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THE WHITE HOUSE

Office of the Press Secretary

FOR RELEASE AFTER THE BRIEFING

APRIL 6, 1981

STATEMENT BY THE PRESIDENT
ON THE PROGRAM FOR THE U.S. AUTOMOBILE INDUSTRY

The American automobile industry is in serious trouble. Our national economic condition and strangling regulations have helped cause the layoff of an estimated 500,000 workers in automobile and related industries. Last year, domestic production dropped to a 19-year low, and American auto firms lost an unprecedented \$4.3 billion.

I believe in the American worker, in American innovation, and in our free marketplace. Today I am announcing steps that can help the automobile industry restore its competitive position both here and abroad. The industry must solve its own problems, but the government must not unnecessarily hamper its efforts through excessive regulation and interference.

The first step to be taken in aid of this industry is to create a stronger and more stable economy. It is therefore essential that the Congress act quickly to pass our comprehensive package for economic recovery.

The second step is to reduce unnecessary regulations by the Environmental Protection Agency and the National Highway Traffic Safety Administration. Our proposals for these two areas will save the industry and consumers more than \$9 billion during the next five years. Our Task Force on Regulatory Relief is considering additional regulatory changes which could result in even greater savings.

Third, the Department of Labor is proposing revisions in its programs to make more effective use of assistance to unemployed auto workers.

Fourth, I have proposed an acceleration in the rate of government purchases of motor vehicles. The U.S. Government will spend about \$100 million more on government vehicles this fiscal year which, while helping the industry, will also lower the government's operating costs.

Fifth, the Attorney General has pledged a quick response to the industry's request that he seek the lifting of certain prohibitions against cooperative ventures and joint presentations before regulatory agencies. He will respond to that request immediately following the resolution of a related action now pending in the Court of Appeals.

And sixth, we will monitor the effect of international trade on our domestic automobile industry. We are committed to free trade and believe free trade benefits all nations concerned. In observing the principles of free trade, however, we expect our trading partners to do so, as well.

At the invitation of the Japanese Government, a briefing delegation is being sent to Japan. We believe this closely coordinated exchange of information will lead to a greater understanding and cooperation between our two countries, and will ultimately strengthen our economic relationship with Japan.

It should be understood that real recovery will not be accomplished by government alone. We only can remove the Federal shackles and improve the economic environment within which the automobile industry operates. It is up to automobile management and unions to take the strong necessary steps to restore our competitiveness with other nations.

The automotive industry is vital to our Nation's economy. Business, labor, and government must work together to restore our traditional leadership in this field.