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THE WHITE HOUSE
WASHINGTON

Jim -

Note Presidential Handwriting
any action on our part?

Trudy

A handwritten signature in black ink, appearing to be 'Trudy', written in a cursive style.

September 17, 1975

THE PRESIDENT HAS SEEN....

The President's Labor Management Committee

Without further action by the Congress, withholding tax rates will increase on January 1, 1976. Action should now be taken to maintain the present withholding tax rates and investment tax credit without limit of time.

These recommendations reflect the views of the committee in its statement of December 30, 1974 to spur recovery.

The committee also reiterates its view that this tax action be enacted "independently of tax reform which should be studied and implemented at a later date."

In order to do this, in view of the tax action of the Congress earlier this year, the following should now be enacted with regard to personal taxes:

1. Continue the increased low income allowance
2. Continue the increased percentage standard deduction
3. Continue the current refundable tax credit
4. Increase the tax credit per exemption from the current \$30 to a new level of \$45

The committee is of the view there should be no tax rebates as in 1975.

The surtax exemption, which primarily benefits small business, should also be continued.

3. - 2 T.C
1. - Surtax exemption
12. - individuals
9 -

THE PRESIDENT HAS SEEN....

C. F.

September 12, 1975

MEETING WITH THE PRESIDENT'S
LABOR-MANAGEMENT COMMITTEE
SEPTEMBER 17, 1975
2:00 P.M.

FROM: JOHN T. DUNLOP



I. PURPOSE

To maintain contact and solicit the recommendations of the Committee on desirable policies to encourage creation of jobs.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: You have met with the President's Labor-Management Committee after each of their five 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, issued a joint statement presenting their recommendation for tax and energy policy, and on May 21, issued a recommendation for measures to accelerate construction of electric power plants. Most of these discussions have centered on capital formation. George Meany and his associates have indicated informally to some of the management members that they are anxious to talk more directly about creation of jobs. Labor and management members agree that this should be the theme for the September 17 meeting. However, the management members are inclined to emphasize that additions to capital plant and equipment are prerequisites for job creation, especially if the new jobs are to be desirable ones associated with high productivity.

1. Labor Day Statement

In his 1975 Labor Day message, George Meany outlined twelve steps which the AFL-CIO believed should be taken immediately. There is particular interest in housing. Included also were an accelerated public works program and an expanded public service employment program. Tab A contains the twelve points in their entirety.

2. Congressional Budget Office Report

On September 2, the Congressional Budget Office released a report which compared the cost effectiveness of various programs to create jobs. The report concluded that public service employment programs are the most effective way to create jobs, with public works programs a close second. In many respects, the methods used in reaching these conclusions were unsophisticated. More sophisticated analysis and more realistic assumptions about administrative delays and phase-out difficulties would cast considerable doubt on the report's conclusions.

Prior to meeting with you, the Committee will have met at 10:00 AM at the Treasury Department.

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

- B. Participants: A list of participants is attached at Tab B.
- 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 policies to stimulate job creation. I am very interested in your views and any recommendations. I also would be interested in your assessment of the status of your recommendations to accelerate electric power plant construction, which I endorsed and which have been transmitted to the Congress. In addition, your views on tax changes which are under consideration by the House Ways and Means Committee would be helpful.
- B. Discussion of Job Creation Measures: The Committee will report briefly on its views related to job creation. Where appropriate specific positions may be presented by individual Committee members.

1. The individual income tax cuts, scheduled to end on December 31st, should be extended for another year.
2. Existing programs to boost the home-building industry should be fully implemented by the Administration.
3. An accelerated public works program to create jobs should be passed by the Congress and signed by the President.
4. The public service employment program should be greatly expanded, creating jobs for the unemployed in state and local governments.
5. The Federal Reserve Board should be ordered to cut interest rates and to allocate credit to such important areas as housing.
6. State and local communities hard-hit by high unemployment should receive immediate federal aid.
7. The nation's railroad track and roadbeds should be restored.
8. The outmoded unemployment insurance system should be overhauled immediately.
9. Major loopholes in the tax structure, which yearly rob the federal Treasury of \$20 billion, should be closed.
10. A comprehensive energy policy should be adopted that does not permit uncontrolled price increases for fuel.
11. The government should regulate the export of American goods and products in short supply to prevent inflation.
12. The President should more rapidly release previously impounded funds to create jobs.

LABOR MANAGEMENT COMMITTEE MEETING

September 17, 1975

PARTICIPANTS

Labor

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

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

Arnold Miller, President, United Mine Workers of
America

Management

John D. Harper, Chairman, ALCOA

Reginald H. Jones, Chairman, General Electric Company

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

Walter B. Wriston, Chairman, First National City Bank

George P. Shultz, Executive Vice President, Bechtel
Corporation

Rawleigh Warner, Jr., Chairman, Mobil Oil Corporation

Administration

John T. Dunlop

William E. Simon

L. William Seidman