By TOM LONERGAN

Although he wouldn't endorse a subway. U.S. Transportation Secretary
Neil Goldschmidt did say his department will give southeast Michigan's
transit plan a thorough study before it
approves funding.

Sitting on as much as \$900 million of
capital money for the Southeastern
Michigan Transportation Authority's
(SEMTA) 15.15 billion plan, Goldschmidt
told members of the Economic Club of
Detroil Tuesday:

"No blank checks have been written
nor have any been requested,"

"We will do engineering here to find
out if it (the proposed Woodward corridor subway to McNichols Road) is
inancially fessible." Goldschmidt said
after his speech. "All Mayor (Coleman)
Young has asked is that we move to
engineering (the preliminary study) as
fast as we can.

THE SEMTA hoard annowed a \$1.5

fast as we can.

THE SEMTA board approved a \$1.5 billion regional transportation plan last month, with the major element the subway/surface light rail line from down-town Detroit to 10 Mile Road. The lean's future now rests with state and federal authorities, who must approve capital construction funds.

Pederal investment in the SEMTA plan, Goldschmidt said must be "scaled to a test of cost effectiveness." Goldschmidt told business and government officials, packed in a Coho Hall banquet room, that his department "will not commit" subway construction money "until a significant amount of preliminary engineering is done.

"This can be an economic resource for the community," Goldschmidt said. "If it proves to be, we'd be more inclined to support it.

"You just can't plow more money just it, and then the benefits will return." he told reporters after his speech.

SEMTA GENERAL Manager Larry E. Salci, who met with Goldschmidt Tuesday morning, said the transportation secretary was "very much anxious to give us money" to begin the financial feasibility study of the subway and other aspects of the regional transportation plan.

While the federal Urban Mass Transportation Administration (UMTA) has not officially approved preliminary engineering funds, "his (Goldschmidt's) word is at least as good, if not better," Salci said.

According to Salci, preliminary engineering is a "decision making tool" the

## ...as Washington talks thrift

Conservation of energy, conservation of capital — that's what an economy for the 1980s must include, U.S. Transportation Secretary Neil Coldschmidt told metropolitan Detroit business and government officials this week. Goldschmidt told the Economic Club of Detroit, which packed a Cobo Hall banquet room Tuesday, that a policy is needed for a "rectooling of America." "We are paying a painful price for years of energy waste and artiflicial pricing," the transportation secretary said.

"Each day, we are confronted by black print headlines about red ink balance sheets — a staggering and depressing loif of hundreds of thousands of skilled workers laid off, huge plants silenced, a record number of (auto, cappellers cut off.) More than 150,000 auto workers have been laid off, many since early last spring.

GOLDSCHMIDT, named transporta-

GOLDSCHMIDT, named transporta-tion secretary by President Jimmy Carter six months ago, will head a gov-ernment-wide review of the auto indus-try and its "broad industrial network." The health of that network — one out of six jobs in the U.S. is related to the auto industry — is crucial to the U.S. round as a manufacuring and exporting country, Goldschmidt said.

As part of the government-backed fi-nancial aid package for Chrysler Corp., there were directives that Goldschmidt lead a six-month study of Chrysler's economic prospects and that the US pepartment of Transportation do annual analysis of the auto industry. That directive was expanded by Carter to include the auto industry. Coise relationship to steel, rubber, alu-minum and other suppliers. Goldsch-midt said the study will include "much of the industrial base of the country."

NOTING THE past decade's conrontation between the auto industry and federal government regulatory agencies, Goldschmidt called for "a working alliance of mutual respect based on two premises:

"Government accepts the profit motive that drives industry and now seeks to find ways to help the private sector succeed."

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"And industry accepts the role of government in representing national environmental and social goals, from which there can be no retreat."
The marketplace and competition from abroad "have superceded regulation," Goldschmidt said.
The demand for fuel efficient cars, said Goldschmidt, has "industry racing for standards to exceed the average 275 miles per gallon (federal mileage requirement) by 1985."

"We've not asked for 50 miles per gallon," he continued, "not because it wouldn't be nice, but the evidence to support the request has never been laid

support the request has never been late on my desk."
Goldschmidt refused to predict what was in store for auto mileage, pollution and safety regulations past 1985.
"I guess as cars become increasingly safe, the regulatory process takes less meaning."

COMPLETING the federal inter-

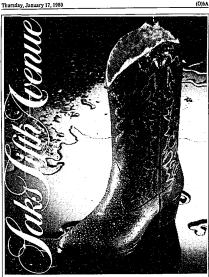
COMPLETING the federal interstate highway system, where remaining links are disputed in urban areas, will cost \$42 billion, Goldschmidt said.
"Should we spend our scarce capital there or is there a more conserving strategy?" he asked. The interstate freeway system is more than 90 percent completed and has cost more than \$75 billion.

575 billion.

Goldschmidt refused, however, to make any comments after his speech on the proposed M2775 freeway through western Oakland County.

As mayor of Portland, Ore, Goldschmidt was credited with stopping two freeways just short of bulldozers and converting the funds to mass transit.

Environemntalists opposing the revived M275 are counting on Goldschmidt to veto the proposed 22-mile freeway, which would be built with 90 percent federal funding.



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