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REMARKS PREPARED FOR DELIVERY BY U.S. SECRETARY OF TRANSPORTATION JOHN A. VOLPE BEFORE THE SEMINAR ON GREAT LAKES ST. LAWRENCE SEAWAY SEASON EXTENSION, HOTEL SHERATON-CLEVELAND, CLEVELAND, OHIO, MONDAY, MAY 10, 1971, 8:30 p.m.

I am aware of the great historical importance of this great "Fourth Seacoast" -- and I am similarly aware of the tremendous future that stretches before us.

I also want to note that this conference is very important to our Department. We have worked long on its preparation. We have brought our first team out here and we shall be studying the results of these meetings for many months to come. I mention this in no sense of self-praise. I mention it rather to dramatize our basic -- our national interest in the Great Lakes -- St. Lawrence Seaway system.

I also want to note this coming to Cleveland is in line with President Nixon's desire to bring government to the people -- the creative federalism between the Government and its people.

One fact is all important in understanding the seaway. The industry and businesses served by this waterway account for an incredible 43 percent of our gross national product. This is, indeed, the industrial heart of America. And on the prosperity and good health of the seaway states depends upon the prosperity and good health of the whole Nation. This area and its industrial capacity is a national asset. And there's the rub. We find indications, unfortunately, that the economic health of this area is suffering. There are traces of economic erosion. This erosion must be halted. This is the basic premise of our transportation planning in the area.

The essential fact of transportation is that it adds value to services and products. The tons and tons of orange juice in Florida would have little value if it could not be moved to the markets of the Nation. The wheat in the fields of Kansas, and the petroleum products of Texas all are worth more because of the availability of transportation.

The best illustration of this that I know of is the story of a farmer whose products brought more income when air freight opened up a new market for him. He was a strawberry farmer in California. What makes the story exciting is that the new market was the expensive hotels in Paris.

It is the same ability of the seaway to give added value to the products of this midwest area that brings us here this week. Given this feature, any enlargement of seaway capacity -- through extending the season -- for example -- will contribute more to the economic well being of this area.

This, then, is our purpose -- to expand the economy of this area and, thereby, increase the standard of living of those who live here and work here.

If we are attracted by a carrot, we are also driven somewhat by a stick. Our Nation is growing and growing by leaps and bounds. Our population increases by about 6,000 persons per day. This growing population, moreover, is constantly increasing its standard of living. This average growth of 6,000 persons per day is accompanied, for example, by an average net increase of over 12,000 automotive vehicles per day. Projecting all these figures into the 1980's we see a tremendous booming economy. To meet the needs of this economy we shall, in the next 18 years, almost double the capacity of our transportation network.

This is a staggering challenge -- to provide as much transportation in 18 years as we have built up in the past 350 years.

I can tell you right now we are not going to meet this goal simply by building more of everything -- more highways, more railroads, airports or more seaways. We are going to achieve this increased capacity, by more efficient utilization of our present systems. We are, consequently, going to need the Great Lakes - St. Lawrence Seaway System and we are going to need all the seaway capacity we can get.

The most immediate way of increasing capacity is, of course, extending the seaway season, and that is the business at hand.

I have in my own mind no doubt whatsoever that we shall one day see year round operations of the system. We have the know-how and the technology. This achievement, however, lies in the future, and will come about as a result of achieving our more immediate objective -- our objective of gradually increasing the seaway season.

There may be skeptics who will see little value in merely opening the season a few days earlier in the Spring and shutting down a few days later in the Winter. The most obvious answer is that we have to make a beginning and this is the way we are beginning. But I am also aware that in human activities mere habits -- patterns -- and routines -- customary ways are mighty important. Because we make it possible for a few more trips both, at the beginning, and at the end of the season, there will be more trips in between. Use begets use. This is the essence of growth.

This extension of the seaway season is going to require contributions from a lot of people. This explains, in part, the wide variety of talent we have here at this conference -- industrial users, shippers, port authorities, city, state and Federal officials, steamship operators and right down the line. We are going to need your help.

This extension of the seaway season will, in time, also involve certain changes that must be prepared for now; this again, accounts for the great cross section of interests here tonight. Our purpose in coming out here to Cleveland is to get the word to as many people as possible -- to bring them into this operation early so that they will know the promises to be realized and the challenges to be met. And let me deal with one of those challenges right here.

There is concern in this Great Lakes region that the lengthening of the seaway season and the ultimate year round operations of the waterway will have a number of decisive effects on the surrounding environment. The power people are concerned; conservationists are worried, and individuals living near the shores of the lake are skeptical.

Let me set the record straight. My job is transportation. But by law -- and by my own nature -- I am violently opposed to any project that unalterably harms our environment. We have already stopped a number of projects throughout the Nation that posed potential threats to the environment we put a halt to construction of the international jet port which threatened the ecology of the Everglades. We stopped a highway that endangered the beauty of the area surrounding the old man of the mountain in New Hampshire. And we stopped construction of a freeway that would have walled off the historic old French quarter of New Orleans. I assure you here and now consequently, we shall undertake no action that will endanger the ecology of this Great Lakes area. We are mindful of the challenges we face. The extension of the seaway season -- and the ultimate potential goal of year round operations -- involves altering the course of nature. But before we begin we shall know precisely how much altering must be done and precisely what the effects of these changes will be. These questions will be the subject of the many studies we shall be undertaking in the next few years.

