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REMARKS BY ALAN S. BOYD, SECRETARY OF TRANSPORTATION, PREPARED FOR DELIVERY TO THE VIRGINIA CONFERENCE ON WORLD TRADE, AT THE GOLDEN TRIANGLE MOTEL, NORFOLK, VIRGINIA, THURSDAY, OCTOBER 19, 1967, 7:30 P. M.

I am flattered to be in Norfolk at a meeting on international trade, but I approach this task tonight with some misgivings. After all, inviting someone to come from Washington to Tidewater Virginia to talk about world trade is not unlike sending someone from Washington to St. Louis to describe baseball. You are the experts, and the best we in Washington can hope to do is play a satisfactory supporting role.

I am happy also tonight to be in the home country of Bill Spong, a fellow who we're proud to have in Washington. I don't know whether Senator Spong still admits it or not, but I like to remember that we were schoolmates together -- law school students at a little campus upstate called the University of Virginia.

Back in July, Mr. Bowditch\* wrote me a letter inviting me to this meeting. The letter began -- and I quote -- "Dear Secretary Boyd: Being a native Virginian, you are aware of the efforts our Commonwealth has made to strengthen its position in foreign trade in recent months." I am really a native of Florida, but I came anyway in the hope that a degree from Charlottesville and a friend named Spong will ward off any charges of misrepresentation.

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\* W. H. Bowditch, President of the Virginia State Chamber of Commerce.

I said a moment ago that you are the experts in international trade. I can document that. From the beginning -- from the establishment of that first permanent British colony in the New World early in the 17th Century -- Tidewater Virginia's very existence has been world trade. You sent Pocahontas to England -- she may have been the first touring Miss America, or at least the first Tobacco Queen -- and by sending her you convinced the Court of St. James', through Pocahontas' charms, that the New World was something more than a land of savages. You sent Thomas Jefferson to Paris, and he sent back the plans for the Rheims Cathedral, which became also the plans for your State Capitol. All the while, you were shipping tobacco and lumber and naval stores -- the list goes on -- and today it includes sophisticated as well as basic products -- food products, textiles, metal products, machinery, and literally mountains of coal. Governor Godwin has said, "We are shipping lenses and pharmaceuticals to Germany, soy beans and textiles to Japan, and poultry and eggs to South America." It would not surprise me if Virginia were, in fact, carrying coals to Newcastle.

Recently you've also been sending out teams of Virginia salesman, led by Governor Godwin, to tell the world about Virginia's products. Your energy has paid off, as I'm sure it will continue to do. The planners and the economists in the Department of Transportation tell me that within the next eight or nine years the international trade of the United States, in annual tonnage, will more than double. That's a healthy increase. From what I hear, dynamic, sales-conscious Virginia is going to seize its fair share of the increased profits.

And so one of the first things I want to do tonight is commend you -- indeed, to thank you on behalf of the nation -- for your achievements in international trade. Your motives, as you seek foreign markets, are largely concerned with the economic life of Virginia -- with the expansion of industries and with attracting new industries; with utilizing your ports; in the end, with improving the lot of your citizens.

Yet when you go out in search of markets, even if you go primarily as Virginians, the advances you make are advances for the entire nation. You are serving a national goal. You are contributing to the national wealth. And your contribution is more than economic. In any marketplace, at least in the long view, the most productive relationship between buyer and seller is a relationship of mutual respect and mutual understanding. When you, as Virginians and as Americans, establish new trading ties with Europeans, or with Africans, or Latin Americans or Orientals, you have established new lines of understanding and respect between the United States and the rest of the world.

For a long time now, I've been going about the country talking about a Department of Transportation. I did it first as an advocate of an idea -- the idea that the country needed a Department of Transportation. That was before Congress, last year, authorized the establishment of the Department.

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In the days before the Department was born, I made many promises. One was that if a Department of Transportation were established, and if it were given the tools to work with, the expenditure would be the greatest investment this country has ever made.

Well, the Department is now six and a half months old. And I stand by my promise. I think that with your help, we're going to effect substantial savings of money for shippers, for transporters and for the Federal Government. And in the meantime -- again with your help -- I think we're all going to get out of the bargain a better transportation system.

What is the Department of Transportation?

The Department is a recognition by Congress and by the President that transportation needs to be regarded in the 1960's not as railroads here, and highways there; airplanes up there, and ships out there; but as a coordinated system for the safe, efficient and the economical movement of people and goods. Our job at the Department level is to coordinate the various transportation agencies -- to help them work together, and in harmony with others, to serve national purposes.

