primary emphasis in the reconstruction of Europe after World War II, with French planning providing the most articulate model. See National Bureau of Economic Research; *National Economic Planning, A Conference* (New York, Columbia University Press, 1967; John and Anne Marie Hackett; *Economic Planning in France* (Cambridge, Harvard University Press, 1965, and Pierre Masse, *Le Plan ou l'anti-hazard*, Paris, Gallimard, 1965.

administrative implementation are inhibited by political debate. Alternative economic goals operating through the private enterprise sector and established institutions are unwelcome contraining factors.

It must be obvious to any serious student of American transportation that the process just described is not the one that has given us our National Transportation Policy. There is no comprehensive plan or set of objectives for the Nation, of which transportation is an integral part. Transportation has developed in its own right, and through processes of its own has fitted into National development. Statements of transportation goals have not been clearly specified, quantified, and expressed as plans and programs. The goals of the Nation have been in dispute, and legislation has attempted to reconcile them. There has not been a continuous iteration of administrative actions to formulate and implement successive plans; there has been an evolution based on the experience of reconciling many contrary goals and objectives over a considerable period of time.

### *The Legislative Approach to National Transportation Policy*

National Transportation Policy has been based on successive legislative enactments and issues, not on successive rational plans or a planning process. It is therefore appropriate to speak of the process of policy making which has produced our National Transportation Policy as "legislative" in contrast to the planning approach.

In summary the main features of the legislative approach to transportation policy are as follows:

1. A development through evolution, rather than rational derivation;
2. A dialectical<sup>8</sup> process of deriving goals and objectives through legislative debate in place of defined or assumed ones;
3. Implementation through legislative amendment after a dialectic process rather than rational iteration of plans and data;

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3. Dialectical method was stated as a fundamental method in Western philosophy by Hegel, who viewed all human activity as moving from thesis, the initial identity or proposition to antithesis or the emergence of an opposing proposition, to synthesis, the emerging new reality derived from the opposition of thesis and antithesis. Synthesis became the new thesis, generating its own antithesis, and from thence to a new synthesis in a continuing process. While the analysis of Hegel is overdrawn and excessively ponderous, the dialectical process in politics may be considered in more practical terms as the political resolution of varying objectives among conflicting groups in the body politic. The legislative process may be considered the means of resolving such conflict in a manner which leaves every point of view considered and beneficial aspects of varying positions salvaged.

#### 4. Application of policy through social, economic, and political motivation rather than by directive or management system.

There is a long historical evolution of transportation policy along the lines described. The legislative approach has been utilized in the promotion and development of transportation by Federal, State and local governments since the early days of the republic, and in promotion through private enterprise. Regulation was introduced into the maturing transportation economy in the same fashion, and has been amended by the same process. In more recent years concern with general transportation policy issues involving regulation and promotion have received the same kind of attention.

The key element in the policy making process, and the element which differentiates the legislative approach from others is the goal formulating process. The legislative approach is dialectical and this is evident in the many conflicting objectives that have characterized transportation policy development. The fundamental antithesis in transportation policy has been regulation and promotion. The predominance of one over the other has been cyclical; early American transportation policy was dominated by promotional considerations. With the maturity of the transportation network in the 1870's and 1880's regulation emerged as a policy issue and in a relatively few years became the principal focus of National Transportation Policy. In the later 19th and early 20th century there was little transportation promotion. Then promotional issues emerged again, and at the present time are the predominant consideration in official policy as highways, aviation, waterways, and urban mass transportation have been promoted.<sup>4</sup>

Other dichotomies have been the issue of strict versus liberal construction of the Constitution, public versus private enterprise, Federal versus State initiative, issues of equity as opposed to those of economic efficiency, and the public interest of users of transportation as opposed to the public interest in carriers serving the public.

