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MEETING WITH
LABOR-MANAGEMENT COMMITTEE

Wednesday, May 21, 1975

2:00 P. M.

THE PRESIDENT HAS SEEN. *g*

May 20, 1975

MEETING WITH THE PRESIDENT'S
LABOR-MANAGEMENT COMMITTEE

May 21, 1975

2:00 p.m.

From: John T. Dunlop

I. PURPOSE

To maintain contact and solicit the recommendations of the Committee on (1) means to encourage expansion of electric utilities and (2) to obtain the Committee's views on the probable shape of the economic recovery.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: You have met with the President's Labor-Management Committee after each of their four meetings. The Committee has discussed a variety of economic policy-related issues both within the group and in their meetings with you. Most notably, they have discussed with you their views on the State of the Union message and have issued a joint statement presenting their recommendations for tax and energy policy.

The group has recently discussed the necessity for capital formation, with particular emphasis on the restoration of construction activities in electric utilities.

Prior to meeting with you, the Committee will have met from 10:00 a.m. to 2:00 p.m. at the Treasury Department. The Committee is expected

to spend their time discussing two matters of significant importance; construction of electric utilities and the shape of the economic recovery of 1975-76.

1. Electric Utilities: At their last meeting, on April 24, the Committee held a detailed discussion of legislative and administrative approaches to restoring the construction of electric utilities. The objective of these discussions has been to develop a joint statement recommending national policies to stimulate such expansion of utilities.

At that April 24 meeting, the Committee agreed on a substantial number of issues in this area, and since that time, I have been involved in seeking to accommodate the differences on those issues that were left unresolved. A draft of a comprehensive joint statement, including policy recommendations, has been circulated among the members. It is hoped that final agreement on the statement can be reached during the Committee's meeting on May 21 and that their statement and recommendations can be presented to you at 2:00 p.m. on that day.

You may recall that electric utility construction was also discussed in some detail on April 22 when you met with 17 of the general presidents of the building and construction trades unions.

2. The Shape of the 1975-76 Economic Recovery: This is a particularly important issue in

that the resolution of a number of public policy matters is related to the assessment of the expected pattern and speed of the recovery. The Committee intends to discuss the evidence and the views of its members on this issue.

You are expected to meet with them at 2:00 p.m. following the completion of their all-day session.

- B. Participants: A list of participants is attached in Tab A.
- C. Press Plan: The Committee Coordinator (Dunlop) handles the press relations for this Committee.

III. DISCUSSION POINTS

- A. Introduction: It is a pleasure to meet once again with this Committee. Our sessions have resulted in a productive interchange of ideas and your activities have been helpful in formulating economic policy initiatives. I understand that you have been discussing today electric utilities and possible policy initiatives to encourage their expansion. I am very interested in your views and any recommendations on this issue. I also understand that you have been discussing the expected pattern of the economic recovery. Since the resolution of a number of policy issues is directly related to an assessment of the recovery's shape, I, similarly, welcome your views on this subject.
- B. Discussion of Utility Construction and the Shape of the Recovery: The Committee will briefly report on such recommendation as

have been agreed upon with respect to utilities. The Committee will also summarize its views on the shape of the recovery. Where appropriate, specific positions may be presented by individual Committee members.

