NIXON AND THE ENVIRONMENT: CLEAN AIR, AUTOMOBILES AND REELECTION

by

Erwin Mauricio Escobar

This thesis was prepared under the direction of the candidate’s thesis advisor, Dr. Mark Rose, Department of History, and has been approved by the member of his supervisory committee. It was submitted to the faculty of the Dorothy F. Schmidt College of Arts and Letters and was accepted in partial fulfillment of the requirements for the degree of Master of Arts.

SUPERVISORY COMMITTEE:

Mark Rose, Ph. D
Thesis Advisor

Evan Bennett, Ph. D

Talitha Lefouria, Ph. D

Patricia Kollander, Ph. D
Chair, Department of History

Heather Coltman, DMA
Interim Dean, Dorothy F. Schmidt College of Arts and Letters

Barry T. Rosson, Ph. D
Dean, Graduate College

April 11, 2013
ACKNOWLEDGEMENTS

The author wishes to express his sincere thanks and love to his wife Evelyn Escobar, to his children, and parents for their support and encouragement throughout the writing of this manuscript. The author is grateful to his thesis advisor, Dr. Mark Rose, to the thesis committee and the faculty of the Department of History at Florida Atlantic University for providing a great educational experience.
In the decades after World War II the United States became the most prosperous nation in the world. Yet, that prosperity and growth had a negative impact on the environmental quality of the nation. By the mid 1960s there was a rise in concern over environmental issues in the American public. Consequently, President Richard M. Nixon in his determination to give the American people what they sought decided to enact policies to bring the environmental crisis to an end. Among the environmental policies of the Nixon Administration was the
Clean Air Act of 1970, a highly controversial piece of legislation that placed tough regulations on the automobile industry.

Due to the significant role of the auto industry in the American economy, and Nixon’s concerns over reelection, there were two major shifts in business-government relations during this era. The first one was characterized by determination to protect the environment with little attention to complaints from the industry. The second one was about protecting the profitability of the industry while giving little attention to environmental problems.
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In the decades after followed World War II the United States became the most prosperous nation in the world. Yet, that prosperity and growth after World War II affected environmental quality. Massive suburbanization, increased growth in car ownership as well as immense population growth, combined with inadequate waste treatment procedures and few environmental regulations contributed to the deterioration of environmental quality. Starting in the early 1960’s, Americans took up environmental issues.

Consequently, anxiety over environmental issues became extremely popular for Americans during this era. In the mid 1960s environmentally conscious Americans brought these issues into the political arena.

In 1968, Richard M. Nixon was elected President. During the campaign Nixon had little to say about the environment. However, after a few months in office he observed that the country was facing environmental problems so severe that presidential action was required. Consequently, the Nixon administration became one of the most environmentally active presidencies in American history. Among proposals and actions the President took were: the establishment of the
Environmental Quality Council, and signing the National Environmental Policy Act into law.

Nixon also worked actively on legislative reforms like, the Water Pollution Act Amendments; the Clean Air Act Amendments; the Marine Protection Research and Sanctuaries Act; the National Land Use Policy Act; and submitted to Congress a landmark Toxic Substances Control Act. In addition, Nixon submitted a Noise Control Act, recommended the extension of the Solid Waste Disposal Act of 1965, by 1972 he had proposed eighteen new wilderness areas to Congress, and that year, an election year, he proposed another 18 areas, which would add 1.3 million acres to the nation’s wilderness system.¹

Historically oriented scholarship on Richard Nixon’s environmental policies has focused on two areas. The first topic has been about whom should get the credit for the environmental policies that were enacted during this era, and in the second, historians have assessed Nixon’s authenticity. Did he care principally about the environment or about politics these scholars have asked.

Charles S. Warren credited Nixon for environmental progress in America especially during his first term. By contrast, Michael Genovese found Nixon politically right-wing and pro-industry, and he credited Congress for

environmental leadership. Michael E. Kraft attributed environmental progress to an extraordinary group of policy entrepreneurs on Capitol Hill. Jacqueline Vaughan Switzer argues that Nixon initially opposed the environmental initiatives but eventually succumbed to increasing public pressure and instructed his staff to rush through new environmental legislation.

The League of Conservation Voters volume was most critical, finding shortcomings in Nixon policy on water development, pollution, energy, public lands management, wildlife protection, pesticides, population, the workplace, and urban environments; and Paul Milazzo has argued that Nixon’s environmental policies came as a result of a group of legislators that he calls “unlikely environmentalists.”

Considering the relatively narrow analysis found in the scholarship of Nixon’s environmental policies, it is significant to look at this area of the Administration from a different perspective. This perspective should analyze not only the President, his work and his intentions related to the environment, but

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also consider the involvement and the influence of outside groups that played a remarkable role in the decisions that were made.

Among the outside groups urging the President to enact environmental regulations were the environmental movement, environmentally conscious legislators, the strong involvement of labor unions in environmental issues, and the fact that the environmental crisis was at its highest point in 1969 when Richard Nixon took office.

On the other hand, there was a sector of American society that sought to influence the President in a different direction. This was the industrial sector which represented the major corporations of the United States. Since the beginning of the environmental movement American businesses played a uniquely important role in environmental policy making. Business corporations sought to create a business friendly environmental policy because this meant little regulations and less costs to improve environmentally conscious efficiency.  

In the midst of these forces was President Nixon, an experienced politician, a man concerned with public opinion and motivated by reelection. The environment was never at the top of Nixon’s priorities. According to John Ehrlichman, Assistant to the President on Domestic Affairs, Nixon always liked

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foreign policy and was not passionate about domestic affairs which in many cases he delegated to others; the environment was one of them. Ehrlichman once said, “Nixon insisted that I don’t bother him about many areas… the environment was one of them.”

Although Nixon’s main area of interest was foreign policy, political expediency forced him to remain very active in areas of domestic affairs.

According to John Whittaker who served at the White House and the Department of Interior during the environmental crisis, Nixon was not very interested in environmental issues during his first year as president, he feared a potential backlash effect in the form of fewer jobs, slower economic growth, and higher prices. But this approach changed once Nixon realized that he needed to take the lead against environmental degradation for the good of the country and the popularity of the Administration.

A careful analysis of the developments leading to the Clean Air Act of 1970 provides a broader and better understanding of the environmental policies of the Nixon Administration and the president himself. It is significant to look at the developments related to the Clean Air Act of 1970 as clean air was for Nixon America’s most important environmental resource; for the United Auto Workers

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and environmentalists was a central point in their activism; for legislators was a key legal project and for the auto industry was a determining factor in how productive their business could become.
CHAPTER I

THE CLEAN AIR ACT: A RESULT OF MANY PRESSURES

Among the most important of Nixon’s environmental proposals was the Clean Air Act of 1970. The administration proposed this legislation as a result of demands from different sectors of the American population. From middle school to college students and labor unions, to environmental activists, senators, and representatives, all pushed in favor of actions to bring the environmental crisis to an end. Consequently, the president took action starting with the problem of air pollution. As Nixon worked on protecting the nation’s air in an attempt to ensure his popularity, he received strong pressure from environmentally conscious Americans to enact tough regulations on the auto industry leading to the signing of the Clean Air Act of 1970.

In 1968, President Richard Nixon appointed transition task forces and one of these was the Task Force on Natural Resources and Environment. This task force consisted of a group of twenty academicians, environmentalists, and
Corporate executives chaired by Russell Train. On December 5, 1968, this task force wrote a report and presented it to Nixon. The report stated that the country was facing an environmental crisis which could negatively affect the health, and the standard of living of the American people. The report shocked President Nixon and convinced him of the dangers that could come if the environmental crisis was not brought to an end.

President Richard Nixon did not take action against this problem until February 10, 1970. On this date, in a special message to Congress on environmental quality, he outlined a comprehensive thirty seven point program embracing twenty three major legislative proposals and fourteen new measures.

The administration would take these measures by executive order in five major categories: water pollution control; solid waste management; bureaucratic reorganization; parkland and public recreation, and air pollution.

In this message, the President acknowledged the environmental challenges the country was facing and emphasized the administration’s

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commitment to the environment by saying: “Our current environmental situation calls for fundamentally new philosophies of land, air, and water use, for stricter regulation, for expanded government action, for greater citizen involvement, and for new programs.” As a result of Nixon’s commitment to bring the environmental crisis to an end and the multiple pressures he faced concerning this problem, he signed the Clean Air Act of 1970.

The signing of this act did not come from Nixon’s pro-environment ideology but from the political expediency of a President trying to respond to pressures coming from different sectors of the American population. Since the publication of Rachel Carson’s *Silent Spring* in 1962, the environment had emerged as an important topic in American society ranging from government officials to middle school, high school, and college students.

Dana Gale, a 14 year old girl living in Pendleton Oregon was one of the hundreds of students who wrote to President Nixon to express concerns about the nation’s air pollution problem. In return, Nixon replied that he appreciated her concerns and claimed the administration as well as the rest of the country should be involved in solving the problem. The President’s answer to the student said: “It was heartening to learn of your strong interest in stopping the pollution

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of our natural environment. All American citizens, young and old, must work together if we are to succeed in making our country the clean and healthful place all of us want it to be.”

