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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION BROCK ADAMS,
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The bill that is going to congress today is designed to help America's freight railroads find their way out of a critical financial situation.

This \$20 billion-a-year industry, that provides half-a-million jobs, actually is struggling for survival under the burden of outmoded government regulations -- regulations that were designed to combat 19th century railroad robber barons.

Today, when an energy-short nation needs them most, freight-hauling railroads are in serious trouble. Some are bankrupt. Others are surviving only on federal subsidies. For this entire industry, the rate of return on investment last year was less than one percent.

By 1985, the railroads will be short by \$16 billion in the amount of money they need for equipment, track and debt repayment.

They need a dramatic change in order to survive!

And the change we are proposing is to take off their backs an economic burden the government laid on them years ago with excessive regulations.

The new legislation will give rail operators freedom to provide a variety of rates and services, tailored to the needs of specific shippers. It will permit them to scale down their operations by consolidating routes. It will let them make arrangements for joint use of tracks and other facilities. It will let them be innovative.

In short freeing the railroads from costly and cumbersome regulation is governmental action that will give them a chance to prove they can compete with other modes of transportation, many of which are already unregulated. It will give them a chance to increase productivity, decrease costs --and make profits.

The solution to the railroads' problems is not massive, increasing government subsidies or further government intervention. Instead, we must create a climate in which the railroads themselves can treat their own ills and regain their economic health.

That is what this bill can do.

By letting the railroads help themselves, we will be helping the nation make better use of one of its most energy efficient transportation systems.

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