A National economic policy is set forth in the *Report on Manufactures* by Alexander Hamilton.<sup>5</sup> Transportation, although not receiving much specific treatment in the report, was conceived as a part of a grand policy of economic development under the leadership of an urban elite. Albert Gallatin gave a Jeffersonian bent to economic policy, and set forth a

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4. The cycle is elaborated in more detail in my paper "Transport Promotion as a Problem in Administration, Politics, and Economics—Elements and Background of a Theory" in *Proceedings of the Transportation Research Forum*, 1964.

5. The text of this historic report is in Saul K. Padover, *The Mind of Alexander Hamilton* (New York, Harper and Brothers, 1958).

transport promotion plan in great detail, specifying canal routes, improved roads, and ports and harbors as a means of internal improvement.<sup>6</sup> These two documents, however, did not become the blueprint of National development; they remained only suggestive of the scope of development. Actual development followed its own pace in the wake of basic political issues which became resolved in the National legislative process.

Scruples about the Constitutional prerogatives of the Federal government set the stage for the first group of transportation policy issues. Direct National development of transportation got off to a good start in the Federalist and early Jeffersonian periods. The National Road was a characteristic project. But beginning with President Monroe's veto of the National Road bill in 1822, the forces of strict construction gained strength. Jackson's veto of Maysville Pike was followed in 1845 by Polk's veto of the Rivers and Harbors bill. This event completely removed the Federal government from the direct management of transport promotion. Processes of indirect promotion followed with tremendous consequences for future transportation policy.

The ultimate effects of this triumph of strict construction were state and local control of highways, private enterprise control of railroads, and legislative rather than executive control of the Corps of Engineers. Even when Hamiltonian and Whig doctrine reemerged after the Civil War, a decidedly legislative bent was given to the augmented Federal promotion of waterways, railroads, and highways.

Programs of transport promotion were incentive-oriented in place of mandatory goals. Grants-in-aid came to be offered to States on the basis of their voluntary submittal of plans, plans guided only by general performance standards. Land grants were offered to States for the construction of canals and roads, and to private companies for railroad construction.<sup>7</sup> Even the sole remaining Federal program, the waterways improvement activities of the Corps of Engineers, was predicated upon local sponsorship under the guidance of Congressional representatives. Because of the resolution of the Constitutional issue, transport promotion was a combination of National objectives, broadly stated and promoted through incentives, and the response of State and private interests.

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6. The text of Albert Gallatin's plan is included in the *Preliminary Report of the Inland Waterways Commission* (Washington, U.S. Government Printing Office, 1908) as an appendix.

7. The writings of Carter Goodrich document this development. *Canals and American Economic Development* (New York, Columbia University Press, 1961) and *Government Promotion of American Canals and Railroads* (New York, Columbia University Press, 1960).

Broad National transportation development brought in its wake another great political issue, the public interest involved in the profitable operation of transportation under private control. Regulation came in the latter 19th and early 20th centuries to dominate United States transportation policy.<sup>8</sup> With the completion of railroad network, and the stabilization of the legislative control over the inland waterway program, promotion of transportation virtually ceased as a Federal objective. The entire transportation debate came to be centered in the need for regulation and the form it might take.

Regulation triumphed in 1887 with the passage of the Interstate Commerce and attained its apogee in 1910 with the Hepburn and Mann-Elkins amendments. Its triumph was so complete that by 1920 even promotional objectives assumed regulatory form. The Transportation Act of 1920 attempted to use regulatory standards to strengthen the common carriers financially and to stabilize their development through a policy of railroad consolidation.<sup>9</sup> The work of the Federal Coordinator, beginning in 1933, utilized regulatory procedures as a means of attaining and enforcing promotional objectives. His coordination plans were submitted to the concerned carriers, then they were submitted to the Interstate Commerce Commission, where after due hearing and modification, they were issued as regulatory orders.<sup>10</sup> In another area of promotion, the subsidies paid airlines for development were administered in a regulatory setting after an initial experiment of utilizing Post Office payments for carriage of mail. Finally, in the Transportation Act of 1940, Congress attempted to utilize regulatory legislation as a basis for comprehensive transportation policy formation.<sup>11</sup> A Congressional agency named the Board of Investigation and Research conducted extensive studies of regulatory and promotional policies as a basis for asserting regulatory leadership in all phases of National Transportation Policy.

