

**The original documents are located in Box 22, folder “Press Guests at State Dinners - Candidates for Invitation (2)” of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.**

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THE WHITE HOUSE

WASHINGTON

August 19, 1976

MEMORANDUM FOR: CONNIE GERRARD

FROM: SANDRA WISNIEWSKI

*Sandra*

Per our discussion of perhaps a week ago, this is to recommend that Charles Mill, President of the American Business Press, be considered as a possible guest to a State Dinner--or, as you suggested, the after-dinner entertainment.

The American Business Press is an association of publishers of business magazines of approximately 100 members who publish approximately 500 magazines--everything from Business Week to Oil & Gas Journal.

I have arranged two Washington Conferences for them--October 1974 and November 1975. As you probably remember, the President hosted a reception for them following their Conference November 5th.

I know from talking to Charlie that he is a supporter of the President's. He is also very concerned over the impact Jimmy Carter has had to date with the business community. The last time that Charlie was in town, August 9, I introduced him to Dave Gergen. At this meeting, they discussed the President's relationship with the business community, and Charlie offered to be of whatever assistance he could to help us disseminate business and economic news.

Although I believe that in his official role as President of the Association he must remain "not too obviously partisan," Charlie is a Republican and a supporter of the President's. I also believe that most of his members lean our way. It certainly is a group we should capitalize on.

If you need further information, let me know. I am attaching the Central File on ABP. By the way, there is a Mrs. Mill. I do not have a home address, but I could get one easily.

# THE AMERICAN BUSINESS PRESS WASHINGTON EDITORIAL CONFERENCE

WASHINGTON, D.C.  
NOVEMBER 5-6, 1975



## THE WASHINGTON PRESENCE OF THE AMERICAN BUSINESS PRESS

American Business Press, Inc. is the association of specialized business publications, independently owned and published. Its membership numbers more than 500 technical, professional, industrial, scientific, merchandising, and marketing publications. For business and industrial leaders, scientists and professional men, the editorial columns and advertising pages of these publications are the primary source of information on developments affecting their fields and futures.

Understandably, the business press has found an increasing need for reporting and interpreting the flow of Federal actions to its readers and conveying back to Washington the views and reactions of the business world. To perform that function, member companies of the American Business Press maintain some of the largest news bureaus in the nation's capital.

When Herbert Hoover was Secretary of Commerce, and later President, he recognized that the business press of America was the fundamental force in informing the businessmen of America. It was at that time that the tradition of the Washington Editorial Conference of the American Business Press was instituted. During World War II, President Roosevelt called upon the business press to help prepare American industry for the job of supplying the sinews of war, and held regular meetings with publishers and editors. Subsequent presidents have continued the tradition.

We are glad that the ABP Washington Editorial Conference is being held at this time. That it is due to the extraordinary efforts and friendly cooperation of Ron Nessen, Press Secretary to the President, Margita E. White, Assistant Press Secretary to the President, Ms. Sandra Wisniewski of that office, and the efforts of ABP's "man in Washington"—Robert A. Saltzstein. We are deeply indebted to these people and to the speakers who are participating in our program.

## PROGRAM

Wednesday, November 5, 1975

10:00 am  
William Gorog  
Deputy Director  
for Domestic Economic Policy

Alan Greenspan  
Chairman  
Council of Economic Advisers

L. William Seidman  
Assistant to the President  
for Economic Affairs  
and  
Executive Director  
Economic Policy Board

Frank Zarb  
Administrator  
Federal Energy Administration

12:00 pm  
Reception and Luncheon  
The Hay-Adams Hotel  
800 16th Street, N.W.

2:00 pm  
Carla A. Hills  
The Secretary of Housing  
and Urban Development

2:45 pm  
James B. Cardwell  
Commissioner  
Social Security Administration

3:30 pm  
John T. Dunlop  
The Secretary of Labor

4:15 pm  
James T. Lynn  
Director  
Office of Management and Budget

5:00 pm  
Reception

7:00 pm  
Dinner  
The Hay-Adams Hotel  
800 16th Street, N.W.



Thursday, November 6, 1975

Room 457  
Russell Senate Office Building

ABP members *must* be  
in the meeting room  
by 8:45 am

9:00 am  
Congressman Al Ullman (D-Ore.)  
Chairman  
House Ways and Means Committee

9:45 am  
Senator Henry Jackson (D-Wash.)  
Chairman  
Senate Interior and  
Insular Affairs Committee

10:15 am  
Congressman Brock Adams (D-Wash.)  
Chairman  
House Budget Committee

11:00 am  
Senator Adlai E. Stevenson, III (D-Ill.)  
Member  
Senate Committee on Banking,  
Housing and Urban Affairs  
Member  
Senate Committee on Commerce



AMERICAN BUSINESS PRESS INC.  
205 EAST 42ND ST.  
NEW YORK, N.Y. 10017

# WHAT IS AMERICAN BUSINESS PRESS?



**ABP**

## **ABP — The American Business Press, Inc.**

— is the association of publishers of specialized business magazines.

Perhaps we should take a moment to define a specialized business magazine. These are independent publications (sometimes called "trade papers" or "business papers" or "trade and technical journals"). They serve a specific field or function in business, industry, or the professions with news, technical, engineering, or professional information related to that field or function. Examples are those publications which serve an industry, or a part of it, such as chemical, banking, metalworking, mining, construction, or medical; or a function such as purchasing, design engineering, plant maintenance.

**WHO BELONGS?** There are some 2,400 business publications listed in the industry's directory. Only about 20% can fly the ABP banner. In order to be elected to membership, a publication must (a) have its circulation audited by an independent, tripartite auditing bureau, (b) be independently owned and tax-paying, (c) agree to abide by ABP's Code of Publishing Practice.

Membership in ABP is by company. Each member company has one vote, no matter how large it is or how many publications it issues. Almost all major reputable business publishers in the U.S. do belong to ABP. In addition, a number of companies in other countries are international affiliates.

