

12)

Secretary Brinegar to the
Stanford-Sloan Fellows
Washington
March 29 1973

It's a real pleasure for me to meet with you this morning. I spent six rewarding years at Stanford -- not entirely at the undergraduate level, let me add. But as an alumnus, and sharing your affinity for business management, I welcome this opportunity to add to my learning process and, at the same time, discuss with you some of the challenges we face not only in making transportation better, but in "getting it all together" into a more workable and efficient system.

Let me say, too, that I have the highest regard for the Sloan program and the Sloan principles of management education -- perhaps because they correspond so closely to my own views on the subject.

I like Peter Drucker's observation that "while we have elected to call management a science, it is primarily a clinical practice." And that many of the things to be taught are accessible "only to people with experience."

All of you come to the Sloan program with considerable management experience. I am repeatedly impressed by the depth of credentials and the diversity of interests reflected by the participants in this program. In my opinion, a Sloan Fellowship is an excellent "clinic" for the management student -- and, in the management profession, it seems we are forever "students."

As you may recall, in his book "The Closing Circle" author Barry Commoner comments that "everything is connected to everything else." I learned to appreciate the truth of that statement during my years with industry, and I am seeing it in an even larger dimension in Government.

We no longer make what we might call strictly "modal" decisions -- that is, decisions determined by the mode of transportation itself. In fact, we can no longer make purely transportation decisions of any kind, without considering the impact on people, communities, the environment, etc. We are increasingly conscious that transportation works many changes in our land and, in turn, is changed by the changes.

Transportation always has been an influencing factor in the development of our nation. Virtually all of our great cities began as ports, as rail-heads or as rivertowns; while many of our communities grew up from whistle stops, tank towns and junctions.

We have seen the extent to which our road-building programs have nurtured the growth of suburbs and shopping centers, and generated a "highway economy" that has brought a new prosperity -- and a whole set of new problems -- to urban communities.

It is abundantly evident today that transportation interests are woven closely into the fabric of the nation, and are connected to virtually everything else of a social or community nature. Transportation interacts with our environment, with the economy, people's life-styles, the shape and 'livability' of our cities, even the individual's right to transportation, on the one hand, and freedom from its abuse, on the other.

This kind of "top management perspective" -- in the parlance of the Sloan objectives -- and the capacity to consider situations from the viewpoint of the "total enterprise" are essential when the non-business aspects of any organization may be as important -- and as complex -- as the specific business activity we are trying to manage.

Let me hasten to add that seeing the transportation challenge in its totality does not necessarily mean that the individual pieces of the challenge are more easily solved. They are not. We still must lay down our highways, tune up our public transit, discipline the air ways, and keep the railroads running. And we have to order the technologies and orchestrate the trade-off's that will get the jobs done most efficiently and effectively.

Along with an aptitude for "total system" thinking, a manager must expect the unexpected.

When I came to the Department, I was prepared to include rail operations in my concept of a balanced transportation system, but I did not expect to be given a bankrupt railroad to run my first few weeks on the job. Yet that is nearly what happened, and let me tell you that can jar even the coolest manager's composure. Hopefully, I might say, we have put the problem of the Penn Central on a safe siding for the moment, and we will be asking Congress to take some bold and constructive actions to deal with the root difficulties of the nation's railroads. Our report on the problems of the Northeast railroads, which we released this past Monday, was put together in a comparatively short time, but with the greatest dexterity and the broadest perspective we could muster.

A manager, of course, must take these intrusions in stride. Much as we would like to program all events with computer-like accuracy, the truth is we are usually dealing with an unknown mixture of the rational and the irrational, the predictable and the unpredictable, the specific and the intangible. So the manager has to 'stay loose' until the clearly logical course of action clicks into place.

Incidentally, it is my opinion that no responsible manager makes a key decision arbitrarily -- "off the top of his head." The "gut decision" that looks so glamorous on executives in TV dramas has little to recommend it in the real business world. If the staff work has been good, and if the manager's spade work has been sequentially sound, the correct decision will be reasonably clear. The manager's real challenge is in determining what should be worked on in the first place, what has priority, how to surround the problem, and -- in fact -- how to press the buttons that address the central issue.

One of the worst things a manager can do is to put his best people to work on the wrong problems. It is equally imprudent to delay work on latent problems until they suddenly erupt as crises. And a third pitfall is to assume that we know more than we really do about complex subjects.

That is why, as a transportation manager, I want to know the processes by which we select systems, as well as how we measure success -- or the lack of it -- after a system is in place. Then, too, we must weigh carefully the lure of attractive technologies, which might offer attractive short-term gains but pose long-range questions as serious as the ones they were designed to answer.

Certainly what we do at the Federal level, and what we advocate to the states and cities, must serve the people and suit their needs. There is little purpose in fostering systems communities cannot afford or people will not use. You may recall the new brand of dog food that pleased everybody -- the nutritionists, the manufacturers, the distributors and the market specialists. The only problem was that the consumers -- the dogs -- didn't like it.

I believe that government and industry have made real progress in the past four years toward the structuring of transportation systems better suited to the nation's transportation needs and our national objectives of reduced congestion, pollution control and energy conservation. President Nixon moved aggressively during his first Administration to put a firm fiscal footing under our airport and airways expansion program, to reverse the downward direction of public transit in America, and to keep passenger rail service from going the way of the bald eagle and the wild buffalo.

When President Nixon invited me to serve as Secretary of Transportation in his second Administration, he spoke to me at some length of his concern for the transportation needs of our Nation, and the importance of integrating our response to transportation challenges more effectively with our community development actions. The President is moving just as aggressively in that direction, and that is the management task I am undertaking, in partnership with the Department of Housing and Urban Development and the other appropriate Federal agencies. We have another imperative -- and that is the management of our programs and resources under the fiscal constraints established in the President's budget. This is absolutely essential if we are to avoid the excessive government spending that spurs inflation and leads to higher taxes.

In summary, the objectives of the Sloan program -- the development of a better capability for the economic, social and political responsibilities of management -- are increasingly important in this harried day and hurried age. Certainly government must take the lead. But, government or industry, the larger goals we seek are common ones: a national prosperity and a productive

economic and social life for all our people.

As I mentioned earlier, I am very proud of my association with Stanford, and of what the University contributes to the stature of our nation. At this very moment, a symposium funded by our Department, along with NASA, the Department of Defense, and the National Science Foundation, is being conducted at Stanford in search of ways to further reduce the noise problems associated with transportation systems. We also have a research project at Stanford investigating a technical possibility for controlling internal combustion engine exhaust emissions. This is one of the projects in our \$14 million Program for University Research.

I commend each of you for being selected for a Sloan Fellowship. It is not only a high honor, but almost certainly a clear route to progressively greater management opportunities and responsibilities.

Now it will be my pleasure to comment on any matters you may wish to discuss...