

# U. S. Department of Transportation

# news:



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REMARKS PREPARED FOR DELIVERY BY SECRETARY OF TRANSPORTATION BROCK ADAMS,  
TO THE FEDERAL REGIONAL COUNCIL, ATLANTA, GEORGIA, APRIL 5, 1979

It's a great pleasure being back in the city of my birth. As a member of the Cabinet I have the unique opportunity to visit our cities and towns and over the past years have taken a liking to some. While coming here this morning, a member of my staff asked which cities have made the greatest impression upon me. I thought for a second or so and said Atlanta. Everytime I visit Atlanta I feel as though I've left a little bit of myself here --a little bit for MARTA, a little bit for Hartsfield, a little bit for your highways.

I've been asked to talk to you about inflation and the Carter Administration. Over the past two years this problem has plagued us as much as the Falcon offense did you in their early years. Recently, the fortunes of the Falcons and the Administration have changed. Many have written us off; but take heart, we are a great come from behind team. What hurts is that it's taken this long for the American people to believe that the problems exist.

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With the latest OPEC price increases, the failure of the Teamsters and the trucking companies to reach an agreement, and with corporate and oil company profits at near record levels, there doesn't seem to be much good news this week for the American consumer.

And I'm not here today to tell you otherwise.

I think it's time we got the hard message -- one the President has been trying to get across, to Congress and to the people, for two years now. It's a time for austerity.

There have been positive accomplishments.

- The President has reduced unemployment.
- More Americans are working than ever before.
- The nation's real output, allowing for inflation, has increased 20 percent over the last three years.
- The President has been reasonably successful in holding negotiated wage agreements close to the voluntary guidelines. Wage settlements averaged 7.6 percent in 1977; 8 percent in 1978.

But President Carter has said repeatedly that he can't do the job alone, the government of itself can't do it, business and labor by themselves cannot put a firm lid on wages and prices.

We have to act together. We have to take positive, not wishful action to defeat inflation.

We're all human. We want our inflationary costs reduced at somebody else's expense.

But we have to work together to (1) resist high prices, (2) slow the depreciation of the dollar and (3) reduce government spending.

For many Americans, the gasoline pump and the supermarket cash register have become the common barometers of inflation.

Food prices went up at a 20 percent annual rate in January --slightly less in February.

Among the non-food items, fuel prices have shown the sharpest increase.

The latest OPEC oil price hike will raise U.S. gasoline prices 2 to 5 cents a gallon, depending on the extent to which the member nations exercise the surcharge option. Energy experts generally agree that further increases can be expected, adding another 3 to 4 cents/gallon this year.



So far, we have managed to find all sorts of ways to fail in our national effort to deal with the mounting energy crisis. And we haven't yet found that one way -- or that combination of ways -- that will give us the answer we need.

Last week, in Washington, I met with the Business and Economic Writers Association. One of the questions I was asked was: who is to blame for the current energy situation?

I think the answer to that is fairly simple. We are all to blame.

The oil companies deserve a good share of the blame for getting us into our current predicament. We do not have a free market in oil; we have an international cartel -- created originally by American interests -- that has backfired on us. The result is the long gas lines in California which, I assure you, will not remain confined to California, and will not disappear throughout the nation this summer.

Congress is to blame, as well, because if they had enacted a standby gasoline tax and a standby rationing system in 1977, much of the present problem could have been avoided.

The automakers in Detroit are to blame because for all of their grand designs and engineering advances, they are giving us cars today that get no more mileage per gallon than did the Model A of a half-century ago.

That is unacceptable, and as you know, I have told them so. I intend to tell them so again when we meet later this week at the White House for the "automotive summit" called by the President. Hopefully, at this summit, we will be able to convince the "big four" automakers of the need -- not to re-invent the wheel, but to re-invent what we put on wheels; to give us a car that will double the fleet economy average to something like 50 miles per gallon or more before the new century.

Finally, I think the American people must share in the blame for our current energy shortfalls. For years there has been an attitude throughout this country that bigger is better, and what you can't afford today you can buy on credit. We applied this to energy, and we found ourselves borrowing on future energy supplies. When, in the early 70s, it became increasingly apparent that we could not go on this way forever -- that these seemingly infinite supplies of energy were, in fact, finite -- the American people were reluctant to believe the reality of impending crisis.

As a matter of fact, some people still do not believe. There is still a school of thought which says the energy supplies will be adequate for as long into the future as we can see.

I do not have that confidence. And as Secretary of Transportation, I can't take that chance -- nor, in my opinion, can our society.

So the question remains. Now that we are in this mess, what can we do to get out of it?

Clearly, regardless of what other directions present and future national energy policies take, motor vehicle fuel consumption must be reduced from present levels of more than 100 billion gallons a year. And we must redouble our efforts to find and develop alternative energy sources -- such technologies as solar and geothermal in the longer run, and such abundant or renewable resources as alcohol fuels in the short run.

