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REMARKS PREPARED FOR DELIVERY BY U.S. SECRETARY OF TRANSPORTATION
NEIL GOLDSCHIMDT, TO THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION,
NEW YORK CITY, SEPTEMBER 26, 1979.

I know that you have come to this gathering as representatives of transit properties around the country. And while I respect that professional credential you wear, my comments to you today are cloaked in a different cloth. For I would like to speak to you today first as American citizens and only second as transit officials.

The pages of this nation's history are filled with stories of challenges to our liberty. Each generation, it seems, is called upon to reclaim the legacy of freedom forged by our forebears and vouchsafed us to preserve.

We are no different.

Today, the ability of this country to determine our own foreign and domestic course is at issue. It is our test: the energy crisis. An invisible, persistent, pernicious enemy which fuels inflation, destabilizes the dollar, robs Americans of their jobs. It is an enemy which is at once everywhere and nowhere. An enemy which we all pause to deplore -- before going back to blaming each other for the problem. And that seems to be our greatest hurdle -- our own unwillingness to focus on our common concern and then to go to work to solve it.

We have been here before, in a similar predicament, almost 40 years ago, just prior to World War II, when this country was faced with a distant threat overseas, a threat we then vainly sought to avoid.

Then -- as now -- the fundamental issue was American freedom and our role in the world.

Then -- as now -- there were many who hoped the problem would simply go away or who dismissed it as a trumped up business or who tried to downplay the danger to our nation.

Then -- as now -- the President understood the need for a strong, unified, prepared America and used every tool at hand to build a nation that could not only withstand the immediate danger, but could go forward into the future, victorious and confident and assured.

If there is a difference between the two periods and the two Presidents, it may be that the task before President Carter is the more difficult. For the enemy we must face today is less visible than that of 40 years ago.

Today, thank God, this country is at peace.

There are no headlines screaming of armed invasions, no late-night broadcasts of bombings in Britain, no solemn announcements in the halls of Congress of American vessels torpedoed on the high seas.

But make no mistake. The threat is no less real; the danger no less menacing.

And the signs are there for anyone who cares to see them:

* In department stores, grocery stores, home appliance stores all across the country. It is the energy crisis that is crunching the American pocketbook. From April through July, more than one-third of the rate of consumer inflation was directly attributable to higher oil prices.

* In unemployment lines across the country. The right to a job is basic to this country. But the recent OPEC price increases threatens to put an additional 800,000 Americans out of work.

* In the value of the paycheck that working Americans bring home. Since 1973, the value of the dollar has fallen by more than 30 percent against other currencies.

These signs are our U-boats. They are our call to battle stations, this time not to international combat but to domestic courage.

The time for action is now.

The plan for action is the President's.

* And in virtually every community across the country the transit industry has stepped forward with energy-saving, mobility-preserving initiatives: stockpiling buses, spreading the peak hour, expanding park and ride service, promoting ride-sharing.

And I've heard already from some of the representatives here today that you could do more and you are ready to do more if you had the vehicles. Like Winston Churchill you are saying, "Give us the tools and we will finish the job." Well, we are going to give you the tools, including one not unlike the Roosevelt's Lend-Lease response to Churchill, and we are going to finish the job.

But before we can get to it, there is one major piece of legislative work to be done, the nub of the energy program. The Windfall Profits Tax.

It's about this simple.

The Windfall Profits Tax is the engine that drives the energy program forward. With it, we can implement a program that will achieve national energy security over the next decade. Without it, we are left scrambling to implement the unfunded or underfunded bits and pieces of an ad hoc energy program. Or worse yet, we are left with no program at all.

Unfortunately, not everyone agrees with me about the President's Windfall Profits Tax. In fact, there are two equally menacing dangers -- I like to think of them as the Scylla and Charybdis of the energy issue -- between which the President's program has to sail. One is the advocates of go-slow, do-nothingism. The other, the promoters of corporate self-interest. In my view, if we allow ourselves to be swayed by either of these -- or if we sit idly by so either one advances -- we risk sacrificing essential American freedoms.

Let me explain.

Even at this advanced stage of the energy debate, there are still some who refuse to acknowledge the reality of our energy dilemma. These are people who prefer to pretend that our energy problem is only temporary -- "See," they say, "the gas lines are gone" -- or that it is all a trumped up business, the product of a conspiracy by a few -- here they point at bulging oil industry profits -- or that it is simply a minor matter easily rectified with a quick technological fix.

