

ability. When businessmen don't value the dollar as much as it did in recent years, since the government is not planning on increasing the money supply, business investment declines and demand for automobiles drops.

that would help lock into place the gains that have been made in recent years as a result of tax-cutting, deregulation, and spending restraints.

A more stable monetary system would also provide valuable discipline for the politicians in Washington. James Baker, until now noted more as a political tactician than as a visionary, has a chance to lead a revolution in the way the world works. We hope he pursues it.

of Empire (Cont'd)

ist Cambodia for military aid from the Soviet Union, and they want freedom of movement for the most vicious former prime minister Pol Pot. Secretary of State and Wolfowitz hands."

to which convince Central American free Khmers United States freedom fighter (the fighting) ignite a "U.S.-

Vietnamese" battle, and that aid should come only from the nations adjacent to Indochina. The only reason, however, there was a U.S.-Vietnamese issue in the past was that the Vietnamese — the free ones, that is — asked us to help them defend themselves against communist aggression. And today, Asian diplomats are quite frank in asserting that they would like to see the United States bring pressure to bear on the threatening Vietnamese.

They know the only pressure the Vietnamese Stalinites understand is the pressure of arms. No one is asking us to get our own fighting men involved on the ground in Asia again. That will not be necessary, if we keep our Thai allies well-equipped and trained and provide the aid which the Khmer people need to roll the aggressor back.

Pollution Politics

gun bidding up the Superfund, the chemical industry to clean up toxic waste dumps known or have to clean up. That Congress, surrounds this the Enviro- (EPA) can establish a "victims program that Black Lung it. Both traps

present tax on feedstocks paid by all chemical manufacturers, and he would add a chemical waste tax to pay for the program. Nobody in the industry quarrels with the idea of a toxic garbage tax, but the CMA thinks the president blew it by applying this to the effluent from industrial waste treatment facilities, rather than waste delivered to a toxic disposal site. The effluent tax hits only the largest companies; the waste delivery tax would hit all. A CMA spokesman says the administration seems to be pulling back on this and wants to rethink the methodology. It should.

Environmental groups like none of this. The Sierra Club labels the president's program "Superfarc." Others are trying to raise the ante to \$40 billion over five years, which is plain crazy. At present, Capitol Hill is littered with bills that try to meet all these concerns. The only bill to move from one committee to the next, that of Sen. Robert T. Stafford of Vermont, chairman of the Environment and Public Works Committee, would spend \$7.5 billion on the problem. Superfund legislation will likely be handled by at least five committees each in the House and Senate, so the final form of this law is a long way off.

One of the principle worries of the chemical industry and think tank analysts is the threat of a "victims compensation" clause that would allow those who think they have been injured by toxic pollution to sue companies and the federal government in federal courts. This sounds like an unwanted parallel to the runaway "Black Lung" compensation program for coal miners. In 1969, Congress estimated that the cost of the Black Lung program would vary from \$40 million to \$385 million. By 1972, the cost had reached \$33 million per month; by 1982, \$2 billion per year.

A path to reason must be found. It is reasonable to spend \$5 billion a year or the Superfund and to design a tax structure to pay for it that is import-export neutral. It is not reasonable to throw pails of money at the rate of \$40 billion over five years at toxic cleanup when the EPA can't handle it, and it is insane to legislate a new entitlements program to repeat the "Black Lung" fiasco.

Lee Iacocca: Hero or Enemy?

I found James Bovard's April 9 op-ed column, "Iacocca: America's Wonder Is 'Consumer Enemy No. 1,'" to be insulting to my intelligence. I was surprised and shocked that a Detroit newspaper would print an article that was filled with innuendo, half-truths, distortion of fact, and downright slander.

Mr. Bovard called Lee Iacocca a "welfare recipient" and accused him of "finagling a large federal handout and preventing consumers from buying better-built foreign autos." Bovard said that "Iacocca even tried to cheat the government on the bailout deal." He also claimed that "Chrysler gave the Treasury Department warrants to buy 14 million shares of Chrysler stock at \$14 a share." In addition, Bovard stated that "Iacocca raised hell and tried to swindle on the bargain" and "tried to avoid paying Uncle Sam a single penny."

Bovard's statement that "Iacocca wants the entire economy restricted, squeezed, and bled in order to benefit Chrysler" is completely ludicrous.

First, let us once and for all put to bed the impression that Chrysler received a government bailout. Chrysler, in fact, borrowed \$1.2 billion from hundreds of banks and insurance companies all over the world. This was made possible by an act of Congress setting up a loan guarantee board that was empowered to pay off any loan to Chrysler, should Chrysler default when the loan came due. Chrysler never received one cent of government (taxpayers') money.

