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REMARKS PREPARED FOR DELIVERY BY
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IOWA BAR ASSOCIATION
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As the largest voluntary bar association in the country, you are nationally known for your innovative programs and your 111-year history of outstanding service to the profession and to the community. The Iowa Bar Association has pioneered in establishing judicial reform, and client security fund, and continuing legal education programs. It is a privilege as a member of your profession to share in your state convention this evening.

It's been said that the lawyer's trade consists of questioning everything, yielding nothing and talking by the hour. Tonight, I promise to try and disprove that adage.

I am reminded of a story about a young woman who was a clerk in a grocery store. A man came in and asked to buy half a grapefruit. "Half a grapefruit," she said. "Yes," he responded. "I would like to purchase half a grapefruit." Never having been confronted with such a request, the clerk hurried to the back room of the store and said to the manager, "There is this crazy nut out there -- this man who wants to buy half a grapefruit." As she said it, she noticed from the corner of her eye that the man had followed her into the back room. And without a moment's hesitation, she turned and said, "And this gracious gentleman has agreed to buy the other half!"

Indeed, life requires of us such flexibility, creativity, and adaptation to ever changing conditions. If there is one thing that's constant in our dynamic world, especially Washington, D.C., it is change. And no one knows that better than lawyers. It's a theme I want to spend some time pursuing with you this evening.

I trust you'll forgive me if I begin tonight by looking over my shoulder -- to a day in September 1962 when I entered Harvard Law School, one of only 25 women in a class of 550 students. I'll never forget being accosted by a male classmate on my very first day at Harvard, who demanded to know what I was doing there.

"Don't you realize," he said in tones of moral outrage, "that there are men who'd give their right arm for your place in law school? Men who would use their legal education." Obviously, the inference was that I was taking a man's job. And come to think of it, some may have felt that way when I became Secretary of Transportation.

Today, 94,000 of the country's 606,000 lawyers are women, and an estimated 37 percent of all law school students are women. At Harvard, the law class is now more than one-third female. Many precedents are being shattered. Millions of Americans were thrilled when President Reagan nominated Sandra Day O'Connor to the United States Supreme Court. Justice O'Connor was offered a legal typist's job in 1952 upon completing law school and went on to break the type. Change is the order of the day in our profession.

Today's lawyers are -- and must be -- shapers of public opinion. Law, like politics, is both absolute and flexible, fixed and evolving. The same points could be made for transportation, where we take pride in the absolute integrity of our national infrastructure, yet we're excited by the elements of flexibility and change resulting from deregulation.

Transportation is at the heart of much of the economic activity especially vital to an agricultural state. Iowa's railroads, highways and inland waterways are an essential link between farm and market, factory and wholesaler, producer and consumer. I'm here tonight, among other reasons, to assure you we are committed to doing everything we can in Washington to preserve that transportation system, to improve its efficiency and safety and eliminate burdensome government regulations that stifle initiative or inhibit economic competition.

Transportation is a \$610 billion industry. It is a part of the cost of everything companies produce and every item consumers buy, but no one wants to pay more for it than is necessary -- nor should they. We have every right to expect carriers to operate as efficiently as possible, and shippers to bargain for the best rates. These goals, we now know, are best accomplished in an economic climate of deregulation. Let me review some of the benchmarks we have achieved under deregulation in recent years.

As a lawyer, I'm honored to share this podium, ladies and gentlemen, with your distinguished leadership. And let me say that the only thing more blinding than the gold on the Association's gold medal is the luster of Chesterfield Smith's career. I'm proud to add my personal salute -- along with that of President Reagan. The President asked me to convey his best wishes to the legal profession. Let me hasten to add that for every lawyer who loses a job interpreting federal regulation, there'll be two who are called upon to guide us through the new changes in the federal tax laws! You had a session on tax legislation. If you want me to pass ideas along, just let me know.

Two centuries ago, John Adams summed up the common interests of lawyers and public officials. "One useless man is a disgrace," he said. "Two are called a law firm, and three or more become a Congress."

Well, Adams was a bit of a cynic. But it is true that we often travel a common road. One look at your agenda this week will dispel the notion that lawyers inhabit a precedent-encrusted ivory tower: immigration law and energy, the voting rights act, and the rules of judicial selection. These are not the stuff of dry briefs or academic footnotes. They go to the heart of the way people live their daily lives.

The Court has assumed a greater place in public attention, precisely because its work has taken on greater significance for average Americans. The same might be said of our profession in general. We are no longer merely professional advocates for a single client. Today's lawyers are -- and must be -- shapers of public opinion. Law, like politics, is both absolute and flexible, fixed and evolving. It's a profoundly rational discipline -- in an all too irrational world.