I tell you today, this "solution" is no solution.

This approach is the Maginot Line of energy policy -- it offers only the illusion of energy security. It abandons our energy policy to OPEC -- delivers it over to them as if they were our closest ally

On July 15, he laid out for Congress, for the American people and for the world our national energy policy and a program to achieve it.

Like the clear-sighted course advanced 40 years ago, this President's plan is straightforward and decisive:

First, we must slip the noose of dependence on foreign oil and second, we must responsibly produce more energy here at home, drawing on virtually every conceivable resource.

This is a bold undertaking.

When the President set an absolute -- absolute -- limit on the amount of foreign oil we will import in the future, he as much as knocked the chip off OPEC's shoulder. And when he called for the development of a synfuels program, an Energy Mobilization Board, and a \$16.5 billion transportation program, he committed this country to the equivalent of another Manhattan-type project or a walk on the moon.

It is a program from which every American, including the members of this organization, can benefit and to which every American, including the members of this organization, can contribute.

It is a program that sends an unmistakable message to the people of this country and the nations of the world:

America will come through this energy crisis.

America is already coming through the energy crisis.

Out of this experience will come a new America rooted in old values -- a harder working America and a more conserving America. Tempered by this test, we will emerge a more productive people in our place of work and a more caring people in our homes and local communities.

And, in fact, we are already on the way to making these adjustments and making them work:

* This nation will need four million barrels of imported oil a day less in 1990 because of measures implemented by this administration.

* Fuel economy mileage standards are already delivering gasoline savings. This year, consumption is down three percent.

* Industry has cut its use of energy by six percent since 1973 and, over the same period of time, productivity has increased by 12 percent. (Incidentally, when the President saw these figures and noticed the cause and effect relationship they suggest: he ordered a five percent reduction in energy use by the federal government. It could be the most effective productivity move ever to hit Washington.)

in the world. And once OPEC has control of our energy policy, they have control of our foreign policy, and it won't be too long before they have control of our economy and our domestic policy, as well. History teaches us that those who are unprepared to choose their own destiny surrender the right to choose.

There is another false solution, one that is equally as unacceptable as that OPEC road to ruin. And that is to turn over the job of solving our nation's energy problem solely to the giant energy corporations of this country. Just hand it to them, and assume that they will produce more energy and that will solve our dilemma.

This is exactly what these companies are arguing for. With a multitude of soft-shoe artists lobbying the Congress and a high-powered p.r. pitch aimed at the American public, these energy conglomerates are singing a siren song that seeks to confuse our national interest with their self-interest.

They are not satisfied with their profits, which in the first quarter of 1979 were 56.9 percent higher than last year.

Nor are they satisfied with the \$96.3 billion more in profits that would come to them between 1980 and 1990 under oil decontrol and the Windfall Profits Tax -- money that can and should be used to produce over a million new barrels of oil per day.

No, this does not satisfy them. Right now, the giant oil corporations and their lobbyists are pushing for loopholes and amendments to the Windfall Profits Tax that would put a total of well over \$100 billion in their pockets.

Now I am a firm believer in our economic system. And I respect the right of a business, large or small, to a fair earning. But what they are after is neither fair nor an earning. It isn't fair to the American consumer and it isn't money these companies have earned. It is a result of a logical change in policy to price domestic oil at its real replacement cost. But handing all that unearned income to the oil companies isn't logical. Nor is it an answer to our energy dilemma. What they are proposing is the establishment of an energy corporation economy.

But we cannot substitute domestic corporate domination for foreign oil domination. The American public will not accept either form of domination.

So much for Scylla and Charybdis. For I believe that, with your help and your support, the President's energy program will sail through, including the \$16.5 billion transportation initiative.

That initiative, announced by President Carter, is America's invitation to put public transportation back into equal status with the automobile in responding to the need of our people for reliable, affordable transportation. It offers the opportunity for transit to take a quantum leap forward -- the promise of a decade where \$50 billion will be spent on transit investments compared to \$15 billion during the '70's.

It is a program tailored to meet the diverse needs of a diverse industry: \$5.6 billion for buses and bus-related facilities, the backbone of most transit agencies whether they need but two buses to aid senior citizens in a small New England town, or they need 200 to meet commuter's needs in a huge California city; \$5.7 billion to rehabilitate, modernize and extend rail systems; \$900 million to accelerate completion of new rail systems; and \$800 million to expedite the construction of transit projects substituted for withdrawn freeways.