Aside from airline subsidies, none of the regulatory efforts to engage in

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8. I.L. Scharfman's four part set, *The Interstate Commerce Commission: A Study in Administrative Law and Procedure* (New York, The Commonwealth Fund, 1932-37) is the classic discussion of this background.

9. The background and administration of these provisions has been treated in detail in William N. Leonard; *Railroad Consolidation under the Transportation Act of 1920* (New York, Columbia University Press, 1946).

10. See Earl Latham; *The Politics of Railroad Coordination*, (Cambridge, Harvard University Press, 1959).

11. The most significant document in this comment is the *Public Aids to Domestic Transportation* (79th Cong. 1st Sess., House Doc. No. 159, 1945), sequel to a similar analysis by the Federal Coordinator. The background and economic implications of all major public expenditure programs are analyzed in great historical and statistical detail.

promotional policy were particularly successful. Railroad consolidation in the 1920's foundered on carrier opposition and ICC indifference. The Coordinator failed as carriers opposed his plan and as he became politically isolated from the mainstream of Roosevelt's New Deal. The Coordinator then turned to exclusive sponsorship of orthodox regulation for motor, air, and water carriers; thereby assuring the separation of regulatory and promotional policy. The agency created by the 1940 Act was too weak to be effective. Promotion, thereafter, took its more conventional form under the aegis of great executive agencies, the Corps of Engineers which after the time of Theodore Roosevelt became more oriented toward executive policy,<sup>12</sup> the Bureau of Public Roads, and the Civil Aeronautics Administration, later the Federal Aviation Administration. This course of events led to the separation of regulatory from promotional policy. The dialectics of regulatory policy emerged as a focus for continued debate about the proper course for common carrier development and its relation to a National Transportation Policy.

Equity for shippers and regions contended with economic efficiency for predominance in regulatory policy. At first regulatory statutes were conceived as a means of the redistribution of National income with the discrimination statute the principal policy tool.<sup>13</sup> Later statutes sought to reinforce shipper and regional equity with carrier equity, equalizing competitive effects through the regulatory restraints of minimum rates and control of entry. The Transportation Act of 1940 was the apex of this development.

Efficiency as a regulatory objective has not been so effective, and this goal has been promoted primarily by critics of the regulatory process. Some explicitly economic objectives have been introduced into the regulatory statutes following the Coordinator's work in the 1930's, most notably in some of the clauses of the so-called National Transportation Policy preceding the substantive provisions of the Interstate Commerce Act as consolidated in the Transportation Act of 1940. Efficiency as a regulatory goal has become a principal theme of independent professional opinion emanating from universities and research institutes,<sup>14</sup> and this

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12. See *Preliminary Report of Inland Waterways Commission*, (1908).

13. The Hoch-Smith Resolution of 1925 declared the policy of Congress to favor the adjustment of rates among the several industries, particularly agriculture, to promote their free interchange and commercial development. This is the most direct statement of policy favoring equity in transportation.

14. Arthur Twining Hadley in his *Railroad Transportation, Its History and Its Laws* (1885) provided an early definitive analysis of transportation economics. The most influential modern statement of the economic point of view is John Meyers, Merton L. Peck, John Stenason, Charles Zwick; *The Economics of Competition in the Transportation Industries*, (Cambridge, Harvard University Press, 1959).

stream of thought received some recognition in the Transportation Act of 1958, particularly Section 15a(3), with its partially limiting language applying to the protection of high cost carriers against competitive inroads of low cost carriers.

Again regulatory policy has veered from emphasis on controlled monopoly to controlled competition. The 1940 Act again was crucial in this development, recognizing the emergence of competitive forms of transportation and seeking to find a means of regularizing carrier competition in the regulatory process. The means of accomplishing this objective has dominated debates over regulatory policy in the period beginning with the close of the second World War.

