MEETING WITH
AFL-CIO EXECUTIVE COUNCIL

10:15 a.m.

May 5, 1969

THE PRESIDENT HAS SEEN.

FOR IMMEDIATE RELEASE MAY 5, 1969

Office of the White House Press Secretary

THE WHITE HOUSE

MEMBERS OF THE AFL-CIO EXECUTIVE
COUNCIL MEETING WITH THE PRESIDENT
MONDAY, MAY 5, 1969

Mr. George Meany
President, AFL-CIO

Mr. William F. Schnitzler
Secretary-Treasurer, AFL-CIO

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

Mr. Joseph A. Beirne
President, Communications Worker of America

Mr. Joseph Curran
President, National Maritime Union

Mr. C. L. Dennis
President, Brotherhood of Railway, Airline and Steamship Clerks,
Freight Handlers, Express and Station Employees

Mr. David Dubinsky
Honorary President, International Ladies' Garment Workers Union

Mr. A. F. Grospiron
President, Oil, Chemical and Atomic Workers International Union

Mr. Matthew Guinan
President, Transport Workers Union of America

Mr. Paul Hall
President, Seafarers International Union

Mr. M. A. Hutcheson
President, United Brotherhood of Carpenters & Joiners

Mr. Paul Jennings
President, International Union of Electrical, Radio and Machine Workers

Mr. Herman Kenin
President, American Federation of Musicians

Mr. Lane Kirkland
Assistant to the President, AFL-CIO

Mr. John H. Lyons
President, Int. Association ofBridge and Structural Iron Workers

Mr. Lee W. Minton
President, Glass Bottle Blowers' Association of the United States and Canada

Mr. Paul L. Phillips
President Emeritus, United Papermakers & Paperworkers

Mr. William Pollock
President, Textile Workers Union of America

MORE

Mr. Jacob Potofsky
President, Amalgamated Clothing Workers of America

Mr. Peter T. Schoemann
President, United Association of Journeymen & Apprentices of the Plumbing and Pipe Fitting Industry

Mr. P. L. Siemiller
President, International Association of Machinists

Mr. David Sullivan
President, Service Employees International Union

Mr. Richard Walsh
President, International Alliance of Theatrical Stage Employes and Moving Picture Machine Operators of the U.S. and Canada

Mr. Hunter P. Wharton
President, International Union of Operating Engineers

# # #

Meany you tell us & we'll [illegible] & [illegible] we'll ——

Pres – Well, I have met with M before – & Secl & we've had ~~for~~ some very good exchanges.

Many forecast cold relationship betw P & Labor –

but I had conf with M in NY pre-Inaug & I [illegible] my [illegible] feeling is

we're all Americans

if we're doing something wrong we want to know –

& we'll listen

Put me back to Shultz

we need each other

Great many [illegible] today in which we have a common interest

You know how Admin stands as budget, etc.

Presumed taking all poor off tax rolls.

Part of this plan is to set [illegible] [illegible] 500 – to [illegible] [illegible] [illegible].

Acts nec to be taken hurt us all, yet they must be done. Inflat must be ~~cut~~ put under control

We think what we're doing should be of common assistance to all.

P re welfare: we need some new approaches

P One final pt. ~~De~~ [illegible] [illegible] I'd be lost [illegible] you to [illegible] [illegible] [illegible] [illegible] aware of

when it comes to threat to US – & [illegible] US, the Amer Labor movement has been in the front ranks.

There's no party vis-a-vis nat'l security.

M: Intro 2 labor men

Abel - Steel

(1) Byrne(?) - Marine cannery workers

We liked your tax msg, but felt it didn't go far enough

surtax
inv credit } all part of same thing

I (2) re wealthy who escape taxes - their paying taxes will help
but not substantially

however cap gains tax - what I consider a loophole -
would bring us some substantial $

Tax?

II (3) another concern: farm labor needs a way to bargain as indus labor has

Farm labor?

