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news



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REMARKS PREPARED FOR DELIVERY BY U.S. SECRETARY OF TRANSPORTATION NEIL GOLDSCHMIDT, TO THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION, WASHINGTON, D.C., SEPTEMBER 18, 1980.

I appreciate the opportunity to get together with you and to visit about our mutual concern -- the health and vitality of your businesses, of the auto industry and of the American economy.

It is important, I think, to recognize the significance of your businesses in the economy and in the communities of this country. Yours are generally thought of as small businesses. But they are vital small businesses, the kind that together form a network across America. It is not unusual --indeed it is most often the case -- that auto dealers are among the most active and civic-minded people in the cities and towns of our country -- and not always in the ways that attract major public attention but in the many small ways that are so vital: in supporting scout troops, sponsoring ball teams, contributing to neighborhood and church efforts of all kinds.

I know this as a former mayor because it was true in my community. And it is for all these reasons that what you do individually and as a group is of great importance to all of us.

You are also an important part of the auto industry, and that is an important part of this country's economy. And an important part, as well, of a precedent-setting effort that is now underway. For we are now engaged in an undertaking of enormous national and international importance -- an effort to reverse decades of distrust and adversarial relations, an effort to forge a new cooperative working relationship between the auto industry -- including the dealers -- the government and labor.

It is an effort which must succeed -- our economy demands it, our interests here at home and in the world require it. And yet it is a difficult and uncertain task -- as difficult and painful and uncertain in its own way as the early days of this country's quest for civil rights for all. It requires that we break out of the shell of old ways of thinking,

of old ways of acting, of comfortable stereotypes -- on all sides -- and suffer the discomfort of creating a whole new relationship.

It is slow and hard and painful and crucial to America's future -- and speaking for this Administration and this President, we are committed to seeing it through to success.

Our principles and values in this effort are clear -- we've displayed them in public and on the record.

First, we consider the auto industry a fundamentally important part of this country's economy -- a source of jobs, the center of our industrial might, and even a national security resource.

President Carter is committed to a partnership with the auto industry that guarantees the short and long-term health of all parts of the industry -- from the manufacturers of the cars to the manufacturers of the components, from the men and women on the assembly line to the men and women on the show-room floor. We are in this fight for the long haul.

Second, we believe in competition, here at home and in the world. And we believe that free trade must be fair trade. We do not like unilaterally imposed walls of protection. This country has always opposed protectionism -- both here and in the rest of the world. But we do get concerned when we see Americans on the assembly line out of work and American dealerships in the red -- and then notice that Japanese imports to France will never exceed three percent, to England 11 percent, to Italy 2,000 units. We want everyone to play by the same rules -- because we are confident that in a fair contest, this country is going to win!

Third, we are committed to quality. This country can win in the international auto competition if we get back to the basics -- the attributes that made America great in the first place: quality, productivity, efficiency, technological innovation. These are the age-old qualities of Americans, and we must now re-assert them as our heritage as a people, draw upon them as a reservoir of character.

These are not idle words. In this Administration they have been backed up by actions:

-- This Administration supported and gained passage of the Chrysler Loan Package.

-- We are on the verge of signing an agreement with the auto manufacturers for a jointly funded, jointly operated cooperative research program in areas of basic research.

-- After the personal commitment by the President, we undertook an exhaustive six-week effort to review ways to aid the industry. That effort led to:

-- Regulatory reform that gave the industry over \$600 million of relief.

-- Aid to workers and communities in distress totalling an additional several hundred thousand dollars.

-- A promise of tax relief, which was made good several weeks later when the President announced that he would propose refundable tax credits as part of his overall national economic revitalization program.

-- And a program of SBA loans and loan guarantees for dealers hurt by the downturn -- a program which, to date, has meant over \$8 million in direct loans and over \$112 million in loan guarantees for almost 600 dealers across the country.

That, we all realized, was a first step. Much more must be done.

To take the next steps, President Carter has appointed an auto industry committee -- including your President George Irvin -- and asked for additional suggestions and recommendations. Our first meeting was eight days ago in Detroit; our next will be in two weeks. And we will keep meeting and keep talking until we have results and product to report to the President.

We want your participation and your advice. To facilitate that, I would today encourage you to form your own group to act as an information funnel, a contact committee that we can visit with informally to get your views and keep you advised on the issues we are working on together.

For my part, I am excited and encouraged by our effort.

We may be drawn together by adversity -- but I have never seen a case where Americans, working together, couldn't overcome adversity.

That is the history of our country -- and it is, as well, our promise for the future.

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