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BROYHILL LECTURE SERIES
WAKE FOREST UNIVERSITY
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What a delight it is to be here with you at the beautiful Wake Forest campus. I am deeply honored to participate in the Broyhill Lecture Series and to speak to such a distinguished gathering.

You who are students have learned a valuable lesson very early in life: that individual initiative has powered all human progress. American entrepreneurs like the Broyhills are heroes of many young people today, who realize the successful businessman or woman is one who undertakes calculated risks even in the face of difficult odds, one who creates jobs, produces goods and services, helps others; one who has a vision of the future. The man for whom this graduate school was named, Charles H. Babcock, is another good example. Businessman, financier, humanitarian, Babcock was a man of vision. He foresaw the day when Wake Forest would be the moving educational force behind the finance and industry that undergirds the economy of the Piedmont. And his generosity and commitment like that of the Broyhill family helped to prepare this great university for its destiny. Wake Forest's Babcock Graduate School provides the very best minds in finance and industry not only to North Carolina but to the nation. Your reputation is well known and it is an honor to be among you today.

I must confess that I have been eager to take part in this year's lecture series because it gives me a chance to reflect. There is an old saying that a day away from Washington is like a week in the country.

As columnist James J. Kilpatrick wrote recently, "Washington is a great place for doing, acting, achieving, moving and shaking. The city is constantly meeting, voting, hearing, deciding, confirming, passing, rejecting, sustaining, overriding, conniving, quarreling, plotting,

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confronting and joining. Washington," he concluded, "is perfect for all of these things, but it is not much of a place for thinking."

What better place to do a little thinking than here on a campus where it is known that so long as books remain open, then minds can never be closed. For a university exists to shelter and encourage the questioners among us. This is no mere assembly line of sheepskins and student loans. Here, a perpetual war is waged against ignorance and irrationality. Here, higher learning is synonymous with higher yearning.

Faith in the university is founded on truth and a conviction that ideas have power. The spirit of a university, like the spirit of our country itself, is hope. What this spirit of hope relies upon is opportunity and choice. And these are the chords that President Reagan has touched. Now, ladies and gentlemen, this is a bipartisan audience, and I certainly don't intend to give a political speech, but President Reagan is not a candidate for reelection, and I hope I can make some comments this afternoon on what I believe history will report about our President.

Yes, these are the chords, opportunity and choice that President Reagan has touched. They explain why the nation's oldest President is in harmony with the nation's youngest voters; why more than 60 percent of all young voters, 68 percent of first time voters, and more than 57 percent of women voters responded to the President, and why an overwhelming majority of Americans, regardless of age, have reaffirmed his leadership. The people believe, and rightly so, that the President is as deeply committed to these values as they are. And they know by observation that he has the courage to pursue them.

In Washington, pursuit of conviction can sometimes be a perilous course. Our government wields great power over individuals and businesses, and those who are affected by government decisions have armies of representatives to do their bidding. It takes courageous dedication to a vision to maintain convictions in such a setting. That courage, I believe, is the special badge of Ronald Reagan.

When historians judge this President, I think they will mark these two qualities: his dedication to the spirit of opportunity and choice, and his courage to pursue policies of change against the opposition of assembled special interests.

Nowhere can these principles be seen more clearly than in his confidence in our free enterprise system. "The American dream of human progress through freedom and equality of opportunity through competitive enterprise," the President said, "is still the most revolutionary idea in the world today." "And," he correctly adds, "It's also the most successful."

Economic freedom not only serves human needs, economic freedom is a human need. You and I understand that freedom of human action is a seamless

fabric. A person's freedom to choose and act in the marketplace is as integral to his well-being as his social freedom, his freedom of conscience.

The quest in America to return to basic principles can be seen in the success of the marketplace in these past three years. We have enjoyed, beginning in 1982, 34 consecutive months of economic growth. And in the third quarter of this year, the latest economic figures show a 3.3 percent annual rate of growth in our Gross National Product, while inflation remains subdued at just 3.2 percent. And 8.8 million jobs have been created since November, 1982, the height of the recession. Transportation, of course, plays a major role in our economy and in our business. It is an \$800 billion industry.

Converting policies into the programs, free market principles have been applied to the area of deregulation. I have been exceedingly proud to play a role in that effort. The most stunning success story for transportation consumers has been airline deregulation.

Since deregulation, air carriers have cut costs and passed on savings to consumers amounting in the first four years to \$10 billion in reduced fares. Many people who thought they would never have the means to fly are in the air today. It has transformed an industry, long shielded by the government from real price competition and new competitors.