Amer Agric concentrated in certain areas
many farm worker should have same rights as ind worker - should have right to form union - appeal to employers, etc

Min wages

(4) across border by Mex
exporting jobs - seeking cheap labor (29¢/hr)

Sugar

we're doing this in Taiwan, too
& other places

Textile;

chikursky

Flood of imports are endangering 1.5 mill people's jobs

to obtain vol
we hope we can get legis to insure orderly inflow of imports

P: we're familiar -
In campaign I made pledge we said we'd push for bilat or multilat vol control. I'm for vol rather than legis because if we go legis in all cases, it might start a trade war.

Japan - esp Japan
HK
Tai
Korea
} prob in these areas

I think we can work out bilat deals

Textile: We have worked out quota systems w Japan & they've honored it - we're more concerned about Taiwan & others

P: Mex prob - does it involve only Agric

All; no - growing in electronics.

Secl [illegible] seriousness of Mex border prob

Mex is special prob

general accord

P: Many contingency probs — we need these countries as allies — Alliance for Progress

etc
[illegible]

many feel we should tolerate much of Mex bus due to their proximity — good neighbor

we must get at these things early

don't you think so, George (to Shultz)

Secl Yes, that's why we're here now. To nip in bud some of these things.

w P. around left

When I became Pres of my union I was liberal on all trade matters — but when you see how these people in other countries hate us ..

we're for vol arrangements too. It's almost impossible to keep up with [illegible] capital around the world.

P- Usually Sec Commerce & Labor are opposed but in this A were together, right Geo?

Shultz So far (laughs)

M : Also Sec State.

P agreed

M of Shultz : I will be toughest nation to get vol agmt with. . Agree vol is best way.

P: on recession & general econ policy: I believe it is possible to have a pol which controls inflation w/o having to suffer great unemplymt. we must get infl under control. so that domino thing doesn't occur.

When you turn screws ~~so~~ too tight you'll have unemplymt & inflation.

Cost of recession would be greater than infl as we now have.

We're not sitting back.

Geo you speak to this, will you?

Sec L

A big rise in unemployt is intolerable
I've heard you speak on this in much
more forceful terms, Mr P - so I know
how you feel about it.

We will have an unemplt ins very
soon - which we think will help.

I hope we'll get support for this legis
around this table.

M

We've got to get the American Session to
understand that this is a profit infla
- due to high wages. ES says
corpos have increased profits by
62% on 27% increase in sales.

rather than
wage pushing
inflation

M Those anywhere P's got that infl
better than recession

25¢/day - few have 25¢
80¢/day - many have 80¢

RR union

pointed out that union / procedural wise — Nat'l Mediation Bd / wants Govt off its back & let union handle it's own problems.

1100 See Rogers came in escorted to door by White

Sec'y

RR Labor Act could stand lots of overhaul.

1103 Laird in

P: ~~Back to Farm Labor~~

1 prob: in trying to provide for farm labor. the special characteristics of agric —

other prob: strikes during harvest season — we hope to offer something constructive on each of these

opinions on both of above are violent & very diverse

Maritime ind

Mr P,
you made several pts during campaign — what is status?

P: We've not ~~made~~ labor problem & action — but not [illegible] from them.

P- But we must deal with our slipping behind in maritime area.

Sec'y: appealed to group to help with constructive assistance in Labor-ind relations

Martin: We need to know if Admin is going to help. We have taken some steps, but must have expression of sppt by Administration

Sov Union has overseas space & is carrying out prim mkt. Labor will give assurance if it sees Admin sppt.

Curran: We need fed'l Govt aid in our overseas orgs. installation - we need it to make prices overseas - Hope what we come out of this will in some fed aid,

P: Secretary Weeks & I have sat,

Electronics

(next to end on W side)

Japan, etc – going into other forms of manuf – jumping off from radios, transistors etc in electronics field.

