

The original documents are located in Box 117, folder “Automobile” of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Ron Nessen donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

October 25, 1974

SUBJECT: WHITE HOUSE TO HOLD MEETING
WITH ~~AUTOMOBILE~~ EXECUTIVES

According to today's Washington Star, the White House is hosting a meeting with top auto executives next week. Is this correct, and what is the purpose of the meeting?

GUIDANCE: As you will recall, in the President's Economic Address to the Joint Session of Congress on October 8, he said, "I will meet with top management of the automobile industry to assure, either by agreement, or by law, a firm program aimed at achieving a 40% increase in gasoline mileage within a four-year development deadline." So, this is the purpose of the meeting at the White House.

Who is chairing that meeting, and who will participate from the Administration?

GUIDANCE: Secretary Brinegar will be the chairman of that meeting and other Administration representatives will include: Secretary Morton, Administrator Sawhill of FEA, Administrator Train of EPA, and other members of the Domestic Council.

Will that meeting be open to the public?

GUIDANCE: Though the meeting itself will not be open, there will probably be a briefing following that meeting to completely bring you up to date.

JGC



AUTOMOBILE MANUFACTURERS MEETING
December 12, 1974
9:30 a.m.

FORD

- Fred Seccrest, Executive Vice President,
Operations Staffs, Ford Motor Co.
- Mr. Lai (Lee) Iacocca, President, Ford Motor Co.

GENERAL MOTORS

- Thomas A. Murphy, Chairman of the Board
- Oscar Lundin, Vice Chairman

AMERICAN MOTORS

- Roy Chapin, Chairman of the Board
- John Seccrest, Group Vice President, Corporate Staff

CHRYSLER

- Lynn Townsend, Chairman of the Board
- John Ford, Vice President of Administration

UNITED AUTO WORKERS

- Leonard Woodcock, President
- Stephen Schlossberg, General Counsel



January 20, 1975

We have had a request for clarification of the President's goals with respect to ~~automobile~~ mileage increases. The President believes that an increase in automobile miles per gallon is a critical ~~to such~~ ingredient to any solution of our nation's energy problem.

Following an assessment by the Government's experts under the leadership of Secretary Brinegar, a conclusion was reached that a 40% increase in miles per gallon was achievable in the 1980 model year -- compared to the 1974 model year cars. The 1974 model year was used because that is the latest base year for which ~~the~~ mileage performance and sales mix is known.

1980 model year
The overall target for all cars sold in the U.S. is 19.6 miles per gallon. This is a 40% increase over the 14 mile per gallon average for 1974 model years.

The agreement that has been reached with the auto makers is confined to the big 3 domestic companies: Ford, GM and Chrysler. ~~Based upon estimates of projected sales mix by company and auto size, the average miles per gallon would have to be 18.7X for the Big Three. That 18.7 figure ~~comp~~ compares to 13 miles per gallon achieved in 1974 -- or an increase of 44%.~~



Automobile Horsepower Taxes

Taxes could be designed to make the purchase of inefficient autos less attractive to consumers, such as by taxing horsepower, and thus reduce gasoline consumption. This is a legitimate proposal which received serious consideration by the Administration but which was rejected for the following reasons:

- taxing automobiles on efficiency misses the target; it penalizes consumers on the basis of potential fuel consumption rather than actual fuel consumption. Large cars are often used in an efficient manner, in a car pool for instance, while even the most efficient cars can be used in extremely wasteful ways. Likewise large cars can be tuned and repaired properly to maintain efficiency while small cars be allowed to deteriorate through neglect. Consumers who prefer larger vehicles, maintain them well, and use them wisely should not be penalized, while others who prefer smaller vehicles but disdain maintenance and drive them abusively go unburdened.
- a tax on big cars would provide little help for the Nation's current energy problems. Not until 1980 at the earliest would the majority of autos on the road be affected by such a tax, thus the benefits of greater auto efficiency would accrue only slowly and would not be fully realized for at least a decade. Our critical conservation needs are between now and 1980.
- A reasonable horsepower tax is not likely to work because the purchasers of big cars are the least sensitive to price.
- Some people have legitimate need for large cars for use in their business or for transporting large families. It is not fair to penalize them. Also, higher prices on new cars will force up the prices of used cars, thus penalizing lower income families.



