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TALKING POINTS PREPARED FOR DELIVERY BY U.S. SECRETARY OF TRANSPORTATION NEIL GOLDSCHMIDT, RAILWAY LABOR EXECUTIVES ASSOCIATION, SEPTEMBER 20, 1980

It is a pleasure for me to be here with you today to talk about our nation's railroads. I have just completed my first year on the job at the Department of Transportation and looking back it seems as if the whole year has been devoted to working on railroads.

As a matter of fact just about the first day on the job I was greeted with my first big issue: the imminent collapse of the Rock Island railroad. Perhaps the most important thing about that difficult episode was not what it taught me about railroads, but what it taught me about the courage and commitment of President Carter.

The Rock Island issue confronted us with a difficult situation surrounded by legal complexities. When I took the problem to the President at the White House I offered him a series of choices. The nervous White House lawyers all advised the President to take the least dangerous course, but a course that would do the minimum for rail service and Rock Island employees.

The President rejected their advice and moved boldly and courageously, and in spite of any legal niceties, to restore service on the Rock Island by making sure that employees went back to work at prevailing wages, not the wages that led to a strike in the first place. And the President's commitment would not stop there. For a full year he has kept Rock Island lines on a life-support machine to continue rail service and to preserve as many jobs as possible.

At the same time he took a labor protection bill to Congress to give needed help to those Rock Island employees who were to lose their jobs as a result of the bankruptcy. And everyone in this room knows that the President has stuck with his commitment on Rock Island labor protection despite political opposition and legal roadblocks.

For me as Secretary of Transportation the message from President Carter's strong and decisive action was clear:

This President is committed to America's railroads and to the working men and women who make those railroads run.

He is committed to the proposition that railroads are fundamental to our nation's economic health and he is committed to first arresting and then reversing the downward spiral that has afflicted America's railroads for the past several decades.

Instead, this President intends to see the rebuilding of America's railroads from a solid base which guarantees long-range industry health and jobs--a rebuilding that is part of the overall revitalization of America's industrial economy.

It is clear that the first step in this process must be the stabilizing of the railroads caught in transition. The Rock Island case was the first that I confronted, but it was not only the Rock Island that received the President's urgent attention.

In the past year, President Carter has, as well, provided the financial support needed to keep the Milwaukee running while that railroad searches for the best opportunity to reorganize and continue operations.

There have been almost daily challenges in this difficult restructuring process in the Midwest, but the President has stayed with his commitment on continued service, long-term solutions, and on labor protection. It is a commitment that has meant almost \$1 billion in federal assistance for service, rehabilitation and labor protection.

That commitment in the Midwest has been matched by the cooperation and foresight of the rail labor movement. None of us can take satisfaction that any working person has lost a job in the Midwest. But you and the President deserve credit for facing up to a difficult situation courageously and doing what had to be done. For surely the future we wish to build depends upon our ability to face the issues of today.

There may be no better example of President Carter's vision of the future of America's railroads than the critical relationship between the industrial Northeast and Conrail.

Those who take a narrow view look at Conrail and see a problem, an economic drain.

President Carter and his administration look at Conrail and see an opportunity--because this President realizes that the Northeast United States cannot have a strong economy without a healthy railroad and that this region must be assisted, must be supported, must be rebuilt.

So when President Carter recently announced his economic revitalization program to retool American industry, and to provide jobs for American workers, he talked specifically about the vital importance of our transportation system. For it is the transportation network that represents the arteries of commerce for this country and for the Northeast and the Midwest, for our industrial states that are the life blood of America's industrial might, those arteries are railroads.

I believe that America's railroads are poised on the road back to strength. By unshackling railroads from the straightjacket of regulation while at the same time introducing waterway user fees and opening up trucking to real competition, President Carter has taken the largest step in modern history to rejuvenate the railroads of America.

I believe that we are about to see railroads at last positioned to obtain the capital they need to maintain and upgrade tracks, to invest in new facilities, and to compete vigorously in the market utilizing all of the advantages that belong to the railroads.

And I believe that in the 80's, America's railroads will see a return to prominence. For the 80's will be a decade of resurgence for America's economic might.

Once again, we will see American products moving to export not only the grain and farm products from the Midwest, but the manufactured goods from across the country--and those will move by railroad.

We will see coal hauled--not only from the mines to our domestic power plants, but hauled as well to ports to be carried overseas to assist our allies in their fight for energy independence--and our coal will move by railroad.

And as the railroads grow stronger and more competitive, I believe we will see new cooperation and new partnerships develop between the railroads, railroad labor, and government so that new investments such as the electrification of major lines will further enhance the speed, the reliability, the energy advantages already enjoyed by America's railroads.

All of this lies before us.

All of it is possible.

None of it is guaranteed.

It has taken this country the better part of 40 years to allow railroads to decline and it will take more than the accomplishments of the past three and one half years to build the solid foundation from which we can see those railroads once again grow strong.

But I believe that our railroads are on the road back--a testimony to the courage of the rail labor movement, and of Fred Kroll in particular, and the commitment of President Carter and his respect for the basic dignity of work and the labor movement and his vision of the importance of railroads to the economic vitality of America.

We know what can be done in the years ahead.

At last we have the tools at hand we need to rebuild America's railroads.

Let us seize this opportunity and in the next four years continue to work together to create new jobs for Americans and strong and healthy railroads.

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