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EXCERPTS OF REMARKS PREPARED FOR DELIVERY BY U.S. SECRETARY OF
TRANSPORTATION JOHN A. VOLPE BEFORE THE UNITED TRANSPORTATION
UNION, FOUNTAINBLEAU HOTEL, MIAMI BEACH, FLORIDA, MONDAY,
AUGUST 23, 1971, 9:00 a.m.

Let me say at the outset that I consider it a high privilege and honor to be invited to address the United Transportation Union on the occasion of this most significant convention. Too often the newspapers talk about my background on the management side of the construction industry and don't bother to point out that I got my start as a union man -- mixing mortar and carrying a hod -- and I still hold a lifetime honorary membership in the Plasterers' Union. And I deem it a signal honor to count Charlie Luna as a friend, a man I have come to respect very highly as we have worked closely in these recent years.

It was on my recommendation that the President appointed Charlie to the Amtrak Board of Directors, and he is doing a terrific job there. And I want to say that Charlie is one heck of a negotiator. I sat with him for 13 hours -- all night long -- during last month's sessions and I can tell you that here is a man who is willing to compromise, but he's certainly not willing to be pushed around. I join all of you in regretting his retirement, but I also concur that you have selected a most-capable man, Al Chesser, to step into his shoes. And at the same time, we in Washington look forward to working closely with Jim Snyder who will take over Al's job as National Legislative Director. Charlie -- and Al -- and Jim -- are fellows who know full well that individuals may disagree, but they can do it without being disagreeable. They know that reasonable men, working together, can arrive at equitable solutions to just about every problem that exists.

In that context, I would like to devote some of my remarks this morning to an area in which you and I may disagree. But it is an area in which all Americans must be rational, reasonable, and open-minded. The long-range security of the great American economic system is at stake, and I deliver my remarks with no malice or argument, but with conviction and hope. I solicit your attention as fellow Americans.

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The economic job that this Administration is tackling right now represents a commitment aimed at solving complicated problems.

Let me assure you that the decision to involve the Government in the economy was a difficult one for the President. He realized full well that the economic freedom founded in this Nation has given us the highest standard of living in the world. Yet, the inflationary spiral had to be broken and the dollar had to be strengthened. The economic strength of this Nation could no longer be sapped by the world's money manipulators. For this reason the President acted, but only insofar as was absolutely necessary.

The President's domestic economic program is threefold: price and wage controls, tax cuts, and -- of great importance -- lower Government spending.

The hardest decision the President had to make dealt with price and wage controls. For this reason, he instituted at this time only a temporary, 90-day freeze. Concurrently, he established a cost-of-living council to administer the freeze and make recommendations for stabilization following the 90-day period. You can be assured that these controls will only be in effect as long as is absolutely necessary.

The President also acted to cut taxes. He asked the Congress to repeal the auto excise tax which places more dollars in the hands of you and your fellow workers and your families. He has proposed to speed up the personal income tax exemptions scheduled for January 1, 1973 to January 1, 1972, so that you can deduct an extra 50 dollars for each exemption one year earlier than planned.

He has proposed the establishment of an investment tax credit of 10 percent which will mean new factories and new machinery -- which, of course, means immediate employment in construction, followed by an increase in production jobs, which in turn will demand an expansion of transportation rosters and payrolls.

Concurrently, to offset the effects of lowering taxes, the President has instituted a freeze on any increase in Federal salaries, a cut of five percent in Federal employment, and a temporary delay in two or three major Federal proposals.

On the foreign scene, he imposed a 10 percent surcharge on imports. This means American workers and American goods will be able to compete more favorably at home and abroad.

In acting as he did, the President realized that the key to the success of this program was the individual. As he said:

"I am relying on the voluntary cooperation of all Americans -- workers, employers, consumers -- to make this freeze work.

"Working together, we will break the back of inflation, and we will do it without the mandatory wage and price controls that crush economic and personal freedom."

In a way, the President's handling of the economy is similar to his handling of the Vietnam situation. Then as now, he took that action as soon as he saw the necessity -- which in that case was within 30 days of his inauguration. When the President announced his policy of Vietnamization, the opposition said it wouldn't work. When he announced the Cambodian and Laotian incursions, he was accused of seeking a wider war. But look at the results. Since President Nixon took office, almost 60 percent of our boys in Vietnam, 319,000 of them, have come home. Deaths are down from approximately 300 a week to about 15 a week. I don't think anybody today seriously questions the effectiveness of the President's Vietnam policy -- least of all labor. After all it has been the so-called "hard hats" who have made it clear that this Nation doesn't cut and run.

I ask you to have the same faith in the President's economic policy. I'm no economist, but I do know this: I have faith in Richard Nixon. When he took office, he promised to wind down the war in Vietnam -- and he has.

The President needs your support and confidence. He's proven himself to you in Asia and right here at home. Give him your support, and I can promise you he will act in the best interests of this great Nation.

I was with the President when he addressed the Knights of Columbus in New York last week. I sat on the dais with him and when I saw the great response -- and overwhelming support -- he received, I was proud he was my President.

