

REMARKS PREPARED FOR DELIVERY BY
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Thank you, Bob (Georgine), for those very kind words of introduction. Someone asked me on the way over this morning whether I felt a bit like Daniel headed for the lion's den. On the contrary, I replied; I felt very much at home with an organization whose members are all lions when it comes to the rights of working Americans -- a subject on which I can do a little roaring of my own! When it comes to the question of allowing each individual an opportunity to be productive, you can always find me in the front line. I've known what it's like to have your career goals clash with society's status quo.

I think we share a common bond. And today many of us have had the sublime satisfaction of being able to do a job we know we're qualified for. And so I think I have a special kind of commitment to seeing that every man and woman who now stands in an unemployment line can soon return to his rightful place in an assembly line or on a construction workcrew.

My feelings are professional as well as personal. For, in my previous position as Assistant to the President for Public Liaison, I had the pleasure of working with you, Bob, as well as with Lane Kirkland and many other representatives of organized labor. My purpose then -- like my intention now -- was to keep an open door, for an open door signifies to me an open mind. Sometimes, it invites open mouths as well -- but how else can we insure a productive dialogue between all segments of a diverse nation? I called hundreds of meetings with private sector groups, spanning the incredible array of American interests, from business and labor to agriculture, women's groups and veterans' organizations. Perhaps nowhere else could one glimpse so many strands in this coat of many colors we call the United States of America.

One of the last things I did before moving over to DOT was to arrange a reception for your own legislative people with their White House counterparts. There was a very freewheeling exchange of ideas involving Ken Duberstein and his staff over at the Hay-Adams Hotel just across the street from 1600 Pennsylvania Avenue. There was an opportunity, not only to air our differences, but still more importantly, to compare all that binds us together in pursuit of common goals. For these are the kind of working relationships that get bills enacted into law, regulations changed, and the public itself educated to the needs of labor.

Later this week I will be speaking at the testimonial dinner honoring Bill Konyha, president of the International Brotherhood of Carpenters. Bill has provided the labor movement with some of its most distinguished leadership. And I know that the same

kind of statesmanship that marked the IBC under Bill will continue under his successor, Pat Campbell. Pat has already been in touch with me -- and I look forward to maintaining the good working relationship that has long existed with the Carpenters.

I intend to keep my door open at the Transportation Department -- along with my mind. And in soliciting your support for an active partnership between organized labor and we who are trying to design an economy more sensitive to your own agenda, carpenters of change, if you will, I would remind you of some words spoken over a century ago by the spiritual father of my party, the great wartime president who confronted the gravest divisions in American history -- and who asked us to bind them up in the name of justice and decency and the potential that lay untapped in an economy waiting to soar...

"Labor is prior to, and independent of, capital." So wrote Abraham Lincoln in his first annual message to Congress. "Capital is only the fruit of labor," he went on, "and could never have existed if labor had not first existed."

Those were blunt words, even then. Today, for all the changes in our economy and our politics, they have not lost their validity. This is an Administration that talks a lot about capital, about savings and investment and productivity and cutting the waste out of government. But none of the talk, nor the action that follows it, should be read in a philosophical vacuum. Today, labor and capital are inseparable partners in the equation of prosperity. Without capital, jobs cease to exist. Without incentives to pool capital, ideas go untested and innovations remain locked in the laboratories of the mind. When capital dreis up, labor suffers most, as we have all had the tragic occasion to witness in recent years. Working men and women do not have the chance to work. Or if they do, they find that government-created inflation robs them of purchasing power. Bracket creep kicks them upstairs into tax brackets reserved only a few years ago for the wealthy. Skyhigh interest rates don't deter the sale of luxurious cars or other examples of the so-called good life. No -- those interest rates fall most harshly on the lower and middle income workers. They depress the sales of cars and homes, attack construction at its roots, make it impossible for people to save, and damage the incentives of industry to expand and generate jobs.

Government cannot, by itself, correct all our economic woes. But government misguided can go on throwing monkey wrenches into that delicate mechanism known as the free enterprise system. It can overtax us. It can over-regulate us. It can drain off our dollars and take away our decision-making authority. It can soften our competitive edge in the world marketplace. And in the end, it can pave the way, not for sustained prosperity, but for the long, cruel slide into economic limbo.

As I told the Teamsters a couple of years ago, one of the pleasures of working with organized labor is that you never pull punches. I always know where you stand. Where you disagree, you let us know. And more often than not, even those apparent disagreements have their productive side. Most of the time, we find that we agree much more than we disagree. You want a strong economy and so do we. You want a strong national defense, and so do we. Most of all, you want to believe again that the American dream retains its meaning. And we are committed to expanding that dream to include all those left out for whatever reason, often by a government that asserted its compassion without paying more than lip service to the underlying forces that added up to a healthy economy.