Concern with competitive transportation has led to a dichotomy between the public interest in shipper protection and the public interest in carrier welfare. Certainly the preamble to the 1940 Act is partial to carrier interests. Regulation of non-rail forms of transportation was motivated by carrier interests in guaranteed rates of return and freedom from competition. The carriers themselves were the principal motivating forces behind the inception of their regulation. The Transportation Act of 1920 was a decisive event in turning regulation from shipper toward carrier orientation.

In more recent years, there has been reaction against this dominance of carrier influence in regulation. The 1958 Act began the movement away from carrier protection. Independent professional opinion took the lead in the critical examination of the carrier oriented policies of the regulatory bodies.

#### *National Transportation Policy through Administrative Reform*

With the failures of regulatory method as a means of transport promotion, the elaboration of promotional programs under the executive branch of the Federal government, and the increasing concern of regulation with the dialectics of policy, the stage was set for the introduction of administrative reform as a means of transportation policy development.

Harold Moulton in his book the *American Transportation Problem*, published by Brookings Institution in 1933, drew together the principal threads of the administrative approach to National Transportation Policy. It was he who first used the term<sup>15</sup> in an article in the *American Economic Review*. Moulton carried on the tradition of Brookings studies of government organization and its interaction with policy that had begun

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15. See *American Economic Review* article, op. cit.



in the 1920's with W.F. Willoughby and Frank Goodnow, following the founding of the Bureau of the Budget and the interest that event aroused in efficient and effective government.<sup>16</sup>

Moulton was the first to be conscious of the total impact on the transportation system of the Nation of the numerous Federal programs dealing with highways, aviation, maritime affairs, and inland waterways. He noted the parallel between new Federal programs and the growth of competition with the railroads. The Nation's transportation problem, Moulton, believed was a result of the lack of comprehensive goals for transportation, the uncoordinated administration of Federal programs, and the lack of harmony between promotional and regulatory activity.

The Moulton-Brookings line of analysis was carried forward in the work of the Senate Select Committee to Investigate the Organization of the Executive Branch of the Government pursuant to Senate Resolution No. 217, (74th Cong. 1937) which issued its 16 volume report on overall executive organization in 1936. Brookings was retained by the Committee to do its analysis. One of these volumes dealt with transportation. It traced the growth of promotional and regulatory programs and urged administrative centralization, either under the Department of Commerce or as a separate Department of Transportation.

While the Brookings study of transportation for the Select Committee called for centralization, the burden of the entire series of reports, developed under the leadership of Lewis Meriam, was in the direction of more decentralization of Federal programming, under the joint coordination of Congressional and Presidential agencies. This theme was elaborated more specifically in a book by Lewis Meriam in which he analyzed the processes of administrative coordination and control.<sup>17</sup> Considering the great amount of detailed information that is necessarily involved in the coordination of complex programs, Meriam concluded that the elaboration of Cabinet Departments was not an effective means of improving Federal management. Both Congress and the Executive Branch have roles in the control of Federal Administration, said Meriam quoting basic constitutional provisions. The existence of 60 or more separate active programs offered no insuperable obstacles to managerial control, if control and coordinating agencies could be organized. The

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16. See the discussion in Dwight Waldo; *The Administrative State. A Study of the Political Theory of American Public Administration*, (New York, Ronald Press Company, 1948). W.F. Willoughby, *Principles of Public Administration*, (Washington, Brookings Institution, 1927).

17. Lewis Meriam and L.F. Schmeckebier; *Reorganization of the National Government* (Washington, Brookings Institution, 1939).

single Cabinet executive or indeed the President himself were not equipped to deal with this problem. Their role was broad political and administrative leadership and not management.