The Airline Deregulation Act of 1978 -- a genuinely landmark piece of legislation -- transformed an industry long shielded from real price competition and new players. The results prove the economic theory that a little competition is a good thing -- and a lot is better still, especially for today's air travelers.

In deregulating our air passenger carriers, the government removed the economic restrictions on fares and routes, opened the door to new airlines, and even set a date for the regulatory agency itself to go out of business. That date is December 31 of this year, with my own Department prepared to assume some of the few remaining functions of the Civil Aeronautics Board. We will, for example, handle all international aviation responsibilities, including bilateral negotiations with other countries, carrier selection to serve those international routes, tariff filings and regulation of international air mail rates.

Long before that date, however, the verdict on the overall experiment is in. Deregulation has transformed America's domestic airline industry. The transition brought some discomfort to a few carriers. We were aware from the beginning, of course, that without the protective shield offered by economic regulation, some airlines might run into difficulties, particularly when the economy was weak. Indeed, we recognized when the original Act was passed that some carriers would have to struggle -- and some might not survive -- in a fully competitive environment. We knew that fares on some short-haul, low-density routes might increase -- for the simple reason that those routes are more expensive to serve on a per-mile basis than long-haul, high-density routes. These and other changes were inevitable.

Despite the recent recession, the industry expects to be solidly in the black this year. For the few leaving the market, many new ones have entered. Throughout the airline industry there is growing optimism and a commitment to competition and productivity.

Passengers favoring all the amenities of flight can still fly in the lap of luxury. Travelers looking for air transportation shorn of its frills, yet still safe and reliable, can readily find that kind of service. And since some carriers, including those born of deregulation, have lower operating costs, they can offer bargain fares and still turn a profit. In short, airline deregulation is delivering just what was expected: more competition, better efficiency and a greater variety of service. In Iowa, for instance, air service has increased 35 percent and flight service has improved to almost all points in the state.

It's no coincidence, nor should it come as any surprise, that the airline industry is now sharing in the economic growth we're enjoying nationally. Airline profits are soaring. From record losses in 1982, airlines are headed for what some industry analysts believe will be \$1 billion in operating profits this year. First-quarter operating profits, in fact, were the best in airline history. And while the industry is

making money under deregulation, consumers are saving on air travel. Gross savings in passenger travel costs since deregulation are estimated at \$10 billion.

The news is just as good in the rail freight and trucking industries. Here the approach was somewhat different, in that Congress essentially gave the Interstate Commerce Commission more flexibility to encourage competition and greater economic freedom within those industries. The Staggers Rail Act of 1980 and the Motor Carrier Act of that same year permitted a range of new freedoms -- the authority of rail carriers to contract with shippers, to exempt more traffic from ICC regulation, to adjust rates within certain zones and cancel joint rates and routes. The Motor Carrier Act made entry easier, allowed the mixing of exempt and regulated freight, and permitted private and contract carriers more hauling potential.

Today, railroads are buying new equipment and better maintaining existing stock. Track is being renewed rapidly. New cars are riding the rails. Service is improving and traffic is increasing. Costs are being vigorously cut. Even a once-troubled line like Conrail is now making money and able to advertise "on time freight delivery" with a money back guarantee. Made up of bankrupt railroads, Conrail's remarkable comeback earned it \$313 million in 1983. Now that it has become so much more modern, cost-efficient and profitable, I am in the process of selling it. In fact, I have two firm offers and several interested prospects, and have set June 18 -- four days from now -- as the closing date for all bids.

Conrail will join a healthy industry. Last year, America's principal long-haul rail lines had an operating income of \$1.3 billion, up substantially from 1982 levels. This is enabling railroads to improve their physical plant and Iowa, with its vital stake in good railroad transportation, stands to benefit from this improved outlook. Already, under the Department of Transportation's Local Rail Service Assistance Program, this state has received over \$22 million for track rehabilitation, rail planning and rail connections. These funds are preserving nearly 500 miles of rail branch lines throughout Iowa.

Since the passage of the Motor Carrier Act of 1980, permitting free entry into the trucking industry, the number of trucking firms has grown from 18,000 to 33,000. New price and service options have been introduced. Established carriers have become more efficient and innovative. All of these changes are leading to shipper rates lower than they would have been otherwise, and to savings for consumers. In small communities and among small firms, where some had predicted inevitable service deterioration, surveys show a generally high level of shipper satisfaction.

