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OFFICE OF THE SECRETARY
U. S. DEPARTMENT OF TRANSPORTATION
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REMARKS BY ALAN S. BOYD, SECRETARY OF TRANSPORTATION, PREPARED FOR
DELIVERY BEFORE THE RAILWAY SYSTEMS AND MANAGEMENT ASSOCIATION AT THE
KNICKERBOCKER HOTEL, CHICAGO, ILLINOIS, AT 6:30 P. M., TUESDAY,
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We have come a long way since the days when a wood-burner full of passengers would frighten not only horses but riders when it thundered into a station. Nowadays, a passenger train doesn't frighten anybody except railroad executives. And the Department of Transportation dares to hope that even that will not always be the case.

I appreciate your invitation to appear here tonight. This is the first opportunity I have had since becoming secretary to speak in any detail about the future of American railroading as we see it. In that connection, I want to make it clear at the outset that you will find no clue to our attitude from the fact that I flew here from Washington. The Department is determined to carry out President Johnson's mandate to start building a truly balanced system of transportation for the United States. That cannot be done without trains, both freight and passenger. That is what we think about railroads.

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I should caution you, also, that the progress we will make toward a balanced transportation system during the next several years will be relatively undramatic. Our Department is neither staffed nor budgeted for miracles. And our first achievements will come from discovering better ways to use the system we now have while scientists and technicians work toward longer range improvements. Through our Office of High Speed Ground Transportation many of these long-range projects already are underway. We are developing a 2500-horsepower linear induction motor that should move a tracked air-cushion vehicle at more than 200 miles an hour.

We are financing research on an air-gulping vehicle that theoretically could move through tunnels at supersonic speeds.

But even with these and other experiments, I do not expect to see anything emerge from the laboratory that will revolutionize transportation in this century as the railroad did in the last.

The railroad literally pulled America into the industrial age, through two world wars and on to the space age. A half-century ago, all but two percent of the travel between American cities was by rail. Three-fourths of the nation's freight moved by train. The Overland Limited was the most elegant way you could go, even if you didn't like champagne.

The railroad was so essential to the nation that Mr. Vanderbilt could say it was "not run for the benefit of the dear public" and all the dear public could do was nod its head and fight back the tears. It was so essential that neither his remark nor even the attitude it represented did lasting damage to the industry. The lasting damage was done by a handful of part-time woodshed inventors who produced the automobile, the truck and the airplane and by the restive and affluent citizens of the nation who wanted faster, more ubiquitous transportation than the railroad could supply. They not only wanted it, they were willing to pay for it in vast sums of private and public money. They bought so many automobiles and airplanes, highways and airports that by the time the diesel took over the rails and the bells came off the locomotive, the railroad industry was left with nothing to wring but its hands.

Despite its relative decline in the last half-century, the railroad remains an essential part of American transportation with an immediate future brighter than its immediate past. It shares the rewards of the best transportation network in the world, the only one in any major nation that is privately-owned and privately-operated. It also shares the shortcomings outlined by President Johnson in his message asking the Congress to create our Department.

"Vital as it is, mammoth and complex as it has become," the President said, "the American transportation system is not good enough."

One reason, of course, is that it is a system in name only. As the President said: "America today lacks a coordinated transportation system that permits travelers and goods to move conveniently and efficiently from one means of transportation to another, using the best characteristics of each."

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Both people and goods - he said - are compelled to conform to the system as it is - to aging equipment; to routes often laid out by horses and by meandering cows; to "programs and policies which impede private initiative and dull incentives for innovation."

To help stop the waste in both private transportation capital and public transportation dollars and to start the work of making the system conform to the needs of the people, the President has given our Department four major areas of responsibility.

We are here to promote research to develop new technology and then to encourage industry to use whatever new and better hardware results.

We are here to improve safety in all means of transportation.

We are here to conduct systems analyses of American transportation and, from our findings, to develop criteria to guide wiser investments of transportation capital, both public and private.

And we are here to encourage high quality and low cost in transportation services to the public.

It is in these areas -- in system analysis and market research -- rather than in the laboratories that we look for the important improvements in transportation in this century.

It is through the development of a balanced transportation system that we can have the kind of impact on traveling and shipping that the railroads had in the 1800's.

America's railroads have already started a quiet revolution of their own, using these very techniques. A new breed of managers, research and analysis oriented, has generated enough new capital, new equipment and new techniques to stop the absolute decline in the railroad's share of the transportation market.

Piggyback service now accounts for more than four percent of total carloadings. It is expected to double in the next six years. Seven years ago, the railroads carried less than ten percent of the new automobiles to market.

Now, with double and triple-deck rack cars, railroads carry nearly one-half of the new automobiles to market. Less than five years after its appearance, the unit train carries one-third of all rail-borne coal. The National Coal Policy Conference estimates the unit train has cut the cost of generating electricity by \$100 million a year. These and other innovations represent a good beginning. But before we can go further -- either in railroads or in any form of transportation -- we must have a better idea of where we are going.

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The foundation of much transportation information is so shaky it must be rebuilt from the ground up. Before we can start thinking of ways for the railroads to gain their fair share of the transportation market, we must find out what that fair share is. Neither government nor private industry has done enough basic research to know with any precision what the railroads can and should do better than any other mode of transportation.