College students were highly involved in these developments as well. Among them was Denis Hayes, a twenty five year old Harvard graduate student, who recruited a number of volunteers for pro-environment activism.

The 1960s had been a time when growing numbers of Americans organized to protest against racism, poverty as well as the environment. The repression of African Americans and women, the apparent unexplainable reality of the war in Vietnam, the greed of large corporations, and the hard work of the average middle class were among the issues they had battled besides the environment. American society had demanded changes in all of these areas and when Silent Spring was printed, it sparked huge concerns and activism related to environmental protection.  

After Silent Spring, the environment erupted as a topic of conversation and concern among ordinary Americans. There was remarkable growth in new membership for environmental organizations such as the National Audubon

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8 Box CFSU H 30, Folder EX HE 9-1.
society, the National Wildlife Federation, the Sierra Club, and the Izaak Walton League. Added to this, five new important environmental organizations emerged between 1967 and 1971: The Environmental Defense Fund, Friends of the Earth, the Natural Resources Defense Council, Environmental Action, and the Union of Concerned Scientists. Between 1967 and 1971, enrollment in the Sierra Club, an important environmental society in America, grew from 48,000 to 130,000, and in 1970, the membership of the National Audubon Society more than doubled rising to 150,000.

A large number of environmental periodicals and journals also appeared; University faculty started teaching courses about environmental science, and on April 22, 1970, around twenty million Americans participated in Earth Day.10

Earth Day was one of the largest displays of unity in American history. People from different cities around the country such as New York, Washington, Philadelphia and Los Angeles participated in the festivities. Over ten thousand schools and two thousand colleges took part in an event that was meant to create environmental awareness and in return became the most important episode in American environmental history.

Environmentalists chose earth day to sound an alarm that would wake up the country to the environmental crisis. With this in mind, the demonstrators fashioned creative tactics to attract media attention. For instance, a group of students at the University of Minnesota who were members of the Students for Environmental Defense, conducted a mock funeral service for the internal combustion engine lowering an engine into a coffin in downtown Minneapolis. The first Earth Day placed the environment at the top of the list of priorities for citizens at all levels of society.\textsuperscript{11}

As additional Americans developed an awareness of environmental problems, President Nixon found himself in the middle of a national ideological shift. In 1965 only 28 percent of the people considered the problem of pollution was serious in their area, and by 1970, 69 percent of the people considered it a serious issue. Gallup Polls from 1969 and 1970 show that public concern over water and air pollution jumped from tenth place in the summer of 1969 to fifth place in the summer of 1970 and the American public considered this problem more important than race, crime and teenage problems. Also, a Harris poll showed that Americans rated pollution as the most serious problem facing their communities; and Time magazine named the environment as the issue of the

\textsuperscript{11} Flippen, \textit{Nixon and the Environment}, 6-10.
Besides the rise of environmentalism and the ideological shift that spread because of the movement, there was another sector in American society that had pushed for fundamental changes in environmental legislation prior to the signing of the Clean Air Act of 1970, the worker unions. Historians have overlooked the important role of the worker unions and unionized employees in the rise of concern over environmental issues in American society. Organized labor demonstrated strong support for many environmental initiatives prior to 1970 and before most Americans became aware of such issues.

Among environmentally active worker unions, union officials of the United Auto Workers (UAW) were the most energetic up to the 1970’s. The UAW demonstrated considerable interest in land use, wilderness preservation, and pollution control. In 1965, Walter Reuther, president of the UAW along with other union leaders organized a ‘United Action for Clean Water Conference’ that brought together community leaders, conservationists and hundreds of union members. By 1967, leaders and representatives of the UAW grew more ambitious in their environmental goals. As a result, they created a Department of

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Conservation and Resource Development under the leadership of vice president Olga M. Madar, who was also the head of the union’s Department of Recreation and Leisure-Time activities. Olga M. Madar focused on encouraging union members to take part in solving the air and water pollution problems and other environmental issues of their various states and communities.¹³

In January of 1970, Walter Reuther, held a press conference where he said, “I think the environmental crisis has reached such catastrophic proportions that … the labor movement is now obligated to raise this question at the bargaining table in any industry that is in a measurable way contributing to man’s deteriorating living environment.” Consequently, during negotiations with employers in 1970, locals made nearly 750 environmental protection demands, mostly concerning pollution at the workplace, but also including wider environmental issues. Later on in the same year, representatives of the OCAW and the Steelworkers joined the efforts of the UAW and testified before Congress that pollution control was necessary even if it reduced employment in their industries.¹⁴

Auto Workers were important contributors to the formation of a robust

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environmental movement and became a key factor in the developments that led to the passing of fundamental environmental laws during the Nixon administration. In Michigan they were active through a collection of local and state sportsmen’s clubs, and international and local chapters of the UAW. These clubs and organizations were the primary means by which Michigan auto workers pioneered working class environmentalism.\footnote{Chad Montrie, \textit{Making a Living: Work and Environment in the United States} (Chapel Hill: University of North Carolina Press, 2008), 91-98.}

Environmentalism, the ideological shift and worker unions were not the only pressures Nixon was facing prior to the signing of the Clean Air Act of 1970. Added to these, was the pressure coming from pro-environment legislators. Since the 1950s, legislators had started working to reconfigure the boundaries of environmental politics. In the American Congress ideas about environmental values started to become more influential long before 1970. Throughout the 1950s and 1960s, legislators like John Blatnik and Edmund Muskie pushed for some of the nation’s most important pollution control statues like the first water pollution control legislation in 1956. Throughout his political career, Senator Muskie was successful in establishing himself as the nation’s preeminent designer of environmental policy.\footnote{Paul Milazzo, \textit{Unlikely Environmentalists: Congress and Clean Water, 1945-1972} (Lawrence, Kansas: University Press of Kansas, 2006), 6-9.}
Legislators had worked hard for almost two decades to design new laws and create constituencies to support them. By 1970, at the high point of the environmental frenzy, they found support in almost the entirety of the American public. Nixon, who was constantly concerned about popularity and reelection, took this very seriously as Edmund Muskie was a potential presidential candidate for the Democratic Party in the upcoming elections.¹⁷

In November 1970, Senator Edmund Muskie proposed the initial amendments to the clean air laws of 1967. His proposal required automobile emissions of carbon monoxide, hydrocarbons and nitrogen oxides to be reduced by 90 percent from 1970 levels by 1975 unless the Secretary of Health, Education and Welfare extended the period for one year. The extension would be subject to judicial review.

Ironically, when Muskie initially proposed the amendments, President Nixon joined the automobile industry in opposing the 1975 deadline. Earlier in 1970, officials of the three main automobile companies (Ford Motor Company, Chrysler Corporation, and General Motors Corporation) had asked in the Senate-House conference to modify the bill in a way that would give the Secretary of

Health, Education and Welfare the authority to grant additional suspensions each for a period of one year after conducting an appropriate hearing. In addition, the auto companies had argued that technology was not available to meet the 1975 deadline. For these reasons, Nixon had sent to the Congress his version of the bill which asked for a revision of Muskie’s proposal and claimed that the deadline to meet the reduction in emission standards should be 1980 and not 1975.\(^{18}\)

Nixon’s opposition to Muskie’s initial proposal is an example of his political philosophy relating to local affairs. The President was willing to enact tough regulations on businesses yet he also sought to provide them with leeway to adapt without a loss of profits and jobs. He was aware that a healthy and prosperous private sector increased the chances for his electoral success. Nixon was neither a passionate environmentalist nor a pro-business President. Different from the environmentalist movement, he did not blame industry or progress for the damage of the environment, in a special message to Congress he said, “there is no villain in this environmental problem, it comes not from decisions taken but from decisions neglected, not from malign intention, but from failure to take into

account the full consequences of our actions.”

After 1970, Nixon did not see progress as environmentally damaging; he considered that progress and a good economy could be kept while still protecting the environment.

In his clean air proposals Nixon requested that auto emission standards be related to judgments about the best technology available within a given timetable for implementing the standards but Congress did not agree. Instead, Congress passed auto emission levels based not on any demonstration of available technology but rather on the degree of air quality thought to be necessary in urban areas. Auto manufacturers were required to reduce emissions from 1975 model cars 90 percent below the standards applicable to 1970 model cars. Congress also approved a one year extension of this deadline which could be granted by the administrator of the Environmental Protection Agency under certain conditions. Besides these two aspects, most of Nixon’s proposals were passed.

Among the approved Nixon proposals were the establishment of national air quality standards; the creation of emission standards applicable to major, newly constructed stationary sources of air pollution; the expansion of

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streamlined enforcement powers; authority to regulate fuels and fuel additives; and authority for assembly line testing of auto emission control systems.\textsuperscript{20}

After opposing some of Muskie’s rough proposals in the bill, the President, as advised by the Office of Management and Budget, the Council on Environmental Quality, and the Environmental Protection Agency, yielded and agreed to sign what many called the “Muskie Bill”. Interestingly, Nixon took credit for the bill by saying, “The Clean Air bill came by the president proposing and the cooperative efforts of both political parties on Capitol Hill.”\textsuperscript{21} Nixon went as far as not including Edmund Muskie in the list of those who were invited to the signing of the bill.

