



DEPARTMENT OF TRANSPORTATION

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REMARKS BY SECRETARY OF TRANSPORTATION JOHN A. VOLPE
BEFORE THE EUROPEAN FREE TRADE ASSOCIATION
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When I had the privilege of lunching with Ambassador Pauls and the German Ministers of Transportation and Economic Affairs just eleven days ago, we agreed at once that increased trade is the essential foundation of prosperity and world peace. And that how we organize our transportation resources will determine the effectiveness of our export activity during the crucial years ahead.

I must say that these sentiments are not merely academic, because in addition to our DOT Administrations for aviation, railroads, urban mass transportation and highways, this Department also has charge of the St. Lawrence Seaway, which has opened up the industrial heartland of this country to European vessel-borne trade and given our shippers there increased access to overseas markets. We are also proud to include the Coast Guard -- a foremost authority on the safety of life and property at sea.

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The sixties have indeed been a period of great advance for international commerce. Yet if a glance backward reflects accomplishments, a glance forward can only generate a surge of optimism.

I think that even as a layman I would be safe in saying that the record trade levels of the sixties will be out-distanced in the decade ahead. The productivity of trade could soar if we fully exploit emerging technology, new procedures and better organization.

You can't open the newspapers without seeing one story after another about "containers", "intermodality", "port concentrations", "interfaces", "feeder service", "multi-modal terminals", and so on. The gleam of massive cost cutting is in every entrepreneur's eye. These changes -- once well under way -- can mean substantial increases in the productivity of capital and labor and quantum jumps in the speed of through movements.

So it is not unreasonable to hope that even the projected 10 percent annual increase in trade between Europe and the United States may be surpassed. I can see only one dark cloud on the horizon. The mechanics of trade, frankly, are still largely Victorian in an age which demands flexibility, speed, and strict economy of operations.

Right now it costs an average of \$163 to complete the paperwork for each American export shipment. It's no wonder. It takes a roll of 101 Government documents some 103 feet long to process a shipment or a vessel or a passenger clearance before sailing. You start with the Shipper's Export Declaration for in-transit goods and end with the shipping articles 103 feet later.

This paper empire costs the United States economy \$1.8 billion every year. That represents much too large a percentage of our \$50 billion annual trade. We hope to help sweep away much of this debris.

The Trade Simplification Bill we sent up to Congress endorses the use of a through Bill of Lading which will consolidate as many as a dozen of the most troublesome forms into one comprehensive document permitting rapid through shipment of goods. We think of it as our "international rapid transit bill."

This is an apt nickname because the bill would streamline the handling of containerized freight in international trade. It would afford shippers access to a single set of tariff filing rules covering all carrier modes. It would provide for the filing of through intermodal rates, including joint rates on through shipments from points within this country to inland points abroad. Another provision in the bill would authorize interchange of equipment among carriers.

We don't expect a revolutionary measure such as the Trade Simplification Bill to be received with unanimity but we believe in it and we intend to work for acceptance of measures that will facilitate trade.

This is an outward-looking Administration. As present restrictions are dismantled, increasingly swift and unencumbered movement of containers in international trade will become a reality, and we intend to promote it.

In my opinion, the prospects are fabulous.

The challenge of technology in the next decade will be enormous, and it is largely unanticipated, even by some experts. The new wide-bodied airplanes alone could make air freight practical for thousands of shippers who must now rely upon ocean-going vessels. I was down at Lockheed's plant in Georgia three days ago to take a look at the C-5A and it's quite an impressive aircraft.

The commercial version of the C-5A will carry 120 cars at a time -- that's 150 tons of net payload. With capacity like that, manufacturers of products with a high value per ton -- not just per pound -- are going to take to air freight.

Of course, there are a few tough problems to solve along the way -- such as how many airports can handle these planes, who will insure them, how will we finance the expanded air navigation and control systems to handle the traffic, how can we speed up the movement of passengers and freight on the ground, and so on.

We will support all reasonable efforts to speed the flow of aircraft, crews, passengers, baggage and cargo, keeping in mind the requirements of an effective narcotics control program.

We must face squarely such troublesome questions as promotional fares and the relative shares of the air transport market to be serviced by our scheduled and supplemental carriers and by foreign carriers. We should bear in mind that aggressive competition in charter pricing has brought about a substantial improvement in the level and structure of North Atlantic fares and traffic has grown rapidly. But in any case we do not need to upgrade the quantity and variety of air services across the North Atlantic.

We also recognize the need of developing nations to share their limited resources in an effective manner, and if individual national airlines are likely to be established, we would encourage the formation and development of multi-nation airlines among these countries. To the extent feasible, the developed nations should encourage private efforts

to provide technical and managerial assistance to such airlines.

In short, we intend to adopt all practical measures to facilitate the movement of international passengers and freight by whatever mode.

From the historic point of view such problems as we face today will seem insignificant and short-lived. The potential for the further growth of trade and tourism between Europe and the United States is so rich that only the most limited kind of self-interest can impede it for long. I foresee a golden age of trade developing in the seventies and through the next years of this century.

Containerization, simplified paperwork and passports, Customs reform, giant new planes, ocean-going hovercraft, automated cargo ships, rational and gradually lowered tariffs -- all seem possible consequences of an irresistible trend of technology and systems -- building throughout the commercial world.

I dare say that rational, balanced, and integrated systems of transportation -- both within and among nations -- will contribute to a much more productive, safer, cleaner and harmonious environment for mankind than those we are accustomed to today. The consequences for our standard of living, for the exchange of ideas, for the enrichment and cross-fertilizing of values, and for better understanding among peoples are beyond calculation.

President Nixon's foremost objective is a new world of peace, progress and justice. This is the fondest hope of the American people. Man's technical ingenuity, applied to transportation and international trade, can make a most significant contribution to that goal.

With the leadership and example of such progressive organizations as the EFTA, we will reach our common goal.