We are not in business for the purpose of providing pat answers to every problem. We look to the cities and states for guidance, and to groups of states which are willing to work together to solve regional problems. We will ask local governments to make their own decisions about transportation problems. And we are hoping that industry, more and more, will offer answers to the transportation questions that the cities, the states and the Federal Government identify. And as a matter of fact, especially where international trade is concerned, we in the Department of Transportation expect quite often to be pulling back the long arm of the Federal Government. If you will pardon the expression, transportation is on the move in this country; and there will be times when the most important contribution we can make will be to get the Federal Government out of the way.

What do we mean, in the Department of Transportation, when we talk about coordinating transportation: Coordination is a murky word open to all sorts of interpretation. But let me try a definition: Coordinating transportation means bringing the various kinds of transportation together in a single, functional whole -- what engineers call a system. It means looking at the various modes of transportation without pre-judging them. If a product moves first by conveyor belt in the factory and then by truck and then by rail and then by steamship, we are willing to look at the conveyor belt and the truck and the railway car and the ship as equals -- as partners, if you will, in a transportation system. There are differences between the vehicles. But they are all vital to the mission involved, and that mission is getting merchandise from one place to another. We think there's a certain timeliness about our willingness to regard the various modes of transportation as equals.

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Our transportation landscape today has four major categories of vehicles -- water carriers, trains, motor carrier and airplanes. The ships and barges are, of course, the grandfathers of the lot. Then came the railroads. In the last century the nation bent over backwards to accommodate itself to the railroads and speed their development. As a reward for its efforts, the railroads helped unify the nation and gave us cheaper, speedier transportation than we had ever known.

Then, early in this century, came the trucks. We were wise enough and foresighted enough to tailor many of our regulatory policies and our public spending policies to the development of the automotive industry, and again we have been rewarded. Later, the airplanes came along, at first barely capable of hauling a few bags of mail, now tough, reliable cargo carriers. The nation again modified its laws and its promotional powers sufficiently to allow for the growth of the airplane. What we have today, therefore, is a strong inventory of transportation choices -- vehicles ready to take your produce and your products to customers around the world.

In the Department of Transportation, we're going to try to be as modern as any of the most advanced cargo-carrying brothers and sisters in this transportation arsenal. Modern, that is, in the sense that we approach transportation with no pre-conceptions about which mode is best; and modern in the sense that we're unflustered by the probability of change. None of our transportation industries is fledgling any longer. None of them needs to be coddled. What they do need is whatever assistance we can give them in working together to give the nation point-to-point, door-to-door, coordinated transportation service. They need an environment which will allow them, with as little government meddling as possible, to do the kind of job which you as traders and travelers need from them.

The people who built the ports of Virginia knew what we mean now when we talk about coordinating transportation. Your Hampton Roads complex did not become a major port simply because it was a handy outlet for nearby manufacturers and mine operators. Your ports became important nationally only when you coordinated your capability for ocean shipping with other modes of transportation -- that is, when your ports gained access by highways and rail lines to the manufacturing and mining centers to the west. Today, you have the biggest port complex in the nation which does not have at its doorstep a manufacturing cluster.

But the fact that most of your cargoes originate at points hundreds of miles inland represents a challenge as well as an accomplishment. For the farmers of Virginia, and the manufacturers of Virginia, the potential for profitable international trade is all the more attractive because of the convenience of Virginia's ports.

And now I'd like to talk to you about facilitation. Facilitation is a word we toss around quite a bit in the transportation business, but

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like that other word we use -- coordination -- facilitation doesn't mean much until you put it to some use. We want to put facilitation to use on behalf of world trade, and we think it can mean a great deal.

In the field of transportation, this word facilitation means exactly what it seems to mean. It means making transportation more facile, making travel easier and the movement of cargo more efficient by eliminating whatever impediments stand in the way. It means knifing through red tape. It means eliminating unnecessary paperwork. It means reducing the amount of time that passengers have to stand in line at an airport or the amount of time that a valuable shipment has to lie on the dock. Facilitation means accommodating our legal requirements and our regulatory habits to improved transportation technology such as the technology of containerization. It means, in short, making transportation easier and less expensive.

I'm particularly interested in a phase of the facilitation effort which I like to think of as the paperwork rebellion. In our Department, we have an Office of Facilitation which is devoting a lot of energy to the job of reducing the amount of paperwork required in international trading. But I am happy to say that the government is by no means carrying the entire load. Just a few months ago a group of private companies which are concerned with the problem of excessive paperwork established a new organization known as NCITD -- the National Committee for International Trade Documentation. The committee will have a professional staff. It has the whole-hearted support of international shippers and domestic and international carriers. We in government are gearing up to cooperate effectively with the committee and with any other groups which share with us a concern about the impediments to free international trade.

