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REMARKS DELIVERED BY U.S. SECRETARY OF TRANSPORTATION NEIL GOLDSCHMIDT AT A NEWS CONFERENCE IN WASHINGTON, D.C. ON SEPTEMBER 3, 1980

Yesterday, I had the pleasure of participating in a very positive celebration at the Metuchen Assembly Plant in New Jersey, where they rolled out the first models of Ford Escort and Lynx cars--that company's response to the challenge to this country to produce fuel-efficient, high-quality, technologically advanced autos. I think that the ceremony yesterday is fairly typical of what we will be seeing this year and next as our industry, working cooperatively with government and labor, regains its competitive stride.

When I got back yesterday, I was interested to learn that, while I had been in New Jersey, Governor Reagan had been in Detroit, doing some more of what he has been doing quite a bit of lately: filling the air with mis-statements, half-truths or twin-positions.

Or, to say it another way, his mouth was in gear--but his brain was still in idle.

For example, Governor Reagan told the autoworkers in Detroit that he favored doing away with "several thousand...unnecessary regulations... that are the cause of your problem." That statement is both irresponsible and factually untrue.

As usual Governor Reagan misses the main point, one which the auto industry itself acknowledged in its first meeting with the President. If we get rid of every single regulation that affects the auto industry--many of them included are plant and safety regulations which protect the health and safety of the workers; others of which are environmental regulations and safety regulations protecting the public; all of which have been selected basically by Congress--if we got rid of all of these

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regulations it would not make the auto industry well. I have spent the past nine months on behalf of the President of the United States working with the management of the auto industry, the United Auto Workers, the supplier unions, of lending institutions and other interested parties trying to make careful judgements about what could be done in a partnership by the people's government of the United States, with its auto companies and its workers, to improve the auto companies' economic health.

Eliminating all of the regulations, which is certainly an option that we looked at, wouldn't achieve it. It's irresponsible because what he's proposing, if he is serious, is the un-doing of this country's laws on passenger safety, on clean air, on worker safety in plants. It is particularly irresponsible in light of Governor Reagan's own boast when he was Governor of California that his state had adopted the toughest clean air standards in the United States, regulations he called "absolutely necessary requirements." It is also absolutely un-true and it is factually inaccurate in every sense to try to lay at the door of fuel economy regulations set by Congress and this agency the current problems of the auto industry. The fuel economy standards passed by Congress are the reason, in large measure, that there was a K-car plant for Ronald Reagan to visit yesterday.

The marketplace has long since surpassed those regulations and I think history already shows the presence of those congressionally mandated fuel standards was the reason that the automobile companies in the United States got busy and got going producing and developing fuel-efficient cars.

Just as shocking as Governor Reagan's wholesale assault on regulations was his acrobatics on the issues of trade and the federal loan to Chrysler.

As recently as May 15, Governor Reagan was campaigning as a staunch opponent of anything that might resemble trade restraint. He told the Economic Club of Detroit: "Trade protectionism is not the answer." But yesterday, he was wearing a different hat--or working another side of the street. Yesterday, Governor Reagan was all in favor of the Japanese restraining their imports to this country, "...one way or another." Last October, Governor Reagan could see no reason for federal assistance to Chrysler: "What's wrong with bankruptcy?" he asked glibly. But yesterday, he was working another side of the street. Yesterday, he endorsed the loan guarantee program.

It is fortunate, I like to suggest, for Governor Reagan that most streets have only two sides, because without that limit there's no telling where he would roam.

Now I'd like to spend a minute to juxtapose these catch-as-catch-can policies of Governor Reagan to the efforts that we've been making for the past nine months for the auto industry--intermediate, mid-term and long-term. In the short run, you will recall, we have already proposed changes that we could reach administratively to regulations which we deemed cost ineffective, such as the high altitude emission standard imposed by the Environmental Protection Agency. We changed regulations involved and posed by OSHA on paint booth standards in factories and, to the extent we are able, cleared the deck of issues that are affecting the relationship between government and industry, such as air bags, bumpers and other matters which some of you have followed.

We have, in addition to that, through the President's visit with the Japanese when he was overseas, and subsequent communications by Ambassador Askew, made it clear to that government that we think it is not in their self-interest to add two milliion of extra capacity of automobiles in Japan. At the time we announced those administrative changes, including the development of an auto committee that will be announced shortly, we indicated that other measures would follow in the medium term. Those include tax legislation, which was announced as a part of the President's economic policy for refundable tax credit, additional regulatory reviews, and analysis of world currency fluctuations as an element of export policy, which is ongoing, and federal assistance for new plant construction to cushion plant closings or conversions, some of which has already begun. In the long run, the effort that needs to be undertaken, and the one to which we are committed, is very simply this: one which starts from a premise that we will not abandon this domestic auto market to any foreign competition; secondly, one that assumes we will return to full employment in this industry; and third, one that assumes that it will require a partnership between the government, the working people of this industry and its supplier components and the automobile manufacturers themselves to deal with issues that are in front of us, such as post-1985 fuel economy standards, product quality, productivity and international trade. It is a record, I think, that was already beginning to show results and one of which I think we are justifiably proud.

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