The Meriam thesis was, however, eclipsed by the famous work of Louis Brownlow and his 1937 report of the President's Committee on Administrative Management which set forth a well articulated plan for the organization of the Executive Branch.<sup>18</sup> The Brownlow report relied on straight line and staff doctrine, calling for an elaboration of the Budget Bureau and similar executive staff agencies and the concentration of all independent agencies into a limited number of cabinet Departments. Brownlow did not perceive the need for a Department of Transportation or any concentration of transportation promotional programs. The transportation programs in the Brownlow report were assigned on the basis of functional relationships to other programs; highways to a Department of Public Works, waterways to a natural resources complex and aviation within the Department of Commerce. Brownlow, taking his cue from Robert Cushman, advocated the inclusion of the regulatory agencies within the executive branch, with each regulatory agency assigned to a parent Department with similar functional responsibilities.<sup>19</sup> The transport agencies then in existence, ICC and CAB, were to be assigned to the Department of Commerce.

Following the Reorganization Act of 1939 the Brownlow approach dominated Federal management until after the second World War. In 1947 the Commission for the Organization of the Executive Branch of the Government under former President Hoover made elaborate surveys and detailed recommendations for further consolidation and management reform in the Federal government. Recommending that regulatory administration be left about as it was, the Hoover Commission dealt with transportation in detail, this time in the Brookings tradition. The Brookings task force under Charles L. Dearing and Wilfred Owen recommended the formation of a Cabinet Department of Transportation, but this report was reversed by the Commission itself in favor of the concentration of transportation programs in the Department of Commerce.<sup>20</sup>

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18. U.S. President's Committee on Administrative Management; *Administrative Management in the Government of the United States, Report with Special Studies*, (Washington, U.S. Government Printing Office, 1937).

19. R.E. Cushman; *The Independent Regulatory Commission* (New York, Oxford University Press, 1941) based on his study for the Brownlow Committee.

20. Commission on Organization of the Executive Branch of the Government; *Report on Department of Commerce*, (Washington, U.S. Government Printing Office, 1949).

With Reorganization Plan No. 21 of 1950 and related plans, President Truman caused major transport program responsibility to be lodged in the Department of Commerce under the leadership of an Under Secretary for Transportation. This concentration of programs and authority was to last for 15 years. While the Commerce Department elaborated great programs for highway development, merchant marine promotion, aviation improvement, and regulatory reform under the leadership of the President, the leadership role was not politically strong enough to deal with all the emerging problems, particularly in aviation which was split off into an independent Federal Aviation Agency in 1958.<sup>21</sup> The Department was also unable to control the burgeoning highway program to meet the planning needs of urban society, and it failed to generate political support for its regulatory reforms.

In 1966 Congress, followed the recommendation of President Johnson, created the Department of Transportation in the image of the Brookings reports. The new Department took over all the major transport promotional agencies with the exception of the Corps of Engineers and the Maritime Administration.<sup>22</sup> It elaborated an extensive array of staff offices to control and coordinate the complex program responsibility and to perform a National leadership role in all transportation policy including new approaches to regulatory policy, even though economic regulation remained in the independent regulatory agencies, the ICC, CAB, and FMC.

Even as administrative reform gained the ascendancy, alternative administrative approaches to transport promotion and transport leadership survived or emerged in relation to specific problems. The development of inland waterway transportation in the Corps of Engineers continued to be carried out in close coordination with other aspects of multiple purpose water resource planning, along with a difficult programming problem involving numerous water resource agencies.<sup>23</sup> In the Federal Aviation Act of 1958 an administrative solution to the burgeoning air space problem was found in a functional relationship

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21. See for basic background Edward P. Curtis, Special Assistant to the President for Aviation Facilities Planning, *Report on Aviation Facilities Planning*, (Washington, U.S. Government Printing Office, 1957).

22. Public Law 89-670, October 15, 1966. See Message of the President of the United States (House Document No. 399, March 2, 1966).

23. Creation of the Water Resources Council by statute was accomplished in 1962 following approval by Congress of Senate Document No. 97, *Policies, Standards, and Procedures in the Formulation Evaluation, and Review of Plans for Use and Development of Water and Related Land Resources*.

among all airspace developers and users; aviation, military, space, and communications. While this complex agency was once again included in the transportation family with the enactment of the Department of Transportation Act, coordinative problems with functionally related programs in other agencies, notably NASA and the Department of Defense remain. There remains also the latent problems of functional coordination of highway and mass transit development with overall urban development and planning, now a main focus of the Department of Housing and Urban Development. This problem had in the early 1960's led to substantial modifications in the planning philosophy of highway programs and in the inception of new programs for improving mass transportation systems under the aegis of HUD and its predecessor agencies. Again the formation of the Department of Transportation led to a retreat from this concept, but the problems remain.