We've begun to hurt

We accepted electronics – but now it's going beyond electronics.

prefab turbines + heavy elec equipment

left of VP chair

If Amer manufacturer is w/i 30% of his foreign competitor he should be given an opportunity.

prefab work done in foreign countries

German accent again

social security – Admin is stingy

P. 55 should beat cost of living – but we can't

~~[illegible]~~ due to infl problem.

Our SS rec is for 7% increase (LBJ's was for 10%).

But once we get sit turned around, increasing SS will be high on our priority list.

Intermarriage ~~[illegible]~~ side (who can win it):

We'd appreciate A getting ~~[illegible]~~ behind us on program re pensions

Seal

We're working on this + are very aware.

Old german's night (Southern accent):

Glad to be here – I spt M's words but this is profit inflation. I urge you examine these industries – go by specifics rather than generalities.

Take it ind, e.g.

They're charity overseas & in the S. They enjoy a 7%

tax inv credit (P are so taking care of that)

- oil depletion allowance

They enjoy many things that that ways of industries don't enjoy.

They put their ships under for flags - & thereby get cheaper

labor on ships

A hi ranking oil official said "We'll raise prices of

gasoline & hy property later crude oil.

I believe ind is trying to get more & more &

labor is " " " " "

Let's call it like it is

~~Labor is wrong~~

This ind (oil) has reflected in record profit compounded qtr after

qtr. Dem for ind but why do we let

them clobber us abroad. We should examine

them. Profits are being made. We're in

a full profit inflation.

VP chair

Accident prevention & safety

Please give some priority to reestablish occupational

health & safety

P Who cut it out, Bill, did we?

Sec Shultz: No — we didn't — That's them guys!

(laughter)

P: intro Rogers & Laird.

I'd add 1 word. Despite some of our

differences over the years — no great

diff — (in ~~an~~ area of int'l affairs

we've been together)

I think you all understand

why this nation has to

be strong.

Vietnam: get out now - gut headlines
etc
But another war in 3-4 yrs

private talks mean private talks

THE PRESIDENT HAS SEEN.

MEETING WITH THE AFL-CIO EXECUTIVE COUNCIL

THE WHITE HOUSE

MONDAY, MAY 5, 1969

THE PRESIDENT:

At 10:15 a. m. Secretary of Labor George Shultz and AFL-CIO President George Meany will be escorted to your office for a brief meeting. You and your guests will then be escorted to the Cabinet Room where Mr. Meany will introduce you to the following members of the AFL-CIO Executive Council:

Mr. William F. Schnitzler
Secretary-Treasurer, AFL-CIO

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

Mr. Joseph A. Beirne
President, Communications Workers of America

Mr. Joseph Curran
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President, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees

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AFL-CIO EXECUTIVE COMMITTEE

Mr. Paul Hall
President, Seafarers International Union

Mr. M. A. Hutcheson
President, United Brotherhood of Carpenters & Joiners

Mr. Paul Jennings
President, Int. Union of Electrical, Radio and Machine Workers

Mr. Joseph D. Keenan
Secretary, Int. Brotherhood of Electrical Workers

Mr. Herman Kenin
President, American Federation of Musicians

Mr. Lane Kirkland
Assistant to the President, AFL-CIO

Mr. John H. Lyons
President, Int. Association of Bridge and Structural Iron Workers

Mr. Lee W. Minton
President, Glass Bottle Blowers' Association of the United States and Canada

Mr. Paul L. Phillips
President Emeritus, United Papermakers & Paperworkers

Mr. William Pollock
President, Textile Workers Union of America

Mr. Jacob Potofsky
President, Amalgamated Clothing Workers of America

Mr. Peter T. Schoemann
President, United Association of Journeymen &Apprentices of the Plumbing and Pipe Fitting Industry

AFL-CIO EXECUTIVE COMMITTEE

Mr. P. L. Siemiller
President, International Association of Machinists

Mr. David Sullivan
President, Service Employees International Union

Mr. Richard Walsh
President, International Alliance of Theatrical Stage Employes and Moving Picture Machine Operators of the U. S. and Canada

Mr. Hunter P. Wharton
President, International Union of Operating Engineers

After meeting the Council Members, you will be seated and make brief informal welcoming remarks. It is recommended that, in view of the fact that Secretaries Rogers and Laird will join the meeting at 11:00 a. m. to answer questions relating to foreign and defense issues, you make just a brief statement of your commitment to a strong defense posture and your desire to negotiate a just peace and then shift the discussion to domestic issues.

