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This is Copy Number: 40

CP - 6/1

January 25, 1955

The White House

Washington

THE CABINET

Special Transportation Message

For consideration by the Cabinet, attached is a copy of a draft message on transportation policy, prepared by the Cabinet Committee on Transport Policy and Organization.

This Committee submitted its original Report on December 7, 1954 (CP - 6 of December 8). In response to the Cabinet action on that paper (RA - 6, Item 1) and based on its contents, the attached document has been prepared: specific action recommendations in the form of a Special Message from the President to the Congress.

The individual recommendations of the attached paper have been identified by underscoring.

Maxwell M. Rabb
Secretary to the Cabinet

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This is Copy No. 40SPECIAL TRANSPORTATION MESSAGE

In my State of the Union Message, on January 6, I indicated my increasing concern with the national transportation problem. This concern on my part is based on developing trends which have been apparent for some time. For this reason, on July 12, last, I established a Cabinet Committee on Transport Policy and Organization to examine existing Federal transport policies to determine their effect on the adequacy of transportation services. I designated the Secretary of Commerce, Secretary of Defense, and Director of the Office of Defense Mobilization as members of this Committee, and Secretary of the Treasury, the Postmaster General, the Secretary of Agriculture, and the Director of the Bureau of the Budget as participating members.

As indicated in my State of the Union Message, this is the first such comprehensive review directly undertaken by the Executive Branch of the Government in modern times.

In my communication to the Secretary of Commerce, whom I named as Chairman of this Cabinet Committee, I noted my deep and immediate concern with this problem in these terms:

The vital interests of this Nation require that the transportation industry of the United States maintain itself at maximum effectiveness. The Government must provide effective leadership in assuring that its policies and programs affecting the various forms of transportation, whose services are so necessary to the public and to industry and which have such a vital bearing upon the national security, are best designed to aid them in performing fully the roles for which each is best suited.

The legislative changes which I am recommending here are the outgrowth of this Cabinet Committee's careful examination of pressing transportation problems and consideration of those policies which appeared to be most urgently in need of revision if maximum effectiveness of the Nation's transportation facilities is to be realized.

In the final analysis, the Cabinet Committee reported to me that the modern transportation problem could best be resolved by the following actions:

National regulatory policies should be amended (1) to permit greater reliance on competitive forces in transportation pricing; and (2) to assure the maintenance of a modernized and financially strong system of common carrier transportation adequate for the needs of an expanding and dynamic economy and the national security.

The end purpose of these two major policy recommendations is:

To have transportation enterprises functioning under a system of energetic competition which will speed up technical innovation and foster desirable price and service improvements.

To enable each form of transport freely to reflect its abilities in the market by aggressive experimentation in rates and service in order to demonstrate to the full its economic possibilities;

To encourage increased efficiency in carrier management in order to produce significant economies in the performance of all transportation services which, among other things, would give the ultimate consumer the benefit of the lowest possible transport cost;

To guarantee that the national security will never be jeopardized by an inefficient transport system during war or defense mobilization.

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I am in full accord with these general objectives and am transmitting herewith specific legislative proposals designed to carry them out. I consider them of such immediate importance to our economy that I urge Congress to act upon them at this Session.

Within the short span of one generation this country has witnessed a transportation revolution. All elements of the economy have been profoundly affected - investors in transportation property, geographic regions, distribution, individual shippers, the taxpayer, the ultimate consumers of goods and services. As late as 1920, the railroads held a virtual monopoly of intercity transportation with the exception of areas served by water. In striking contrast, there is available today a wide selection of transport methods for the movement of goods and people from one place to another with economy, expedition, and safety. The individual, whether traveling for recreation or business purposes, has a choice as between the private automobile, intercity bus transportation, air transportation, and railroad travel. The shipper, whether interested in moving raw products to industrial plants or distributing finished products to a nationwide market, is free to elect the use of his own trucks, common or contract carriers by highway, a continental and physically integrated system of common carrier transportation by railroad, pipelines, coastal and intercoastal services, inland water transportation, or the rapidly developing air cargo services.

In major respects, government has played a decisive role in these fast moving and dynamic changes in the organization, financing, and operation of the nation's domestic transportation services. All levels of government have participated. The states have played a dominant role in the provision of an expanding and modernized highway system, although aided by the Federal Government through a program of grants-in-aid. The Federal Government has spent vast sums of the general taxpayer's funds for the improvement of rivers and harbors. More recently it has aided materially in the development of airports, the financing and management of a nationwide system of aids to air navigation, and has advanced substantial sums of money in the form of direct financial assistance for the development of air transportation.

