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THE NATIONAL TRANSPORTATION INQUIRY

By John H. Frederick*

IN July, 1945 the Subcommittee on Transportation of the House Committee on Interstate and Foreign Commerce sent a list of suggested topics dealing with the postwar national transportation problem to some 22,000 companies, trade associations and individuals. By about a year later nearly five hundred statements were in the hands of the subcommittee each discussing several of the suggested topics or presenting information of value on other aspects of the transportation situation. It might be noted, that the number of replies received was not necessarily indicative of their value since trade and other associations arranged with their memberships to avoid duplication and differences of opinion within an industry by filing statements representing the sentiments of large groups.

All statements received were carefully read and classified according to the topics covered by the inquiry. A survey of the material submitted was the first step in discovering any defects and injustices prevailing under existing transportation laws and proposals of remedies therefor. It was the thought of the Subcommittee that the seeking of such opinions was the first step toward adjusting legislation and administrative control to an entirely new set of transportation conditions and that it might be a means of focusing the thoughts of leaders in the transportation field upon their own responsibilities, apart from legislation, in meeting the post-war situation in their industry.

Among all the topics covered by the survey and on which comments were received, certain ones stood out as most significant. None of these was particularly new, but they were all disturbing particularly at this time either to the transportation industry as a whole or to particular segments of it. All are matters of national transportation policy, as distinct from matters of management, and as such demand thorough investigation in order to dispose of them in so far as practicable either through legislation or through discovery that they are not as great or important as they seem. These problems are:

1. Whether or not the regulation of all common carrier forms of transportation should be centralized in the Interstate Commerce Commission either as presently organized or under a reorganization. This question might well be considered under two heads: (a) for domestic carriers, (b) for combined domestic and foreign carriers.

2. The wisdom of control and operation of one form of carrier by another and, if permitted at all, under what circumstances and conditions. This is familiarly known as "integration."

3. Whether, under present conditions, the Federal government is warranted in continuing the promotion of one or more types of common carriers but not of others, and in granting aid to certain types but not to others; except on a self-liquidating basis.

4. The exemption of common carriers from the application of the anti-trust statutes where the activities in question are under the supervision of the Federal regulatory agency.

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5. Whether the present regulatory bodies, working within the framework of existing statutory authority, can be deemed to have sufficient scope and to have developed administrative practices adequate to deal with the rapid movements of economic events; and the results of actions by other government agencies over which they have no control but which act without reference to common carrier revenue needs. This is particularly important when one considers the financial position of all carriers today and the need for their building up reserves, attracting private capital, and maintaining their properties in condition so that services and employment may be maintained during periods of depression.

What action may be taken on the above or other subjects remains for the subcommittee to decide. However, because of the nature of the survey, with statements being filed by interested parties without any knowledge of what others might be saying on the same subject; and because of the narrow margin of opinion, one way or the other, on several controversial points, the Subcommittee has obviously not yet reached the point where it can take a position on any of these points. The Subcommittee will, therefore, probably continue as a neutral, fact-finding body until all parties have had an opportunity to discover what others have said on the subjects in which they are most interested. A summary of the chief statements filed with the Subcommittee and the conclusions reached by them has been published¹ and it is hoped that this will serve to bring forth any conflicting opinions and add further information. In all probability, the next official step will be the holding of a series of hearings on the important topics listed above, or others, with the idea of developing possible legislative proposals in line with a national transportation policy fair to all competing agencies, to the using and investing public, and to labor. Such hearings will give all interested parties a chance to be heard and to present the Subcommittee and others with an opportunity for cross examination, something not possible when information is obtained on the basis of written statements alone.

¹ House Report 2735, 79th Cong. 2d Sess., Government Printing Office, pp. 485.