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11/8/74

State of opinion - ^{robert} can
tone - realism, recession, inflation.
content - environmental.

THE WHITE HOUSE

WASHINGTON

November 8, 1974

MEETING WITH PRESIDENT'S LABOR-MANAGEMENT COMMITTEE
November 11, 1974 (Roosevelt Room)
4:00 p.m. (30 minutes)

From: L. William Seidman

I. PURPOSE

To solicit further input from labor and management leaders on economic policy.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: You met with the Labor-Management Committee at their first meeting on October 3. This is the second meeting of the Committee. John Dunlop, the committee coordinator, has met with both Labor and Management members of the committee to discuss the agenda for the meetings on November 11. The committee will begin their meetings on November 11 at 10 a.m., break for lunch, and then resume at 2 p.m. in the Roosevelt Room. You are scheduled to meet with them in the Roosevelt Room at 4 p.m. for 30 minutes. You will be provided with a summary of the discussion of their morning session early Monday afternoon.

John Dunlop informs me that the agenda for their morning and afternoon sessions will include the general economic outlook and its impact on fiscal and monetary policy, conservation of energy, capacity and world raw material problems, agricultural policy, and what can be done to stimulate productivity.

Discussions with both business and labor leaders on the committee indicates that there are several areas of agreement. First, they are both deeply

concerned over the present position of the U.S. internationally and anxious to maintain a strong international position. Secondly, they both favor conservation of energy and will support strong Government action provided jobs are protected. Thirdly, they are united in their opposition to wage and price controls and oppose congressional action to pass such legislation.

Committee members have indicated that they are interested in several issues that will be considered in the State of the Union Address and they are anxious to have input before the speech is fairly well set. You may wish to suggest at the conclusion of the meeting that the committee meet again sometime in December.

John Dunlop has suggested the three issues which he feels, after his discussions with labor and management leaders, would be most appropriate and helpful for you to discuss with them:

- (1) View of the state of the economy (5 minutes)
- (2) Energy conservation
- (3) Wage and price inflation.

Dr. Dunlop advises that the meeting close with the discussion of wage and price inflation. Since this is the single most important issue, sufficient time should be left for its discussion.

B. Participants: See Tab A.

C. Press Plan: White House Press Corps Photo Opportunity.

III. TALKING POINTS

A. View of the State of the Economy.

As President, it is important that I receive a full range of views and maintain contact with those closest to particular problems. I am provided with a large amount of statistical data and the advice of my economic advisers but I am anxious to supplement that with your views on the general state of the economy and how you view the economy in the coming months.

B. Energy Conservation.

One of our greatest challenges economically and otherwise is to make the best use of our natural resources and achieve a maximum amount of independence from foreign sources for our energy needs. That requires that we make some real progress in the area of energy conservation. I would appreciate hearing your views about how we can best accomplish this goal.

C. Wage and Price Inflation.

Among other things, the Conference on Inflation made clear that the inflation we suffer has many causes. It is certainly not merely the result of increases in wages. You are all aware of my opposition to mandatory wage and price controls and I need not spell out for you the reasons for my opposition to such controls. I am convinced that wage and price controls are a short term solution to a long term problem. They do not restore a fundamental balance to the economy which must be our goal. While I do not favor controls, it is clear that a round of wage and price inflation now would seriously weaken our efforts to put the economy back on a sound footing. I would like to hear your views about what management and labor can do directly to help avoid wage and price inflation without imposing controls.

LABOR-MANAGEMENT COMMITTEE MEETING

November 11, 1974

PARTICIPANTS

Labor Members:

I. W. Abel, President, United Steelworkers of America

Murray H. Finley, President, Amalgamated Clothing Workers
of America

Frank E. Fitzsimmons, President, International Brotherhood
of Teamsters

Paul Hall, President, Seafarers International Union of
North America

Lane Kirkland, Secretary-Treasurer, AFL-CIO

George Meany, President, AFL-CIO

Management Members:

Stephen D. Bechtel, Jr., Chairman, Bechtel Group of Companies

Richard C. Gerstenberg, Chairman, General Motors Corporation

John D. Harper, Chairman, Aluminum Company of America

Reginald H. Jones, Chairman, General Electric Company

R. Heath Larry, Vice Chairman of the Board, U. S. Steel
Corporation

Rawleigh Warner, Jr., Chairman, Mobil Oil Corporation

Neutral Coordinator:

John T. Dunlop

Administration:

Secretary Simon
L. Wm. Seidman

Other:

George Shultz

Committee Members Unable to Attend:

Arnold Miller, President
United Mine Workers of America

Involved in
negotiations

Leonard Woodcock, President
International Union of United
Automobile, Aerospace & Agricultural
Implement Workers of America

Has quarterly board
meeting on 11th and
12th

Arthur M. Wood, Chairman
Sears, Roebuck & Company

Has a board meeting

Walter B. Wriston, Chairman
First National City Bank