The loan guarantee board mandated and received 14.4 million warrants (not 14 million) and the guarantee was for \$13 per share (not \$14). After Chrysler paid off its loans, seven years early, it did request the warrants be surrendered. Chrysler had already paid \$404 million in interest on the loans and an additional \$33 million to the government for administrative services.

The government decided to auction off the warrants to the highest bidder. Chrysler was forced to buy back the warrants for \$311 million to prevent dilution of its stock value and corporate credibility, just as it was getting back on its feet. The government, never at any real risk — with a lien on Chrysler plants and equipment worth far more than the \$1.2 billion of the loans — made out like a bandit. It collected \$344 million in fees and profits. Not exactly ethical, considering the reason for the loan guarantee in the first place.

Iacocca makes it perfectly clear in his book that requesting the loan guarantee from the government was absolutely essential (although not a last resort). Survival of the corporation and thousands of jobs were at stake.

The automotive industry lost billions of dollars in the recent deep recession. To recoup those losses and regain a measure of its former well-being, the industry has had to invest billions of dollars in new plants, equipment, technology, and future programs.

Profits are claimed to be the highest in history, and well they should be. Inflation is never accounted for when these glowing reports are reported in the media.

Bovard and The News have done a great disservice to the thousands of people in Michigan and the nation who depend on the auto industry, its suppliers, and dealers, for their livelihood.

If Mr. Iacocca is consumer enemy No. 1, who needs friends like Bovard? RICHARD W. STEIGER
Farmington Hills

James Bovard's op-ed column on Lee Iacocca had little merit, other than it allowed him to vent his spleen and relieve his frustration. He certainly didn't explain what should have been done to resolve the unemployment problem created by a Chrysler shutdown.

Mr. Iacocca is not perfect and many people are still not back to work. There are, however, thousands of people working at Chrysler today. Consumers are buying Chrysler products in greater volume, which means these working employees can pay taxes, raise their families, and maintain some semblance of human dignity rather than accept welfare.

I believe in free trade, but I am concerned about the future of the unskilled, unemployed U.S. citizens who do not have jobs because products can be made cheaper outside our country. Bovard may be willing to pay ever-increasing taxes to support the unemployed, curb crime, etc., in order to buy these "better products," but I'm sure people would rather be supporting themselves.

What is the answer? Must we accept a lower standard of living? If so, who then is going to buy all those imports? Or is Bovard only concerned with his pocketbook, not the associated people problem? He owes Lee Iacocca an apology.

V. KENNEDY
Detroit

James Bovard has a problem. Apparently he needs to pontificate from the heights of his superiority on the success of another human being. His article was hate-filled, full of twisted facts, and, generally, represented a degradation of the journalistic field.

I work at Chrysler. I know better than Bovard what Lee Iacocca has done for our company, and what he is still striving to do for the American worker and the nation's economy. The Japanese-enthusiastic Bovard apparently cannot endure a pro-American public figure. He needs to sensationalize himself, running against the stream of favorable public opinion that Mr. Iacocca enjoys, so that he can stand out as an oddity. He does!

What I can't understand is why The Detroit News lowered its stan-

dards by printing such a malicious article. A cheap shot by Bovard!

Since The News has allied itself to a hatemonger, I have lost all respect for its choices of reporting. The News has decreased its circulation by one.

DON ERNST
Dearborn Heights

James Bovard's point of view on Lee Iacocca was not only factually distorted regarding layoffs, federal loans, paybacks, and profits (without mention of losses), but was also an insult to the North American economy and especially Detroit industry ethics.

It did have a value, however. It pointed up the mentality of (hopefully) only a few U.S. citizens who believe that we cannot compete in this Japanese world. They are wrong!

The least The News could do is tell the other side of the story.

A.C. SMITH
Riverview

James Bovard's article was very thought-provoking. A few comparisons between Lee Iacocca, the most prominent auto maker in America today, and Henry Ford are in order:

■ Henry Ford increased his sales by cutting prices. Mr. Iacocca increases sales by pushing import quotas.

■ Mr. Ford doubled the wages of his workers and kept hiring in the face of the 1913 panic. Iacocca forced the UAW to accept a pay cut and layoffs. ■ Ford fought for a free market in the Selden Patent case. Iacocca wants to restrict the market in the GM-Toyota joint production case.

■ Ford sold the best car for the lowest price. Iacocca has neither the best car nor the best price.

■ Ford was called a greedy capitalist for making honest money. Iacocca is acclaimed a hero for dipping into the treasury to bail out Chrysler and for lobbying to deny us the freedom to choose to buy an import.

A nation's character is revealed in whom it chooses for its heroes. If we choose Lee Iacocca over Henry Ford, then we are choosing "loan guaranteees as American as apple pie" over the best car at the best price!

It's a choice well worth pondering as we look to our future.

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