ABP serves its members, and the business community, in a wide variety of ways:

**WASHINGTON ACTIVITIES:** ABP acts as the strong and united voice of the business press in Washington. Its General Counsel is located there so that the interests of members are protected by expert legal representation. It deals with the Postal Service, the Congress, and other government departments. It fights for fair copyright protection. It led the fight to establish regulations that tax the advertising profits of association and society publications.

The Washington office, under the guidance of member-staffed Washington Committees, also publishes a Washington/Legal Letter to keep members informed of activities in the Nation's Capital.

**MEMBER SERVICES:** ABP's service to members is under the direction of its Publishing Management Committee and four operating committees: Editorial, Circulation, Production, Financial. These groups organize a wide range of services to members:

- sponsoring meetings, seminars, round-tables
- issuing newsletters, bulletins, and reports
- publishing an employment roundup
- issuing major management studies such as the Cost Report, the Manpower Study, and the Theory of Accounting for Business Publications
- gathering and disseminating information on payment record of advertising agencies
- operating Executive Development Forums and Seminars
- issuing Standards of Business Publication Practice.

ABP's Member Services Division also operates special programs for Medical and International Publications.

**EDITORIAL SERVICES:** ABP's services in the editorial area deserve special attention and mention, since it is fair to say that the Association has done more to upgrade business publication editorial content than any other single force. It sponsors the annual Jesse H. Neal Awards to spotlight outstanding editorial achievement. It also sponsors the Crain Award for a Distinguished Editorial Career in the Business Press. It holds annual "retreats" for editors. It conducts monthly meetings of its editorial committee. It sponsors twice-a-year clinics for editors and Washington gatherings to bring together government and editors.

**MARKETING AND ADVERTISING:**

Under the direction of its Business Press Advertising Bureau Advisory Board, ABP plays a major role in helping American business make more effective use of industrial advertising. Among the wide range of promotional materials it issues are:

- The now-famous "An Evaluation of 1,100 Research Studies on the Effectiveness of Industrial Advertising." This major report by Arthur D. Little, has been called "compelling evidence of the degree to which advertising is effective as a part of the marketing arsenal."

- ABP sponsors annual Advertising Awards for effective advertising in business publications. The ABP competition is highly regarded because, unlike many others, it places special emphasis on the matter of defining advertising objectives and measuring advertising results.
- ABP underwrote and produced the exciting multi-media spectacular, "The American Edge" which was shown at the AIA Conference and at special meetings in 10 cities. This dramatic 45-minute show was widely hailed as identifying the role of the business executive in solving America's problems, and the role of the business press in providing business with information.
- "Leading Advertisers in Business Publications" which reports how much major companies are investing in the business press.
- "The Industry Volume Study" which details the basic statistics for the medium - total advertising pages, total advertising dollars, total circulation. Data is cross analyzed to give breakdowns by publication classifications, broader categories, frequency, etc.
- Advertising effectiveness research, such as recent studies by the John Morrill Co., that prove business press advertising pays off, including one done for the Westinghouse Electric Company which shows actual dollars and cents figures on sales resulting from business press advertising.

- U.S. Steel/Harnischfeger research which validates the fact that the business press keeps contact with ever-changing buying influences and details the costs involved in reaching those buying influences through print.
- The "Buchen study" which proves that companies that do not cut ad budgets in recession periods do better in sales and profits.
- The Advertiser/Agency Relations Committee's work builds stronger ties with all facets of our business.

**IN SUMMARY . . .** Here are the aims and aspirations of ABP's multi-faceted operation, through appropriate ethical standards and adherence to the more rigid requirements of audited circulation:

- to provide an environment and a program that gives its member people growth opportunities
- to assist members in building stronger publications
- to promote a larger appreciation of the business press
- to serve as an information center on our medium
- to foster greater awareness of quality business publications

Everyone who reads or advertises in business publications should recognize that not all are alike. Those which can carry the ABP insignia represent the best in business publications.





**AMERICAN BUSINESS PRESS INC.**

**205 EAST 42ND ST., NEW YORK, N.Y. 10017**

# ABP

COPY FOR Sandra T. Wisniewski

AUG 16 1976

August 10, 1976

Mr. David Gergen  
Director of Communications  
The White House  
Washington, DC 20500

Dear Mr. Gergen:

It was generous of you to take the time to chat with me on such short notice when Sandra Wisniewski introduced us yesterday.

Let me repeat the background I gave you: American Business Press ("ABP") is the association of publishers of business magazines. The enclosed Member Roster will give you an indication of the kinds of companies which make up our membership and "What is American Business Press" will give you an overview of the Association.

Without getting too commercial about it, suffice to say that these publications are the primary source of business and technical information to the executives and managers who operate American industry and business.

Working with Sandi, Margita White, Jerry Warren, etc., we have had a very pleasant relationship in recent years which I am sure has been beneficial to the Administration and to ABP. Among the highlights have been the Annual ABP Washington Conferences. Enclosed is a copy of the program for last year's effort. ABP has also served as a channel for distribution of business news to editors and publishers of our magazines.



Mr. David Gergen  
August 10, 1976  
Page 2

I repeat my offer to work with you in any way to insure that business and economic news is distributed.

Cordially,

Charles S. Mill

CSM:kc  
Enc. (3)  
cc: Sandra T. Wisniewski

IV/1976/ST3/108

February 9, 1976

Dear Mr. Mill:

This is to acknowledge and thank you, on behalf of the President, for your letter of January 6, inviting him to address the 1976 American Business Press on the occasion of their Annual Meeting on April 4-7 at the Arizona Biltmore in Phoenix.

While the President was pleased to receive this cordial invitation and, if circumstances permitted, would like very much to join you for this Annual Meeting, he will not be able to do so in view of the heavy demands of his official schedule.

The President would like you to know, though, he greatly appreciates your thoughtfulness and he sends warm good wishes to you.

Sincerely,

William W. Nicholson  
Director  
Scheduling Office

Mr. Charles S. Mill  
President  
American Business Press, Inc.  
205 East 42nd Street  
New York, New York 10017

cc: w/incoming to Margita White for spokesman  
assistance.