According to pro-environmentalist author and activist Barbara Davies, Nixon’s intention was to take the leadership on the pollution issue, threatening to undercut one of Muskie’s strong points as a possible presidential contender in the forthcoming 1972 elections. Muskie answered by saying, “although opposed in part by the administration, the Act is a nonpartisan Congressional effort”\textsuperscript{22} and then proceeded to demand action from the administration to do effective work

\textsuperscript{20} Public Law 91-604 (84 Stat. 1676; Whittaker, \textit{Striking a Balance}, 94; Public Papers of the Presidents, \textit{Special Message to the Congress on Environmental Quality}, 1970, 100-104.
when enforcing the new law.  

Passing this legislation added strength to Edmund Muskie’s political goals as it pleased the high number of environmentally conscious voters. Muskie had been under intense pressure from environmental groups to produce a tough clean air bill and the Clean Air Act Amendments of 1970 seemed to meet expectations as long as it was properly enforced. On the other hand, passing this bill also added strength to the popularity of the President as it showed his commitment to the environment. Subsequently, Nixon intensified support for the Clean Air Act by committing to tough enforcement of the bill through the Environmental Protection Agency. This piece of legislation made almost everyone happy except for the auto industry.

Added to the pro-environment pressures, the President also had to work against the pressure of the automobile industry. Industry leaders sought to make sure that the Clean Air Act was implemented in a business friendly manner.

By the 1960s the automobile had become a major factor in the United States’ economy and way of life. In 1965 the auto industry was selling about 9.5

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million cars per year with prediction of ten million not far off. Consequently, this industry became one of America’s biggest and better paying employers. Automobile workers were among the best paid in American industry, averaging more than $4 an hour plus company medical insurance, drug insurance, and layoff pay pushing the total pay to about $5.6 an hour at the factories of General Motors, Ford, and Chrysler.

On the other hand, automobiles had become the main source of pollution of the nation’s air. Automobiles had doubled in number between the 1950s and the 1970s. During the 1950s Americans junked almost as many cars per year as they manufactured. Cars were among the main contributors to contamination of the nation’s air.

The internal combustion engine produced life threatening levels of hydrocarbons, carbon monoxide, and nitrogen oxide vehicular exhaust emissions. Therefore, in certain urban areas polluted air decreased visibility and irritated the eyes of the people. Consequently, automobile producers had become the central character in the attacks of environmentalists. The American public was unhappy with the auto industry and blamed it for polluting air.

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26 Flippen, Nixon and the Environment, 4; Whittaker, Striking a Balance, 22.
killing people, destroying cities and accused it of only caring about profits.\textsuperscript{27}

Nixon was aware of the significant role the automobile industry had in sustaining a healthy economy yet he knew he needed to implement legislative changes to satisfy members of a newly environmentally conscious population. For this reason, with his back against the wall with these issues, Nixon decided to take action to satisfy the majority of the American public as well as to protect what he considered America’s most vital resource. In 1970 he once said, “Air is our most vital resource, and its pollution is our most serious environmental problem.”\textsuperscript{28}

The President knew that he was going to have to sacrifice his relationship with the auto industry in order to solve the problem of clean air and keep environmentalists happy. But he started to take action in a very diplomatic way by arguing that “there is no villain in this environmental problem, it comes not from decisions taken but from decision neglected, not from malign intention, but from failure to take into account the full consequences of our actions.”\textsuperscript{29} With this statement Nixon wanted to make sure that his forthcoming environmental legislation concerning clean air was not perceived as an attack on the auto

\textsuperscript{27} \textit{New York Times}, April 2, 1970.
\textsuperscript{28} \textit{Public Papers of the Presidents}, 1970, 100.
\textsuperscript{29} \textit{Public Papers of the Presidents}, 1970, 96.
industry.

For this same reason he went as far as to praise the auto industry for working on meeting the present federal emission standards, and on their own initiative preparing to put on the market by 1972 automobiles which did not require the use of leaded gasoline.\textsuperscript{30} He also made it clear that he was interested in progress and a healthy economy while at the same time protecting the environment. He did not see progress as environmentally damaging; he considered that progress and a good economy could be kept while still protecting the environment.\textsuperscript{31}

Nixon was not an environmentalist nor was he a servant of corporate interests. Although he supported the Clean Air Act of 1970 as well as many other environmental initiatives, he judged that prosperity was a prerequisite to reelection and that unemployment lost votes and elections. Nixon was not radically pro-environment nor was he radically pro-business.\textsuperscript{32}

Although determined to seek corporate support, caring for corporations was not at the top of the President’s priorities. Nixon disliked businessmen, and members of the eastern board elite, he said that the people of character were the

\textsuperscript{30}Public Papers of the Presidents, Richard M. Nixon, 1970, 102.

\textsuperscript{31}Public Papers of the Presidents, Richard M. Nixon, 1970, 96.

labor leaders and that his source of strength was more main street than Wall Street. Nixon was usually more concerned about how the public perceived his policies than he was about passing them. He did not want to look like the older Republican leaders that had lost so many elections in recent years, he wanted people to see him as an enlightened centrist, a conservative man of liberal views, not too liberal and not to conservative, therefore expanding the reach of his government to benefit constituents and solve the nation’s problems.33

This open-minded perspective allowed the President to make the necessary choices in order to fight two battles, the one against air pollution as well as the one against the biggest enemy of air pollution regulations, the American automobile industry.

After signing the Clean Air Act of 1970, President Nixon left it to the EPA to enforce this legislation diligently. William Ruckelshaus, administrator of the EPA, promised strong enforcement. Because the Clean Air Act of 1970 stated regulations that threatened the high levels of profitability the auto industry was enjoying, executives of the industry decided to present themselves as victims and to fight back.

CHAPTER II

SIGNING THE CLEAN AIR ACT: THE FIRST BIG SHIFT IN BUSINESS-GOVERNMENT RELATIONS OF THE NIXON ERA

The Clean Air Act of 1970 marked the start of the first big shift in business government relations of the Nixon era. Clean air regulations were harsh on the automobile industry as most air pollution came from the internal combustion engine. In an effort to maintain high profitability and force the administration to enforce legislation in a business friendly way, representatives of the major auto corporations threatened to raise prices and eliminate jobs. This started a price battle between the industry and the Nixon administration. For the president, maintaining his position to protect the nation’s air and sponsoring economic stability became determining factors that could guarantee reelection. Therefore, Nixon decided to fight against the auto price increase while maintaining tough regulations on the automotive industry.

On December 31, 1970 in the Roosevelt room in the White House, Richard Nixon signed the Clean Air Act of 1970. In the presence of William Ruckelshaus,
eighteen administration officials, and members of the press, Nixon vowed strong enforcement of the bill. Also, after signing the Clean Air Act of 1970 and standing in front of a Frederic Remington painting of the charge of the Rough Riders at San Juan Hill, the President claimed, “This is the most important piece of legislation, in my opinion, dealing with the problem of clean air that we have this year and the most important in our history.”

The Clean Air Act focused largely on providing procedures to enforce regulations related to air quality standards and fuel emissions. After signing the bill, Nixon claimed that if this bill was completely enforced, automobile emissions would be reduced by 90 percent and then he observed, “the problem of automobile pollution plagues all the great cities of this nation and most of the great cities in the world have significant problems.”

The auto industry did not take these declarations lightly as most of the regulations put in place by the Clean Air Act directly affected their profitability. After vividly trying to influence this legislation to their benefit since 1969 without positive results, auto companies faced a dramatic shift in the way clean air laws regulated their proceedings. Compared to the 1967 Clean Air Act

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Amendments enacted during the Johnson administration, the 1970 Clean Air Act Amendments were much broader in scope and more ambitious in their objectives. Consequently, the bill turned into the source of a conflict that challenged the entire social, economic, political, and environmental structure of the nation.\textsuperscript{36}

Prior to the Clean Air Act of 1970, automobile executives had enjoyed business friendly environmental policies that added few costs. Since the early 1960s American business had played a uniquely important role in environmental policy making. Business corporations had sought to create a business friendly environmental policy which included little regulations and costs.

For instance, the Clean Air Act of 1967 aimed at regulating pollution but provided insufficient Federal enforcement powers which prevented the government from efficiently implementing these laws. For this reason, even with the clean air legislation signed during the Lyndon B. Johnson Administration, their profitability was not affected. The Clean Air Act of 1963 was a very business friendly law which lacked specificity in terms of enforcement and methodology to actually accomplish environmental goals. This lack of specificity was evident in President Johnson’s statement right after signing the bill, “Now, under this

legislation, we can find ways to eliminate dangerous haze and smog.” The purpose of this law was mainly to set some standards and “find ways” in which smog could be reduced especially inside the big cities.