Recommended talking points:

--- your concern that unemployment should not rise as the economic brakes are applied

--- your concern with inflation that hits the worker hardest

--- your interest in developing a constructive maritime policy (noting that this depends heavily on stable labor relations in the industry)

--- tax reform

AFL-CIO EXECUTIVE COMMITTEE

At 11:00 p. m. the Cabinet Secretary, Dr. Whitaker, will bring Secretaries Rogers and Laird into the meeting. After they have been introduced, you will be escorted back to your office. The meeting will continue after your departure.

NOTE:

There will be brief photo coverage at the beginning of the meeting.

No formal remarks have been prepared or are required.

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

May 2, 1969

MEMORANDUM FOR THE PRESIDENT

Subject: Briefing for the President's Meeting with the Executive Council, AFL-CIO, May 5 at 10:15 A.M.

The Executive Council of the AFL-CIO is the governing body of the AFL-CIO between its biennial conventions. The Executive Council consists of two executive officers - George Meany, President, and William Schnitzler, Secretary-Treasurer, and twenty-seven vice presidents. Among the duties of the council are proposing and evaluating legislation of interest to the labor movement and keeping the Federation free from corrupt or Communist influences.

The composition of the Board is very carefully balanced to give adequate representation to various subgroups within the AFL-CIO as a whole. Thus there are spokesmen for: the industrial unions
the craft unions - and especially
the building trades
the maritime trades
the metal trades

As I suggested in my memorandum of April 29 the issues the labor people are interested in - in addition to national defense and foreign policy - are as follows:

- Tax reform - They favor the elimination of the seven percent investment tax credit but would favor the closure of many more loopholes than the Administration proposal calls for.

- Production in other countries for the U. S. market by U. S. firms. They are particularly distressed about the Mexican border program that in some instances permits the import of manufactured goods with a tariff only on value added in production. A tariff commission investigation of this issue is getting underway.

- Maritime policy - They hope the Administration will develop a maritime policy which will lead to a "healthy" U. S. Flag merchant fleet. There is a policy planning group at work on this problem. It is important to emphasize that a constructive maritime policy is dependent on establishment of constructive and stable labor relations.

- Unemployment - inflation issue - The unemployment rate for April, which has not been announced yet, will be 3.5 percent up from 3.4 in March and 3.3 in February. We believe, however, that it will be possible to dampen inflationary pressure while maintaining a relatively low unemployment rate.

- Safety in the workplace - About six to seven times as many work days are lost because of on-the-job injuries than because of strikes. The Administration will be proposing an omnibus health and safety bill which should help to rectify this situation.

- Organization of Farm Workers - The Executive Council wants farm workers included under the National Labor Relations Act.

- The minimum wage - The unions want a $2.00 minimum wage. The Bureau of Labor Statistics has underway a major study of the impact of the minimum wage on youth unemployment. This study should be completed in September.

- Public Employee bargaining - The Administration is developing proposed revisions to Executive Order 10988 which would clarify the representation and bargaining rights of federal employees.