WWN:MR:pt



GENERAL

1/1976/573/P

January 27, 1976

Dear Charlie:

Just a note to let you know that your invitation for the President to address the American Business Press at the annual meeting in Phoenix on April 4-7 is being reviewed by the President's scheduling office. It is still too soon to determine the April schedule but knowing the great demands on the President's time during that period I cannot be optimistic about the chances of a trip to Arizona.

However, recognizing the importance of this forum we will try to get you an answer as soon as possible and try to assist in arranging for a substitute Administration spokesman in the event the President cannot join you.

With best wishes,

Sincerely,

Margita E. White  
Assistant Press Secretary  
to the President

Mr. Charles S. Mill  
President  
American Business Press Inc.  
205 East 42nd Street  
New York, New York 10017

MEW:cw

bcc: Ron Nessen  
William Nicholson  
Warren Hendriks



*Sandi*

CHARLES S. MILL  
PRESIDENT

January 5, 1976

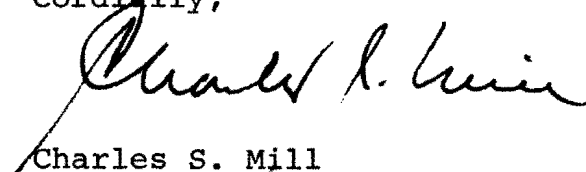
Ms. Margita E. White  
Assistant Press Secretary  
to the President  
The White House  
Washington, D.C. 20500

Dear Ms. White: ?

Thank you for your letter of December 29 and the copy of the photograph taken at the ABP White House Conference.

I note that you felt that the Conference itself was successful. As you may know, we have had indications that a considerable number of editorial mentions and news items resulted from the meeting. The number of readers exposed to these reports is not in itself large as compared to, let us say, tv exposure. However, the impact is made on thought leaders in business and industry in relation to their own profession. So it may very well be that the "retention value" of what was disseminated at the Conference is far greater.

Cordially,

  
Charles S. Mill

CSM:kc

EXECUTIVE

MC 4-13

PA16

cg  
CHARLES S. MILL  
PRESIDENT

November 7, 1975

Mr. Ron Nessen  
Press Secretary to the President  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

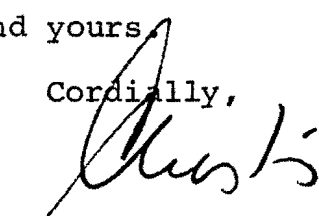
Dear Ron:

On behalf of the members of the <sup>X</sup>American Business Press,  
I want to thank you for the excellent conference on  
November 5.

Margita White and Sandi Wisniewski exceeded themselves  
in managing a day in which key editors of the business  
press were able to meet with officials who covered  
subjects of major interest to American business.

We appreciate their efforts and yours.

Cordially,

  
Charles S. Mill

CSM:pc

cc: Margita White  
Sandra T. Wisniewski  
Sarah A. Carter



## WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
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*Reception - American Business Press*

EXECUTIVE  
506

*11/5/75*

MILL, Charles S., President  
American Business Press  
205 East 42nd Street  
New York, New York  
035-05-1609

MOORE, R. J.  
President  
MacMillan Professional Magazines  
One Fawcett Place  
Greenwich, CT  
[REDACTED]

MOSBACHER, C. J.  
Editor  
Research/Development  
1301 S. Grove Avenue  
Barrington, IL  
077-18-5152

MCCLUNG, John  
Miller Publishing Co.  
858 National Press Bldg.  
Washington, DC 20045

RASKIN, B. J.  
Institutions Magazine  
5 South Wabash Avenue  
Chicago, IL  
[REDACTED]

REKSTAD, G.  
Editorial  
Factory  
205 East 42nd St.  
New York, New York  
[REDACTED]

REMINICK, H.  
Editor  
Government Product News  
614 Superior Avenue, West  
Cleveland, OH  
[REDACTED]



EXECUTIVE

*AG-11-15 White, Margita*

Centrl Files  
ABP

August 15, 1975

Dear Charlie:

I am sorry that it took so many tries before we could actually get together. However, I am sure this will not continue to be the case and that we will be working very closely together as you prepare for your Washington Editorial Conference. Sandi will keep you posted if there is a change from November 5.

The lunch on Tuesday was most enjoyable. It was good to meet you and Susie, and I look forward to seeing you again.

Best wishes.

Sincerely,

Margita E. White  
Assistant Press Secretary  
to the President

Mr. Charles S. Mill, President  
The American Business Press  
205 East 42nd Street  
New York, New York 10017

cc: Sarah A. Carter

MEW:STW



July 2, 1975

Dear Charlie:

It was very nice to meet you and Susie yesterday, and I regret that I did not have an opportunity to meet you sooner. Sandi has spoken of you both very often, and I did not feel at all like we were meeting for the first time. Let's make sure that not too much time goes by before you meet Margita.

Thank you for lunch yesterday. I hope we meet out in San Diego sometime. Good luck with your Annual Editorial Conference. With Margita and Sandi taking care of you, everything will be great.

Best wishes.

Sincerely,

Gerald L. Warren  
Deputy Press Secretary  
to the President

Mr. Charles S. ~~Mill~~  
President  
American Business Press  
205 East 42nd Street  
New York, New York 10017

GLW:SW:kt

cc: Susie Carter



RECEIVED  
JUL 3 1975  
CENTRAL FILES

July 2, 1975

Charlie:

The name of the man at USIA mentioned by Jerry at lunch yesterday is Andrew Falkiewicz, Assistant Director for Public Affairs, telephone (202) 632-4963. I talked with him yesterday, and I mentioned you to him and relayed Jerry's comments. He will be glad to talk to you and will be expecting your call. However, he will be leaving the country at the early part of next week and will probably be gone for at least a month. I guess you'll have to wait until August to get in touch with him.

