

The President
of the United States
The Waldorf Astoria Towers
New York, New York, 10017
July 4, 1949

The President of the United States
The White House
Washington, D. C.

My dear Mr. President:

The Director of the Budget conferred with me last week on what further immediate steps could be taken on reorganization by way of "plans" under the Reorganization Act of 1949.

After some thought it seems to me an immediate point for action upon a large scale lies in the Department of Commerce. The Commission on Organization of the Executive Branch of the Government strongly recommended the gathering together of functions relating to transportation into a rounded division of that Department. These proposals were backed not only by the members of the Commission familiar with the problems, but also by an exhaustive investigation of the Brookings Institution. I understand that the Secretary of Commerce has, except for some details, also approved our recommendations.

We proposed to set up the Transportation Division under four Bureaus:

- Merchant Marine
- Civil Aviation
- Highway Transportation
- Railroad Transportation

To effect this very large purpose will require the transfer of eight agencies or parts of agencies into the Department.

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Not only would such a Division of Transportation create a center for constructive policies, but it would lessen overlaps and duplication and relieve your office from the burdens of five agencies or parts of agencies, which now have "independent" status and insufficient supervision.

I believe there is great favor in the Congress for such a Transportation Division. I believe, however, that in order that the Congress should appreciate fully the objective, all these transfers should be submitted in one "plan." I enclose a copy of a letter which I have written in more detail to Mr. Pace.

Yours faithfully,

(s) HERBERT HOOVER

Enclosure

HERBERT HOOVER

The Waldorf Astoria Towers
New York, New York
July 4, 1949

Mr. Frank Pace, jr.
Bureau of the Budget
Washington, D. C.

Dear Mr. Pace:

Apropos our conversation, it seems to me the next and most vitally important step is to set up the Transportation Division in the Department of Commerce as recommended by the Commission on Organization of the Executive Branch of the Government.

I enclose a copy of a letter which I have addressed to the President on the broad issues involved.

As you know, the Commission recommended the following transfers to the Department of Commerce:

1. The Maritime Commission functions, except its regulatory powers. The proposals for consolidated authority in Plan No. 6 sent to the Congress would be equally necessary in this establishment.

2. The National Advisory Committee on Aeronautics. The idea here was not to change the organization of the Board but to "house" it in the Department and require it to report to the Secretary of Commerce instead of to the President.

3. Certain safety activities of the Civil Aeronautics Board.

4. Railway and Motor carriers safety and car services and the formulation of

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Mr. Frank Pace, jr.

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the railroad consolidation plans from the Interstate Commerce Commission.

5. Public Roads Administration which has already been proposed under Plan No. 7.

6. The Office of Defense Transportation (independent)

7. The Coast Guard (Treasury)

8. Certain functions of the Bureau of Customs which relate to transportation and relate to, or duplicate, functions of the Coast Guard.

You are familiar with the important transportation functions already in the Department.

I do not need to go into the reasons for these actions or details of set-up, as they are set out in full in our reports.

Yours faithfully,



Enclosure

THE WHITE HOUSE
Washington

HERBERT HOOVER

The Waldorf Astoria Towers
New York, New York JUL 14 1949
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My dear Mr. Hoover:

I have read carefully your letter of July 4 concerning the reorganization of transportation functions in the Executive Branch. As you know, my failure to act on this subject does not represent a decision against the recommendations of the Commission on Organization of the Executive Branch. Rather, it reflects my immediate concern with the establishment of a strong General Services Administration which both you and I have advocated as providing the basis for substantial gains in efficiency and economy in a major area of governmental activity.

The recommendations of the Commission on Organization of the Executive Branch provided in effect that the General Services Administration should not be encumbered with extraneous responsibilities. This is extremely important, in my judgment, if the General Services Administration is to concentrate effectively on the major job of improving the various housekeeping activities of the Executive Branch of the Government.

I provided for the transfer of Public Roads Administration out of the General Services Administration by Reorganization Plan No. 7 of 1949, both to meet this purpose and to effect, in the same move, one of the other recommendations of the Commission. I intend to give careful consideration to the other moves you have recommended in this area in formulating reorganization plans for submission in 1950.

I do appreciate your letter of July 4 and your continuing efforts for improving the organization and administration of the Executive Branch.

Sincerely yours,
to the President.

(Signed) Harry S. Truman

Certain safety activities of the
Civil Aeronautics Board.

Honorable Herbert Hoover
The Waldorf Astoria Towers
New York 22, New York