Much of the research that has been done has been done in the wrong fields. There has been too much attention given to preserving the historic markets of the railroads and too little to expanding them. There has been a great deal of research on lower cost equipment and a great lack of research on the kind of equipment the railroads need. There is a need for research on hardware. I suppose the most useful thing a man could produce right now would be a boxcar that would yell as loud as a truck driver after it had been allowed to sit on a siding for more than an hour.

But the most relevant question -- what the railroads should look like 20 years from now and what should be done now to produce the kind of system we will need then -- is one that both government and industry have ignored until recently.

During the coming fiscal year, we hope to start getting the answer to that question by gathering data on freight and passenger movements and on future demands for transportation. And you can get some notion of the dimensions of the problem from the fact that our research must be preceded by a study on the very gathering of data.

The railroad industry now files with the Interstate Commerce Commission 268 different kinds of reports. Yet it is very clear that we are not getting the reliable information about commodity flow that we are going to need in the future. This, of course, is because of the increasing volume of shipments which go on all-freight rates and piggyback and container rates. Obviously, if nobody knows what you now carry and in what quantities, it is impossible to make more than a blind guess about what you should carry in the future. Nowhere among these 268 reports which the ICC requires is there information about the relative efficiency of different kinds of railroad equipment and physical systems. The Department has started discussions with the railroad industry about improving these statistical reports and I hope that your association will join us in this elementary but essential effort.

Not all of our information gaps are so basic. A few years ago, analysts working on the Northeast Corridor project ran into a research gap so wide they could not go on without taking steps to fill them. The project is a study of passenger and shipper habits which will be used to forecast demands and make recommendations for designing a total transportation system for the northeastern United States. But when the

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analysts came to the question of the role of passenger trains in such a system, they drew a blank. There was not available a reliable basis to tell whether Americans could be lured from automobiles and airplanes by a first-rate passenger train because there was no such thing. We had to build one to find out.

The Northeast Corridor trains will be faster, more comfortable, cleaner and quieter than any trains ever put into service in this country. The very words bring pain to a railroad buff, but these trains will be better than the Overland and the Twentieth Century Limiteds in their finest hours. The Pennsylvania's Metroliner and the Department's turbo-train which the New Haven will operate will be the best this country is capable of producing on a prototype budget.

The service will be comparable in most ways with the Tokkaido in Japan, except in name and cost. Their faster train is the Hikari -- speed of light. Their slower train is called Kodama -- speed of sound. Our names will be more modest, as will our investment. But at top speed, our trains will run at 120 miles an hour, just a bit slower than theirs.

The Northeast Corridor train program is unique in another way. It will provide the first complete market study of railroad passenger service in history. One phase will be a comprehensive monitoring of passenger flow. If patronage drops, we will know it immediately and can find out why and what can be done to change it. If the trains are successful, we will know why. We will know who rides them and why. We will also have the most complete accounting of the cost of passenger train operation ever developed.

We should know in two years whether Americans will use high-speed luxury trains. We believe they will. The Northeast Corridor project is important not only in terms of the new markets it may open up for the railroads. It is crucial to the concept of a balanced transportation system. The congestion at and over the airports in America's major metropolitan airports is a serious problem that is bound to intensify when the stretch jets and the jumbo jets go into service. New York City, which still has not found a site for its fourth jetport, already is looking for a place to build its fifth. One way to relieve some of the congestion would be to shift some of the traffic to fast trains on shorter intercity runs.

I might say we have support for this kind of thinking from some rather surprising sources, including the president of United Airlines. I want to make it clear that I do not contend that passenger trains can show a profit on every route or that every passenger train should be kept in service for the next two years. But there are corridors in the United States where high-speed trains could operate at a profit -- if it develops

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they can do so in the Northeast Corridor. If our experiment with high-speed trains proves that people will ride them, I will do everything I can to put them into service in other parts of the country. And that will include joining you in an effort to get whatever investments, public and private, may be necessary to put the trains into operation.

The Department of Transportation will be present, if not in person then certainly in spirit, in other areas that effect the transportation industry. But I hope it is clearly understood that will not be involved in controversies, we will not criticize, we will not seek reforms on the narrow basis of a specific problem.

This new Department has, as its primary function, the representation of the public interest in all questions which effect transportation. We are not going to enter any activity simply to represent a given mode of transportation. We shall be involved only if we believe that our intervention is the only way the public interest can be represented effectively.

So I hope that you understand that my criticism of past activities in the railroad industry is not aimed at any firm or any group of firms. It is based solely on my personal conviction that the impact of some of these past activities has been profoundly felt by a public which has not always had an effective way to make its interests known.

Andrew Jackson was the first President to ride a train. We think one of our responsibilities at the Department of Transportation is to see to it that President Johnson is not the last.

Not long ago, the editor of one of the country's leading transportation magazines went through the records of the presidents. And he wrote an editorial which said that President Johnson -- and I quote -- "has made more public utterances -- and more incisive and analytical ones -- about transportation than any other President of this nation."

The President is a man of many achievements. And certainly one of the most important of his programs was the work he did to turn America's attention to the weak spots in its transportation system and then to set in motion the work that must be done to strengthen them.

The Department is not an end to that job. It is a beginning. With your help and the help of other leaders in America's transportation industries, we can make it a good and sound beginning.

Thank you.

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