I'll give you some examples of the problem of documentation -- a problem which President Johnson has characterized by saying that our international trade is conducted on a sea of red tape. The problem is that a manufacturer who wants to ship his products abroad must complete literally yards of forms -- some of which are remarkably complex, others of which duplicate each other. The problem is that because of our legal structure, carriers are unable to quote single-factor rates for shipping goods from, say, an inland American city to an inland city in Europe. The problem is that a ship entering an American harbor must file nine separate forms and a ship leaving a harbor must file an additional five forms.

We think those 14 forms required for entering and clearing a harbor can be reduced to one. The international treaties which permit it have been ratified, and we're now working on that single form. We think the time has come for carriers to be able to quote through-rates for international, inter-modal shipments. We think the number of forms that a shipper must file can be reduced substantially. We think industry and the government can devise a uniform commodity code that could be understood by truckers and railroads and ocean carriers; and most of all, perhaps, through government-industry cooperation, with a willingness on both sides to see just how much can be done.

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If we can reduce the paperwork involved in international trade, the level of exports should rise accordingly. Paperwork is expensive. Too many American manufacturers, large and small, limit their export business simply because of the cost of the paperwork made necessary by our quaint shipping habits and our antiquated laws.

Let's take a look, for example, at the small Virginia manufacturer exploring a potential market abroad. He makes an inquiry about shipping costs, and he's likely to be asked right away whether he wants to be charged by cubic feet, by the hundred weight, the long ton, the short ton or the metric ton.

All he wants to do is ship his goods at the lowest cost possible, and he hasn't the time or the wherewithal to make himself, in the process, an expert on the complicated shipping business. We believe it is the job of industry to give the shipper the most economical, uncomplicated service possible, and the job of government to help create a transportation environment in which this can be done.

I'd like to mention two other programs we've begun in the Department of Transportation. The first of them is being carried out by a small organization which we call the Office of International Industrial Cooperation. Its job is to learn, by all available means, what transportation technology developed in other nations would be of value to the United States. And its job is to work out the agreements which we believe can lead to significant economies of both time and money as we in this nation seek to solve our transportation problems. This office is now working through established international organizations, and with individual ministries of transport in Western Europe and Japan, with an eye toward putting into effect an information exchange program for all kinds of transportation technology. We have found the Europeans and Japanese to be enthusiastic about our ideas for cooperation -- and understandably. In all the developed nations of the world, millions of dollars are spent each year for transportation research and development. If we can pool some of our resources, every nation involved can profit.

The other new program which I want to mention has to do more directly with international trade. I'm sure many of you have recognized that the developing nations of the world are becoming customers for your exports. The ability of these nations to buy our products is tied closely to the success of the technical assistance programs which the United States and other more prosperous nations are conducting. The Agency for International Development in the State Department administers the technical assistance programs of the United States. It is a surprise to many people that the agency spends about a third of a billion dollars a year on transportation projects abroad.

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We of the Department of Transportation intend to become the advisor to the Agency for International Development on transportation matters. We hope to bring to those technical assistance programs which involve transportation the same broad, coordinated approach to transportation planning that we intend to apply to federally assisted public transportation programs in the United States. The result, we feel, will be not only savings of money in our assistance programs, but also a more orderly growth of transportation systems in the developing nations of the world.

I want to close with some tough language which you, as international traders, will understand. In Washington during the last several months we have sensed a growing mood of protectionism. It is a dangerous mood which runs counter to the international trading goals which the nation set for itself quite a few years ago. It is a mood of frustration which I hope Congress will reject.

There is no longer anything regional about protectionism in the United States. And the technology of transportation and communications has made this too small a nation, and too small a world, for any region to have anything to gain, in the long run, from artificial barriers to international trade. The problem with import quotas, applied unilaterally, is that they backfire; they spread; and there's no telling who all might suffer. One nation erects a barrier against imports of one kind of commodity. Other nations reply with barriers of their own against other commodities. International trade is no longer just a two-way street; it's a major thoroughfare. And we who are in the transportation business know that when you close down an expressway, you're inviting disorder and dislocation all over town.

Virginians -- the first successful traders of America -- have met the challenges of competition, and you convince me that you will continue to do so. I urge you to work with us in seeing to it that the channels are kept open and the impediments are removed.

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