Thanks so much for the lunch yesterday. I enjoyed seeing you and Susie again. Too bad that Margita picked this week to go on vacation!

Sincerely,

*Sandra Wisniewski*

Mr. Charles S. ~~Mill~~  
President  
American Business Press  
X 205 East 42nd Street  
New York, New York 10017

SW:kt



RECEIVED  
JUL 3 1975  
CENTRAL FILES

GENERAL

SP3-129

Central Files  
American Business Press

June 17, 1975

Dear Charlie:

I called the office this morning to discover that Susie is on jury duty and that you are out of town for a few days. Consequently, I decided I better resort to the mail system.

We have started receiving the agency telephone listings which you asked us about, and I would expect that we could have a fairly complete set before many more weeks pass. I'll be in touch about that shortly.

The main reason I am writing is to forward a copy of the President's speech before the National Federation of Independent Business Conference. This is an excellent speech in which the President discusses his respect and admiration for the small businessman and also his hopes that government can become less involved with their daily activities to permit them the freedom they need to really grow. We think it is the kind of speech your membership would be interested in reading.

Hope to be seeing you soon.

Sincerely,

Sandra Trivett Wisniewski  
Assistant to Gerald L. Warren

Mr. Charles S. Mill, President  
The American Business Press  
205 East 42nd Street  
New York, New York 10017

Enclosure



STW

MEMORANDUM

## NATIONAL SECURITY COUNCIL

May 27, 1975

MEMORANDUM FOR: JERRY WARREN

FROM: Jeanne W. Davis *JWD*

SUBJECT: Presidential Letter to Canadian  
Business Press Association

The NSC cannot concur in your request for a Presidential letter to Mr. Charles Mill to be read at the annual meeting of the Canadian Business Press Association.

The White House has a rather firm policy that the President will not provide any letters or messages to be delivered in a foreign country unless they are to be carried by an official U. S. delegation. We see no overriding diplomatic reason to recommend an exception to this policy, which serves to protect us from innumerable similar requests and from any appearances that the President or the United States might have an undue influence in the activities of private organizations abroad.

RECEIVED  
JUN 10 1975  
CENTRAL FILES



EXECUTIVE

MC 3-4

October 30, 1974

Dear Mr. Mill:

Enclosed are copies of the letters which Mr. Holland sent out to your speakers.

We thought it would be a good idea if you would send us selective articles which appear in some of your magazines about the Conference so that we could distribute them to the speakers mentioned.

We are working on your request for a presidential appearance at your annual meeting and will keep you posted.

Sincerely,

Sandra T. Wisniewski

Mr. Charles S. Mill  
President  
The American Business Press  
205 East 42nd Street  
New York, New York 10017



*Central  
Files*

CHARLES S. MILL  
PRESIDENT

October 29, 1974

Mr. Ron Nessen  
Press Secretary to the President  
The White House  
1600 Pennsylvania Ave., N.W.  
Washington, D. C. 20500

Dear Mr. Nessen:

On behalf of the members of the American Business Press,  
I wish to thank you for the excellent conference the  
White House put together for us on October 24, 1974.

Due to the efforts of Jim Holland and Sandi Wisniewski  
we spent a most interesting and rewarding day. The  
program ran smoothly and all of the speakers were  
excellent.

We appreciate your efforts and look to maintaining  
our tradition in future years.

Cordially,

*Charles S. Mill*

Charles S. Mill

CSM:kc

RECEIVED  
NOV 5 1974  
CENTRAL FILES



October 15, 1974

Mr. Charles S. Mill  
President  
American Business Press Inc.  
205 East 42nd Street  
New York, New York 10017

Dear Mr. Mill:

Thank you for your recent communication expressing your interest in and concern for our Nation's economic problems.

As you know, public enemy number one, inflation, has been given top priority by the President. The President and the Congress held a two-day Conference on Inflation to explore the full range of our current economic policies. Over 700 delegates, from all sectors of the economy, participated in the Conference.

With the recommendations resulting from these meetings and the thousands of suggestions such as yours the President and his economic advisers were able to develop a program to slow down inflation.

The President has asked me to thank you for taking the time to write and share your opinions.

Sincerely,

LS/

L. William Seidman  
Assistant to the President  
for Economic Affairs

CHARLES S. MILL  
PRESIDENT

September 25, 1974

The Honorable L. William Seidman  
Council of Economic Advisers  
to the President  
Executive Office Building  
17th & Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Dear Mr. Seidman:

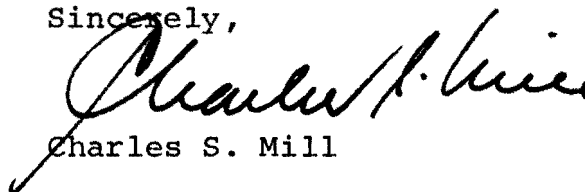
In the hope that it will be of value in appraising the economic health of the nation on the eve of your summit conference, I am enclosing a special report on key industries prepared by editors of member publications of American Business Press, Inc., the association of specialized business publications.

The reports were gathered this week in a nation-wide telephone and telegraph survey of editors of leading business publications serving the following industries: automotive; chemical process; construction; electrical equipment and power; food (including processing and distribution); metalworking; and power and energy.

ABP's 500 member publications are the primary business information source for executives in business, agriculture, and the professions. The material contained in this report represents the judgment of editors who have spent years covering their particular industry.

I hope it proves helpful to you and your associates.

Sincerely,



Charles S. Mill

CSM:wp  
enc.

# ABP

KEY INDUSTRY REPORTS  
ON THE STATE OF THE  
ECONOMY BY LEADING  
BUSINESS PUBLICATION  
EDITORS

September 25, 1974

On the eve of the President's economic summit conference, American Business Press, Inc., the association of specialized business publications, has queried 60 of its member publication editors for their field reports on the challenges that face the nation's industrial and agribusiness complex in the battle against inflation. The resulting analysis of seven major American industries is presented as a public service. ABP hopes that it will provide an unbiased up-to-the-minute account of the outlook and opportunities, as reflected by America's business and farm leaders, for the balance of 1974 and 1975. As spokesmen for nearly five hundred business publications, American Business Press, Inc., volunteers this report to assist President Gerald R. Ford's efforts to restore a healthy economy.