Attachment

PRESIDENT'S LABOR-MANAGEMENT COMMITTEE MEETING

May 21, 1975

PARTICIPANTS

Labor

Murray H. Finley, President, Amalgamated Clothing
Workers

Frank E. Fitzsimmons, President, International
Brotherhood of Teamsters

Paul Hall, President, Seafarers International Union

Lane Kirkland, Secretary-Treasurer, AFL-CIO

George Meany, President, AFL-CIO

Management

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

John D. Harper, Chairman, Aluminum Company of America

Reginald H. Jones, Chairman, General Electric Company

Rawleigh Warner, Jr., Chairman, Mobil Oil Corporation

Arthur M. Wood, Chairman, Sears, Roebuck & Company

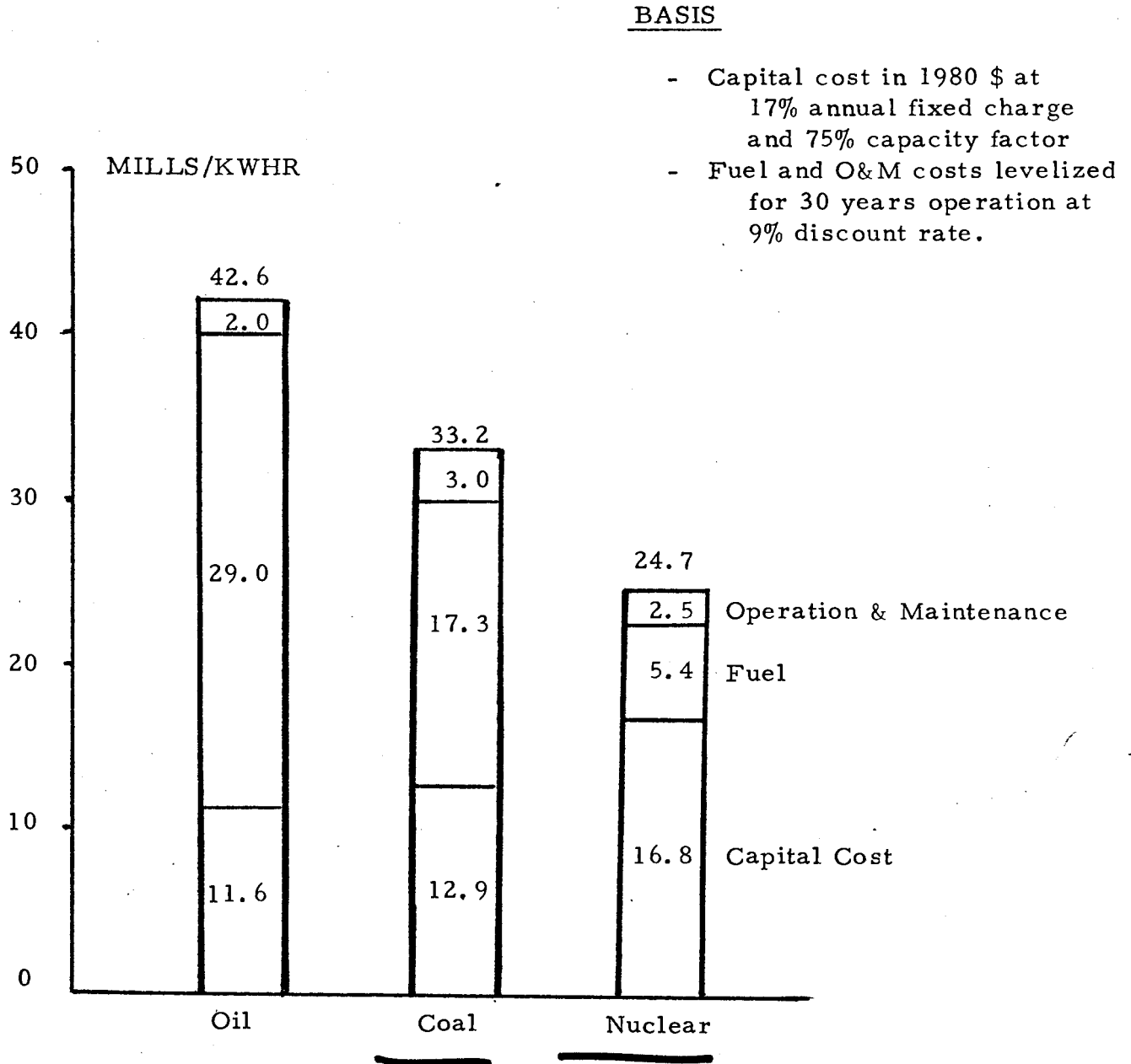
Walter B. Wriston, Chairman, First National City Bank

George P. Shultz, Executive Vice President, Bechtel
Corporation

Administration

Secretary Simon
Secretary Dunlop
L. William Seidman

PROJECTED TYPICAL LEVELIZED POWER COST



Source: J. W. Simpson

Nuclear Fission: It's Uses & Economics

(Position Paper No. 2 "Nuclear Energy & the Future")

February 1975

Nuclear Fuel

Direct Cost Equivalent
In Dollar Per Barrel
Of Crude Oil

Cost of Uranium Ore

@ \$15 per pound of U_3O_8 \$0.59

Conversion of U_3O_8 to UF_6

@ \$2 per pound of U_3O_8 0.09

Uranium Enrichment

@ \$50/Kg (SW) 0.49

Fuel Fabrication

@ \$100/Kg (U) 0.18

Fuel Reprocessing

@ \$100/Kg (U) 0.18

Value of Plutonium (Recovered)

@ \$13 per gram Credit -0.15

\$1.38 Per Barrel

Inventory Costs would Add About

@ 15% per annum

70% loss factor

0.29

\$1.67 Per Barrel Equivalent