We must continue upgrading our railroads, and pursue legislative efforts to bring competitive market forces to bear in the trucking and rail industries -- much as we have done to the benefit of consumers in the airline industry.

We must upgrade our coal roads, recognizing their key role in providing access to this alternative energy source.

We must continue trying to make public transit more attractive and accessible, here in Chicago and elsewhere throughout the country.

And we must, in our overall national transportation policies, push incessantly for the further development and support of energy-efficient modes, such as water transport.

It is clear that for many reasons, especially those of energy and economics, water transportation is taking on new and growing importance. Traffic is increasing on our waterways and at our ports, and greater investments in marine facilities are needed -- both government and private -- to accommodate growth and assure safety.

The \$20 million Iroquois landing project here at the port of Chicago is an excellent example of the type of local initiative and cooperative effort involving the private sector and all levels of government needed to stimulate further use and development of our inland waterway system.

When fully developed, Iroquois landing is expected to generate 700 new jobs and several million dollars a year in additional revenues for this city. So its benefit is not confined solely to the marine transportation industry and Great Lakes shipping.



All of those involved in this project -- the Chicago Regional Port District, the city, the state, and those private firms that have invested both capital and confidence -- deserve our commendation.

You have provided an outstanding example of what can be done when the initiative begins and is carried through on the local level. I hope this example will be studied and emulated by other port communities on the Great Lakes and elsewhere.

The Iroquois landing project demonstrates clearly that while an active partner, Washington does not have to be the end all and the cure all for every local need. Local communities are going to have to become increasingly innovative and determined in efforts to expand their own economic horizons.

And again, I think this is a positive step, with the potential for far better and more lasting results.

We traditionally have had close and excellent cooperation with the marine community in all matters pertaining to Great Lakes commerce. I want this relationship to continue and improve.

For this reason, I have taken several actions which I believe will benefit the nation's marine interests.

First, I have established a new executive position within the Department -- that of Assistant Secretary for Marine Transportation. This office will fill the void that has existed too long in the area of water transport. It will give greater voice to marine interests, needs and concerns - and make that voice heard within DOT. And it will help our Coast Guard act more effectively within the Department.

Secondly, we are giving close and careful review to the question of season extension on the lakes and the St. Lawrence Seaway. The Detroit office of the Army Corps of Engineers has released a draft of the season extension feasibility report, recommending permanent year-long extension on the four upper Great Lakes and their connecting channels, as well as 11-month operations on the Welland Canal/Lake Ontario/St. Lawrence River portion of the system.

We are in the process of reviewing this draft report, along with extensive data from the Coast Guard, the seaway corporation and various state and local sources. Clearly, if season extension can be achieved, it would not only assure more efficient use of the Great Lakes fleet, but would also help meet the near-capacity traffic anticipated by the late 1980s.

Thirdly, as many of you know, last November in Ottawa, the United States and Canada signed the Great Lakes Water Quality Agreement. This agreement reaffirms the commitment of both nations -- first stated in the 1909 Boundary Waters Treaty -- not to pollute the boundary waters.

In essence, the new agreement calls for tougher controls and closer monitoring of pollutants and hazardous substances discharged from vessels on the Great Lakes, and in Great Lakes ports.

Good progress has been made in recent years in reducing the environmental damage to the lakes caused by industries, utilities and other shore-based facilities. The same caution and concern must be extended to all vessels in port and on the lakes. And I am here to ask for your assistance and continued cooperation in helping make these new controls work.

As you know, increased activities on the part of the Coast Guard has not only enhanced our ability to deal with oil spills when they do occur, but has actually contributed significantly to reducing the incidence of spills.

Yet we have got to face hard reality. One of these days --whether off the Coast of Maine, or California, in the Gulf or here in the Great Lakes -- we could be facing a major, catastrophic oil spill.

When the Civil War was imminent, Lincoln sent a terse telegram to one of his military commanders. "The necessity to be prepared increases," he wrote. "Look to it." I think that is good, sound advice today.

Two years ago, the Administration proposed and sent to the Congress legislation creating a liability and compensation fund for damage incurred as the result of an oil spill.

This bill failed to get senate approval last year, but we are hopeful that this legislation can move rather quickly through the 96th Congress. The House Merchant Marine Committee already has reported this bill.

The necessity for this superfund is growing almost on a daily basis. Like it or not, oil imports are increasing, and with them, the risk of a major coastal spill. We must be prepared to deal with such an occurrence.

Superfund would be supported at a level of \$200 million from fees paid by the oil industry on a per-barrel basis. A comprehensive system of liability would assure that those who are injured can recover damages when no liable party can be found, or where a spill is truly catastrophic.