The overall net result is a competitive system of transportation that for all practical purposes has eliminated the monopoly element which characterized this segment of our economy some thirty years ago.

During this same period, government has intensified its interest in transportation matters through the processes of public regulation although, paradoxically, the underlying concept of this regulation has continued to be based on the historic objective of restraining monopolistic abuses, despite the fact that the power of individual transportation enterprises to exercise monopoly control has been rapidly eliminated by the growth of pervasive competition.

The dislocations which have emerged from the conflicts between the effects of governmental promotional policy on the one hand, and the restraining effects of public regulation on the other, have borne most heavily on the common carrier segment of the transportation industry. In order to correct these dislocations, I am recommending first that the declaration of policy contained in the Transportation Act of 1940 be revised to make it clear that public regulation of transport enterprises be invoked only to the extent necessary to protect common carriers, to prevent rate discrimination, and to encourage pricing which will enable each form of transportation to compete, saving only a provision that prices shall be on a compensatory basis.

In order to achieve true competitive pricing, as recommended here, it is obviously necessary to have all transportation costs reflected in the rates charged to the public. The extension of financial subsidies by government to any form of transportation runs directly counter to the accomplishment of this desirable objective. Every form of transportation, at one time or another, has been the beneficiary of government help. However, in keeping with our well-recognized principles of self-supporting

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private enterprise, it has also been assumed that the so-called infant industries would eventually become self-supporting. To this end I have recently subscribed to the recommendations of the Civil Air Policy Report, which among other things, called for the early and orderly elimination of direct financial aid to domestic civil aviation. By the same token, all other financial aids to any form of transportation should be eliminated as soon as feasible. This is essential if we are to depend upon competitive forces to determine the prices and the standards of service by which transportation is to be offered to the public. Manifestly, subsidies distort this objective if one carrier's costs are borne altogether by its charges for services and another carrier's costs are borne partly by these charges and partly by subsidy at the taxpayers' expense.

The States have for many years been financing the bulk of their highway development through revenues derived from highway users in the form of gasoline taxes and license fees. However, wide areas of controversy remain as to whether or not the total cost is properly allocated between the heavy-duty truck and bus operators, at one extreme, and the private automobile user at the other. This controversy will not be fully resolved until we have available more refined analysis of the joint-cost problems involved and more dependable data on the incremental cost of highway construction, engineering design, and highway use characteristics. However, objective research is moving forward in this field.

Federal financing of river and harbor improvements constitutes the one area in which no real progress has been made toward elimination of the distorted impact of preferential subsidy treatment. For all practical purposes, the elimination of subsidy elements within this area rests within the power of the Federal Government. For this reason, I am proposing specific legislation which would require that tolls be imposed on internal waterways which have been improved by the Federal Government. I am also recommending that all proposed waterway improvement projects be referred to the Department of Commerce for review and report before legislative authorization is sought.

COMMON CARRIER

Our economy is based fundamentally on mass production and distribution of products throughout a continental market and cannot continue to prosper without a transportation system that is dynamic, efficient, and capable of delivering goods and people with safety, expedition, with a high degree of dependability, and at the lowest cost in the expenditure of manpower and other scarce resources. Historically, these requirements have been met most satisfactorily by common carriers, who by statute are charged with the obligation to serve all individuals and shippers alike to the extent of their physical capacities, on known schedules at published rates, and without discrimination. The availability of this type of stable and dependable service is of equal importance in the day-to-day business operations, of large and small businesses alike. The availability of this type of transportation system is essential to the orderly and healthful operation of a peacetime economy and is indispensable to the national security in the time of war.

The common carrier concept is essential to the smaller and intermittent shippers. It is essential to small business. The railroads provide common carrier service for all distances. The advantages of the motor truck for shorter hauls and special services has resulted in most of this traffic going by truck. The lower costs of the railroads for mass long haul movements has resulted in most of this traffic still going by rail. But to have common carrier service available to all people for all distances it is essential that the motor truck common carriers be encouraged. Within the trucking business they now compete with private trucks, contract trucks and exempt trucks.

The contract truck serves a useful purpose but in the interest of as free and equal competition as possible, there is no reason why the contract truck should not make public its rates so that the common carrier

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Revision)
1/28/55

could compete with equal information.

