



U.S. Department of  
Transportation

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Change is in the air, in the halls of Congress and the boardrooms of Detroit. But then, I need hardly remind this audience of all that change has brought us since a Rochester, New York tinkerer named George Selden experimented with a three ton boiler on wheels which he called his "road locomotive." In the years that followed, the automobile went from a fantasy, to a luxury, to a necessity. At the turn of the century, Barnum and Bailey Brothers gave an automobile top billing over a giant, an elephant and a fat lady. And municipal officers in Old New York required a "mature male" to walk in front of each car on the city streets, carrying a red flag of warning with which to alert suspicious pedestrians and horses. Not long after, the Model T took romance out of the front porch swing and put it in the rumble seat -- leading the International Reform Bureau to demand that Henry Ford take action "that will stop the use of the car for immoral reasons."

Ford concerned himself with another sort of change. Dreaming of mass production at a time when there was neither the machinery nor the roads nor the oil industry nor the drivers to fulfill his vision, this social

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revolutionary from Dearborn dispatched two of his engineers to a Chicago packinghouse. There they saw beef carcasses being carried along on moving chains, past a line of meat dressers, each of whom removed a single cut. In that instant, the moving belt assembly line was conceived, just one more in a series of changes that would revolutionize American society --transforming our old views of distance, spawning suburbs and shopping centers, and abolishing most traditional ways of doing business. Warned by a friend that his Model T would generate social problems by frightening horses, Ford insisted that, to the contrary, he was simply out to democratize transportation.

"When I'm through," he said, "everybody will be able to afford (an automobile), and about everyone will have one. The horse will have disappeared from our highways, the automobile will be taken for granted, and there won't be any problem." Of course, by 1921, there was enough of a problem to cause Congress to pass the first Federal Highways Act, enabling each state to build its own roads, while federal supervisors sought to integrate the results into regional systems. My Department of Transportation is, in a sense, the logical outgrowth of Ford's vision, and Congress' initial steps toward regulating the single most important invention of the century. And just a year ago, President Reagan assigned space transportation to the Department of Transportation. Promotion of our fledgling Extended Launch Vehicles (ELV) industry and the removal of excessive regulations on aviation and the Maritime. While my focus tonight is on highways, my responsibilities cover everything from aerospace to Maritime.

Today, American highways play host to 130 million passenger cars -- one third of all those on the face of the earth. The auto industry accounts, directly or indirectly, for one out of every nine jobs in this country. An entire generation -- my generation -- grew up with one eye cocked on the rear view mirror, and the other fixed on the drive-in movie screen, watching James Dean racing a stolen sedan in "Rebel Without A Cause"

Well, James Dean has been gone a long time now. And drive-ins are virtually museum pieces. Come to think of it, the new technology of auto design threatens someday to eliminate the rear view mirror as well. To some people, all this bespeaks too much change, too fast and too impersonal. To such persons, I would quote the great English essayist Oliver Goldsmith, who wrote: "They must often change who would be constant in happiness or wisdom." I put it a bit more directly, when I say that when you're through changing, you're through. I have come to a city and an industry where change is the stock in trade. But I come from a city where the status quo has been challenged as never before in my lifetime. And the results are bound to enhance the long range prospects of this industry.

When President Reagan came into office a little more than five years ago, one of his first actions was to create a task force to promote recovery in the U.S. auto industry. What he really wanted to do was to unleash the creativity and know-how of auto makers who, despite a 1980 loss of \$4



billion, committed themselves to a retooling drive worth three times as much. The President vowed to shrink the size of government, and expand the range of opportunities for those who were bold enough to design a prosperous future. In the Sixties and Seventies, Washington had poured vast sums into motor vehicle research and development, but to little avail. For no agency of government could engineer a Ford Taurus or Alpha, a Chrysler Liberty or a GM Saturn. What Washington could do was to rethink its own economic dogmas, subjecting its stale formulas to the same kind of rigorous road test any new model gets before rolling off a Detroit assembly line.

What we could do was discard the economic equivalent of a 1938 Hupmobile, and fashion a sleeker, leaner federal apparatus, soaking up less of the nation's wealth, siphoning off less investment capital and slicing interest rates, upon which so much of your livelihood depends. We could -- and we did. And the results can be seen in 38 consecutive months of economic growth. Productivity has risen, while inflation has all the spring of a flat tire. In three and a half years, we've created nearly ten million new jobs -- a fair share of them in Detroit. With interest rates dramatically reduced, young people can again hope to own their own home, while young and old alike can renew our uniquely American love affair with the automobile.