I've known Richard Nixon for twenty years. During that time, more than anything else, I've come to respect his ability to see the big picture -- to make decisions that attack the total problem, not just part of it. Let me just tell you some of the things he said in New York which so impressed us all. He said:

... "There is a need for bold, decisive action, because a nation can remain great only if it acts with a sure sense of destiny ... we cannot let the apostles of defeatism and self-doubt chip away at the moral strength of America.

... "America has become great not because of what Government has done for the people, but because of what people have done for themselves and for this country."

And he also said:

"I can feel in this land of ours a new confidence in America, a new birth of faith in ourselves. I see a willingness to face reality, a revival of moral courage, a fresh determination to succeed."

My friends, those are the words of a man who loves this country, wants this country to succeed, wants the very best the world has to offer for your children and your children's children.

But they are also the words of a man who knows America climbed to greatness not on the shoulders of leaders but because people pulled themselves up by their own bootstraps!

The people of this great Nation must have faith in their Government, But they must also have faith in themselves. Your responsibilities in the UTU are just beginning, however. We put our faith in you, and you have solved your initial contract difficulties without Government interference. But there is more.

Put very simply, railroading will not survive as a viable private enterprise without your concern and support. Abraham Lincoln once said, "Often a limb must be amputated to save a life; but a life is never wisely given to save a limb."

And in that context, let me say a few words about railroads.

The railroad industry in this country is seriously ill, but it doesn't have an incurable disease. It needs attention. It needs care. Above all, it needs the proper medicine. This Administration proposed and Congress passed a National Rail Passenger Corporation Bill last year. We also initiated legislation guaranteeing loans for railroads in reorganization. This has permitted the Penn Central and the Central of New Jersey to continue operations and continue to meet their payrolls. These were tough decisions to make because they involved the Government in what previously had been -- generally speaking -- an independent industry.

But we realized that if we did nothing passenger service would be totally dead in a very few years, with the possible exception of the Northeast Corridor. Amtrak had to make some tough decisions, too. When they took over railroad passenger service, there were 48,500 people employed in that part of the railroad industry. In cutting lines, in trying to reach a break-even point, 3,500 employees had to be laid off. 3,500 is more than a number, it represents individuals -- and their families.

If Amtrak could have found some way of saving those jobs, they would have. But they couldn't, and what was really at stake were those 45,000 jobs -- your jobs. Abraham Lincoln was right in saying that sometimes you have to amputate a limb to save a life. Sometimes, a tough decision is still the only decision.

Unfortunately, we aren't through with the job yet. Not by a long shot. The railroad industry has not fully recovered. Passenger service, while showing some improvement, is far from perfect. There has been no massive modal shift to rail. We have not yet turned that corner. That is why I'm thankful that Charlie Luna asked me to speak to you today. In my view, and in the Administration's view, the greatest hope for the railroads is you. Each and every one of you, acting as individuals, with the same kind of realism and good faith that you showed in bargaining during this past month. The Government alone can't save the railroads; Amtrak alone can't save the railroads; Boards of Directors alone can't save the railroads. Only with your help will we do the job. What's going to turn the railroads around is the kind of service people feel they're getting when they ride the train or ship their freight by rail. The people who are going to make the difference in the railroad industry are the people who, on a day to day basis, deal with the customers. It is you who have to make people feel wanted on the trains. It is you who carry the freight. It is you who will be primarily responsible for the success or failure of the railroad industry. If the economy thrives, there will be more freight. If Amtrak prospers, as I believe it will, and persuades people to ride the trains, the routes will be increased and there will be more jobs. It is as simple as that. Yet Amtrak will only be as successful as you want it to be. When someone climbs on a train they don't meet the President of Amtrak, they meet you. As far as they are concerned, you are the corporation. If I have a message for you today, it is that the fate of the industry lies primarily in your hands.

I want you to know, also, that we are moving ahead rapidly under the Federal Railroad Safety Act of 1970. We have already released our report on track safety standards, and have reports on safety of equipment and operating practices in the works. I know that Mac Rogers, Director of our Bureau of Rail Safety, talked at length to you on this topic last week. Together, the Department and the unions fought for rail safety legislation. I insisted that our Rail Safety Task Force consist of labor as well as management and State regulatory officials. We all worked together to get the bill passed, and together we will make it work.

And that's just the beginning. Charlie Baker, my Assistant Secretary for Policy -- along with John Ingram, the new Federal Railroad Administrator -- met with your leadership earlier this month

for a full briefing on the wide-ranging legislative proposals we hope to have waiting on Congress' doorstep the day they return from recess. I can't announce the full details here in public, but your leadership knows that a great deal of time-consuming effort has gone into the preparation of these two packages -- one dealing with de-regulation and the other addressed to basic railroad improvements.

One thing is for sure. When we strengthen the rail industry it will mean more jobs and a better chance to compete with other modes.

As Charlie and John put it at that meeting in Washington -- what we hope to do with our new legislative package is to put railroading on a fair competitive basis, so that railroad companies can turn a dollar, earn a dollar, and pay more dollars! That's what we want, and I am sure that's what each and every one of you wants too!

It will be good for you, good for your membership, good for their families, and good for America.

We have been blessed with the opportunity to live in and build a great Nation -- to build with our own hands and minds. As I thank you for the opportunity to be here today, let me also thank you for the dedication and individual commitment that can come from a group as strong as yours.

Thank you.

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