In the enactment of Part II of the Interstate Commerce Act providing for the economic regulation of service by trucks, the Congress exempted from regulation trucks carrying certain agricultural products.

These exemptions have grown under court rulings so that now, for example, the I.C.C. has before it a case involving the question of whether green coffee beans and cacao beans are "exempt" commodities, although neither are produced by any farmer in this country. A continual expansion of the exemptions could destroy the fundamental purpose of the Act.

The I.C.C. which has jurisdiction in this matter has asked Congress to allow it to testify on this complex subject. I urge the Congress to give the Commission, and other parties, this opportunity, since the Act needs revision to make clear what exemptions the Congress now wishes to give, without undue interference with the main purpose of the legislation.

In addition to the basic issues dealt with above, there are special problems which require the attention of Congress: Perhaps the most important of these is the railroad passenger service deficit. The railroads have suffered for many years from a persistent and creeping malady of unprofitable passenger service operations. The provision of freight and passenger services by railroads constitutes a common enterprise. Consequently, the actual losses incurred from passenger service operations must be borne from earnings realized from freight service. Thus, in final analysis, the railroad shippers of the country are being required to subsidize in substantial and growing amounts those who benefit from the utilization of passenger train services.

There appears to be no wholly satisfactory solution to this problem. However, the Cabinet Committee recommends that the problem be attacked initially by revision of the Interstate Commerce Act to provide that where the Interstate Commerce Commission finds that continuance of unprofitable passenger stations or other facilities or services imposes an undue burden upon interstate commerce, and that adequate service by other forms of transportation are available to meet the public need, it may order the discontinuance of such services or facilities unless the State authorities can demonstrate that there is a public use sufficient to provide reasonable compensation for the service.

There are several other recommendations which are logical accompaniments of these basic aims and which follow in general terms (a) The Government is the largest single user of transportation in the country. It is important that the Government buy transportation wisely and economically. It is not, however, good policy for the Government to use its position to insist upon discriminations in its favor since they are equivalent to discrimination against the private shippers.

I send you this message with a sense of urgency. The railroads which move more than half of the freight of the nation and nearly half of those passengers who go by public carriers, are in serious condition.

To what degree this has been caused by government policy or by the railroads themselves or by some other cause is not the important question. The important thing is to improve the situation. The proposals herein reduce the part played by government, increase the freedom of management and places the responsibility upon the railroads to achieve such success under competition as will enable them to fully meet their responsibilities to the public. At present they are not in condition to meet these responsibilities.

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Of the 1,700,000 freight cars belonging to the Class I railroads, 800,000 or 45 per cent, are more than 20 years old. Since the war their working capital has fallen from \$1,659 million to 698 million. There is talk of the necessity of Government subsidy for the railroads and fear even of Government ownership and operation.

Government subsidy in the railroad field once started would be a never ending drain on the Federal treasury and subsidy is not a good way to promote economy and efficiency. Government ownership and operation would be an even worse drain and would besides take from thousands of counties in the United States property taxes on which they depend for schools and other public purposes.

It is my belief that given freedom to compete, the railroads can earn not only sufficient income to keep them in private operation, but enough to enable them to finance improvement that will increase economy and efficiency and lower the fundamental costs of mass transportation to the country.

There is another and pressing reason for immediate action.

The last war, like others that preceded it - put a great strain on transportation. The freight movement in the peak war year was about 122% above the average traffic for the three years immediately preceding the war and about 23 per cent above the annual post-war year average. The railroads moved practically all of that increase, in the first two years of the war and more than 80% of it during the last two years. The railroads also handled about 80% of the increase in passengers, a considerable part of which was mass movement of troops.

The railroads have not now the additional equipment necessary to meet a national emergency. If they are quickly restored to a healthy state for service in peace-time, they will be in a position to care for most of the added burden that war might thrust upon them. If they remain as they are, or if their condition becomes worse, the Government will have to take very expensive measures to provide for national defense transportation.

The opportunities to strengthen our peace-time economy by improving the condition of the transportation industry, and the resulting economies and efficiency are compelling reasons for action. Beyond this is the pressing need to put transportation in a satisfactory shape for the defense of the nation.