It took a series of historic changes to turn this economy around. I've been in Washington long enough to know that it's easier to change even an agency than an attitude -- not that it's easy to do either! But that's exactly what we are called upon to do now, if we are to make good on the promise of the recent Gramm-Rudman-Hollings Act, and begin to whittle away at the accumulation of government debt which threatens to pull the plug on millions of individual American dreams. And so, while I'm here promoting change on the highway and in the design labs, let me ask you to return the favor and make your voices heard on this issue. As an Administration, we are doing all in our power to meet the mandate of Gramm-Rudman-Hollings -- to administer a national means test to the government itself -- and to determine responsible ways to attack the deficit dilemma through spending reductions. In the process, we at DOT have asked ourselves some serious questions about the proper federal role in transportation.

At the same time, we should all be looking for ways to reduce another deficit -- one which cripples the U.S. position in global trade. Perhaps no audience in America is more sophisticated in its grasp of the issues involved, including the contributing factor of foreign auto imports. What should our response to such imports be? Tariff restraints? Quotas or import restrictions or other trade barriers? No: we should respond with a better product. We should put change to work in ways that are marketable, and competitive. For those who build walls in the hope of keeping foreign goods out can discover, too late, that they have walled domestic goods in.

In fact, we inhabit a world where national boundaries are no longer seen as natural barriers, to culture or commerce. And so we at DOT have embarked on a worldwide campaign called harmonization. We seek to harmonize



our vehicle safety standards with those in other lands -- not only to lower consumer costs but also to enhance our own ability to compete in foreign markets and to ensure that we devote every ounce of strength we have to remove all foreign trade barriers to our products. Even now, we are looking for areas where we can coordinate, with European governments, the adjustment of standards -- everything from common symbols on vehicle control displays to similar rules for passenger car lights and brakes.

That's just the beginning of changes I see on the American Road. Just a few short years ago, who would have predicted that more Americans would be driving more cars than ever before -- even as highway fatalities per 100 million vehicle miles travelled would reach an all-time low? Yet that's exactly what happened in 1985.

Who would have thought that the American public would ever accept mandatory safety belt laws? The seed was planted in Tennessee, in 1978, with the first child safety seat law. And by last year, every state in the Union had passed similar legislation. Indeed, the biggest single challenge I faced when arriving at the Department three years ago was the 208 rule, which became effective year before last. Since then, I believe it has contributed much to a nationwide awakening. Nineteen states and the District of Columbia have passed safety belt laws. As a result, lives are being saved for the first time in the fifteen years that Americans have debated passive restraints.

Who would have thought, just a few short years ago, that one would open "Time" or "Newsweek" and find two-page advertising spreads touting auto safety initiatives? A poll taken last December found seven out of 10 Americans favored safety belt laws for the driver and front seat passenger. And in states where mandatory laws have been enacted, an even higher percentage want them to remain on the books.

I've spoken of changed expectations as well as changed designs. Before I leave the subject, may I point to the single most encouraging example of grassroots Americans leading their government toward safer highways. For while the engineers of Detroit may have been responsible for anti-lock brakes, improved steering columns and anti-lacerative windshields, it was drivers by the millions who changed the way we view the drunk driver in this country. A decade ago, we regarded him as a nuisance. Today, we see him as a potential killer -- and properly so. And DOT is working hand in hand with aroused groups of citizens and state legislators across the country to change attitudes and laws. And we will not rest until we get every last drunk driver off the roads and highways of this country, nor will I accept toothless laws and lenient judges. This is one change still unfolding.

In 1984, the President vigorously supported and signed into law a bill encouraging states to set 21 as their legal minimum drinking age. Thirty-eight states have now done so. Although we normally defer to the states on traffic law issues, as the President said, a uniform drinking age will do away with "blood borders," where teenagers have a positive incentive to



drink and drive, to cross state lines to take advantage of lower drinking age laws and then make the return trip home "under the influence." New Jersey raised its drinking age in 1983, and the first year experienced a 26 percent reduction in nighttime fatalities among 19 and 20 year olds.

I invite each one of you to contribute to the swelling chorus of outrage which says, "Enough! No more death! No more injuries! No more waste, and no more waiting!"

The human factor forms but the first leg of what I call the safety triad for our highways. The second rests on the condition of our highways and bridges. There's progress there as well. Our Interstate system -- the safest, most efficient highway network in the world -- is almost complete, and we're rehabilitating and repairing roads and bridges at record rates. With that in mind, we have just transmitted to Congress one of the most dynamic highway and transit proposals in U.S. history, which will give state and local governments greater flexibility to meet their own needs for safety and mobility. And then there is the third and final leg in the safety triad -- the one which all of you shape in your daily work. I speak, of course, of auto design. My Department joins with the auto industry in looking for vehicle safety improvements that are practical and cost-effective. One new feature resulting from that search is the high-mounted stop lamp, now standard equipment on new cars. I approved that requirement in 1983, after years of research, field testing, and careful consideration of costs and benefits. We estimate that the new third light, once installed throughout the fleet, will prevent roughly 900,000 rear-end accidents a year, and save 40,000 injuries and nearly half a billion dollars in property damage.

