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THE WHITE HOUSE
WASHINGTON

March 4, 1975

MR. PRESIDENT:

The attached letter is forwarded
for your information and will be
handled routinely unless otherwise
indicated.

*Good reply
JFK*


Jerry F. Jones
Staff Secretary

GENERAL MOTORS CORPORATION

GENERAL MOTORS BUILDING

DETROIT, MICHIGAN 48202

T. A. MURPHY
CHAIRMAN

March 4, 1975

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Some time ago I wrote you to express our broad support for your energy program submitted to Congress. I did so because of our conviction that efforts towards conservation of oil should be directed toward all its uses and that, in the long run, the only effective program would be one which relied on market forces for implementation.

We recognize there are many considerations which the Administration and the Congress must take into account in arriving at an agreed upon program. However, I hope the report contained in today's New York Times-- that "The White House could accept two proposals put forth over the weekend by Ways and Means Democrats - a gradual but substantial increase in the federal gasoline tax and a federal excise tax on new cars with relatively high gasoline consumption"--does not accurately reflect the intentions of the Administration.

Basic to any energy program, it seems to me, is the necessity for recognizing that the program must maintain and strengthen our economy, not weaken it. The automobile industry at the present time is in the throes of a serious recession and even discussion of substantially higher gasoline taxes and efforts to mandate, in one way or another, the usage of certain types of cars could have a serious impact on consumer confidence and car purchases. It would be most unfair for the automobile purchaser or owner to bear the full thrust of energy conservation; if this were coupled with a stringent effort to control the types of cars which Americans may

The President

March 4, 1975

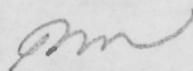
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purchase, I am convinced that the recession in the auto industry would only worsen and lead the national economy further downhill.

As we have informed members of your Administration and the Congress on many occasions, the objective should not be to mandate the larger cars out of existence either through punitive gasoline taxes or excise taxes on their purchase but to make those cars more fuel efficient. This we are doing and were in the process of accomplishing prior to any federal effort to get the auto manufacturers to agree to a fuel economy goal. As you know, we have pledged our best efforts to improve the fuel economy of GM cars by 53% sales-weighted by 1980.

I sincerely hope that serious and careful thought will be given to these highly important considerations prior to any agreement with the Congress on an energy program.

Sincerely,



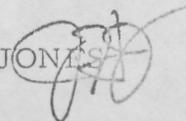
T. A. Murphy

THE WHITE HOUSE
WASHINGTON

March 6, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: L. WILLIAM SEIDMAN

FROM: JERRY H. JONES 

The attached letter was returned in the President's outbox with the following notation:

-- Good reply.

Would you please prepare an appropriate response in coordination with Roland Elliott and forward to this office for signature.

Thank you.

cc: Don Rumsfeld
Bob Linder