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COMMERCE

John T. Connor, Secretary

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REMARKS BY UNDER SECRETARY OF COMMERCE FOR TRANSPORTATION ALAN S. BOYD PREPARED FOR DELIVERY AT THE ANNUAL BANQUET MEETING OF THE TULSA CHAMBER OF COMMERCE, TULSA, OKLAHOMA, IN MAYO HOTEL AT 8 P. M. TUESDAY, DECEMBER 14, 1965

It is always an inspiration for me to visit the city of Tulsa.

For there is a forward thrust, or forward look, here that economic planners and developers all across the land are working to achieve.

Most of our great cities today are deeply concerned over the decay of the central core of their communities.

But not Tulsa, Oklahoma.

Here, the center of town is a thriving and beautiful place. And I am told there are some \$60 million worth of new buildings already up or under construction which will make it more alive and even more appealing.

Most of our great industrial centers and states have been worried, too, over a decline in manufacturing jobs.

But not Tulsa. I note from the splendid packet of material which your Chamber of Commerce sent me that manufacturing jobs represented more than two thirds of the gain which Tulsa achieved in employment last year.

Typical of Tulsa's out-in-front posture is your experience in moving things -- mostly oil, of course -- through pipelines.

The experts who study future transportation trends and problems predict that the greatest percentage of growth among all modes of transportation in the years just ahead will be registered by pipelines.

A study of the future potential of the northeast section of the United States predicts that pipelines there will experience increases in the movement of goods of as much as 338 per cent in the 20-year period ending in 1980.

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This sort of thing is old hat to Tulsa which has been in the pipeline transportation business in a big way since 1910 -- 55 years ago -- when lines were stretched all the way to the Gulf of Mexico to speed transportation of oil to all corners of the globe.

Also typical of that consistent look ahead is your magnificent airport, one of the few in the Nation which had runways long enough to accommodate today's Jet airliners when they made their revolutionary appearance on the transportation scene.

Tulsa already is an important transportation hub, but the men who make this beautiful city hum have long been at work trying to make it better.

Their efforts are expected to pay off again in theyear 1970 when inland waterway facilities will be added to the efficient transportation mix of rail, air, pipeline and overland transport with which the city already is blessed.

They also have underway an effort to have Tulsa designated as an aviation port of entry.

I have been asked what Tulsa can do to achieve the status of a port of entry. It is not a very complicated procedure. Your mayor or your Chamber of Commerce or some duly constituted authority can apply to the U. S. Commissioner of Customs, who in turn will conduct a study to see if the volume of export and import business is such to warrant the establishing a two-man customs office here.

In making your application, you should give them all the supporting material at your command -- the number of firms engaged in exporting and importing, the type of merchandise involved, what airline service or other modes of transport are available, etc.

It might be a good idea to put your Congressmen to work on the subject, too.

But aside from official procedure, I would say the most effective course Tulsa can follow to become a port of entry is to get into the foreign trade business on such a scale that you are in fact a center of international trade -- and official government sanction will fall into place as a matter of routine.

You already have air routes linking you with Europe on a regularly scheduled basis, and before the river becomes navigable there should be giant new cargo carrying aircraft available that will write new meaning into international competition for trade. New strides are being made, too, which link your available surface transport to the international routes.

We have already noted Tulsa's standing as a manufacturing center. This stands you in good stead, too, in the quest for foreign business. For if you will check the U. S. Department of Commerce's Overseas Business Reports, you will find that it is America's high-priced manufactured goods which are achieving the greatest gains in the foreign trade field these days.

The concentration of the aviation industry around here probably already qualifies you as an exporter of quite some importance. Department of Commerce figures show that transportation equipment represents about 20 per cent of this Nation's exports, and more than half of the value of those exports is aviation equipment.

In other words, this Nation's best bet in foreign trade competition appears to be in exporting the products of our highly skilled workers and our advanced technology, and in this department I would say that Tulsa already has a big leg up.

But this doesn't rule out the need for some good old fashioned salesmanship and promotion. You have to make up your mind to go after this kind of business. And then go after it with a vengeance.

This reminds me of an "E" -- for Excellence in Exporting -- award which the Department of Commerce made earlier this year to a West Coast-based industry.

Listed among its several achievements in this field was the fact that it had sent three teams of technicians and salesmen on extended tours of Africa, South America and Europe to hold seminars with government communications and military officials. The purpose was to acquaint them with the highly-sophisticated techniques involved in earth-satellite communications.

They unearthed some profitable markets, too, and it's entirely possible that some of their sales efforts are playing a role in the Gemini flight now in progress.

This region has a record it can point to with pride, also. A report on export business from the Department of Commerce this fall showed Oklahoma enjoyed a whopping 23 per cent increase in value of exported manufactured products between 1960 and 1963. Only 10 of our 50 states could boast of doing as well. And a breakdown of these gains showed that export of transportation equipment from this State climbed from about a half million dollars worth in 1960 to \$6.4 million in 1963.

Tulsa and Oklahoma's problem in the future of both domestic and international trade is the same as that faced by the entire Nation.