The wire/telephone survey of business publication editors, specialists in their marketing areas, was compiled September 23 in the following categories: Automotive; Chemical Process Industries; Construction; Electrical Equipment and Power; Food; Machinery -- Metalworking Industries; and Power and Energy.

American Business Press asked editors to report from their specialized vantage points on the following questions:

1. What are the key problems facing your industry today beyond the overall one of inflation?
2. By the end of 1975, do you expect that these problems will be better or worse? Why?
3. Notwithstanding the President's opposition, does your industry want wage and price controls?

The accompanying report is presented industry by industry. It reflects the manufacturing and food community's impatience with inflation and concern with high interest rates and shortages. Significantly, in several industry classifications, America's corporate executives and farmers take a confident attitude about 1975. If inflation can be checked and money rates can be stabilized, they envision greater production and a generally improved picture in the coming year.

Notwithstanding increasing unemployment on the national scene, however, some industrialists note serious labor shortages. For example, the mining industry needs 125,000 workers, the machinery industry is short an estimated 40,000 employees, and training programs in the metalworking industries receive limited numbers of applicants.

The food industry, plagued with shortages ranging from machinery to fertilizers and twine in 1974, sees the possibility of a more productive 1975 -- barring adverse weather.

The construction industry, suffering its worst decline in a generation, is less optimistic, but hopeful of improvement by the second half of 1975.

America's utilities are concerned about the ability to generate a cash flow for modernization and expansion. The President is asked to lend the prestige of his office to expediting rate hikes at the local Public Service Commission level.

Increased demand for housing is expected to help the electrical equipment industry.

The machinery and metalworking industries are enjoying a boom that is noteworthy. Their problem is to secure financing for needed expansion in an industry that requires long lead time from design to delivery.

The coal and oil industries are enjoying capacity business. However, their ability to supply the nation with increased energy sources is dependent upon the need to arrange necessary financing.

Environmental controls are proving burdensome, serving to restrain production in several industries, notably farming and energy. Producers recognize the need for environmental controls but express concern over "punitive" regulations.

While manufacturers and farmers generally are opposed to economic controls, there is no universality of opinion on this subject.

This report is submitted in the hope that it will serve as an important barometer in registering a reading of the thousands of American businessmen and farmers whose business activities are chronicled in their specialized business publications.

## AUTOMOTIVE

The automotive industry, the nation's largest industry, faces widespread shortages of raw materials in manufacturing, as well as fueling and maintaining vehicles.

Industry business press editors also cite federally-mandated safety and pollution standards as major problems. Norman M. Lloyd, editor-in-chief, Automotive Industries, notes that the cost of developing equipment required to meet new federal standards is being necessarily passed along to the consumer.

A lack of trained mechanics for retail automotive service poses another problem, according to Richard O. Weinberg, editor, Home and Auto. Mr. Weinberg also sees a shortage in petrochemicals (i.e., ethylene glycol for anti-freeze) proving burdensome to the consumer.

Industry forecasts are gloomy. "I do not see the situation improving by the end of 1975," notes Mr. Lloyd. Shortages of feedstocks and the alleged "unrealistic" standards imposed by federal agencies are blamed for the clouded outlook. Editors cite government standards as forcing the industry to develop a number of "instant technologies" at great cost.

Similarly, little improvement is seen in the raw materials picture. With refining capacity in a four-to-five year phase from drawing board to on-line, the energy situation is not expected to improve greatly. Observers hope that the government's goal of self-sufficiency in energy will ultimately provide relief in this direction, but do not foresee this occurring by the end of 1975.

Editors report the industry is generally opposed to economic controls, since price controls translate almost instantly into material shortages. One editor voiced industry objections to wage and price controls while observing "off the record" that business will come to realize that voluntary restraints "won't work, and letting the cycle reach a natural conclusion would be just short of disastrous."

## CHEMICAL PROCESS INDUSTRIES

Aside from shortages tied mainly to supplies, the chemical process industries have been coping effectively with their production and marketing problems. Industry leaders are generally optimistic for 1975.

The chemical industry is underscoring its basic confidence, according to Patrick P. McCurdy, editor-in-chief, Chemical Week, with the biggest capital spending program that it has ever undertaken both in the United States and abroad. Some \$6 billion will be invested in the U.S. and an additional \$2.5 billion outside the country.

Major stumbling blocks to this capital spending program, according to Robert B. Norden, executive editor, Chemical Engineering, include difficulty in building new process facilities due to rapidly rising costs, long delivery times for process equipment, and a short supply of engineering manpower. He predicts there will be some cutbacks in capital spending over planned spending in 1975 due to shortages in feedstocks, rising costs, etc. "But overall we don't see any basic changes taking place in 1975 over the present situation."

Shortages of feedstocks and fuel currently plague the industry. Part of this problem has been caused by roadblocks (i.e., environmental, steady supply of crude oil) in the construction of new petroleum facilities in the U.S. New refineries are needed, it is pointed out by industry experts, as a source of feedstocks for many chemical operations.

In addition, industry leaders have other general concerns: Increasing government controls; public confidence in industry and business; and learning how to operate in a shifting global business environment.

Some easing of inflationary pressure is envisioned for 1975. The short-term outlook for the chemical industry is for some softening in the market. One top executive noted, "We're still selling everything we can make, but demand is diminishing somewhat." Though it looks like a sellers' market into 1975, there should be some easing of the shortage situation as demand slows, new sources of material become available and new plant capacities begin to come in line.

The industry also looks for a slowdown, perhaps even a slight drop, in growth of raw material prices.

Editors report no great push for restoration of wage and price controls in the chemical process industries.

Much of the vast expansion program must be internally generated out of profits. A healthy profit level is essential to maintain the growth momentum of this industry. Therefore, price increases will be necessary to maintain the profit level necessary for growth.