In Washington we can enact laws. We write and rewrite regulations. And heaven knows, we can collect taxes! But without the journeyman who pours the concrete,

operates the road grader, hoists the steel bridge beam into place and what's more, has the skill to know when the job's done right --without your members, we cannot succeed.

As the President has often said, "There is nothing wrong with America that we can't fix." Your patriotic support and your candid advice are helping us to do just that. I know and the President knows that in your hands rests the key to real economic strength and a strong America.

Now, I fully realize as does the President, that you have suffered many hardships in recent years as we've gone about the difficult task of curing the national economic ills which had been left to fester decade after decade. We know that unemployment has ravaged your trades more than most. Your members have paid a price to get the economy back on track. The remarkable thing about working people in America is that they have always been willing to do their share, to fight our wars, to build our transportation system and the industrial might which it supports. At a time when the economy demanded it, you have not hesitated to tighten your belts and even accept concessions.

As one of your members wrote me recently, "President Reagan has done an outstanding job against tremendous odds, but he cannot do it all by himself. He needs help from all of us."

Even the economy obeys certain fundamental laws. And even the most serious errors of the past can be corrected by those who are willing to make a sacrifice today in order to insure a better tomorrow. Well, that tomorrow is nearly here. Since last December, when the recession bottomed out, we've seen a host of encouraging numbers that suggest America has weathered the worst -- and now is beginning to go back to work. The leading indicators are not merely statistics choked out by Uncle Sam's computers. They carry a positive message. They signal an end to your hardship and a reward for your contribution to the economic renewal that is so long overdue. Already your dollar buys more at the grocery store as inflation has dropped by 10 percentage points. Interest rates have come down dramatically from the stratospheric heights of two years ago and the prime is now down to 10 percent at a few banks. Housing starts and housing sales have rebounded dramatically from just a year ago. Unemployment, the last indicator, stood at 10.1 percent for March. And soon, I think, very soon, many more of your brothers and sisters will be returning to work.

We have ambitious plans in transportation -- a massive rebuilding program, not only for highways and bridges, but for decaying transit systems; an airport improvement program that will do for the airways what President Eisenhower did for the highways when he created the Interstate Highway Program. We also believe that as the resources can be provided there is much that needs to be done to modernize our waterway facilities and develop our ports and harbors.

All of this, of course, will help the construction industry. At the same time, it is only with your continued help that we can carry out these plans, and persuade Congress of their absolute necessity.

We are, of course, especially grateful to the Building and Construction Trades Department for your support of the five cent highway user fee increase. That one bill -- the Surface Transportation Assistance Act of 1982 -- provides the means to assure that our highways, bridges and transit systems are equipped to handle economic growth into the next century. Most of the highway funds are being poured into rehabilitation and repair work, which tends to be more labor intensive than new construction.

More than that, however, it means jobs. At the time it was enacted we estimated that some 170,000 new jobs would be needed in construction and construction-related industries. We used a Department of Labor formula to arrive at this figure. It means 170,000 new jobs not only with contractors and subcontractors working at the construction site, but jobs for people who transport construction material to the site and manufacture the equipment, or provide the raw materials and products needed in construction.

That doesn't include the spinoff jobs, created by construction workers and contractors spending their wages, and profits, or those new jobs that come from economic growth, spurred by good roads and bridges. We know that good transportation brings efficient services and lower freight rates. Better roads and transit systems get people to work on time and home in time to enjoy the afternoon sunlight in the summertime. But it doesn't stop there. How many new people do the local grocer and restaurant hire because their business doubled with the opening of the new highway or the new subway stop? Those things are difficult to measure. So we don't count the spinoff jobs, even though you and I know they are there.

Since the Surface Transportation Assistance Act was passed, states have obligated \$3 billion for highway and bridge projects. That is a one-third increase over the amount earmarked at this time last year. It means projects are being taken off the shelf and translated into steel and concrete and asphalt. While there is some lag between the obligation of funds and the point at which jobs come on line, the major share of highway program funds are spent in the first two years after obligation, and some 85 percent of the project activity is typically completed within three years.

So, you should soon be feeling the benefits of the first \$3 billion of obligations from the gasoline tax increase in the form of more jobs in Pennsylvania, Indiana, California and all across America.

These figures gain meaning when translated into human terms. How many people will work or go back to work in Texas as a result of the \$305 million obligated for highway construction there in the first six months of this fiscal year? Or the \$300 million committed by California, or Pennsylvania's \$76 million?

In truth, this is your bill, and the Building and Construction Trades Department deserves much credit for the jobs it is creating.

In addition to the highways and bridges being built and rebuilt, transit systems are being rehabilitated -- and these, in turn, stimulate construction and development in our urban areas. Workers ride subways and buses and workers build them. As many of you know, mass transit receives one cent of the new five cent gas tax. Using that same Department of Labor formula, we estimate that each billion dollars pumped into capital improvements to mass transit will mean 25,000 jobs in construction and construction-related industries. So that's 25,000 jobs this year alone.