Of these topics I would suggest that you concentrate your discussion on:

(1) Tax Reform
(2) Maritime Policy
(3) Keeping unemployment low

George P. Shultz
Secretary of Labor

AFL-CIO EXECUTIVE COUNCIL

Mr. George Meany
President, AFL-CIO
815 Sixteenth Street, N.W.
Washington, D. C. 20006

Mr. William F. Schnitzler
Secretary-Treasurer, AFL-CIO
815 Sixteenth Street, N.W.
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Mr. I. W. Abel
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Mr. Joseph A. Beirne
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Communications Workers of America
1925 K Street, N.W.
Washington, D. C. 20006

Mr. Joseph Curran
President
National Maritime Union
36 Seventh Avenue
New York, New York 10011

Mr. A. J. DeAndrade
President
International Printing Pressmen's
and Assistants' Union
1730 Rhode Island Avenue, N.W.
Washington, D. C. 20036

Mr. C. L. Dennis
President
Brotherhood of Railway, Airline and
Steamship Clerks, Freight Handlers,
Express and Station Employees
1015 Vine Street
Cincinnati, Ohio 45202

Mr. David Dubinsky
Honorary President
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1710 Broadway
New York, New York 10010

Mr. Karl F. Feller
President
International Union of United Brewery,
Flour, Cereal, Soft Drink and
Distillery Workers
2347 Vine Street
Cincinnati, Ohio 45219

Mr. Max Greenberg
President
Retail, Wholesale and Department
Store Union
132 West 43rd Street
New York, New York 10036

Mr. A. F. Grospiron
President
Oil, Chemical and Atomic Workers
International Union
Post Office Box 2812
Denver, Colorado 80201

Mr. Matthew Guinan
President
Transport Workers Union of America
1980 Broadway
New York, New York 10023

Mr. Paul Hall
President
Seafarers International Union
675 Fourth Avenue
Brooklyn, New York 11232

Mr. M. A. Hutcheson
President
United Brotherhood of Carpenters & Joiners
101 Constitution Avenue, N.W.
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Mr. Paul Jennings
President
International Union of Electrical,
Radio & Machine Workers
1126 Sixteenth Street, N.W.
Washington, D. C. 20036

Mr. Joseph D. Keenan
Secretary
International Brotherhood of
Electrical Workers
1200 Fifteenth Street, N.W.
Washington, D. C. 20005

Mr. Herman Kenin
President
American Federation of Musicians
641 Lexington Avenue
New York, New York 10022

Mr. John H. Lyons
President
International Association of Bridge
and Structural Iron Workers
3615 Olive Street, Suite 300
St. Louis, Missouri 63108

Mr. Lee W. Minton
President
Glass Bottle Blowers' Association
of the United States and Canada
226 South Sixteenth Street, Room 501
Philadelphia, Pennsylvania 19102

Mr. Paul L. Phillips
President Emeritus
United Papermakers & Paperworkers
Paper Makers Building
North Pearl Street
Albany, New York 12201

Mr. William Pollock
President
Textile Workers Union of America
99 University Place
New York, New York 10003

Mr. Jacob Potofsky
President
Amalgamated Clothing Workers of America
15 Union Square
New York, New York 10003

Mr. A. Philip Randolph
President Emeritus
Brotherhood of Sleeping Car Porters
260 Park Avenue, South
Sixth Floor
New York, New York 10010

Mr. Peter T. Schoemann
President
United Association of Journeymen &
Apprentices of the Plumbing &
Pipe Fitting Industry
901 Massachusetts Avenue, N.W.
Washington, D. C. 20001

Mr. P. L. Siemiller
President
International Association of Machinists
1300 Connecticut Avenue, N.W.
Washington, D. C. 20036

Mr. James A. Suffridge
President Emeritus
Retail Clerks International Association
1741 DeSales Street, N.W.
Washington, D. C. 20036

Mr. David Sullivan
President
Service Employees International Union
900 Seventeenth Street, N.W.
Washington, D. C. 20006

Mr. Richard Walsh
President
International Alliance of Theatrical
Stage Employes & Moving Picture Machine
Operators of the U.S. & Canada
Suite 1900, RKO Building
1270 Avenue of the Americas
New York, New York 10020

Mr. Hunter P. Wharton
President
International Union of Operating Engineers
1125 Seventeenth Street, N.W.
Washington, D. C. 20036

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

APR 29 1969

MEMORANDUM FOR THE PRESIDENT

Re: Your Meeting with the AFL-CIO Executive Council on May 5.