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ADMINISTRATIVE MARKING
E.O. 11652, Section 1By BHC NLE, Date 3-17-77MINUTES OF CABINET MEETINGJanuary 28, 1955
9:45 A.M. - 12:00 NOON

The following were present:

The President

Vice President Nixon
 Under Sec. of State Hoover
 (for Sec. Dulles)
 Under Sec. of Treasury Folsom
 (for Sec. Humphrey)
 Sec. Wilson, and
 Deputy Sec. Anderson, in part
 Mr. Brownell
 Mr. Summerfield
 Sec. McKay
 Sec. Benson
 Sec. Weeks
 Sec. Mitchell
 Sec. Hobby

Director Hughes
 Gov. Stassen
 Dr. Flemming, and
 Mr. Charles Kendall, in part
 Chairman Young
 Dr. Burns

Mr. Robert Murray, in part
 Mr. Arthur Page, Commerce, in part
 Mr. Arthur C. Schier, General
 Foods, in part

Gov. Adams
 Gen. Persons
 Mr. Rockefeller
 Mr. Hagerty
 Mr. Murray Snyder
 Dr. Hauge
 Mr. Martin
 Mr. McCann
 Mr. Rabb
 Mr. Minnich

AEC-TVA Power Contract - The President called attention to the Congressional Committee effort, on a purely partisan basis, to prevent the Dixon-Yates contract from taking effect. He cited the serious consequences of burying the project since critically needed power would be lost -- as also a contract which was better for the Government by a million dollars than any other obtainable. He said it was a tricky question as to whether to attempt to bull the project through or to withdraw and allow the Valley to suffer from lack of power.

Later in the meeting the President told the Vice President he had just advised the Republican members to stand firm in Committee on the Dixon-Yates matter. The Vice President voiced approval.

Energy Resources Policy (CP-19/2) - Dr. Flemming went quickly over this revised report, except in regard to controversial items where he reviewed background and read the recommendations in full.

With regard to Recommendation 1, Mr. Folsom noted the revision in language

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and pointed out that attention will be devoted to having bills introduced by Democrats. Mrs. Hobby suggested that considerable time elapse after the introduction of such a bill before this report should be released. The President was interested in making a clearer statement of protecting consumer interests in connection with the fourth paragraph, and Mr. Anderson suggested the addition of the phrase "in order that consumers may be protected against unreasonable price" at the end of the paragraph.

Concerning Recommendation 4, the President questioned why the ratio of imports should be based upon production rather than upon the expanding market. Mr. Hoover expressed dissatisfaction with this base and hoped that further studies would eventually allow selection of a different base. Mr. Anderson agreed on the desirability of a different base and suggested that the reports on monthly consumer demand would be suitable. It was agreed to continue to look for a suitable future revision. Mr. Weeks repeated his argument of last week against this action, since it discouraged efficiency change-overs from one type of fuel to another. The President believed it was not a matter of rival types of fuel but rather one of imports rivaling domestic production. He cited the difference of interests between the domestic producers and the five major oil companies having large holdings abroad. Mr. Weeks agreed he may not have had the full facts. Mr. Wilson tended to favor less governmental influence and more dependence on the operation of a free market economy.

The Attorney General suggested, and Dr. Flemming agreed, that it would be desirable to add an explanatory sentence at the end of the third paragraph.

Mrs. Hobby suggested the word "limited" at the end of the first sentence of the fourth paragraph. It was revised to read "kept in this balance".

The President referred to an old suggestion of his, which never obtained any support, for importing oil for storage in wells now exhausted. He recalled also certain previous discussions on the possibility of a Western Hemisphere arrangement which proved unfeasible because of the existence of the 'most favored nation' clause in our trade agreements.

The discussion of this recommendation concluded with the President's remark that the Committee's solution seemed to be the best available.

Sec. Weeks noted that the 9th Recommendation had now been coordinated with the Transport Committee and was acceptable.

Mr. Flemming suggested that Recommendation 10-a might be deleted to remove any inconsistency involved in relation to the oil recommendations. At Mr. Stassen's suggestion, 10-a was retained but the word "unreasonable" was inserted prior to "discrimination".

Sec. Wilson questioned the need for the final paragraph of the report concerning coordination with ODM. Dr. Flemming explained that Defense procedures were admirable and that the difficulty rested with TVA and AEC.

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Dr. Flemming then noted that Cabinet and Presidential approval of this report was not being requested but rather that it was presented to insure broad agreement on principles, and it would be released as a report of the Cabinet Committee alone. The President accepted it on that basis.

Defense Mobilization Policies - Dr. Flemming reported approval on the outcome of a Defense Mobilization Board meeting last Monday when it was agreed that, in order to avoid inflationary pressures connected with the current international situation, it would be desirable to delay for at least thirty days submission of the Defense Production Act legislation request, to undertake to ease the situation with regard to the civilian supply of certain metals, and to bring together quickly from the agencies concerned their plans for operations in an emergency.