Meanwhile, research and development continues on a wide array of safety technologies. To date, at least six manufacturers have announced plans to provide airbags as standard or optional equipment on some or all of their lines in the years just ahead. While the air bag is undeniably useful, it is most useful in conjunction with safety belts. But whatever the final range of restraint systems offered, it is safe to say that consumer demand will play a large part in determining what that future will hold.

Since he first entered office, the President has made plain his allegiance to market forces. For the fact is, that we in the Reagan Administration look upon the automobile industry as an engine of our economy -- a major component of a transportation sector worth \$800 billion a year. Make a U.S. car or truck one percent more efficient -- and the added sales, at home and abroad, stagger the imagination. What better reason for Detroit to experiment with lightweight, easy to mould engine parts in place of a metal engine? Or computer-driven brakes, now installed in some top-of-the-line models? Or engines no bigger than those which now power motorcycles, and which self-adjust to different grades of fuel?

If consumers want cellular-phone speakers and entertainment systems that reproduce sound with concert hall quality -- if windshield wipers will



know when to wipe and drivers can command cruising speed at the sound of their voice -- then it won't be because a Secretary of Transportation in Washington mandated these things. On the other hand, a government that is sensitive to the creative dynamic --one that recognizes long-range planning needs and the fact that each model requires many years lead time --such a government can foster an atmosphere wherein individual genius can merge with corporate resources. A century ago, it was backyard inventors, solitary men like Selden, Goodyear or Edison, who changed the face of American industry. Today, it is teams of exceptional engineers who advance the frontiers of design and safety. What hasn't changed is the need for government to clear the deck of burdensome regulation and reflect in its own actions some of the same experimental energy which translates one man's dream from the drawing board to the auto showroom.

We will, for example, continue to remove impediments to technological innovation. We intend our safety standards to encourage new safety technology and designs, not stifle them. And where the auto companies, SAE or any other group can suggest ways to streamline and update our standards, I am eager to listen. To cite just one example, we believe that our vehicle lighting standards can and should be simplified. If we could move toward a more performance-oriented standard for headlamps, it would reduce excessive design restrictions on auto manufacturers without compromising essential safety. It would give you more flexibility in front-end design for better aerodynamics and fuel economy. And it would eliminate the need for such time-consuming regulatory approvals of new headlamp designs.

Similarly, we are moving to challenge the old-fashioned idea that Uncle Sam is equipped to administer transportation industries themselves. I'm in the process of selling airports, run by the Federal Government, to an independent regional commission. Likewise, the Federal Government should not be in the business of running railroads. We recently sold the Alaska Railroad to the State. And with the forthcoming sale of Conrail to the Norfolk Southern Corporation, we'll hold one of the most welcomed "going out of business sales" in history. Conrail came to life when six Northeastern rail lines, all bankrupt, were stitched together with the help of billions of taxpayer dollars. Now the time has come to let someone else get working on the railroad. I'm delighted that both the chairmen of GM and Ford agree with my choice of Norfolk Southern as the party best able to get to work.

In fact, Conrail is the flagship of this Administration's efforts to privatize functions which belong in the private sector. The sale of Conrail will return \$1.2 billion to the federal Treasury, the equivalent of almost 10 percent of what the government has to save in the first year of Gramm-Rudman-Hollings. Standing alone, Conrail is marginally profitable at best; the victim of a 20 year declining traffic base. The sale to Norfolk Southern diversifies that recession -- sensitive traffic and for the first time there will be single line head-to-head competition out of Detroit to Southeast points and the Northeast. More important still, Norfolk Southern can insure a financially strong line, one which won't have to come back to the government for rescue at some future date.



In the years just past, you have shown the capacity to anticipate change and to make it work for the consumer. You have done so within the limits of profitability on the one hand, and public obligation on the other. You have made a difference -- a positive difference -- in millions of lives. You have given us cars that burn less fuel, that combine safety and style. You have explored the outer reaches of modern technology, and in doing so, challenged the conventions of your field. In Washington, it is all too easy to fall into a mistaken line of reasoning, to see no further than the morning headlines or evening newscast. One can soon begin to believe that people's lives are affected almost exclusively by what happens at today's hearing or tomorrow's staff conference. In truth, lives are shaped by those who manufacture a product as much as those who make a regulation.

Your product -- a product shared with dozens of foreign countries, many represented at this gathering -- is vital in most American lives. It determines how we move about, how we see the world around us, how we see ourselves. If anyone doubted the pervasive role of the automobile in modern life, he need only have joined the throng of moviegoers who last summer flocked to theaters to see the biggest hit of the year -- a film where a teenager rode a car so advanced it can travel, through time, "Back to the Future." It was only fitting. For however we get to the future, we'll get there on four wheels. And however the vehicles of the future look, they will doubtless be the product of your imagination. Along the road, there will be plenty of fresh changes. For every custom was once an eccentricity; every idea was once a dream, including democracy -- and democracy's favorite transport -- the automobile. We've traveled a long way together. The road ahead looks more promising yet -- and I look forward to continuing the journey with you.

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