You have mentioned to me on several occasions your desire to draw on the Vice President in the labor area. Perhaps you would like to invite him to this meeting.

I would like to include Assistant Secretary Usery, who did such a fine job in settling the recent rail dispute and who is from the Machinists Union. Inclusion would help him in his liaison work with labor people.

Issues in which the labor people are particularly interested at this time, leaving aside foreign policy and defense which I assume will be handled mainly by Secretaries Rogers and Laird, are as follows:

-- Tax Reform.

-- Production in other countries for the U.S. market by U.S. firms, especially the "Mexican border" problem.

-- Maritime policy.

-- Economic policy, especially the unemployment-inflation problem.

-- Safety in the work place.

-- Organization of farm workers.

-- The minimum wage.

We may have taken public positions by the time of the meeting on unemployment insurance, safety, and a comprehensive manpower system, as signaled in your April 14 Message to Congress.

George P. Shultz

George P. Shultz
Secretary of Labor

ATTENDEES

CONSTRUCTION INDUSTRY
COLLECTIVE BARGAINING COMMISSION

SEPTEMBER 30, 1969 3:00 P.M.

Robert J. Canavan	National Association of Home Builders
J. Curtis Counts	Federal Mediation & Conciliation Service
John T. Dunlop	Harvard University
William Dunn	Associated General Contractors
~~James Ferguson~~	~~Sheet Metal & Air Conditioning Contractors Association~~
Peter Fosco	Laborer's International Union of North America
John N. Gentry	Department of Labor
C. J. Haggerty	Building & Construction Trades Dept. AFL-CIO
Carl M. Halvorson	Associated General Contractors
Robert Higgins	National Electrical Contractors Association
J. D. Hodgson	Under Secretary of Labor
M. A. Hutcheson	United Brotherhood of Carpenters and Joiners of America
Leon Kromer	Mechanical Contractors Association of America
John H. Lyons	International Association of Bridge, Structural and Ornamental Iron Workers
George Miller	Mason Contractors Association of America

Thomas F. Murphy	Bricklayers, Masons and Plasterers International Union
Thomas H. Owens	International Brotherhood of Teamsters
Charles H. Pillard	International Brotherhood of Electrical Workers
George W. Romney	Secretary of HUD
Peter T. Schoemann	United Association of Journeymen and Apprentices of the Plumbing & Pipe Fitting Industry
George P. Shultz	Secretary of Labor
John A. Stasting	Nat'l. Association of Home Builders
Fred Stevens	National Constructors Association
E. S. Torrence	Painting & Decorating Contractors Association
Hunter P. Wharton	International Union of Operating Engineers
Dale Witcraft	Associated General Contractors
John W. Leslie	Department of Labor

MEETING WITH
INFLATION GROUP
May 15, 1969

MEETING WITH REPRESENTATIVES
ADVERTISING COUNCIL, JOINT COUNCIL
ON ECONOMIC EDUCATION,
CHAMBER OF COMMERCE OF THE U.S.

3:00 p.m.

May 15, 1969

MEETING WITH REPRESENTATIVES FROM
ADVERTISING COUNCIL
JOINT COUNCIL ON ECONOMIC EDUCATION
CHAMBER OF COMMERCE OF THE U.S.