And we have found a new frontier for our deregulation efforts. Earlier this year, the President asked me to take a new assignment -- to handle space transportation. For firms wanting to send payloads into space, we will streamline the clearance process, eliminating unnecessary regulations for the use of expendable launch vehicles.

Free enterprise has a definite role in space. For example, during one shuttle flight it was demonstrated that materials could be processed in a zero-gravity environment. As a result, pharmaceutical companies someday may be able to reduce or avoid the impurities that creep into drug compounds today causing undesirable side-effects. Crop forecasting is another potential for space -- as well as finding oil slicks and mineral resources.

Remote sensing to assist in mineral exploration holds great promise. We already know what meteorological satellites can do in plotting weather patterns, and we're using satellites to pick up signals generated by transmitters aboard downed aircraft. And we may be on the threshold of a global monitoring system capable of tracking pollutants in the air and oceans.

Those are just uses we see today. The potential is as vast and as vivid as we dare to dream. But if we are to turn our dreams into reality, if we are to maintain America's competitive edge, we must begin now to introduce American industry to the possibilities of space -- to help this fledgling industry get off the launch pad and compete effectively with the French, the Japanese and Russians. As many as 17 departments and agencies have rules and requirements about rockets, and getting all authorizations has taken up to eight months in some cases.

Now let me bring you down to earth a bit, but still keep you in the stratosphere of transportation research and development. Under our National Airspace System Plan, we are developing a highly sophisticated air traffic control system that will double the capacity of our airspace, meeting aviation's needs into the next century. This program is the most extensive non-military aviation undertaking since the Apollo man-on-the-moon project. Replacement of present air traffic control computers with new state-of-the-art technology is the centerpiece of our program. Another development of great importance is the microwave landing system. It offers us a whole new precision landing capability, a vast improvement over the Instrument Landing System first used 40 years ago. The microwave landing system can land a pilot so accurately that as he comes in over the runway, he is within one tenth of one degree of the centerline.

Yes, transportation industries are adapting to many changes, but one policy I am determined will remain constant is our commitment to transportation safety. Safety is my highest priority. At present, we are addressing aviation safety through a series of intensive airline inspections looking at their maintenance and training procedures, record keeping and ground as well as air operations to be sure that in the age of economic deregulation and technical change our excellent air safety record is not diminished in any way. We have moved to increase the Federal Aviation Administration's inspector work force by 25 percent, bringing it back to the high-level mark of past years.

We place a particularly high emphasis on highway safety, where 90 percent of transportation fatalities occur. We are firm believers in the use of seat belts and in the value of child safety seats. I am extremely pleased that Iowa has enacted a child safety seat law, to become effective January 1, 1985. You join 46 other states and the District of Columbia requiring the use of child safety seats, which can reduce fatalities of protected children by as much as 60 percent. And Iowans are surely to be commended for establishing over 160 child safety seat loaner programs, a marvelous public service. In fact, I borrowed a child seat from one of your loaner programs and gave it to Governor Terry Branstad's wife, Christine, when she was expecting their youngest child.

Another major target in our on-going highway safety campaign is the drunk driver. I especially thank you for your support in this effort, through your very active state alcohol safety action program and through citizen involvement. Although citizen campaigns combined with federal efforts have been very successful in focusing attention to this serious problem, we all must do more to cut the 25,000 deaths on the

road each year that are a result of drunk driving. Together, we are making a difference. The 1983 highway death toll was the lowest in 20 years. You may even be a pacesetter here in Iowa. Your April highway death toll was the lowest since 1945. No group can be more instrumental in selling safety than you -- Iowa's professional advocates. I hope that's a case you, too, will argue.

Today, our transportation industries are drawing fresh energy from competition, and learning at the same time to make transportation ever safer.

I am encouraged by the progress we have made; excited by the opportunities ahead. We still have problems to solve, but they are within the reach of our skills and the scope of our commitment.

As nations rise to meet the challenge of change, so do individuals. I think of a woman who knew great adversity, one whose spirit and example inspired millions. Her name was Helen Keller -- and she summed up her philosophy in a single sentence. "One can never consent to creep," she wrote, "when one feels an impulse to soar."

We have an impulse in America to soar -- to loosen the shackles of economic regulation, to go as far and rise as high as our competitive skills will take us. As transportation has changed dramatically in the last few years, so has our economic foundation as a nation been transformed. "There's magic in the marketplace," our President has said, "and it works." I know that is your ideal, and I assure you it is mine.

Thank you very much.

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