Congress did provide for the retention of the maritime promotional programs in the Department of Commerce in functional relationship to that Department's concern with foreign trade. More recently the growing interest in oceanography was linked to a major Federal transportation agency, the Coast Guard, with a resource development function, and there have been calls for its separation from the Department of Transportation. Oceanographic agencies in Commerce, Interior, and Transportation have been proposed for inclusion for a new agency.

By 1967 the use of administrative reform as a means of achieving a National Transportation Policy received its highest development. The creation of a Department of Transportation represented the ascendancy of one approach to administrative reform. This approach, even in the elaborated Department of Transportation, lived in tension with another administrative philosophy, the functional relationship of individual transport programs with other governmental functions.

#### *The Emergence of the President as a Force in Transport Policy Formation*

As administrative reform progressed as a means of transport policy development, the legislative approach to transportation policy took another step; the emergence of the Presidency as an innovator and motivating force in National Transportation Policy.

The President as a legislative leader is a well noted phenomenon in the political life of the United States. His formal assumption of that role became elaborated institutionally in the years immediately following the second World War.<sup>24</sup> At this time, Presidents began the custom of

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24. This has been traced in detail in the two articles by Richard Neustadt in the *American*

presenting Congress with series of messages on various programmatic needs and these messages began to set the agenda of each session of Congress.

Transportation did not figure in this process until well into the 1950's, after the transportation recommendations of the Hoover Commission had been implemented through the assignment of programs and leadership roles to the Secretary of Commerce. When the various program assignments had been completed in 1950 the Secretary in that year published a statement of overall policy objectives, repeating and emphasizing some of the findings of the Hoover Commission and outlining the broad relationships of Federal programs, regulatory statutes, and progress in transportation through the private enterprise carriers.<sup>25</sup> This report of Secretary Charles Sawyer was in effect a White Paper of Executive Branch leadership in transportation policy.

In the Republican Administration which followed, Executive leadership in the reform and coordination of the regulatory statutes was exercised in the program of Secretary Sinclair Weeks, developed in coordination with the entire executive apparatus through a special Presidential Advisory Committee on Transport Policy and Organization. This Report called for a regulatory policy more in keeping with principles of economic efficiency, less paternalistic toward the carriers, and more in line with competitive goals than with the canons of regulated monopoly. The Presidency thus threw down the gage to the regulatory system, taking sides with independent professional opinion for a redress of the balance in the continuing dialectic of regulatory policy.

Congressional hearings throughout the middle 1950's on the President's agenda set the stage for the enactment of the Transportation Act of 1958, the only post-war enactment in the regulatory field. This Act brought into the Interstate Commerce Act some of the thinking which had been advanced by professional scholars.

In 1962 President John F. Kennedy continued the legislative role of the President by advancing further regulatory reforms. Although the debate on the Kennedy Transportation Message of April 1962 did not lead to major legislation, it provided a further opportunity for the exploration of alternatives in regulatory policy.

It is also expected that the Department of Transportation will assume

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*Political Science Review*, "Presidency and Legislation: The Growth of Central Clearance" (Vol. XLVIII No. 3) and "Presidency and Legislation: Planning the President's Program" (Vol. XLIX, No. 4).

25. U.S. Department of Commerce; *Issues Involved in a Unified and Coordinated Federal Program for Transportation* (Washington, U.S. Government Printing Office, 1949).

the role of leader in the executive branch in the formation of National Transportation Policy, advancing programs in both the promotion and regulation of transportation.

