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September 13, 1974

Dear Fred:

Thank you most sincerely for sending me a copy of your letter written to Secretary Simon.

I very much appreciate having the benefit of your views concerning the very important problem of inflation. Your suggestions and recommendations are helpful to me, and I want you to know that I am grateful.

Sincerely,

Mr. Fred Lawrence
United Press International
Television News Newsfilm
Washington, D. C.

Sept. 3-1974

From: Fred Lawrence
UPITN Newsfilm
Washington, D.C.

To: Honorable William Simon
Secretary of the Treasury

Subject: Inflation.

*D / Think Fred
for memo.*

Spurring the housing market. Could it be possible for the President to ask lumber firms, and related home product firms and people in the building trades to reduce their income in order to get housing started. In turn the President can make FHA and VA interest be reduced to a more sensible level, perhaps 7½%. Housing is at a standstill, some action to get it going is better than no action at all.

On fuel: Request the automotive industry to develop an engine that can give greater mileage. Perhaps 30 miles to the gallon on all types of cars. Guarantee a 7% interest rate on homes built with solar units to reduce fuel consumption. There are a few such homes in the D.C. area doing well. Stimulate housing projects with solar heat so that such consciousness will make oil producing nation recognize we mean to reduce our foreign importation of oil.

Savings: To stimulate savings so that money would flow into banks request people to save and various savings institutions and the money saved to be applied against their house loans. If such is done then whatever interest rate they may have, i.e. at 10%, that would be reduced to 8%. A savings rate to be established per capita income. If income is \$15,000 a year, \$2000.00 saved applied against house mortgage reduces house mortgage by 1% point toward a new loan. This can be worked at various income levels.

On social security. Those people that have saved into social security for 20 years, and have accumulated healthy sums can have that portion taken from their social security and applied toward purchase of new homes. The payments on this can vary depending on years saved into social security.

If the lumber industry goes ahead on such a program and so do the building trades people the leverage of bargaining is indeed strong in dealing with other organizations.

I trust this can be of some help toward curbing inflation. If an interest lowering date is set toward a future time period than corporation will slow down and wait to do business when those rates go into effect this can mean a natural temporary slowdown.

As I only had a few minutes to do this waiting for our interview, and as ideas are of little value when not exploited or discussed, I thought I'd submit them for your kicking around. Thank you.

Sincerely,

Fred Lawrence

Fred Lawrence