Transportation Message (CP-6/1) - Sec. Weeks presented the proposed Message to Congress and called attention to revisions agreed upon subsequent to issuance of the Cabinet paper. Except for the revised page 4, these revisions consisted of removing any specific recommendations by the President and substituting somewhat impersonal language.

Sec. Benson indicated that he now agreed with the language pertaining to agricultural interests.

The President was concerned over the provision in the middle of page 4 involving discontinuation of certain facilities. He wished to protect against the isolation of any communities. Mr. Weeks and Mr. Page assured him that the ICC could exercise discretion and that modern roads almost completely eliminated any chance of isolation.

Sec. Weeks concluded his summation of the report with an indication of the difficulty of putting the recommendations into effect. He recalled that the Administration had taken on difficult projects before, such as the agricultural legislation of 1954. He noted charges that the report was pro-railroad, to which he frankly admitted. He believed this justified by the urgent need for action to avoid falling back on a dole or Government ownership of the indispensable railroad system.

Mr. Hughes called attention to a paragraph which seemed to close out the highway program even before it could be submitted to Congress. Mr. Weeks said that the Committee desired to study further the highway program as regards the distribution of costs. Mr. Wilson expressed his favor for the gasoline tax as the correct measure of use of a facility rather than tolls. He also urged "straightening out" the 10% transportation tax, a wartime measure.

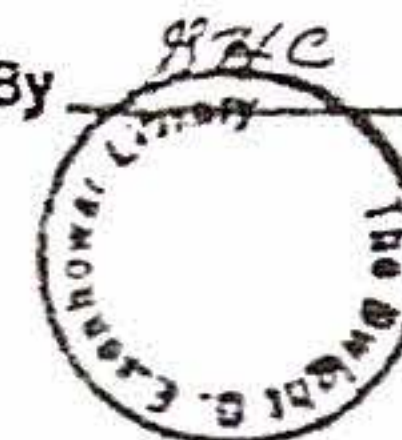
The Attorney General asked about the timing of the message and indicated the need for having Justice's Anti-Trust Division look over the recommendations. The President said that time would have to be provided for such review. The President then added that Federal activity in regard to roads was on a different basis than many other matters. He believed railroads essential to defense, as are also highways. He cited too the predominant Federal interest in a postal system where coordination was so necessary. Mr. Folsom noted the subsidy of the Merchant Marine and Sec. Wilson cited

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By 874C NLE, Date 8-5-76



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the evacuation requirement for good highways. The President thought the statement on eliminating financial aids to any form of transportation was something of a gratuitous philosophical observation. Gov. Stassen thought such a gratuity would hamper the effort to help the railroads.

Mr. Murray spoke in favor of a "user" tax, to which the President took exception. Sec. Wilson advised against inclusion of the all-inclusive statement. Mr. Hughes suggested that even though the Cabinet all favored the principle underlying the general statement, expression of it would require so many qualifications that it might better be omitted. Mr. Page and Sec. Weeks suggested alternative wording, and the President directed Mr. Weeks to review it and bring it in later for discussion.

Sec. Mitchell questioned the desirability of formalizing Cabinet Committees to the extent of using them as a vehicle for Messages to Congress. The President voiced his own doubts about personally recommending programs in great detail when only a large group of experts were masters of the detail. The Attorney General did not believe the President should be put out on a limb on this program.

The President then stated his support of the basic principles involved even though he thought the approach might be altered in the interests of securing the best effect. He thought the technique used in forwarding the Economic Report to Congress might be best.

The President thought it possible to divorce the Cabinet from the name of the Committee and the report. Sec. Mitchell described the weakness of his position with the railroad unions as a result of being a member of this Committee.

Gen. Parsons emphasized the need for coordination with the Republican leadership and perhaps also the Democratic leadership in order to head off a probable controversy. Mr. Brownell disagreed with the views expressed by Mr. Murray and Mr. Page on the likelihood of general acceptance of the recommendation. Mr. Flemming believed the Administration should emphasize the one major change contained in the declaration of policy and subordinate specific recommendations.

It was suggested that Sec. Weeks might wish to try out the subject matter of the report in his forthcoming speech in Chicago. It was agreed that advance legislative coordination would be required and that no message could be sent prior to Wednesday, February 9th.