## CONSTRUCTION

The building and building products industry faces critical times because of decreasing housing starts, according to business publication editors in this field. Some of the slack is being taken up by non-residential and commercial construction, as well as remodeling.

Ironically, the do-it-yourself home improvement market is setting new sales records. Sales, which are running at \$23.9 billion, may soar to \$27 billion by year's end, according to Norman Remich, Jr., executive editor, Home Center.

The key to the problem is inflation. High interest costs, coupled with high building costs, have practically brought the home building industry to a halt. Disintermediation is proving to be harmful to builders and their suppliers.

Lumber, particleboard and plywood are areas of major concern. Reduced shifts, short weeks, mill closures (mainly mills dealing with plywood, used extensively in construction) and rising unemployment are dogging the forest products industry. Additionally, costs, especially for timber -- the basic raw material -- remain astronomical, according to Herbert G. Lambert, editor, Forest Industries. "The result is obvious," Mr. Lambert notes. "U.S. housing needs are unmet, adding potential social problems to existing business problems."

Paradoxically, the glass industry continues to face a shortage of basic materials. "This stems not so much from a point of quantity as availability," observes John Y. Johnson, editor, The Glass Industry.

Soda ash, borax, tin, aluminum, steel -- upon which the industry is dependent for basic commodities and for machinery, molds and attendant tools -- are proving hard to find. The shortage of covered hopper cars to transport soda ash is not improving and delivery time is at least a year. Fuel is still very much in doubt not only in quantity but in cost.

There is much concern in the glass industry that there is a multiple bind on the demand for feedstocks in the chemical processing industry as well as basic energy because they have the same source. An atmosphere of uncertainty prevails as to the availability of fossil fuels (essential to the glass industry), due to the seeming lack of general guides for determining how much is available and what is required for various activities.

The industry sees little immediate improvement, according to John Goldsmith, editor-in-chief, House and Home. "I don't see too much relief for 1975. Eventually, we will build up demand. Now there is an inventory of unsold units."

The high cost of building and the high cost of operating rental housing and multi-family dwellings have also put a damper on the rental market. Rents in many areas have not caught up with the cost of apartments.

The lumber industry expects improvement by the third quarter of 1975. However, industry observers warn consumers may expect repetition of recent record prices. As a result, lumber products executives are concerned about the disastrous effects of boom and bust "yo-yo" cycles, with housing and forest products bearing the brunt.

High prices in lumber and panelling are proving a deterrent even in the booming do-it-yourself market. Yet this market is projecting sales of \$30 billion in 1975.

Easing of inflation and the money market for 1975 gives the glass industry cause for hope. A critical money supply situation has caused many companies to cut capital expenditures to maintain corporate liquidity.

Glass industry members report that the greatest problem is the possibility of a coal strike this year which would have a crippling effect on the balance of an energy-based economy.

The soda ash shortage is not expected to stabilize in 1975 and could get worse depending on what transpires in the energy marketplace. Refineries are not operating at full capacity because of a labor shortage. Higher prices are seen for the soda ash industry.

Commodity producers in the construction industry are opposed to reimposition of economic controls. On the other hand, industry observers report a lack of universal feeling by home building executives. Prices are regulated, it is pointed out, by the marketplace. The home building industry is a loose alliance of thousands of builders working under varied local conditions with assorted types of housing. The industry opposes controls, however, on rents.

## ELECTRICAL EQUIPMENT AND POWER

Materials shortages, high interest rates and skyrocketing fuel costs have combined to pose the greatest challenge in a generation to electrical equipment and electric power companies. Inflation has had a devastating effect on the supply field. As George Ganzenmuller, editor-in-chief, Electrical Wholesaling, observes, "The eight month index of prices is up 23.6 per cent. The same wholesaler's inventory that cost \$500,000 at the beginning of the year now requires an investment of \$625,000."

Obviously, this impedes the development of new products. Furthermore, the industry is hampered by shortages which, coupled with unforeseen costs, have led to holdups in the introduction of new items. Milt Ellenbogen, editor, Electrical Equipment, observes that press releases of previously released new products are being cancelled with the manufacturer's notation, "please hold" or "please cancel." He ascribes unforeseen costs as leading to the "hold."

Pricing of meters, cases, and components has risen repeatedly this year because of inflation, industry spokesmen point out. Unprecedented problems have been created by the inability to finance the capital-intensive power industry because of delays by state regulatory agencies in granting rate increases to offset costs. These costs are caused, according to William C. Hayes, editor-in-chief, Electrical World, by "extremely high non-productive costs imposed by pollution constraints."

Mr. Hayes notes that assuring an adequate fuel supply for the electric power industry has become of paramount importance. Each of the major fuels (coal, nuclear, oil and gas) is being constricted by different environmental groups who "are not considering the effect on alternate fuels."

The electric power industry's major problems are summarized by Stuart M. Lewis, editor, Transmission and Distribution: shortages, the high cost of fuel for electric power generation, difficulty of power companies in obtaining capital for expansion, high interest rates, delays in obtaining rate increases from public service commissions, and the high cost of environmental protection.

Inflation-dampened construction, both residential and industrial, is also serving to depress the electrical equipment market, according to Robert L. Davis, editor, Contractors' Electrical Equipment.

Problems of the electric power industry are expected to get worse before they get better, editors agree. Mr. Lewis observes: "A decrease in interest rates by the end of 1975 will help, but the key to financial health of electric utilities is speedy increases in electric rates." And he cautions, "progress in rate relief is likely to be too slow."

Mr. Hayes sees 1975 as better "in some few states because the Public Service Commissions are beginning to respond -- but worse on the national average." However, industry experts are wary of pollution constraints. Further problems are envisioned if constrictive actions of environmental control activists increase.

Electrical equipment suppliers, on the other hand, are cautiously optimistic for 1975. Postponed construction, both residential and industrial, may increase demand by mid-1975, it is speculated. The electrical supply industry is tied to construction and consequently its success hinges on restoration of building activity.