Other construction jobs are being created by the Airport Improvement Program. The great bulk of the \$4.8 billion to be spent in the next five years will go to rebuild and improve airport facilities -- runways, taxiways and ramps; the kind of improvement that means construction jobs. We expect to obligate about \$750 million of that money in fiscal 1983 and \$750 million in 84.

The jobs bill recently passed by the Congress and signed by the President increased funding levels for highways in fiscal 1983 -- that's this year -- by about \$308

million above that authorized by the Surface Transportation Assistance Act. In addition, it increased funds available for mass transit by approximately \$360 million and funds for airport improvement by about \$150 million. It's easy to get lost in all those zeros. But what these dollars really mean is jobs -- more jobs and more jobs now. To us as to you, these are not just statistics but flesh and blood reality for the carpenter, the concrete worker, the steelworker -- those who have taken great pride in their work and in providing for their wives and children. We're talking about people, not numbers -- we're talking about their dreams and their hopes for a brighter future.

Those dreams and hopes form the heart of the Reagan economic program. For the life of me, I don't know how any myth could have been created that this President has turned a cold shoulder to the unemployed. For those who are unemployed largely because of the recession, it was the President who supported three extensions of unemployment insurance benefits. It was the President who proposed providing \$300 million in additional humanitarian assistance to the unemployed. It was the President who proposed the acceleration of federal construction projects, a speedup which will help provide jobs now.

For those whose jobs may never return, it was the President who proposed providing jobs or training for more than 3 million people.

And it is the President's Economic Recovery Program -- one we can now see working in lower taxes, dramatically diminished inflation and falling interest rates -- that will create millions of jobs in this decade.

I am not saying that our problems are over. We face many challenges and there are no magic solutions.

For instance, the established industries with which I am familiar have responded to the current economic slump by instituting programs to increase their efficiency and productivity so that they can compete more effectively and successfully in the better days now dawning.

Almost without exception these programs are designed to operate the business with fewer people, even in a period of sustained growth. Indeed many businesses which have reduced employees in recent time could presently handle a substantial growth in output without increasing the ranks of their own workforce.

Even with recovery then, employment in some fields is unlikely to return to pre-recession levels. That is the dilemma that will complicate our future. But it is also the spur which will challenge our ingenuity. Before us now is the task of creating new jobs in an economic environment placing great stress on successfully doing business with fewer, more highly skilled and productive employees.

Experts tell us, that we need not fear this. For just as real economic recovery is being achieved in large part through the resourcefulness and productivity of the American worker, many of those productivity improvements will mean more jobs in the future. For one thing, our products will be more competitive overseas. For another, our technology will have the opportunity to be creative for the first time since the space program gave us the computer industry.

Given the proper incentives -- incentives of reward for risk, for increased production and new ideas, and most of all for a job well done -- American business and

labor will continue to respond to the nation's needs in a positive way. Together, we can lay a solid economic base for the future.

By confronting the present with courage, we can insure that the future will be worth confronting. So I bid you take heart -- for America's brightest hours lie just ahead. We can see it in the economic indicators. We can sense it in our minds. We can feel it in our hearts.

For all of the difficulties that distress us and the issues that concern us, we know that America offers the greatest opportunities and the greatest rewards. Labor, perhaps more than any other force in our society, ever has made us mindful of what it means to be an American -- to live in the land of open doors and human rights.

You may have seen in the news last week that six Soviet citizens, members of the Pentecostal faith, had left the U.S. Embassy in Moscow where they had taken refuge five years ago after being denied a request to leave the country for religious reasons.

I met with these people when I was in Russia recently. They were living in the basement of the Embassy, which they were afraid to leave to return home or even to walk the streets of their city. They were, I found, a people of great faith who had been trying for more than 20 years to emigrate to a country where they could freely practice their evangelical religion.

They have now left the Embassy, finally, with some assurances that they will be permitted to fly to Israel. But I thought, as I went to the airport that gray Moscow day to return home, that we do not fully realize or really appreciate the freedoms we enjoy here in America. And as I looked at that blue and white airplane on the runway at the Moscow airport -- Air Force One -- with "The United States of America" emblazoned on its fuselage, I couldn't help but feel a great pride in our country.

We owe a deep debt of gratitude to our founding fathers and to the millions who have come after them with the same strength of purpose and loyal dedication to the principles of liberty and personal freedom that set our Republic apart from all other nations. Among those patriotic Americans, the men and women of American labor have always stood foursquare for those principles, and for the opportunities this nation affords to every individual.

All of us do not always see eye-to-eye in America on the economic, political and social issues that concern us. But in that diversity is our strength, and in the freedom to speak our minds and express our views we find our richest values. As President Reagan has so correctly said:

"Double -- no, triple -- our troubles and we would still be better off than any other people on earth."

That is our hope as it is our security. I know we share together love of country, love of liberty and pride in our ability to take what may be wrong and make it right, and to take what is already good and make it better.