On the other hand, the Clean Air Act of 1970 established clear standards, a specific method, and added to this, an enforcement agency. The Environmental Protection Agency (EPA) was in charge of enforcing Clean Air regulations during the Nixon Administration. Prior to signing the Clean Air Act, Nixon had decided that he wanted to restructure the government in a way that would make it faster and more efficient. For this purpose he established the President’s Advisory Council on Executive Organization which later came to be known as the Ash Council.

On April 20 1970, the ASH Council wrote a report to the President recommending the formation of an Environmental Protection Administration to repair the damage already done to the natural environment and to guide the country into a better environmental era. The report stated that pollution was

38 ASH Council: Out of Nixon’s concern over complicated governmental operations and his search for orderly governing procedures, came the ASH Council. In April, 1969, almost immediately after his election, the President appointed Roy L. Ash as the head to the President’s Advisory Council on Executive Organization, also known as the Ash Council. The Council was supposed to generate new ideas about executive reorganization. A few months later the Council targeted six major areas for reorganization, the environment was one of them. See also: Joan Hoff, Nixon Reconsidered, 50-76.
essentially a by-product of America’s vastly increased per capita consumption, intensified by population growth, urbanization, and changing industrial processes, and went further to inform that if nothing was done fast, problems of environmental degradation would rise exponentially.\textsuperscript{39} According to the Ash Council Memorandum, the environmental crisis was the result of America’s post World War II prosperity and growth which involved a vast increase in the number of automobiles used by Americans.\textsuperscript{40}

Consequently, on July 9, 1970, in a message to Congress transmitting his plan to establish the agency the President said, “The creation of an Environmental Protection Agency is necessary to increase the efficiency of the operations of the government to the fullest extent possible.”\textsuperscript{41} With the creation of this agency Nixon not only wanted to answer to the environmental crisis and to his critics who argued that he was anti-environment but he was determined to structure government in a way that would increase efficiency in dealing with the current environmental crisis. He argued that with the creation of the EPA the government would pull together into one agency a variety of research,

\textsuperscript{41} Public Papers of the Presidents, Richard Nixon 1970, 578.
monitoring, standard-setting and enforcement activities now scattered through several departments and organizations.42

Creating the EPA was one of Nixon’s most important environmental policies as it provided the bureaucratic infrastructure to enforce regulations such as the ones that were established in the Clean Air Act of 1970. The EPA, led by its administrator, William Ruckelshaus, became the enforcer of clean air legislation for the Nixon Administration and its toughness played a pivotal role in establishing the start of a new era of business government relations in the United States.

Auto executives such as Lynn A. Townsend (President of Chrysler Corporation) were concerned over the enforcement of the Clean Air Act of 1970. Although auto leaders presented themselves as representatives of environmentally friendly corporations, they tried to influence changes to the clean air bill and the way the EPA was going to enforce it. For this purpose, they used three main venues. The first one was related to their most valuable asset and the most important political aspect for Nixon’s political future: influence in the economy of the country. The second was a stipulation provided by the Clean Air Act Amendments of 1970 which allowed them to ask for extensions if they

42 Ibid
found themselves in a position where they found it impossible to meet the 1975 emission standards; and the third one was a proposal made to change the federal automotive standards of 1975-1976.

Although auto executives tried to influence this legislation before it was signed into law, they did not take action as publicly as they could have. Considering the strength of the environmental movement and the rise in public concern over the environment, auto companies chose an approach which appeared to be more environmentally friendly. They stated that they would try to comply with the new emission standards. But as early as April of 1972, Edward N. Cole, president of General Motors Corporation claimed that after spending close to $182 million dollars in an attempt to clean up auto engines, his company did not know if whether or not it was going to be able to meet the 1975-1976 standards the Clean Air Act required.

Subsequently, Cole went further to argue that the additional emission control equipment needed to meet the 1975 standards would add $200 per vehicle to the cost of 1975 models over and above 1973 costs.\(^{43}\)

Considering automobiles had become a vital part of American life and

economy, a price increase of $200 per car in a time when the Nixon administration was struggling to stop inflation and stabilize the economy was an enormous step back in the President’s plans for reelection. The President and his advisors were concerned that the public was not aware of how much inflation had slowed down during the last year. For this reason they decided to intervene aggressively. The administration had foreseen that if the auto industry decided not to raise prices as a result of government action, the administration could cite this as evidence that inflation was decreasing.

Consequently, on August 1972, Donald Rumsfeld, head of the Cost of Living Council summoned via telegram the four main auto manufacturers of the country to Washington. The telegram read: “The President has directed that I review your planned price increases with you, I will have my office contact you to arrange a mutually convenient time.”

After meeting with representatives from Ford Motors Corporation, Chrysler Corporation, General Motors Corporation and American Motors Corporation, a spokesman of the Cost of Living Council said that Rumsfeld had asked each firm to cancel or moderate the price increase on 1973 automobiles.

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44 Ten million cars were sold per year in the United States, and one million in the month of October, 1971. New York Times, November 2, 1971.
46 Ibid.
Later in 1972, Ford Motor Corporation requested more time before a decision; General Motors announced that it was reducing its requested price increase to $59 per car; and Chrysler Corporation and American Motors Corporation refused to reduce the increase. Donald Rumsfeld reacted to the decisions made by the corporations and made it clear that even though General Motors had made the better choice, the administration still wanted zero price increase: “We praise General Motors for going as far as it went, and we hope that Ford is listening and will take us further down the road. We prefer a zero increase.”

The Nixon administration was urgently looking for a zero price increase in automobiles which would be helpful for the economy as well as for the president’s popularity. It was good for the administration if the public perceived it as an active agent in the fight against inflation as well as a presidency that could not be dominated by business interests. In August of 1972 Robert P. Griffin, Republican senator of Michigan supported the administration and made it look like the auto industry would not find an ally in the Republican Party when he said: “In light of record sales and profits now enjoyed by the industry, I believe it is reasonable to expect the industry to absorb some of the antipollution

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costs which have been imposed by Federal regulations."\(^{48}\)

Lynn A. Townsend, chairman of Chrysler Corporation was the first to reply to these comments. Townsend argued that the Nixon administration’s effort to talk the automobile industry out of price increases for 1973 was an arbitrary and discriminatory request that was not compatible with the law. Then he went further to claim that if the auto industry did not increase prices, it would be forced to start to lay off workers therefore affecting the economy not only in Detroit and Michigan where the main assembly lines were located, but in other areas of the country that depended on the success of the auto industry.

The debate did not just stay between administration officials and the industry executives. Leonard Woodcock, president of the United Automobile Workers who had previously complained by saying that the Clean Air Act was too soft on the auto industry, publicly supported the Nixon administration in the price battle by claiming that higher auto prices would lead to reduced sales and reduced production which would lead to fewer jobs for auto workers. Auto executives held their ground and said that the price hike was only to pay for the administration’s new environmental regulations and that it was impossible for them to increase the volume of sales to a point that would allow them to absorb

The Nixon administration and the auto industry held a price battle as a result of the President’s commitment to enforce the Clean Air Act Amendments of 1970. This was the beginning of a new era of environmental regulations especially for the auto industry. The era was characterized by tough policies and stronger and better organized enforcement. The result was the aggressive attempt of automobile corporations to manipulate politicians by threatening to increase prices or fire employees. But the administration held its ground and the United Automobile Workers got publicly involved in support of the government and the end result was an auto price freeze.

In September of 1972, the Price Commission, an institution responsible for keeping inflation under control, ruled that the automobile corporations did not qualify for any price increase in its 1973 models to cover for the extra cost of government ordered antipollution improvements. This decision was not based on any political grounds; instead, the Price Commission stated that approval of the requested price increases would widen the companies’ profit margins in violation of price control standards.50

Losing the price battle was the type of event that big business

corporations were not used to in the United States prior to the early 1970s. Considering business groups were accustomed to being leading players in the policy making process, in shaping public debate and in influencing the formulation, adoption and implementation of regulatory laws. The price battle defeat was among the first losing occurrences the automobile industry had to face during the new era of business government relations but not the last one.

The main characteristic of the new period of business government relations of the Nixon era was an ideological shift in the nation. This shift placed large amounts of pressure on the Nixon Administration to commit to the enforcement of the laws it had approved. The ideological shift was the driving force behind the Administration as well as the Environmental Protection Agency in their quest to clean the nation’s air.

In spite of the public’s support for tough enforcement of environmental regulations, and losing the price battle, the automobile industry continued to try to find ways to secure its high levels of profitability. For this purpose they decided to use the leeway that the Clean Air Act of 1970 provided.

According to the Clean Air Act Amendments of 1970, if the automobile corporations were trying in good faith to improve their technology to meet the 1975 standards, the law allowed them to ask for a one year extension. When
these corporations presented their case and applied for the extension, William Ruckelshaus, administrator of the Environmental Protection Agency, rejected their request.