Electrical utility experts report general industry opposition to restoration of wage and price controls. However, in the equipment supply field, the industry is not uniformly against bringing back controls. Mr. Davis reports industry concern with price controls that start with raw materials "and proceed up through each value-added step." Wage controls provided stability in the construction industry for three or four years, he notes.

Mr. Ellenbogen observes that Phase II was working and was discarded too quickly. He envisions that wage-price controls could bring about a form of stabilization to the electrical equipment supplier industry, although another editor dubs them a "horrible mess."

## FOOD

While high prices and inflation continue to worry the food industry, shortages in almost everything needed to produce food shock America's farmers and food processors today. This is the assessment of business press editors who have surveyed everything essential to produce food from tractors to fertilizer.

"From the farm store dealer's point of view, I would say that shortages are the greatest problems facing the industry today," notes Richard Chamberlin, editor, Farm Store Merchandising. "These shortages are especially hard-felt in fertilizer, agriculture chemicals, twine, fencing and other steel products, mechanical equipment, and in other related lines."

Shortages of steel and other finished components for the manufacture of farm machinery are blamed for slow deliveries by William Fogarty, editor, Implement and Tractor.

While the marketplace is getting more of the consumer's food dollar, the farmer is not getting more from the marketplace, according to the editors of Feedlot Management, Dairy Herd Management, and Hog Farm Management. Sensitive to consumer complaints about high food prices, industry observers insist that increases in prices are coming from the processing and distribution segments of the food business as opposed to the production end where costs are climbing and market prices are declining.

Livestock and poultry producers are operating at or below costs of production because of high prices of grain, equipment, and other input needs according to W. Ray Bates, editor, Farm Supplier. In addition environmental rulings have imposed restrictions on the farmer and allied industries.

In addition to shortages and high prices for most basic food ingredients, critical additive and packaging materials, the industry is straining under the cost of compliance with recent government regulations and guidelines relating to plant operation, nutritional labelling, etc. Lloyd Slater, editor-in-chief, Food Engineering, reports the processing and packaging industry is also concerned about another round of wage increases.

Supply shortages are expected to ease by the end of 1975.

Dairy farmers, beef and hog producers, alike, see an improved economic situation for 1975. This is ascribed to reductions in end product output and increased efficiency gained in 1974.

Mr. Slater has hopes that most of the current problems should be less severe by the end of 1975 because of actions taken to ease shortages. However, he points out that crop yields are weather-

dependent. Furthermore, he notes that the nation only partially controls the cost of petroleum essential in fertilizers, etc., and as with sugar in the past year, there could be sharp increases in the cost of certain commodities.

Almost unequivocally, all segments of the food industry oppose wage and price controls.



## MACHINERY -- METALWORKING INDUSTRIES

Inability to meet demand following several barren years plagues the metalworking and machine tool industries. With an estimated machine tool sales backlog of \$2.6 million, at the present rate of production, demand is not expected to catch up with sales for a year and a half. Manufacturers ascribe their inability to meet demand to:

1. a shortage of trained people;
2. shortages of materials and components; and
3. lack of investment capital to modernize and expand plant capacity.

Because of the long lead times necessary to set this capital goods industry in motion, it is estimated that sufficient plant capacity may not be reached for as much as five years. Today's capacity limitatin is ascribed to the industry's lean years from 1969-1972 when metalworking suffered the worst downdraft in sales on record. The industry is still recovering from the resulting plant shrinkage.

The metalworking industry is attempting to expand. Yet, "high interest rates which make it difficult to raise funds for plant expansion and for modernization," have an adverse effect, states Raymond H. Spiotta, executive editor, Machine and Tool Blue Book.

In the absence of sufficient borrowing power and the dry-up of the equity market, the metal producing industry finds its profit margin is not sufficient enough to handle expansion and modernization to the degree that is necessary. "Steel and aluminum," according to Joseph L. Mazel, editor, 33 Magazine, "are not getting enough to go into a capital improvement program."

At least one observer notes that orders are beginning to slide in this boom and bust economy. "While sales are still above last year," says Pat Walker, editor, American Metal Market, "orders are sliding, indicating that capital equipment manufacturers may begin re-evaluating for 1975." Ms. Walker notes that the slide in orders began in late April and May.

"Inadequate provision for depreciation," is cited by Robert F. Huber, vice president and editor, Bramson Publishing Company, as contributing to the industry's shortage on on-stream plant capacity.

"High interest rates and a depressed stock market are drying up investment capital," reports Robert Kelly, editor, Assembly Engineering. Mr. Kelly calls for "tax incentives for improving productivity which in turn can control inflation and unemployment." Gene Beaudet, editor-in-chief, Iron Age, also reports the need for investment capital to modernize and expand in order to meet the backlog of demand.

Additionally, there exists a serious manpower shortage. The metalworking industries need at least 50,000 more skilled workers, it is estimated. Mr. Ashburn noted the necessity for a training program. (Earlier governmental projects for training workers were dismantled.) Ironically, in some cases there is a program for training workers, but no applicants. In New York City, an area of higher-than-average unemployment, industry and government can't get students into metalworking training programs.

"I would expect the materials, people and money squeeze to worsen by the end of 1975," summarizes Mr. Spiotta, "unless action is taken to loosen banking purse strings, to provide incentives for increased output, to control exporting of items until after domestic needs are satisfied, and to help devise a workable program for supplying a steady flow of trained people into our work force."

The business editors are unanimous in their opposition to the reinstatement of wage-price controls designed to deter escalation of costs in the metalworking industries.

Particularly hard hit, it is pointed out, are small and medium size producers. Heavy dependence on the industry for commodities is pointed to as militating against governmental wage-price regulations. In the zinc market, for example, U.S. producers could not raise prices sufficiently under the Cost of Living Council control. As a result, this metal was sold abroad in a free market, creating a shortage of zinc in the U.S.

## POWER AND ENERGY

Editors in the power and energy field report three predominant problems:

1. financing;
2. the impending threat of government regulation; and
3. material, equipment and personnel shortages.