I read with interest in one of today's local newspapers here in North Carolina, comments on airline deregulation. Now, largely as a consequence of airline deregulation, which has reshaped air traffic patterns around the country, two airports in North Carolina are undergoing multi-million-dollar expansions that will greatly increase their air service. The expansions at Raleigh-Durham and Charlotte reflect the growing competition in the airline industry since deregulation. It also underscores the changing face of the south, just as the railroads and the interstate highways brought commercial benefits to the town they touched across America, the growth of new air hubs in North Carolina will generate untold billions of dollars in local economic investments. In fact, air service to North Carolina is up 52 percent since deregulation. Passenger travel to and from North Carolina is up nearly 97 percent. It suggests the continuing validity of at least one economic theory that a little competition is a good thing -- and a lot is better still.

Henry Ford, no stranger to innovation, used to compare American business to a chicken, which is never healthier than when it has to scratch around a little for what it gets.

The same free market principles that this Administration holds so dear apply just as validly to other forms of transportation. We continue to remove restraints on the bus and the railroad industries, and we have proposed total deregulation of the trucking industry. And let me stress that as we move forward with economic deregulation, we will not permit

companies to cut corners to save costs on safety. My highest priority is safety across all modes of transportation.

As the President continues to pare back a bloated Federal bureaucracy, another important item on my transportation agenda is getting the federal government out of the business of running railroads. We sold the Alaska Railroad to the State of Alaska and I have asked Congress to approve the sale of the federally-owned freight railroad, Conrail, to the Norfolk Southern Corporation for \$1.2 billion cash on the barrel head.

Conrail, as you know, came into being as a property of the U.S. government in 1976, after Congress had come to the rescue of seven bankrupt or failing rail companies in the northeast and midwest. We taxpayers have spent several billion dollars keeping it in operation, and over the past four years it has turned a profit. In 1981, Congress directed the Secretary of Transportation to develop a plan to return Conrail to the private sector. The plan I have submitted to Congress was reached after many months of careful deliberation and a process involving 15 bidders for the railroad.

I'm delighted that many North Carolinians agree with me on the choice of Norfolk Southern. At least 91 resolutions have been adopted by city and county governments in North Carolina in support of Norfolk Southern purchase.

Economic transformation is occurring in another important sector of America as well, as a tidal wave of qualified women are coming into the workforce in record numbers. This dramatic change -- what I call the "quiet revolution" -- offers new choices and new opportunities for women throughout our country. It offers new challenges, too, as women grapple with tough issues, doing what once was considered men's work.

I recall the day in September of 1962 when I entered Harvard Law School. I was one of 25 women in a class of 550. Today, that entering law school class is almost 35 percent female. I'll never forget being challenged by a male classmate on my first day at Harvard, a man who demanded to know what I was doing there. His words remained emblazoned on my memory. "Don't you realize, Elizabeth," he said in tones of moral outrage, "There are men who would give their right arm to be in this law school, men who would use their legal education?" The implication was, of course, that I was taking the place of a man. And, come to think of it, some may have thought the same thing when I was appointed Secretary of Transportation.

More than half of American women are working now. This is a significant shift from just 20 years ago when I went to law school. Today, 66 percent of women who have children between the ages of 6 and 17 are in our work force. That's amazing! This signifies a trend of enormous implications for every home in America. Indeed, ladies and gentlemen, we have been experiencing a quiet revolution.

Women in the 1980's comprise a diverse group of varied interests. Some seek a career in business. Some run for political office. Others focus on the home and family. No role is superior to another. What's important is that every woman has the right and the opportunity to choose the role she wishes.

The values of opportunity and choice also serve us well in dealing with our most pressing economic problems: growing budget deficits born of bad spending habits over many years and the need to restore the competitiveness of our goods and services abroad. The President is determined we cannot shrink our way to prosperity by taxing the steam out of our economy or triggering a wave of protectionism. These are backward-looking strategies that we will not pursue. We must expand opportunity and choice by spending less and growing more. And we will pursue these goals until everyone who wants a job has a job, and every sector of our economy, including our hard hit farmers, are participating in economic recovery and expansion.

We are all painfully aware of the U.S. balance of trade deficit. Red ink reached \$123 billion in 1984, its highest level since World War II. And we expect the trade deficit to be \$150 billion this year. Ironically, this situation results in large part from our successful domestic economic recovery, which has increased the demand for goods and services, both foreign and domestic.

In addition, foreign confidence in the U.S. economy, combined with real high interest rates, has created a very strong dollar. These factors unleashed a flood of imports to our shores, while inhibiting export sales priced in U.S. dollars. You have heard the adage, "You can't win for losing." It appears we can't win for winning.