Consequently, the auto industry decided to unite and sue the Environmental Protection Agency and Ruckelshaus. This lawsuit was brought to the United States Court of Appeals in the District of Columbia Circuit by International Harvester Company (truck manufacturer), General Motors Corporation, Chrysler Corporation, and Ford Motor Company.\(^{51}\)

In the lawsuit the companies were seeking a review of the decision by the Administrator of the Environmental Protection Agency. They claimed that they had been diligent in trying to meet the standards but considering the amount of changes that needed to be done, it was impossible for the car manufacturers to shift production from large number of previous models and engine types to those capable of complying with the 1975 standards and meeting national demand for new cars.\(^{52}\)

After losing the price battle and feeling the effects of the shift in business government relations, auto executives decided to use other ways to attempt to shape environmental legislation to their benefit. One of these ways was going to

\(^{51}\) 78 F.2d 615, 155 U.S.App.D.C. 411  
\(^{52}\) 478 F.2d 615, 155 U.S.App.D.C. 411
court. Ford Motor Corporation, Chrysler, General Motors, and International Harvester joined forces and sued the EPA. After suing the EPA and not obtaining the desired results, Chrysler executives acted as representatives of the industry and wrote an official proposal to the Nixon administration to change Clean Air legislation.
CHAPTER III

THE AUTOMOBILE INDUSTRY AND THE PROLONGED FIGHT AGAINST CLEAN AIR REGULATIONS

After losing the price battle, representatives of the auto industry carried on with their attempts to twist clean air policy to their benefit. As they realized that Nixon was deeply committed to enforce clean air regulations diligently, auto corporations found two other ways to continue to protect their high levels of profitability and force the administration to make the desired changes. The first was to sue the EPA. Once the lawsuit did not bring the desired results, auto executives wrote an official proposal as a desperate attempt to change the law in their favor. But the administration, in this case represented by the EPA, did not retract from its position; instead, it continued to make sure the problem of clean air was resolved.

On May 12 1972, in a written statement concerning the denial of the application of the automobile industries for an extension of the deadline to meet
emission standards, William Ruckelshaus, said: “there is no question but what there will be some concern on the part of the automobile manufacturer about this decision, but let’s see what everyone’s options are.” Then he stated: “if I were sitting in the position of the automobile manufacturer, my first option would be to try to meet the standards which would obviously keep the automobile companies open; the second option is if they are convinced that I am wrong as apparently they are, and that the technology is not available, and that the evidence in record indicates it is not available, they have the option of going to court to prove that; the third option is that they can make a best-systems choice. They can contract with the catalyst manufacturers to make available by 1975, or the 1975 model automobiles, the catalytic systems.”

Ruckelshaus’ toughness certainly challenged already distressed auto executives and best represents environmental regulatory efforts enacted in response to the ideological shift of the nation and the environmental crisis.

Accordingly, on December 18, 1972 after losing the price battle and facing the non-approval for an extension on the emission standards required by the Clean Air Act Amendments of 1970, the auto industry decided to use a different venue to accomplish what it wanted, this venue was Ruckelshaus’ second option,

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53 William Ruckelshaus. *Statement on Denying the Application to Extend Emission Standards*. Box CFSU 31 Folder EX HE 9-1
going to court.

In the lawsuit brought to the United States Court of Appeals in the District of Columbia Circuit, International Harvester Company (truck manufacturer), General Motors Corporation, Chrysler Corporation, and Ford Motor Company sought the review of the decision Ruckelshaus had made of not approving the application for an extension to meet the 1975 standards.

Representatives of the automobile corporations argued that they had been diligent in trying to meet the standards but considering the amount of changes that needed to be done, it was impossible for the car manufacturers to shift production from large numbers of previous models and engine types to those capable of complying with the standards and meeting national demand for new cars.\textsuperscript{54}

Another argument that the auto companies presented was based on a recent study the National Academy of Science had made. The study revealed that technology was not available to meet the standards of 1975 and therefore demanded a “reasoned decision” from the Environmental Protection Agency on the application for a one year extension of 1975 emission standards. \textsuperscript{55}

EPA administrator replied to auto industry arguments with conviction.

\textsuperscript{54} 478 F.2d 615, 155 U.S.App.D.C. 411
\textsuperscript{55} Ibid.
First, he stated that the studies of the National Academy of Science did not necessarily bind the Environmental Protection Agency in order to consider the one year extensions. Then he went further to observe that the auto industry had not worked hard enough to meet the 1975 standards. Ruckelshaus supported this statement by saying that for the first two years after the Clean Air Act Amendments of 1970 were signed into law, the auto industry had “dragged their feet” and that the Japanese auto industry had been diligent and had found a way to meet the 1975 standards. Then he added that the Japanese auto industry had offered to show them the technology they had been able to find.56

The lawsuit ended in another defeat for the auto industry. The Court of Appeals stated that it could not order a one year extension for the 1975 standards as Congress had determined the proper procedure and circumstances under which such extensions could be provided and the Administrator of the Environmental Protection Agency was the only one who could decide on these matters. This was an important moment for William Ruckelshaus as well as for the Nixon Administration as public opinion reacted favorably to their hard-hitting standing towards the auto industry and made an even stronger statement

than it did by winning the price battle. It showed the auto industry how somber the change of business-government relations had become.57

After losing in court, representatives of the auto industry were surprised but not defeated. Even though the Environmental Protection Agency showed no sign of backing down and the federal government either, they kept fighting to turn things around in a way that would benefit them. For this reason, they decided to propose changes or “alternatives” to the Clean Air Act Amendments of 1970.

In January of 1973, Lynn A. Townsend, chairman of the board of Chrysler Corporation started to contact John D. Ehrlichman, assistant to the President for domestic affairs, in order to convince him that the auto emission standards set by the Clean Air Act Amendments were unrealistic and therefore should be changed to more possible ones. In the statements Townsend sent Mr. Ehrlichman, Chrysler Corporation carefully included a summary of pertinent and current medical evidence, an analysis of the method used to calculate the necessary degree of reduction in automotive emissions, and a review of the recent study by the National Academy of Sciences on the industry’s ability to meet the standards as they were written at that moment. All of this information

57 478 F.2d 615, 155 U.S.App.D.C. 411
was put together in a way that would influence government officials. The statement concluded that the evidence summarized in the document showed that the reductions in automotive emissions should be partially changed in order to protect the public health and welfare in all parts of the country.  

In the document Lynn Townsend sent to Mr. Ehrlichman, he went further to state that if the administration made changes to the legislation, the auto industry would commit to meet the standards, especially if one of the changes was to move the deadline to 1977 model cars. Townsend also argued that making changes to the Clean Air Act Amendments would avoid cost penalties for the consumer and for the economy which were something no one wanted. The introductory letter to the document ends with the following statement by Lynn Townsend: “We are hopeful that after carefully examining the facts that are now available, the Congress will act on this information and replace present standards with new ones which will protect the environment while conserving our country’s resources.”

In March of 1973, Chrysler sent a document entitled *Position Statement by Chrysler Corporation on the Health Effects of Automobile Emissions* to the office of

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58 Memorandum from Lynn A. Townsend to John D. Herlichman, Box CFSU HE33 Folder BEN HE9-1 Air Pollution
59 Ibid.
John D. Ehrlichman. This document represented the company’s last desperate
effort to try to change the law. In this document Chrysler boldly claimed that the
“requirements of the 1970 Clean Air Act should be suspended and the law
revised” and that the proposal was very urgent in light of the additional new
body of evidence detailing the extreme cost penalty of the federal standards,
their drain on the nation’s natural resources, and their effect on the country’s
trade. Chrysler further observed that their intention was not to stop controls on
air pollution but to propose reasonable pollution control.

In the same document, Chrysler representatives claimed that reasonable
pollution control could be accomplished if the standards were lowered to the
point that they just ensured the safeguard of the public’s health and welfare
instead of making them so low that they threatened the entire American
economic system. This claim was followed by a statement in which Chrysler
tried to convince Mr. Ehrlichman that the reason why the Clean Air Act of 1970
was so tough and radical and overlooked so many scientific facts, was because
Congress had reacted to the country’s sense of urgency about the environmental
problems that had peaked around the time the Act was signed into law.  

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60 Position Statement of Chrysler Corporation on the Health Effects of Automotive Emissions. Box CFSU HE33 Folder BEN HE9-1 Air Pollution.
61 Ibid. 6.
According to Chrysler, the problem with the Clean Air Act was not only that it was not based on thorough research but that it was limited in scope. This legislation, as it was approved in Congress, wanted to establish a national environmental strategy which would protect people everywhere from all the possible effects of all emissions. By doing this, Chrysler observed, legislators failed to recognize the fact that the air quality problem varied in different parts of the country. Therefore emission control standards should be designed to protect the public health and welfare in the part of the country that clearly has the worst possible problem, and then extend as needed to the rest of the country.\(^\text{62}\)

Another argument Chrysler representatives made in their attempt to change the Clean Air Act was that automotive emissions were a small contributor to the nation’s air quality problem. The corporation supported this statement based on a concept they called “relative harmfulness.” The rationale behind this concept was that air pollution varied from one location to another depending on the concentrations of emissions from factories, automobiles, home furnaces and fireplaces and if this was taken into account, then automobile emissions were not responsible in its entirety for air pollution problems in highly populated and highly urbanized areas. Added to this, if the Congress considered

\(^{62}\) Ibid. 4,5
that about 75 percent of the population lived on only 1.5 percent of the available land, then motor vehicles were responsible for only 10 to 12 percent of the entire country’s air quality problem.\footnote{Ibid. 3}

Chrysler’s position statement illustrates how diligent, confident and far reaching American corporations were in their attempts to influence policy changes. Even in the midst of what can be considered a new era of business-government relations, the auto industry invested time and financial resources to make a strong case against the essential implementation of the Clean Air Act Amendments of 1970. Because they had lost the price battle and they had lost in court, they realized that the only way to turn the situation to their favor and get what they wanted was by changing the law. For environmentalists, workers, students and people around the country this would be close to impossible, but for big corporations this was viable option based on the way the were accustomed to negotiate with the government during previous administrations.

