

FOR IMMEDIATE RELEASE

JANUARY 10, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

The White House today released the unanimous recommendations of the Labor-Management Committee with regard to economic initiatives and national energy policy. The President appreciates the Committee's work and has assured the Committee members that their views and recommendations have been given the most careful consideration.

The Labor-Management Committee said that it is essential to promptly increase the purchasing power of low and middle-income people in order to increase consumption and at the same time stimulate business to invest and create more jobs. This would be accomplished through two initiatives. First, a reduction in individual income taxes totaling \$15 billion per year. Second, an increase in the investment tax credit for business of approximately \$5 billion a year.

It was recommended that the tax package be enacted immediately and independently of additional tax reform measures. The Committee feels a tax cut would restore consumer and business confidence and help to turn the economy around. The need for additional measures to foster the growth of purchasing power and the growth of capital formation to produce jobs over the long run was also recognized. These conclusions were made unanimously in recognition of a special need for a sense of community and working together in the national interest in this time of economic problems.

The Labor-Management Committee further recommended that national energy policy must be directed to establishing reliable sources of energy free from any foreign embargo, assuring economic vitality, achieving high employment and maintaining a rising standard of living. They emphasized that this policy must:

- incorporate both conservation and expansion of energy supplies, since conservation alone cannot meet these goals;
- demonstrate that energy sufficiency and environmental improvement can be made compatible goals;
- assure an adequate energy supply for America's industrial base;
- attain sufficient energy independence to assure foreign policy options and free us from any foreign embargo.

A copy of the Committee's statements are attached.

The President thanks all the members of the Labor-Management Committee for their time, their effort, and the valuable contribution they have made. Their recommendations have greatly enhanced the formation of a sound economic program. The President is particularly grateful to Dr. John T. Dunlop for his work as coordinator for the Labor-Management Committee.

The members of the Committee are:

LABOR

I. W. Abel; President, United Steelworkers of America
Murray H. Finley; President, Amalgamated Clothing
Workers of America

(MORE)

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
Arnold Miller; President, United Mine Workers of America
Leonard Woodcock; President, International Union of United Automobile, Aerospace & Agricultural Implement Workers of America

MANAGEMENT

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, Mobile Oil Corporation
Arthur M. Wood; Chairman, Sears, Roebuck & Company
Walter B. Wriston; Chairman, First National City Bank

Economic Initiatives

The President's Labor-Management Committee unanimously agreed to recommend to the President that it is essential promptly to increase the purchasing power of low and middle income people in order to increase consumption and at the same time to stimulate business to invest and create more jobs.

To achieve these two purposes the Committee unanimously recommends: (1) a reduction in individual income taxes effective January 1, 1975 to create increased purchasing power estimated to be approximately \$15 billion a year through a \$70 tax credit per exemption and a 5 percent reduction in tax after the exemption credit with a maximum total tax reduction of \$375 per return and (2) an increase in the investment tax credit rate to 12 percent across the board on domestic investment aggregating approximately \$5 billion a year.

This tax package should be enacted immediately and independently of tax reform which should be studied and implemented at a later date within the next session of Congress.

This recommended action is essential in the Committee's view to restore consumer and business confidence and to turn the direction of the economy around.

The President's Labor-Management Committee recognized that additional measures would be needed to foster the growth of capital formation and investment and the growth of purchasing power to produce more jobs over the longer term.

The Committee makes this unanimous recommendation in the recognition of a special need for a sense of community and working together in the national interest at this time.

(MORE)

December 30, 1974

National Energy Policy

The Nation's energy policy must be directed to establishing reliable sources of energy free from any foreign embargo, assuring economic vitality, achieving high employment and maintaining a rising standard of living.

This policy must:

- incorporate both conservation and expansion of energy supplies, since conservation alone cannot meet these goals;
- demonstrate that energy sufficiency and environmental improvement can be made compatible goals;
- assure an adequate energy supply for America's industrial base;
- attain sufficient energy independence to assure foreign policy options and free us from any foreign embargo.

I

It is essential to develop aggressively all available domestic energy sources:

Expand the use of existing sources of energy with particular emphasis upon increasing the supply and use of coal and nuclear power. Increase domestic oil and natural gas supplies.

Government assistance on research and development should be accelerated, including the construction of prototypes for new energy facilities.

Accelerate additions to electric power supply, reversing the recent tendency to cut back on new fossil fuel and nuclear facilities. Some special capital formation incentives are essential for energy production, in the utilities area particularly.

II

The present environmental restrictions on energy production and use should be stretched out over time to reduce energy consumption and to facilitate immediate expansion in domestic energy output:

The timetable on environmental objectives should be carefully reviewed in relation to energy needs. This is a matter of timetable, not of basic objectives. The advance of technology and development of clean energy sources and their use can permit realization of environmental objectives with a stretchout in time schedules.

III

Conservation in every way is essential and the present level of imports of oil should be promptly reduced significantly:

Create public commitment to conservation by stimulating awareness of energy supply-demand factors and the exhaustible nature of resources.

Encourage the establishment of formalized energy conservation programs throughout industry and all levels of government to economize on energy use. Economize on energy used in heating, cooling and lighting.

Enforce reduced highway speed, and reduce optional trips.

(MORE)

Accelerate the development and construction of mass transit systems. Improve maintenance and modification of energy-consuming devices to increase energy efficiency. Install new equipment to reduce fuel consumption. Preserve the more critical oil and gas supplies through replacement with coal, nuclear or other forms of energy.

Reduce oil imports significantly.

IV

In order to achieve a greater measure of energy independence, petroleum stockpiles beyond the level of normal inventories should be built up.

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