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TALKING POINTS PREPARED FOR DELIVERY BY U.S. SECRETARY OF TRANSPORTATION NEIL GOLDSCHMIDT, CALIFORNIA NEIGHBORHOOD HOUSING SERVICES FOUNDATION, SAN FRANCISCO, CALIFORNIA, MARCH 19, 1980.

The American people must adopt a conservation strategy -- conservation of energy, conservation of capital -- if we are to remain economically strong and competitive in the world.

A conservation strategy will make possible:

- The elimination of waste from our economy.
- A careful use of our resources for greater productivity, leveraging of investment, stressing of links between investments for greater impact.
- An insurance policy in international affairs as we break our dependence on \$90 billion/year foreign oil.
- Revitalization of our industrial base as we re-tool to compete in the world economy.
- A new working relationship between the public and private sectors.

That is the message delivered by President Carter's anti-inflation speech last week. We are going to:

- Balance the budget -- and this is no sudden leap; the President's earlier budgets made it possible.

- Constrain imported oil.
- Cut down on credit.

There will be sacrifices and there will be pain. But in a time of growing inflation and shrinking resources, we can't continue with business as usual.

Implicit in the President's decision is a strong directive to the Cabinet in the management of the resources under their control. The message is:

- Make investments that will make a difference. If a project or program does not contribute to solving our economic problem, or mitigating an environmental or social problem -- if it does not pass a test of our values, then don't do it.
- Get as much out of the investments as possible. Look for solutions that solve more than one problem or create more than one opportunity. That is our multiplier.
- Cooperative opens new horizons and reduces waste. Cooperation among Federal, state and local governments; cooperation between the public and private sectors.

I want to spend a few minutes describing a project that I believe exemplifies what the President is talking about -- the Century freeway-transitway.

- Largest single transportation public works project in country
- \$1.5 billion
- 17 miles
- 10 years to build
- In planning for 18 years
- Stalled since 1972.

After seven years of litigation, as a result of a judicial order which we agreed to, this project now has been redesigned in response to community concerns so that it:

- Is for both cars and buses and will be converted to include light rail when demand demonstrates a need.
- Will result in the development of 4,200 housing units to replace those lost.

- Will offer economic development and employment opportunities that take advantage of the massive Federal expenditure and the improved transportation system.

In other words, this project implements President Carter's urban policy to use Federal investments as a tool to integrate economic development, environmental safeguards and social objectives. And it implements his anti-inflation strategy by solving several problems at once and building a partnership for efficiency.

The public sector has its act together. DOT, HUD, Commerce, Labor, and the state of California and local governments are working together. As recently as last month, EDA made a \$1 million award to California for an economic development strategy to tie into the project. And DOT is eager to examine the joint development opportunities at the nine transit station locations that have been identified.

The ultimate success of the project depends on the private sector. Government programs can create an opportunity; but it takes private sector involvement to make it happen.

That same principle -- a public-private partnership -- applies to the economic challenge before this country in the next 10 years.

Today, our nation confronts a new world economic challenge -- created by OPEC's energy prices and the targetting by other nations on our markets. Exports and productivity are the name of the game; we are making a transition that other nations are further along in making.

We need to strike a new relationship between government and industry; we need to embrace the President's call for discipline; and we need to remember with confidence and pride our nation's reserve of natural resources and our tradition of hard work.

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