We enjoy now the greatest transportation system the world has ever seen, but the rate of economic growth in the immediate years ahead demands that we all work together to coordinate and integrate these ever-expanding and ever-improving modes of transport on a scale most of us find hard to imagine today.

President Johnson sounded a note of caution for us in this regard

in outlining the goals of his Great Society. He noted that in the remainder of this century our population -- and all the things it takes to service it -- will double.

This, of course, includes transportation. Our domestic and foreign freight hauls will more than double, too, and it means we have to do a better job in coordinating and mixing the modes of transport we know today with perhaps some new modes not yet off the drawing boards.

The Government will play an important role here in the realm of promotion and encouragement and regulation, but in the final analysis it will be the decisions of business men like you who determine what course the future will take -- not only in transportation but in every walk of business and of life.

We are heading into -- if we are not already there -- a period of great and rapid change in the transportation industry, and we all will have to adopt that "forward look" of Tulsa if we hope to keep pace.

We will be called upon to form policies and arrive at decisions that may well hold the answer to whether or not we are worthy of the role of global leadership which has been thrust upon us in today's troubled and divided world.

For forming those policies and meeting those decisions, President Johnson already has set the tone for us. He insists upon a greater reliance on competition in shaping the nation's transportation of the future.

This means we will be placing maximum reliance on unsubsidized, privately-owned facilities, operating under the checks and stimulus of free competition.

It means the substitution of broad policy guidelines for detailed rules and regulations so that you business men will have greater flexibility in making the decisions which will keep men and materials flowing smoothly and assure continuation of the great transportation network that we have inherited.

It means a continuation of the common carrier concept as well as contract and private carriage.

It means, too, that the users of transportation service should pay for the services they use whether they are provided privately or publicly.

It means, too, that our transportation system should operate as efficiently as possible but in such a way as to provide a minimum of interference with other social or economic resources.

And above all, it means that that system of transport must always have the capability of supporting our national security objectives in times of normalcy and in times of national emergency as well.

Our present system of transportation has evolved without such comprehensive policy or guidance. And we are fortunate that it has served us so well. It is clear, however, that we can no longer be satisfied with a fragmented approach to policy and planning. If we are to sustain the economic growth necessary to insure full employment and high standard of living for our rapidly-increasing population, we must move toward a highly-efficient, fully-integrated transportation system.

We must remove both the technological and regulatory barriers to the free flow of passengers and cargo at the lowest possible cost, utilizing the most efficient mode or combination of modes available. This will require improvements in such fields as joint rates and through routing, and the fullest utilization of such advanced technologies as containerized freight movements.

A couple of recent breakthroughs in containerization -- which incidentally could have real meaning for Tulsa in the immediate future -- indicate that we are well on our way to achieving some of the required coordination and integration.

The most widely-used form of containerization today is railroad piggybacking. Since the railroads took to hauling truck trailers on flat cars in earnest some 10 years ago, this business has grown from an annual haul of 168,000 carloads in 1955 to a rate of better than one million car loads for this year.

A month or so ago, piggybacking was made available for the first time on a coast-to-coast basis through an agreement between a major railroad and a major trucking concern. This represents a heartening breakthrough which we hope will spread in all directions.

Containerization enjoyed another important step forward recently when the International Standards Organization hammered out final agreements on hardware fittings for ocean-borne trailers.

The United States has representatives in Geneva at this very moment working out details for container trade which involve such problems as customs, health, specifications, safety, uniform markings, rates and regulatory procedures, especially in the field of documentation.

A mountain of paper work becomes involved in some of these shipments, and it is imperative that we find the way to eliminate most of it. Government and industry working together have made real progress here, and the future looks bright, indeed.

Containers in foreign trade are moving satisfactorily these days on a port-to-port basis, and there is some activity on a plant-to-plant basis between here and Europe. But there is virtually nothing happening in the movement of containers from inland cities here to inland cities abroad.

In this connection, we hope to launch a pilot project with Great Britain early next year, stuffing containers at inland points here, moving them overland to east coast ports and on to England by sea and vice versa. This sort of transaction today requires a number of

inspections which we feel could be reduced, perhaps, to a minimum of one, greatly reducing handling and paperwork and showing the way to a really effective melding of modes on a through-systems basis.

While this pilot operation will be limited to surface transport, I would remind my air-minded Tulsa audience that cargo planes now being developed will be able to haul such containers, and that there is no time like the present for hitching your wagon to the foreign trade star.

In doing so, you will be helping your country with its balance of payments problem, and you will be helping your own economy in the form of profits, more jobs and a higher standard of living.

It has been estimated that \$1 billion in U. S. exports is the equivalent of \$75 million in profits and 134,000 jobs.

Our foreign commerce today is estimated to total about \$30 billion a year. Our economists say if the growth and expansion we have enjoyed for nearly six years now (58 months) is maintained, the foreign trade total will climb to \$40 billion in 10 years and to nearly \$60 billion by 1985.

There is, to repeat, no time like the present for getting into the field of foreign trade. The U. S. Department of Commerce has an export expansion program waiting to help you.

If American enterprise can sell sophisticated space gear in under-developed countries around the world, I am sure that Tulsa's growing manufacturing complex can find some new business out there, too.

I wish you the best of luck.

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