Put simply, for all parts of our economy, our best hope lies in sustainable economic growth, expanded markets overseas, a fair trade policy which will tolerate no special favors and no government barriers. Free trade is a two-way street, not a one-way alley. President Reagan recently appointed me to his Strike Force on Trade. Our job is to uncover unfair trade practices used against the United States and we're developing strategies to counter and eliminate them. We're going to be tough. We're identifying barriers to American exports, as well as unfair export subsidies. We're going to be tough. In transportation services, we at DOT continually threaten sanctions until other nations stop their discrimination against our carriers. As the President said, "We will not stand by and watch American businesses fail because of unfair trading practices abroad. We will not stand by and watch American workers lose their jobs because other nations do not play by the rules."

This is only a beginning. There are, of course, no simple answers to these complex problems. And the answers may not be the same from one generation to the next. I remember once when a friend returned to the college where she had studied and talked to her old philosophy professor. She found to her amazement that the professor was still asking the same

questions on his exams as he had asked ten years earlier. "But," she said, "won't the students catch onto this? Won't they know beforehand what's going to be on the test?" "That's not really a problem," the professor said, "It's true that I ask exactly the same questions, but every year I change the answers."

Well, the Administration is working on a number of fronts to provide the right answers to complex questions on trade and fiscal policy. As the media recounts daily, the President is striving to reduce the federal deficit as a means of relieving pressure on our capital markets and the value of the dollar. We are working constructively with developing countries to try to help relieve their financial crises so they can once again become full participants in the world's trading system.

Now, let me speak finally about commitment to the defense of our freedom abroad. Last month's daring interception of the Achille Lauro hijackers sent a clear message to the world: the United States will not stand still while terrorists hold American citizens hostage. We will use all means necessary to combat terrorism and bring criminals to justice.

President Reagan is right on this. We shall never, never apologize for protecting American citizens, and punishing those who commit crimes against us.

We at the Department of Transportation have reviewed the security of all major airports into which our air carriers fly. And I assure you that we will continue to monitor the system closely. We will make certain that every foreign airport is maintaining the standards of the International Civil Aviation Organization.

At the Department of Transportation, by the way, I have discovered my own little footnote in history. I am the first woman to head a branch of the armed forces -- the United States Coast Guard.

The Coast Guard's continuous efforts to rescue those in trouble in our seas, and to interdict the flow of illegal drugs into our country, brings pride to all Americans. The largest drug seizure in Coast Guard history occurred last month -- 80 tons of marijuana. Last year alone the Coast Guard prevented more than \$1.5 billion worth of illegal drugs from entering American cities.

We work closely with North Carolina in the battle against drugs, and Elizabeth City has one of the finest Coast Guard facilities in the country. I'm very proud of the job they do for North Carolinians and the nation. And speaking of our armed forces and our defense, let us all pray for a successful summit as leaders of the U.S. and the U.S.S.R. meet next week in Geneva.

By holding up the beacon of opportunity and choice, Ronald Reagan has motivated the young as no President since John F. Kennedy. The benchmark of

leadership that this President has established will require future political leaders not merely to piece together a mosaic of political and special interests, but to assemble a constellation of ideas that weave together the aspirations of the people themselves.

In a few days we celebrate our greatest national holiday -- Thanksgiving. It brings to mind the pilgrims who crossed an unfriendly ocean in a tiny vessel the Coast Guard probably wouldn't even let out of the harbor today. They withstood weather, fought the wilderness and coaxed a few ears of corn out of that rocky Massachusetts earth. And they considered themselves so fortunate, that in their song of Thanksgiving they repeated over and over: "Sing praises to His name, He forgets not His own."

The greatest among us have always looked to the future unafraid. For we are a people accustomed to large challenges. In the words of Winston Churchill, "We have not journeyed all this way across the centuries, across the oceans, across the mountains, across the prairies, because we are made of sugar candy." Now, as in days of old, frontiers are made for the challenge they afford. If there are mountains before us, then let's climb them. If there are desert stretches ahead, then let's cross them. If the road is steep and sometimes slippery, then how much more preferable than the well-rutted paths of yesterday's dogmas.

Ours is neither the time nor is this the place for men or women with faint hearts, feeble courage, weak commitment or selfish motives. Those of you who are students stand in the reflected light of a rising sun. Your day is just dawning. You are well-prepared to join us in our efforts to make life better for all Americans -- to ensure a world free of terrorism and war. With your help, we will pursue our vision and complete it. America deserves it. History demands it. And our children will reward it.

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