The Attorney General referred to the reference on the Air Policy report and suggested that it constituted Cabinet subscription to that report when the Cabinet had not been consulted.

The President concluded his remarks by repeating Dr. Flemming's suggestion on the wisdom of avoiding numerous controversial specific recommendations in the interests of promoting one basic principle.

Attorney General's Report - The Attorney General briefly called attention to the report on anti-discrimination measures (CP-11). He cited particularly the difficulties developing in regard to housing matters and suggested that an informal group be found to look into this problem. The

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President emphasized his determination that the Federal Government in its own acts must not differentiate among people on the basis of race or color, but he held a more reserved position in regard to "indirect" activities such as loan guarantee programs for private housing. Mr. Rabb called attention to the situation in Levittown, Pennsylvania. The President thought it highly improper for the Federal Government to lend money where one man by himself could bar a race from a whole community. Gov. Adams informed the Cabinet that action was already underway to reconstitute the Housing Advisory Committee which had been active in 1953, and he suggested that this Committee could call upon the Attorney General and other Cabinet members for advice. The President voiced considerable uneasiness over rumblings against the housing program in general and wanted an early thorough review of it by disinterested people. Gov. Stassen suggested that difficulties in the housing area might be eased were it possible to expose the deliberate intent of Communist ringleaders to stir up trouble -- as at Louisville.

Mr. Rabb invited the special attention of the Cabinet to this report in view of the contrast it afforded between the quiet success of this Administration and the noisy lack of accomplishment of the previous one.

Sec. Wilson referred briefly to the complication in the Reserve Program caused by discriminatory policies in certain National Guard organizations. The President believed that there were many shortcomings in the National Guard system. Both he and Sec. Wilson took note of the insuperable pressures for continued existence of the Guard.

In regard to the "wetbacks" matter (CP-12), the Attorney General commended Gen. Swing for his fine handling of the movement of large numbers of wetbacks into Mexico. He then called the Cabinet's attention to the negotiation between Justice and HEW with regard to the manner the latter might assist in enforcement of the "wetback" and alien laws.

Sec. Wilson urged the Administration to make every effort toward improving our relations with Mexico. The Attorney General, Mr. Hoover, Gov. Stassen, and Sec. Benson all commented on recent examples of improvement in relations. Sec. Mitchell pointed out the political repercussion which might result should Justice fail to introduce the "wetback" enforcement legislation it had submitted last year.

With regard to the paper on the study of the anti-trust laws (CP-13), the Attorney General merely reported the procedures which would be followed in developing this subject prior to submission to the Cabinet.

Reference to the study on jurisdiction of Federal areas within the states (CP-14) was turned very quickly into a discussion of the extent of Federal land holdings. The President stated his great interest in avoiding purchases of land and in returning surplus holdings. Mr. Hughes described the study which the Bureau of the Budget is currently directing, and he sought the strong interest of Cabinet heads in order to insure the success of the study. The President re-affirmed his own deep interest in making this study successful, and then discussed the unusability of Ft. Logan which might better just be handed over to the State of Colorado.

Distribution

Mrs. Whitman
Mr. Rabb
Mr. Minnich

LAM
L. A. Minnich, Jr.

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January 31, 1955

The White House
Washington

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Record of Action

The following is the action taken on the items presented at the Cabinet Meeting of Friday, January 28, 1955:

- | <u>Item</u> | <u>Document
Number</u> |
|--|---|
| 1. <u>Energy Supplies and Resources Policy -
Report of the Cabinet Committee (Revised)</u>
ACTION: The Revised Report of this
Committee was noted by the Cabinet
and returned for further detailed
study and subsequent publication
at an appropriate date in the name
of the Committee. | CP - 19/2 |
| 2. <u>Special Transportation Message</u>
ACTION: The Cabinet Committee on Transport
Policy and Organization will in close
coordination with appropriate
Congressional liaison staffs study
further and make appropriate re-
commendations to the President
concerning the implementation of
its report. Those aspects of the
report which might pertain to anti-
trust matters will be coordinated
also with the Department of Justice. | CP - 6/1
(with 2nd
revision of
page 4) |
| 3. <u>Report by the Attorney General</u>
(For information only) | |



ADDITIONAL ITEMS

1. Federal Land Holdings
ACTION: Cabinet members were urged to give
their full support to the study now being
conducted under the leadership of the
Bureau of the Budget concerning the ex-
tent of Federal land holdings.

Maxwell M. Rabb
Secretary to the Cabinet