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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION
NEIL GOLDSCHMIDT TO THE NATIONAL FREIGHT MOVEMENT CONFERENCE,
ST. LOUIS, MISSOURI, SEPTEMBER 16, 1980

It is a pleasure for me to be here in St. Louis and to take part in this conference on national freight movement -- "harvest to harbors." We are here today, quite simply, because of President Carter and his basic belief that revitalizing the nation's transportation system is a key component to revitalizing the nation's economy in the decade of the 80s.

That vision of the role of transportation as an integrating thread that weaves together our country's economic fabric is fundamental not only to this conference but to our sense of purpose in the years ahead.

For regardless of the mode of transportation -- whether rail or truck or plane or barge, or the auto industry and the basic industries that undergird it -- the economic fact of life is that our country's performance in the international economy is dependent on transportation.

It is also a fact of life that America's role in the world and our future here at home stem from our economic power. The "Pax Americana" that has prevailed since World War II is as much a product of our economic might as our military might.

In the last two decades of this century, our ability to maintain this level of global influence -- as well as our capacity to keep the historical promise of opportunity for our people here at home -- will be measured by our commitment to re-build and revitalize our economy in the face of world-wide change and challenge. Indeed, President Carter's recently announced economic revitalization program points the way for the effort which must be at the top of the nation's agenda for this decade. We must marshal our national will and resources in pursuit of efficiency, productivity, trade and, most important, a working public-private partnership.

It is worth reminding ourselves just what our problem is and how it has come about. For while the recognition of the need for a major national economic revitalization program is a relatively recent development, the forces of change which triggered it have been at work almost since the end of World War II. In that sense, it is almost as if our nation began creating the conditions for this current time of international economic testing precisely at the time we first emerged into a clear position of world-wide economic pre-eminence 40 years ago.

What marked that emergence and the 40 years since were the key assumptions which have guided us. They are important to recall quite simply because if we are to meet our future squarely, we must first describe our past honestly:

- * For over 40 years we assumed that America would have an inexhaustible supply of inexpensive oil -- forever.
- * For over 40 years we assumed that America's wealth was unlimited and that we could buy our way out of any problem.
- * For over 40 years we assumed that our markets here at home were sufficient.
- * For over 40 years we assumed that American technology and American productivity were so advanced and so superior as to be unassailable in the world.

Guided by these assumptions we built the most powerful, most productive and most humane industrial nation on earth. But we also grew careless, complacent and wasteful.

We threw away our energy-efficient cities and built sprawling suburbs.

We abandoned our transit systems and looked only to gas-guzzling cars for mobility.

We mummified our railroads in regulatory red-tape and stifled the competitive instincts of our trucking industry.

We ignored too many opportunities for trade with other nations.

We allowed our industries to age to obsolescence and our competitive muscle to go to fat.

Today in a world of increasingly scarce and expensive energy, a world where the economy is international and trade is an imperative, today we recognize the need to embrace the President's call for the re-tooling of America as the only appropriate response to the economic challenge that faces us.

In this undertaking, the following principles should guide us:

- * First, we must strive to increase productivity and efficiency in all that we do.
- * Second, we must adopt a national conservation ethic -- conserving not only our natural resources but our human resources as well. We must recognize that waste is not a measure of wealth -- and return to the American habit of getting all that we can out of all that we do.
- * Third, we must think strategically. To multiply our limited resources, we must invest in strategies, rather than individual projects. We must seek solutions that address more than one problem, that create more than one opportunity.
- * Fourth, we must more than ever develop a cooperative working relationship among the diverse interests in this country -- a public-private partnership that harnesses our common interests in pursuit of our common goal.

For the objective of this effort, the agenda we share for this decade and beyond is the re-building and re-vitalizing of this nation's physical and industrial plant -- a strategy of industrial renewal that accomplishes the re-tooling of America. In the decade ahead a key measure of our success in this effort will be trade -- and a key component will be transportation.

Perhaps the most distinguishing feature of this period of transition is the internationalization of the economy. The dramatic shift in the world's energy reality has been accompanied by a fundamental change in the world's economy. The industrialized nations abroad have grasped the importance of trade as the vehicle for long-term employment and economic stability.

In pursuit of these goals, these nations have fashioned industrial policies which blur or even erase the distinctions between government and industry. In some nations government has taken a direct role in industry as a part owner; in others, government's role is that of policy-maker and promoter. But in every case the result has been identical: the use of government policy as an instrument of industrial vitality. And it is a strategy which has taken its toll on this nation's international economic position: between 1960 and 1979, this country's share of the world's exported manufactured goods declined from more than 25 percent to about 16 percent.

Now we are about the business of fashioning an American response to this international challenge. And with regard to exports, already we are projecting significant growth in our nation's performance:

- * We anticipate that American tonnages could almost triple by the year 2000. One estimate indicates a 70 percent growth in U.S. exports within the next 25 years.
- * We are exporting more and more of our farm production -- a trend we expect to continue. Ten years ago, the United States exported the product of one out of every five acres; today that figure is one out of three acres.
- * In the next 25 years, port-related employment will grow by more than 60 percent. Today more than 3 million jobs in other transportation sectors are dependent upon our ports.
- * The changing world energy picture has placed a premium on American coal reserves -- not only for our own use here at home, but for export to our friends and allies abroad who share our quest for energy independence from OPEC.
- * The revitalization of our industrial base signifies a new American trade offensive. The sum total of our efforts to modernize plants and equipment, to stress product quality and productivity will be increased exports, not only of agricultural products but of manufactured goods as well.

This economic thrust has major implications for our nation's transportation system. Not only must we be assured that we have in place the system we will need to move our products, we must, as well, make that system efficient. Our system must not only have the capacity to carry increased exports; it must, as well, represent an integrated strategy, linking rail, highway, barge, and air with the ports and with the shippers.

Here in St. Louis we can already see examples of the transportation system's adaptation to this new mandate:

- * The development by the Missouri Pacific of car scheduling -- a computerized system to improve the productivity and reduce waste in the use of rail cars -- represents a model approach for service improvement and reduced costs. The result could well mean a better use of capital by railroads -- by using existing railcars more efficiently they eliminate the need for new orders --and

expenditures in track and service improvements that yield a real return on investment.

- * Equally significant is the consideration being given by Mayor Conway to the creation of an intermodal Transportation Facilitation Center -- a facility that would integrate manufacturing plants with barge, rail and truck terminals. Such a development would represent both a source of jobs and an efficient use of public and private resources in partnership.

It is the business of this conference to look for more examples, more problems and more opportunities. Where institutional barriers exist -- such as unwieldy regulations, unfair user charges or poor communication between institutions -- they need to be identified and solutions developed. And where physical barriers are found -- such as Lock and Dam 26, or rail or highway bottlenecks -- we must go to work on projects to surmount them.

For I believe that in the decade ahead we have a unique opportunity and that transportation can be the cutting edge. I believe that a strategic program of investments can put American industry back to work with re-kindled instincts for competition, with renewed productivity; that our factories can again be models of technological excellence and that our products will again crowd the ports of the nations of the world. It will take hard work and the best that each of us can offer. But I believe that working together, we will take the measure of this task.

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