1/27/75

Government policies are most effective when they specifically address the problem. Our problem is to reduce gasoline consumption. It is not to ban big cars. Thus the President's proposals -- to increase the cost of gasoline and require Detroit to make cars 40% more energy efficient -- will meet our energy conservation goals without inequities.

M. Duval
1/27/86

MARCH 5, 1975

SUBJECT:

RUSS TRAIN'S ANNOUNCEMENTS ON AUTO
EMISSION STANDARDS (2 p.m., 3/5/75)

Question:

Russ Train is expected to announce his decisions and recommendations to Congress on auto emission standards which amount to significant delays in current requirements. We understand that he met with the President on this subject on Monday. Do these delays in effect reflect what the President told Mr. Train to do?

Answer:

Mr. Train asked for a meeting with the President on Monday for the purpose of informing the President of his decisions on auto emission standards that EPA plans to make today. During the meeting, Mr. Train informed the President of the decisions that he had made and will announce today!

- . Auto emission standards for 1977 model cars which he is authorized to set under 1974 amendments to the Clean Air Act. This is a regulatory decision.
- . Auto emission standards that he recommends for 1978-81 model year cars. This is a policy recommendation and, to become effective, would require Congressional action to amend the Clean Air Act.

Follow-up Question:

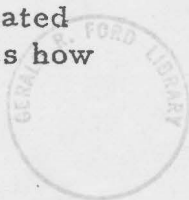
Mr. Train's decisions on emission standards for 1977 and 1978-81 are different from those recommended by the President to the Congress in his proposed Energy Independence Act. Do they replace the President's recommendations to Congress?

Answer:

Not necessarily. The decisions and legislative recommendations announced by Mr. Train were based on EPA's public hearings and were not reviewed or discussed with other agencies that have an interest in the matter prior to Mr. Train's decisions and announcement. The President has indicated that he would like to have the views of other agencies before he decides how he might modify his legislative proposal.

FYI: All other questions on meaning or implications of Train's decisions should be referred to EPA.

JGC



Auto standard

March 6, 1975

SUBJECT:

RUSS TRAIN'S ANNOUNCEMENT
ON AUTO STANDARDS

What is the President's reaction to Russ Train's announcement that he was suspending for one year, 1977, automobile emission standards and recommending a program for reducing hydrocarbon, carbon monoxide, sulfuric acid emissions for the 1977-1982 model years, including a sulfuric acid emission standard, beginning with 1979 models?

GUIDANCE: The President has indicated that he would like to have the views of other agencies before he comments on Mr. Train's proposal or decides how he might modify his legislative proposal.

(All other questions should be referred to EPA.)



JGC

December 16, 1975

SUBJECT:

FORD AND CHRYSLER RAISE
AUTO PRICES

Ford announced yesterday that they have boosted their prices on cars and light trucks an average of \$122. Chrysler's increases were \$25-\$70 on selected models.

What's the Administration's reaction to the price increases by Ford and Chrysler?

GUIDANCE: It is my understanding that Ford Motor Company did come in last week and provide the Council on Wage and Price Stability with the background data on their proposed price increases. They are now in the process of analyzing that data, so perhaps you should address your questions over there. I have not heard the President comment directly on the price increases.



JGC

December 11, 1975

SUBJECT:

THE PRESIDENT DIRECTS SECRETARY
COLEMAN TO INVESTIGATE NEAR-MISS
AIR COLLISIONS

For Announcement

I'm not sure it was brought out yesterday, but just prior to the Cabinet Meeting, the President in talking with Secretary Coleman, expressed his concern over the succession of "near-miss" situations where jet aircraft have come dangerously close to mid-air collisions. The President is concerned that we maintain our excellent record of air safety and has, therefore, asked Secretary of Transportation William T. Coleman to report to him on the circumstances relating to these incidents and to indicate what steps are being taken to avoid similar incidents in the future.

A letter is going to Secretary Coleman following up on their conversation of yesterday.

Just to refresh my memory, what are some of the latest near-miss situations to which you are referring?

GUIDANCE: It is my understanding that on November 26, out of the Cleveland area, there was a near-miss between an American Airlines DC-10 and a TWA 1011. Then there were two near-miss collisions on December 5 involving the Chicago area. In one case, a TWA 727 was involved with a United 727, and on that same date around the Janesville, Wisconsin area a North Central Convair had a near-miss collision with a civilian Cessna plane.

JGC