Added to this, Chrysler tacitly criticized the Congress for being shortsighted and blamed it for any future economic misfortunes that could happen in the future. The position statement that Chrysler Corporation sent to John D. Ehrlichman in early 1973 serves as a case study of the efforts automobile
corporations were desperately making during this era to shape policy and therefore control the implementation of laws that could affect their profitability. On the other hand, environmentalists and other sectors of the American population continued to pressure the Nixon administration for tough implementation of the Clean Air Act which in many cases was considered “weak” on the auto industry. Representatives of the United Auto Workers claimed that the bill was not strong enough to hold back the automobile industry from further contaminating the nation’s air and environmentalists claimed that Ruckelshaus and other administration spokesmen “usually talk tough in public, but what’s said behind closed doors is anyone’s guess.”

The pressure the auto industry placed on the Administration and the criticism coming from environmentalists did not move Ehrlichman. Instead, he asked the President to continue to trust Ruckelshaus regarding his interpretation and enforcement of the Clean Air Act of 1970. Ehrlichman remarked that Ruckelshaus actions reflected what the majority of the people wanted and changing these laws would affect the credibility of the Administration in regards to environmental issues.

For this reason, on April 18 1973, President Nixon wrote a letter to

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William Ruckelshaus congratulating him for his work as the administrator of the Environmental Protection Agency. Nixon encouraged him to make sure to “not simply coast on our earlier momentum, but with a renewed drive toward excellence in Government.” Also, the President wrote Ruckelshaus that he was interested in receiving new policy initiatives, and improvements which could be made in current programs. The President’s support to the actions of the Environmental Protection Agency made a strong impression in the public but the automobile companies claimed they were the victims in this process.

The automobile industry had been complaining since April of 1972 that it was singled out to receive extraordinary pressure from the government, this pressure affected operations and profitability. Industry leaders argued that labor costs, low productivity, and import threat added to government demands for pollution control were problems which had to be solved as they still needed to make reasonable profits in order to prevent an industry recession.

As the Nixon administration considered these claims in 1973, it concluded that the demands it was placing on the auto industry were necessary and valid.

Necessary because it was in the best interest of the United States Government to

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65 Memorandum for Honorable William D. Ruckeshaus, Administrator Environmental Protection Agency. Box 5 CFSU FG. 566. Folder Ex FG 298 EPA
66 Ibid.
stand by the laws which they had previously passed and valid because the
American automobile corporations had been some of the primary beneficiaries of
Nixon’s new economic legislations set forth in August of 1971. These economic
policies had eliminated auto excise taxes, given tax breaks on capital investment
and discouraged importation of foreign cars, first by the 10 percent import
surcharge and later by devaluation of the dollar.67

By the end of 1972 and the first few days of 1973 it seemed like the
President was fully on the side of the environment. Nixon’s environmental
policies to clean the nation’s air had been passed and the Environmental
Protection Agency was enforcing them diligently. This marked a new era of
business-government relations in which the industries that were high
contributors to the problem of air pollution were forced to sacrifice profits and to
comply with regulations that looked to ensure the health of the American
population. As a result, the general public as well as academics from different
disciplines started to argue that Nixon was an environmentalist.

William Ruckelshaus had a different perspective. In an interview with
historian Paul Milazzo in 2007 he stated that the environment was never a matter
close to Nixon’s heart like it was the case for Ronald Reagan whom he

considered a true environmentalist. Instead, he added, Nixon’s main interests were connected to foreign policy. Ruckelshaus claimed that the “irony” of having so many environmental accomplishments during a conservative administration was due to the demand of the public. 68 Ruckelshaus’ claims about Nixon and the environment seem accurate especially when analyzing the environmental developments related to clean air policy after April of 1973.

The first few months of 1973 were a time when it seemed like the Nixon administration was absolutely committed to the cause of the environment. The auto industry had failed in its various attempts to transform clean air regulations into business friendly legislation. By April, 1973 as most environmentalists started to feel satisfied with the president’s efforts to clean the nation’s air, the administration started the second big shift in business-government relations of the Nixon era. The energy crisis and clean air regulations placed the auto industry in a difficult financial situation. For this reason, President Nixon decided to focus on the economic stability of the nation and threw environmental concerns to the wind.

CHAPTER IV

FROM THE CLEAN AIR ACT TO THE ENERGY ACT OF 1974: THE SECOND BIG SHIFT IN BUSINESS GOVERNMENT RELATIONS OF THE NIXON ERA

The year 1973 marked the start of the second big shift in business government relations of the Nixon era. Flexibility and little enforcement of environmental regulations characterized the new era. In an effort to rescue the economy and respond to the energy crisis, President Nixon decided to amend the Clean Air Act of 1970. With significantly less pressure to address environmental problems but still with opposition from Edmund Muskie, Nixon eased environmental regulations on the automobile industry. Because reelection and the environment were no longer matters of concern for the American people, Nixon decided to focus on economic issues. Therefore the president proposed the Energy Supply and Environmental Coordination Act of 1974. This act was a response to the energy crisis and a way to give the auto industry the benefits of a more business friendly administration.

In an environmental address to Congress in 1973, Nixon declared that the
environmental crisis was over when he said, “When we came to office in 1969, we tackled this problem with all the power at our command. Now there is encouraging evidence that the United States has moved away from the environmental crisis that could have been and a new era of restoration and renewal.” Although the President did not cite the evidence to support his claims, he further argued, “Today, I can report to Congress that we are well on our way to peace with nature.” After making these statements, he continued to introduce some of the guiding principles the President considered to be fundamental in order to continue to build on the administration’s current environmental success.

The President argued that balance between economic growth and environmental protection was one of his main goals for this new period and that “State and local governments had to take the lead with meeting the costs.” Nixon’s statements in this address show a sense of confidence in the administration’s accomplishments in dealing with the environmental crisis as well as a sense of preoccupation with budgetary issues that he knew were coming his way.69 Added to budgetary problems, troubles related to the energy crisis started to surface and public interest in environmental issues declined therefore creating an entirely different context for Nixon.

This new group of circumstances relieved Nixon from some of the pressures he had faced in 1969-1970 when he signed the Clean Air Act Amendments. Consequently, Nixon decided to refocus on his popularity which was mainly attached to the economic wellbeing of the people of the United States.  

In 1973, an energy crisis significantly affected various sectors of the American economy. With the Arab embargo and the sudden rise in imported oil prices, the automobile industry faced new challenges which directly affected their profitability. This led to a strong reaction from these corporations against the government especially in terms of attacks to the current environmental regulations set in place through the Clean Air Act Amendments of 1970. The companies started a fuming public relations campaign to persuade the American public into believing that environmental regulations would cost them money because these laws were going to cause a rise in price per unit of as much as one thousand dollars.  

By November of 1973, the energy crisis was squeezing the auto industry from two directions. The first one was shortages of power for making cars and

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71 *New York Times*, November 6, 1973
the second one was shortages of gasoline to drive them. Ford Motor Company was forced to stop production in a new plant in Cleveland because of lack of fuel for paint ovens. Consequently, Ford asked the United States Interior Department for help in obtaining gas so it could open once again. Added to this, Ford was studying how to cut hours of operation in other plants which would lead to the loss of a big number of jobs and ultimately affect the financial prosperity Nixon was so worried about since his first term.72

The energy crisis also forced the automobile industry to change the design of most of its cars and in the case of some of the companies to create new ones. Roy D. Chapin Jr., the chairman of American Motors Corporation observed that this company had to produce a new small model by 1975 because “We have already seen people are trying to get rid of high horse power, big cars because they anticipate there’s going to be some kind of restraint on gasoline.”73 On the other hand, Ford was planning to redesign its compact cars like the Maverick and the Comet for 1975 and General Motors was also working on its compacts such as the Chevrolet Nova, the Pontiac Ventura and the Oldsmobile Omega.74

Designing new and smaller cars was a novel and costly challenge for the

72New York Times, November 8, 1973
73New York Times, November 9, 1973
74Ibid.
industry but corporate officials were determined nonetheless to succeed in the midst of a new era of business-government relations and an energy crisis. They addressed these problems not only by trying to change environmental regulations and turn them to their favor but also by producing low gasoline consuming cars. William Mitchell, vice-president of design for General Motors claimed: “This eight to ten miles per gallon is not going to continue.”

