

MEMORANDUM

THE WHITE HOUSE
WASHINGTON
November 17, 1970

TO: BUD KROGH
FROM: CHARLIE CLAPP clc

I met this afternoon with Henry Cashen and Ray Ouellette of General Motors, a meeting requesting by GM to discuss highway legislation. Ouellette expressed concern that the Administration was trying to scuttle the present highway legislation with the hope of coming back next year with a new highway proposal. He said that this was causing a great deal of concern both among the highway people and his own industry. He said they recognized that there would be some cutback in the highway program itself.

When Henry Cashen said that he thought it would be a good idea if the trust fund could be opened up, Ouellette said that this, of course, was exactly what the highway industry was opposing. He added that General Motors favored opening it up for beautification, safety and mass transit purposes.

When Cashen spoke of the great strength of the highway lobby on the Hill, Ouellette disputed this and termed it "a lobby in disarray". He said that the American Trucking Association was saying that perhaps they should pull out altogether, provided, of course, the taxes were removed. He said, too, that the American Association of Highway Officials were expressing pretty much the same view, feeling that perhaps it would be wise to return to the pre-1954 practices. Ouellette indicated that a statement of intent from the Administration would help considerably and warned that one immediate result of a scuttling of the program would be a sharp rise in unemployment, which could hurt the Administration.

He also emphasized that one of the most important aspects of the bill was the need for authority to apportion funds to the states by the end of the year.

Ouellette stated that he was not appearing here to plead a cause, but only to state the facts as he and his associates saw them.

cc highway file