From well-head to utility, raising capital is a major headache. "If the utility industry doesn't get a 12 per cent across the board increase," reports James J. O'Connor, editor-in-chief, Power, "the country is in for an emergency situation in twelve months." Industry spokesmen already describe the situation in New York, San Francisco and Detroit as "acute."

Mr. O'Connor warns that the industry can't make investments in new construction and can't maintain current levels. Loads are growing on the industrial level. Increases in utility rates from as low as six per cent to as high as 25 per cent are needed now, with the nation averaging out at 12 per cent. Mr. O'Connor makes an appeal for President Ford to go on record recommending rate increases to each state.

Carl Lawrence, managing editor, Oil and Gas Journal, warns, "The petroleum industry is plagued with government restrictions both at home and abroad that prevent a free market from functioning and as a result force prices either up or down to unnatural levels. In the case of oil, the price is inflated by regulations; in the case of natural gas, the price to the producers is too low."

Industry experts caution that the government is forcing an allocation program on the country's refining industry that is a disincentive to find new supplies to meet the goals of so-called Project Independence.

Coal industry observers report the nation's bituminous and anthracite producers face the problems of a lack of a National Energy Policy, serious transportation roadblocks in the rail system (particularly the Eastern states), difficulty in attracting funds to support the expansion of coal mining, and serious manpower shortages.

Harold Davis, editor, Coal Age, calls for a National Energy Policy which "would provide guidelines upon which the long-term development of coal production facilities could be planned." He notes that improved roadbed maintenance would have an immediate effect by increasing car supply by leading to faster turn-around.

Utility expansion and modernization is being deterred by lack of interest in utility equities, inability to finance in the open market, and failure of the industry to secure rate increases.

For the petroleum industry, Frank Breese, editor, National Petroleum News, summarizes industry problems as threatening government moves and other legislation; elimination of depletion allowance, foreign tax credits and state franchise bills; and unreasonable environmental restrictions. Mr. Breese notes that the petroleum industry is now spending "a billion dollars a year complying with regulations, some of which are O.K."

Another problem is the prospective difficulty for the petroleum industry to raise capital for requirements by the mid-1980's that may reach a half trillion dollars. Wes Blakely, editor, Coal Mining and Processing, reports that the U.S. needs 5,300 more railroad locomotives and 100,000 more hopper cars to haul coal.

Industry investment requirements to reach an estimated 2.5 billion tons per year production by 1985 are set at \$21 billion. The industry produces at the rate of 600 million tons per year presently. The coal industry has suffered a 30 per cent drop in productivity rate since 1969, caused in great part by highly restrictive federal safety and health legislation. Some spokesmen describe this legislation as "punitive."

Utility industry observers see little improvement by the end of 1975. Manpower requirements are estimated at 125,000 new coal miners. Construction cutbacks that have taken place recently will be reflected adversely tomorrow, editors point out. Nor do they envision price and wage controls providing a panacea to an industry already beset by pricing strictures.

Robert Scott, editor, World Oil, sees the oil supply picture improving by the end of 1975 thanks to expanding production among suppliers. He is joined by Marvin Murphy, managing editor, Oil Daily, "assuming leveling, if not easing of the monetary markets."

Mr. Breese observes that except for marketing, the industry problems will remain just as acute for 1975. However, service should be better, he states, "and with luck, prices may drop -- certainly at least stabilize." Mr. Lawrence warns that for 1975 the shortages and potential shortages are still very real. He calls for more economic freedom for the petroleum and gas industry.

Industry observers report general opposition to restoration of price and wage controls. There is reportedly some division in the industry which is caused by secular interests.

Majors would seem to advocate removals of controls, while the independent producers reportedly want to retain the allocation system in some form and hold a lid on crude oil prices.

Negotiation of a new contract is expected to have a settling effect on labor relations in the coal industry by the end of 1975. This is expected to eliminate absenteeism and unauthorized local stoppages now disrupting the pace of production.

In addition, readjustment of the pricing structure in coal sales is expected to improve the funding required for expansion, primarily through internal generation of capital.

Some improvement in the manpower situation through training, remuneration and the entry of women into the mine working force is expected in the coming year.

Observers chorus the need for a National Master Fuels Program to achieve stabilization of the industry by the end of 1975.

Wage and price controls, however, are regarded as counterproductive.

October 7, 1974

Dear Mr. Mill:

Thank you for your recent letter and the enclosed special report on key industries with regard to the state of the economy.

Indeed this report is most helpful, and I am forwarding a copy to Mr. William Seidman. I also appreciate having the opportunity to learn more about The American Business Press. I am aware of your Washington Editorial Conference here on October 24 and am hopeful it will be an informative session for your members, as well as those of us in the Administration.

With best wishes,

Sincerely,

Ron Nessen  
Press Secretary  
to the President

Mr. Charles S. Mill  
American Business Press Inc.  
205 East 42nd Street  
New York, New York 10017

bcc w/ incoming letter & report: William Seidman

RN/EMO/mw



GENERAL

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October 7, 1974

Mr. Charles S. Mill

President

American Business Press, Incorporated

205 East 42nd Street

New York, New York 10017

Dear Mr. Mill:

Thank you for your thoughtful letter expressing your concerns for our Nation's economic problems.

As you know, I consider inflation public enemy number one. It is my intention to bring about a moderation of inflationary pressures. The full range of consequences implied by our current economic policies was explored during the Conference on Inflation.

I am encouraged by the responses received so far and particularly welcome opinions such as yours as an invaluable source of information that can only improve the formation of our economic policy. Accordingly, I have forwarded your letter to Mr. L. William Seidman of my team of economic advisers for his full consideration in conjunction with the other views we have received.

With hard work, sacrifice and cooperation, I am optimistic of our chances for promoting stabilization in our economy once again.

With best wishes,

Sincerely,

GERALD R. FORD

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President  
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305 East 42nd Street  
New York, New York 10017

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