You will appreciate our feelings toward the environment of this Great Lakes area when I remind you that one of the largest administrations in our Department of Transportation is the United States Coast Guard. And the Coast Guard -- as you well know -- is not merely interested in preserving the status quo. The Coast Guard -- through its limnology studies and anti-pollution activities -- is aiming at a cleanup -- not just a halt of further pollution. Yes, these Great Lakes are a great national resource and they must not be despoiled.

And so in conjunction with the great nation of Canada we are going to move out on a new adventure -- an experiment of great magnitude and daring.

I have no doubt about the outcome. We shall succeed.

It is essential to our ultimate success that we begin with a proper appreciation of the worth of our task. This appreciation must rest on the knowledge that the St. Lawrence Seaway is already a success -- that it has proved its worth -- and that any increase and addition to its productivity will pay its own way. I am displeased with those critics who compare -- unfavorably -- the seaway with some idealized hypothetical abstraction. The seaway cost/benefit ratio may suffer when compared with the ideal -- but this cost/benefit ratio compared with the standards of transportation-American style 1971, the St. Lawrence Seaway is a highly successful operation. And what other standards are there?

I would also like to note that extending the season will involve more than contributions and work by just the Federal government.

Local ports and port authorities are going to have to step up their activities and supporting transportation systems are going to need attention. It is highly likely -- thanks to President Nixon's new proposal on transportation revenue sharing -- that we will be able to work closely with you on this. This proposed legislation -- if passed into law -- could have a great bearing on this Great Lakes area. Let me explain.

President Nixon has proposed setting up a special transportation fund amounting to nearly 3 billion dollars a year to be allotted to state and local governments -- or regional authorities -- for transportation projects of their choosing. This money will be made available according to various formulae which will insure equitable distribution. These amounts have already been determined. Ohio, for example, would in the first full year of the law's operation be allocated more than 100 million dollars. Indiana, nearly 50 million dollars; Illinois, more than 126 million dollars and Wisconsin nearly 50 million dollars.

Under the proposal, funds will come from four sources -- the highway trust fund; the airport trust fund, urban mass transit appropriations and finally general revenues.

Those funds which derive from the urban mass transit revenues must be spent for the furtherance of urban mass transportation. The remainder of the transportation special revenue sharing fund may be spent for any type transportation project selected by local officials.

This proposed legislation has several advantages over the current categorical grant programs.

The first is the freedom of choice -- the flexibility it gives local authorities. Under the current grant program, the governor of a state must build highways -- or the highway funds are denied him. In other words, state transportation spending is controlled not by local transportation needs. It is determined, rather, by the promise of federal funds.

A second advantage is that under revenue sharing the states will not be required to provide matching funds. Under the existing categorical grant program, a state must provide -- for every nine dollars of interstate highway money it receives, one dollar from its own funds. In other highway programs, the State must match federal funds dollar for dollar. Under the President's proposals, no state funds are required.

This transportation special revenue sharing fund is part of President Nixon's plan to return a share of federal tax dollars back to our hard pressed cities and towns. Everyone knows of these financial problems. I learned then, first-hand when I was Governor of Massachusetts. Almost every city in our state was suffering the same problem: The tax dollar simply wouldn't go far enough to pay for the services everyone was demanding. The problem is more acute today.

There is also the motive of efficiency. This revenue sharing is based on the philosophy that our governors and mayors best know their local transportation problems, and they best know the appropriate solutions.

President Nixon has proposed that this revenue sharing plan go hand in hand with another major reform aimed at making government more responsive to the needs of the people. He has called for a vast reorganization of the federal government that will bring the various agencies of the government having a common purpose together in one department. Under the President's proposal most of our Department of Transportation will be included in a new large Department of Economic Affairs.

These proposed changes are a positive step to enable government to better achieve the larger purpose for which it was established. The purpose of this reorganization -- in the words of our Constitution -- is "to promote the general welfare."

Transportation is -- as I have noted a service industry serving all elements of the economy. Our government assistance to transportation, thus, represents assistance to all elements of the economy it is completely understandable, therefore, that the federal transportation interests be included in a larger agency whose major purpose is to strengthen the Nation's economy.

These two revolutionary proposals of President Nixon are good for transportation. They are good for the nation and they deserve the support of all of us.

We must all be ready to change and grow. Our population is growing and changing. The institutions and the governments which serve this population must also change. And we must face this change and growth with confidence. I have no fear of the future and I look forward to it with eagerness. We are nearing the good times -- the best days of all.

And now I want to thank you for attending our conference and working to make it so successful. I am convinced that, these our mutual efforts are going to be very successful. I predict we shall be seeing a tremendous increase in the usage of the Great Lakes -- St. Lawrence Seaway -- far greater than we dare dream about now.

Thank You.

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