

Wednesday, 8:30 p. m.  
September 22, 1965

TO: THE PRESIDENT

FROM: Joe Califano

I have just been over the first cut of the proposals and ideas in the area of transportation for the 1967 legislative program. The proposals are not imaginative enough and will not give you the opportunity to select a variety of alternatives. In my opinion, this is an area where there are major things to be done that will not cost a lot of money. Charlie Schultze agrees, as does Art Okun of the Council of Economic Advisers. Furthermore, it is my understanding that you have asked Secretary Connor and Secretary Boyd to come up with an imaginative transportation program.

Unless you have some objection, therefore, I am planning to have a meeting with Secretaries Connor and Boyd on Saturday morning and ask them to consider and prepare papers on the following ideas:

1. A Department of Transportation (or some reorganization of the executive transportation functions).
2. Reorganization of the regulatory transportation functions.
3. Program of deregulation to make transportation rates more competitive and rational.
4. A major highway safety program (present projections are that over 50,000 people will be killed on the highway this year -- almost every American has a friend or relative who has been seriously injured in an automobile accident).

Fully developing some proposals obviously involves no commitment to carry them out, but if we are to have for your consideration a full range of alternatives, we must have imaginative, low-cost programs from which to choose. These proposals are in line with your ideas about improving administration and, in the case of deregulation and competition, could put you in the position of getting the Federal government out of some of its current activity.

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_

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