Problems for the automobile industry appeared to enlarge and deepen as the year 1973 progressed. According to Ford energy planner William A. McNamee, who had recently been named, more than a dozen Ford assembly and manufacturing plants had no assured supply of fuel for the winter. McNamee further claimed that he feared that some of these plants may have to close at one time or another. In addition, Mobil Oil Corporation said that because of reduced supplies of crude oil, it was reducing allocations of gasoline throughout the country for the last two months of the year. Because of all these issues, auto corporations saw one of the biggest declines in their stock values during the month of November, 1973.

General Motors’ stock had reached a yearly high of about $84 before it fell to $59 on November 9, of 1973. Ford Motors Corporation’s yearly high was

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\(^75\) New York Times November 8, 1972
\(^76\) Ibid.
similar to General Motors’ at $82 before it fell to $48 on November 9. Chrysler’s stock dropped almost 50 percent from its yearly high at $44 dollars to $20 dollars on November 9, and American Motors Corporation saw the lowest decrease rate from nine dollars to eight dollars. American Motors faced the lowest drop in the industry mainly because of its creativity and swift initiative to design and produce smaller cars such as the Gremlin which proved to be a successful product for them during this era.\footnote{New York Times, November 10, 1973.}

In the midst of this crisis, Nixon’s initial response to the auto companies was not necessarily very helpful. Nixon claimed that if the industry implemented a strategy of reduction in plant operating time, they would be able to meet the very critical question of availability of fuel. On the other hand, the auto industry stated that if they decided to cut plant operation time, jobs would be lost and it would be impossible for them to produce the amount of cars needed in order to continue to be profitable and pay for the costs they were facing due to the implementation of clean air regulations.

By December of 1973, the oil crisis, and the big shift in business-government relations seemed to be severely affecting the automobile corporations across the country. Considering these developments had become so
important in the United States as they were affecting what had become one of the most important industries in the country; and that the environment had ceased to be a topic of absolute emergency for the American people, Nixon started to reconsider the pro-environment robustness with which his Administration had addressed the problem of air pollution.

Considering the problems with the national economy, the oil crisis, and Nixon’s growing concern over popularity and reelection, the President once again looked at a study he had requested from the Department of Commerce a year before on the impact of environmental laws on the economy. Study authors reported that environmental regulations would push one-quarter of 1 percent in unemployment, boost prices 0.5 percent, and diminish GNP 0.5 percent over a period of four years.\(^78\)

If what the report projected was accurate, some 400 to 700 plants would be closed and more than 135,000 jobs would disappear. On a national scale these numbers may have not been too dreadful but what was important about them was the geographical location of the people that would be affected. According to the study, the negative effects of Nixon’s environmental laws would center on

certain key geographical areas like the Great Lakes. Added to this, small businesses would be unable to afford the high cost of pollution abatement technologies and equipment.\textsuperscript{79}

In a time when the automobile industry was experiencing one of the most difficult periods in business government relations and the oil crisis was highly threatening its profitability, President Richard Nixon, who had much less pressure from environmentalists than he had in 1969 and 1970 when he signed the Clean Air Act, decided to initiate another big shift in business-government relations. Nixon chose to help the auto industry by proposing amendments to the Clean Air Act of 1970.

In early 1974, after recommending in his energy message to the Congress a two year delay on stricter emission standards for automobiles, President Nixon asked Ken Cole, assistant to the President in domestic affairs, to develop a legislative package to remove environmental restraints to increase energy supplies. Nixon considered that the major enveloping energy constraining law that was affecting the country in various areas of the economy was the Clean Air Act.

In a memorandum for the President from Ken Cole dated March 5, 1974

\textsuperscript{79} Ibid.
and entitled *Clean Air Act Amendments*, the author made the following statement:

“In response to your directive that we develop a legislative package to remove environmental constraints to increasing energy supplies, we have worked with the Office of Management and Budget, The Federal Energy Office and the Environmental Protection Agency on a package of amendments to the Clean Air Act.”

This statement reflects the priority given by the administration to acting towards the financial recovery of the country which mainly involved the industries affected by the energy crisis. Presidential aide Ken Cole added the following phrase at the end of the memorandum: “we need to have these amendments on the Hill as soon as possible.”

The amendments proposed in the memorandum presented an entirely new scenario for the automobile industry and instituted the beginning of a much more flexible stage of business-government relations.

The 1974 amendments Ken Cole proposed after consulting with the OMB, the EPA and the FEO included a package of reforms to the current bill that gave the auto industry a much wider range of possibilities to delay its responsibility to meet the 1975 emission standards. Cole’s memorandum to the President

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80 *New York Times* January 24, 1974; *Memorandum to the President from Ken Cole*, March 5, 1974. Box CFSU HE 31. Folder (EX) HE 9-1, 1

81 Ibid.
expressed the desire of the administration to give the EPA authority to extend for two years the 1975 emission standards for automobile manufacturers and extend compliance dates beyond current statutory deadlines for stationary sources (like power plants).\textsuperscript{82}

Russell Train, the incoming director of the EPA (after the President had appointed William Ruckelshaus to head of the FBI) did not support the proposed amendments. According to Train, the amendments would rescind legislation that was enacted to protect the air quality of the nation. In a memorandum to the President in March, 1974 Train claimed that the proposed amendments would create a public impression that economic considerations were being given new and undue emphasis and therefore adjustments needed to be made. At the end of the memorandum he clearly summarized his statement when he said: “We should not create the impression that we put dollars above human health and lives.”\textsuperscript{83}

Ken Cole reacted to Train’s statements by recommending the President should meet with him and carefully convince him of the importance and urgency of the situation and insure his personal support for the package. Cole considered

\textsuperscript{82} Ibid, 2-3.  
\textsuperscript{83} Memorandum to the President, Clean Air Act Amendments. March 1, 1974. Box CFSU HE 31. Folder (EX) HE 9-1,
that Train’s personal support for these amendments was pivotal as he was the director of the EPA. According to Cole, President Nixon should convince Train by explaining to him his “substantive and political reasons for making these decisions” as Train was the one who would have the leading role in this legislative shift. Consequently, Nixon wrote a letter to Russell Train in which he said: “It is particularly important that you continue your efforts to balance our environmental goals with our energy needs.”

As shown by Nixon’s requests to Ken Cole and Russell Train, economic pressures initiated mainly by the energy crisis and how this emergency was affecting the auto industry and the entire American economic system, Nixon decided to modify his views and commitment to the environment. The American public was not as concerned for the environment as it had been during the late 1960’s and early 1970’s, and the good political decision as Nixon always thought was to have a healthy economy.

For these reasons, out of political expediency, in late March of 1974, Nixon initiated a new era, once again, of business government relations. In a cabinet meeting Nixon ordered, “Promote energy developments, Get off the

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84 Ibid, 3.
environmental kick.”  

This new era of business government relations was characterized by diminished attention to environmental regulation. No longer could the administration afford politically or economically the cost of the environmental policies that had been enacted through the Clean Air Act of 1970. Nixon’s new proposals related to Clean Air starting in March of 1974 were solely intended to facilitate energy supply, promote economic stability, and assist the auto industry through the current crisis.

Under the new policies power plants were encouraged to convert from oil to coal, the nation’s most abundant energy source even at the cost of air quality. The smoke, ash, sulfur, and particulate matter that spewed out of smokestacks, as bad as they were, would not be a problem as the new laws would grant EPA the authority to suspend sulfur oxide emission limits. Added to this, transportation control plans which had been part of the 1970 Clean Air Act would change as the EPA would receive authority to extend the date for cities to attain air quality standards for up to 10 years in metropolitan areas where a significant reduction in motor vehicle use would be necessary to achieve standards (i.e Los Angeles).

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86 “Meetings File, Beginning March 24, 1973.” Box 94, President Office Files, WHSF, RNPMP.
Another aspect of the 1970 Clean Air Act that would change was penalties. Under the 1970 Act violation of air quality requirements could lead to criminal penalties but with the new policies it would lead to civil penalties. The sector that would benefit the most from the new amendments that the Administration was about to send to Congress was the automotive companies. With the new package they would receive two years of grace for development of new emission control technology which would allow them to focus on improving fuel economy and recover from the financial toll environmental laws and the energy crisis had taken on them.\footnote{Administration’s Clean Air Act Amendments. Box CFSU HE 31. Folder (EX) HE 9-1, 1}

As the Nixon administration had expected, environmentalists led by Senator Edmund Muskie reacted against the proposed amendments. Muskie opposed the legislation by arguing that the only reason the Administration wanted to amend the Clean Air Act of 1970 was the oil crisis. He claimed as well that the oil crisis was a “phony issue” and that it was only about the “antagonists using the issue.”\footnote{Interview, J. Brooks Flippen with Leon Billings (Aid to Muskie in coordinating work on environmental policy), June 26, 1998.} Muskie’s efforts were not able to stop the Administration’s determination to amend the Clean Air Act of 1970. Instead, in June 1974, the Congress, sharing the Administration’s urgency to address the energy crisis
approved the amendments to the Clean Air Act of 1970 and passed the Energy Supply and Environmental Coordination Act of 1974.