Together, these funds will mean an additional 3,000 buses per year, 200 additional rail cars per year, and more than 15 million new passengers per day.

It is an opportunity that must be embraced and nurtured and multiplied. And I believe that can happen, provided we accomplish the following:

First we must end the bus procurement hassle. And that means solving four key issues. It means increasing competition in equipment manufacture. A healthy transit future demands it, moreover, increased competition is our best assurance of high quality at the best price.

It means increasing the capacity to produce new vehicles. We must be able to meet the demand for buses stimulated by the energy crisis -- and meet it soon.

It means reducing bus delivery time. Months of delay through our grant processes and manufacturers' waiting lists is an unreasonable burden. That can and must be telescoped.

And it means re-evaluating our standards for buses to make sure our regulations do not unnecessarily hamper new entries into the market or the accomplishment of our national energy conservation goals.

I am convinced that these four problems must be surmounted if you are to succeed in your mission. And I am convinced in my own mind that the best way to break the bus procurement bottleneck is by our taking a direct hand.

Therefore, I offer to you today the concept of a federal strategic bus reserve. We will endeavor to establish a continuing reserve fleet of at least 1000 buses which local communities may purchase on an as-needed basis, using a part of the money made available in President Carter's transportation initiative.

If this idea is to go forward, it must be because you want it, because it speaks to a real problem in your industry and in each of your cities and towns. It is an idea that must draw your support - in helping to pass whatever enabling legislation may be necessary -- and your creativity -- in ironing out the details and smoothing over the rough spots.

To develop the program in detail and to put it into effect as quickly as possible, I will begin immediately to consult with representatives of the transit industry, both management and labor, existing and prospective bus manufacturing companies, members of Congress and other interested parties.

This reserve -- and the guaranteed order which it entails -- are signals: to bus manufacturers in this country and around the world that we mean business about transit; and to the American public that this administration is committed to delivering a product that responds to their transportation needs.

Second, we must have real productivity improvements from you, both management and labor. This new funding boost cannot be seen as a federal boondoggle for transit. It must be used as a front-end investment that yields long-range savings. The public expects you to squeeze more passenger miles out of your operating dollar. It is an expectation we cannot afford to disappoint if you want to enjoy the full support of your constituencies and take full advantage of this opportunity.

And third, we must see the complete, careful and thorough integration of transit systems into community planning efforts. This is where transit dollars can be multiplied. Front-end planning must weave your expanded transit service into the land use, energy conservation, economic development, air quality and capital investment strategies of your local communities.

It is time transit stepped beyond its limited role of the '70s that of carrying the excess peak hour automobile trips. President Carter's transportation initiative is your invitation to make transit a full partner by providing Americans full transportation service, at the neighborhood as well as the regional level.

If we succeed at this, then we will have made the most of this transportation initiative, not only to see transit aid in energy security, but also in enhancing the livability of our cities and towns and easing our nation's transition into a workable future.

For I regard America's energy dilemma, and President Carter's response to it, as an opportunity. Yes, it is an opportunity for transit, but even greater, it is a national opportunity.

I believe that we can come out of this test with our freedoms intact and our country improved.

We will have demonstrated our freedom from foreign oil domination, and, more important, our freedom for self-determination.

We will have demonstrated our freedom from domestic corporate domination, and, more important, our freedom for enhanced personal choice. It is work -- lots of it -- but as Carl Sandberg wrote -- "Rest is not a word of free peoples."

And we will have once more reaffirmed our national purpose which puts the preservation of our God-given liberty before all else.

All of this can come to pass; but only if we close ranks and work together to make it come to pass. Forty years ago, at the time of another national test, Franklin Delano Roosevelt observed of this country: "The decisions of our democracy may be slowly arrived at. But when that decision is made, it is proclaimed not with the voice of one man but with the voice of 130 million."

In the face of this energy crisis, we have been slow to arrive at our national decision. Unwilling perhaps to err, we have been unwilling to commit. But now the time is at hand when each of us must add his voice to the swelling voice of our democracy and proclaim our decision for all to hear. Our country's greatness lies undiscovered before us; together we can reach that destination.

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