

THE WHITE HOUSE  
WASHINGTON

May 9, 1961

MEMORANDUM FOR  
THE PRESIDENT

Subject: Mass Transit Legislation

Following extensive discussion on S. 345, the Mass Transit bill of Senator Williams (N. J.), it was our recommendation that the program be supported enthusiastically. As you will recall, the jurisdictional dispute between Commerce and the Housing Agency was resolved in favor of Housing, a position urged by Senator Williams and various groups of mayors.

The only Administration position objectionable to Senator Williams is that which would postpone until January 31, 1962, recommendations for the manner in which the program for actual construction and operation of mass transit systems should be federally assisted. Senator Williams claims that Case (N. J.), Bush, Javits, Bridges or Capehart might introduce an amendment putting some real money in the bill if the Housing Subcommittee goes along with Administration recommendation to postpone this feature of the bill. We do not believe this is a real danger and that there are excellent reasons for not including any operating program until the committee established by the Housing agency and the Commerce Department concludes its study on October 17 of this year. Leading experts in the field will recommend whether there should be a grant program as well as a loan program, the percentage of local participation, the manner in which the Federal credit should be used (direct or guaranteed loans), the interest rate that should be charged and generally the emphasis that should be placed on various modes of transportation. The reasons supporting our position of no operating program until next January are:

ETNO

Center for  
Transportation

1. Any decisions made for a temporary loan or grant program now would be difficult to upset if the recommendations indicate a need to change.
2. The requirements that each city have a "workable transit plan" and that the Housing Agency deal with a governmental authority encompassing all units of local government within any metropolitan area make it unlikely that any city could qualify before the middle of next year.
3. The extension within the last few weeks of the ICC's authority to make operating and capital loans to railroads affords at least an emergency means of securing commuter financing until the work of the Committee can be translated into legislation.
4. The time required to set up a transit function within the Housing Agency makes it unlikely that any program will be underway before the middle of next year.

Lee C. White