The statement of purpose found in this legislation reflects the cause for the second big shift in business-government relations of the Nixon era as it stated that the main issue these new laws attempted to address was “meeting the essential needs of the United States for fuels.” Evidently, the Administration’s position had changed from pro-environment to pro-energy.

This second big shift in business-government relations came about as a consequence of the energy crisis and the demise of public interest in environmental issues. After Congress passed the Energy Supply and Environmental Coordination Act of 1974, the automobile industry started to recover and enjoyed the benefits of a more business friendly administration.

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CONCLUSION

President Richard Nixon was responsible for two major shifts in business-government relations that affected the automobile industry. This industry was one of the most important for the American economy during the 1960s and 1970s; auto manufacturers and suppliers employed countless Americans. Auto companies also built one of the most important consumer goods for the American people since the 1950s.

The first big shift was related to the environmental crisis that became widely popular especially since Rachel Carson’s *Silent Spring*. Millions of people from all areas of the population wrote letters to the President and placed a significant amount of pressure on the Administration to solve the problem. This forced Nixon to propose and implement hard-hitting environmental regulations that affected the private sector’s economic interests particularly in the case of the auto industry when the President signed the Clean Air Act of 1970. In spite of intense confrontations between the Administration and the auto industry, the President did not change his position initially.
These first two years of Nixon’s presidency have led historians and political analysts to argue that he was an environmentalist and that he was a liberal president. These arguments come from the premise that Nixon was a man of principles and strong political convictions. But the developments related to environmental policy, clean air, and the auto industry show something different. These developments present the picture of a President who was only after popularity. For Nixon popularity was about maintaining a healthy economy and about providing Americans with what they sought. In 1969, when Nixon became president, the main issue was the environment. Therefore Nixon took action and regardless of his own personal convictions or political views he insisted in going in the direction that would make him popular. There was an environmental “hysteria” during the first two years of Nixon’s Presidency and even in the midst of it the President always said that he would continue to address environmental issues as long as it did not affect the American economy. Popularity and a healthy economy were the two most important guidelines Nixon followed throughout his Presidency.

By early 1973, the second big shift in business-government relations of the Nixon era took place. The American public was not as concerned about the environment as it had been during the 1960’s and the first two years of the 1970s.
Added to this, there was an energy crisis which had affected the auto industry and therefore the American economy. For these reasons, Nixon decided to reconsider his commitment to the environment and stepped away from the rough environmental regulations he had put in place at the height of the environmental crisis through the Clean Air Act of 1970.

In early 1973, Nixon proposed thirteen amendments to the Clean Air Act of 1970. These amendments addressed issues related to the energy crisis but most importantly, they were intended to loosen up the harsh environmental regulations that were affecting the auto industry’s profitability. In June of 1974 the Congress passed the Energy Supply and Environmental Coordination Act of 1974 which included Nixon’s thirteen amendments to the Clean Air Act of 1970. These amendments took environmental regulations related to clean air and the auto industry back to being similar to what they were before the environmental crisis of the 1960s.

Richard Nixon’s Presidency was influenced by multiple crises. Nixon had to work on solving not only the environmental crisis and the energy crisis but also the Vietnam War and a financial crisis. In the midst of all this Nixon did not remain faithful to any political or personal ideology or principle. Nixon was a cold pragmatist a pursuer of creating a stable economy and being President for
more than one term.

This makes Nixon much more complex and attention-grabbing than historians once thought. As a conservative President, he supported various liberal policies (among which was the environment) and was never under the control of the business sector. Nixon’s most fundamental commitment was to his reelection.

Based on a study of Nixon’s Presidency and environmental policies related to clean air, the ideas that Nixon was pro-environment or pro-business or liberal or conservative do not really apply. Rather, Nixon was cold pragmatist only committed to popularity a healthy economy and reelection.

Historians who wrote prior to the mid to late 1980’s allowed the Watergate scandal to overshadow the field. As a consequence, the idea that Nixon was a bad President dominated the scholarly debates. From the 1970’s to the 1980’s the preconceived idea of Nixon as a bad President influenced scholars of the time and led them to concentrate their studies of the Nixon presidency on topics like conspiracies, burglaries, plans for kidnapping, blackmail, and obstruction of justice. Les Evans and Allen Myers looked at the Nixon presidency and only tried to find an explanation for his mistakes completely overlooking other aspects of the Administration. They argued that this presidency took place
during a time of war in which wiretapping, intelligence, and espionage were used in many different ways. Consequently, Nixon who was a man of his time, decided to utilize these elements available to him to stay in power.

Scholars like Mollenhoff, Mankiewicz, Lehman James, and Buckton James agreed with this argument but emphasized on how much the Nixon crimes had affected the American political system. Mollenhoff argued that Watergate brought light on the fact that America could be an easy prey for a president set on dictatorship. Mankiewicz, Judson Lehman James, Dorothy Buckton James, Les Evans and Allen Mayers all agreed with the idea that events like Watergate violated the principles upon which the American system of government rested and if not taken seriously, could end up affecting the freedom and self-respect of Americans.  

During the mid to late 1980’s there was a significant shift in the way scholars looked at the Nixon Presidency. This shift was based on looking at the presidency as a whole instead of concentrating on Nixon as a man and his

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failures related to the Watergate scandal. This new perspective allowed scholars
to focus on different aspects of the Administration leading them to praise Nixon
in areas he deserved while still criticizing him for unlawful actions.

Best selling author Stephen W. Stathis argued that Nixon must be granted
credit for the rational and systematic pursuit of a new world order that took
place during his presidency, including the end of American participation in the
Vietnam war, the establishment of diplomatic relations with Peking, détente with
the Soviet Union, and the first steps toward the control of strategic weapons. In
1983, Daniel L. Bratton, presented the idea that scholars have looked at Nixon’s
presidency with wrong eyes. He said that passions had clouded the objectivity of
historians and political analysts in their study of this presidency.

Sociologists Gladys Engle Lang and Kurt Lang agreed with these
statements and alleged that the media had influenced the study of Nixon’s
presidency more than any other event in the history of the United States. In 1984,
Gordon Hoxie, a specialist in presidential studies, wrote an article called The
Nixon Resignation and the Watergate Era Reforms Viewed Ten Years Later. In this
essay, he stated that in many ways Nixon was an exceedingly outstanding
President. He argued that his views on government reorganization and, in
association with Patrick Moynihan, his conceptions on social services, were in
advance of his time. He also agreed with the idea presented by Stathis related to the President’s impressive accomplishments in foreign policy.91

One important question related to the study of Nixon’s presidency is what scholars might have written about Nixon if Watergate had not dominated interpretations of the man since 1974. Historian Joan Hoff answered this inquiry in her remarkable, Nixon Reconsidered. Hoff’s analysis is based on the idea that to properly understand Nixon, historians must place him in his time. She argued that Nixon’s election took place during an extremely difficult period in U.S history. Because of the time in which he was president, Hoff said, Nixon was in a position where he could take risks and his time called for him and his advisers to find new and innovative ways to be able to fix foreign policy issues.1 Hoff praised Nixon for his domestic policies related to welfare, civil rights, the economy, the environment, and the reorganization of the federal bureaucracy.

Subsequently, the present state of the field of study concerning the Nixon Administration has become increasingly diverse over time. The themes that are being addressed are now more than just Watergate, Nixon and the decline of the

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presidency. Topics like Nixon’s environmental policies, economic policies, and foreign policies have become increasingly attractive to 21st century scholars. On the other hand, it is important to say that the study of the Nixon Administration still remains a young field with much to explore. According to historian Hoff, the study of the Nixon administration was, is and will remain to be an ongoing field. The sources that have become available make this administration a researcher’s opportunity. As of 2013, there are close to 40 million pages of documents, 4000 hours of recorded conversations 5312 microforms, 2.2 million feet of film, 2000 pages of oral histories, and a recently added (2007-2011) collection of oral histories including over 200 hours of video about this administration waiting for scholars to look into them. ⁹²

The study of the environmental policies of the Nixon administration is significant in the search for a more in depth understanding of the presidency. Added to this, it addresses issues related to American environmental history as well as American business history. The Clean Air Act of 1970 was one of the most important environmental reforms of the Nixon era and it had an effect on individuals and institutions related to politics, economics, and the environment.

This important piece of legislation had an instant effect on Americans and

continued to be an issue throughout the Ford presidency and the Carter administration. President Ford was not satisfied with the minute extension in the deadlines to reduce emissions that the Energy Supply and Environmental Coordination Act of 1974 provided. For this reason he proposed legislation that would further ease regulations on national emission standards and freeze the standards for five years. The auto industry continued to oppose clean air regulation and the debate continued into the Jimmy Carter years.

On August 8, 1977 President Carter claimed that the prolonged dispute over Clean Air regulations had come to an end with the signing of the Clean Air Act Amendments. According to Carter, this legislation established a responsible and achievable timetable for auto companies to comply with environmental regulations. Carter’s clean air bill passed with the approval and support of Edmund Muskie and its main purpose was to build on the bill Nixon had signed in 1970 while making improvements especially related to the enforcement of these regulations.\(^9^3\)

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