### *Prospects for Transportation Policy*

By the year 1970 National Transportation Policy in the United States displayed a number of characteristics as a result of the workings of the policy debates and other dialectical features of the legislative approach to policy making. In 1970 the following characteristics prevailed:

1. Promotion was definitely in the ascendancy over regulation as an emphasis in policy;
2. In both promotion and regulation the economic emphasis was being stressed over political and social aspects;
3. Promotional policy was being administered and programmed in a context of transportation oriented agencies, the climactic event being the creation of the Department of Transportation in 1967;
4. In regulation the interest of the carrier was in the ascendancy over the general public interest or that of the shipper;
5. Consistent with the economic emphasis in policy, private enterprise was ascendent over public enterprise.

Large Federal expenditure programs for roads, aviation facilities, waterway facilities, mass transit, and merchant marine, guaranteed the ascendancy of promotion, while regulation in the old tradition became more and more discredited in the eyes of most sectors of independent professional opinion; economists, general newspapers and news media, lawyers outside the regulatory specialities, and students of business administration. The expenditure programs, moreover, continued to be formulated and administered for single purpose objectives; highways for the interest of highway users, aviation facilities for air carriers and private plane owners, waterways for barge lines. The programs continued to be supported by special interest lobbies whose power was still uncurbed. These interests, however, were becoming increasingly motivated by programming economics; that is within each program the interests were insisting that the funds be used effectively. Cost effectiveness was being promoted and benefit-cost studies were being accepted as a tool of programming. Political backing was in terms of the integrity and size of the entire program and not so much as in years gone by on the parochial interests of individual political leaders and their local clients.

Economic emphasis in regulation and some promotional programs was being reinforced by transport competitors who were losing the competitive

race. Railroads were insisting on economic emphasis in regulation as a competitive interest, and the user charge movement in highways, aviation and waterways was being encouraged by transport competitors. Some frugality in highway and aviation expenditures was being encouraged by program clients, such as truckers and commercial airlines who faced user charge increases to foot the bills for increased spending.

These ascendent principles of transportation policy, however, were in 1970 facing the nascent challenge of other doctrines and the stage was being set for a continuation of the development of transportation policy through the legislative process.

1. Social priorities were being increasingly recognized in the allocation of transportation resources themselves; an increasing number stressing mass transit over private automobiles as a means of urban mobility and high speed trains over expressways and aviation in intercity transportation. These programs were being advanced in the face of consumer sovereignty and other economic doctrines. Federal subsidy was being advanced as an aid to implementation.
2. Political and social priorities were being recognized increasingly in promotional programs. Extra costs were being incurred and orthodox benefits were being foregone to preserve neighborhoods from expressways and airports, to accommodate minority and other politically potent groups, and more and more citizen participation was being granted in transportation decisions.
3. National priorities were being extended toward preservation and creation of environmental amenities, even when significant transportation facilities had to be foregone completely. Noise and air pollution modified or eliminated many transport projects. Natural and historical amenities have been given priority over transport projects of tremendous tangible benefit; the preservation of the Everglades in place of the huge Miami airport being an example.
4. A certain amount of public interest began to be exerted in the regulatory sphere, particularly in programs to guide the organization of important transportation industries. Interest in railroad and airline mergers is a case in point; the take-over of transportation by conglomerate enterprises is another. Rate regulation received a stimulus as carriers began to raise rates to offset inflationary influences in the economy. Safety regulation received new emphasis and was extended to new areas such as automotive design, railroad track maintenance, and gas pipelines.

All of these concerns are now being debated actively in political circles. Even so, the debate has had little significant effect on overall channels for

transport policy formulation or its administration in the Federal government, a sure sign that the debate has not yet reached a decisive stage.

The debate has continued to follow the format of the legislative approach to transportation policy. Old issues are ranged against new, and resolutions of issues are being attempted out of many debates, analyses, agitations, and expressions of interest. National Transportation Policy shows signs of important changes in emphasis and promises to be a continuing evolution of political, social, and economic forces, relying on the motivations inhering in these forces, and not on administrative direction or compliance with rational pronouncements.