THE WHITE HOUSE

THURSDAY, MAY 15, 1969

THE PRESIDENT:

At 3:00 p.m. you will be escorted from your office to the Cabinet Room where you will be greeted by Secretary Kennedy and Postmaster General Blount. They in turn will introduce you to the following men:

ADVERTISING COUNCIL:

Victor Bloede, President and Chief Executive Officer, Benton & Bowles
Robert P. Keim, President, Advertising Council
T.S. Thompson, Volunteer Coordinator, Advertising Council, Senior Vice President, Marketing and Development, General Foods
Charles E. Wilson, Chairman, Industries Advisory Committee, Advertising Council; formerly President, General Electric

JOINT COUNCIL ON ECONOMIC EDUCATION:

Marvin K. Bower, Chairman-Board of Trustees, Joint Council on Economic Education; Director, McKinsey & Co., Inc.
Dr. M.L. Frankel, President, Joint Council on Economic Education

CHAMBER OF COMMERCE OF THE UNITED STATES:

Arch N. Booth, President, National Chamber Foundation; Executive Vice President, Chamber of Commerce of the United States
Archie K. Davis, Chairman, Chamber's Dollar Committee; Chairman of the Board, Wachovia Bank and Trust Co.
Carl H. Madden, Secretary, Chamber's Dollar Committee; Chief Economist, Chamber of Commerce of the U.S.

MEETING WITH REPRESENTATIVES OF THE CHAMBER OF COMMERCE, ADVERTISING COUNCIL, JOINT COUNCIL ON ECONOMIC EDUCATION:

THE PRESIDENT:

Also in attendance will be Dr. Paul McCracken, Dr. Charls Walker and Dr. Arthur Burns.

After you have greeted the group you will be seated and deliver very brief welcoming remarks. Mr. Archie K. Davis, Chairman of the Chamber of Commerce Dollar Committee will then give you a report on the joint advertising and educational program to promote economic stability.

Following Mr. Davis' report, it is suggested that you respond by expressing your approval and giving your endorsement to the Joint Council on Economic Education and the Advertising Council primarily, but also the National Chamber's Foundation and the Dollar Committee for the initiative and voluntary leadership shown by this group in beginning last year and pushing through to a conclusion during the last twelve months a national advertising and educational campaign against inflation in behalf of economic stability.

BACKGROUND:

--- the on going program of the group you are meeting with today was launched in May 1968 by then President of the Chamber of Commerce, Winton Blount.

--- the goal of the program is to reach the "Man-in-the-Street" to convince him that economic stability is attainable. In addition to the general public special emphasis is placed on informing students.

--- the program is two pronged:

1. a voluntary advertising campaign (including television) by the Advertising Council to combat the psychology of inflation.
2. a five year economic education program by the Joint Council on Economic Education to reach the primary and secondary schools.

MEETING WITH REPRESENTATIVES OF THE CHAMBER OF COMMERCE, ADVERTISING COUNCIL, JOINT COUNCIL ON ECONOMIC EDUCATION:

THE PRESIDENT:

--- 2. (The education program is underwritten by a $400,000 grant by the National Chamber Foundation.

--- Secretary Kennedy, Dr. Walker and Dr. McCracken endorse the program and feel it goes hand-in-hand with the Administration's program.

It is estimated that your participation will be of approximately 20 minutes duration at the conclusion of which you will be escorted back to your office.

NOTE:

There will be brief photo coverage at the outset of the meeting.

After your departure Secretary Kennedy and Dr. McCracken will introduce the leaders of this group to the press in the Roosevelt Room. A written statement from you endorsing the program will be released at this time.

President's Statement to be Issued After Meeting on Inflation

This Administration is committed to a policy that comes to grips with the problem of inflation. That policy is based firmly on three propositions.

First, this long-sustained erosion in the purchasing power of the dollar has been causing serious economic and social damage, and it must be curbed. The rise in the price level last year approximated 5 percent -- a pace that would double the general price level in 15 years. This inflation has been harder on the average man than on the sophisticated investor. It has produced the highest interest rates of a century, posing difficult problems for home buyers. And it has had an adverse effect on our balance of payments and the strength of the dollar internationally.

Second, we can cool inflation only if we deal with fundamentals. Statements that set guidelines and generate headlines have not worked. The inflation that erupted after 1965 was caused by excessively expansive economic policies -- such as the $25 billion deficit in fiscal year 1968 -- that kept our economy in a chronically over-heated condition. Our first actions, therfore, had to be getting these fiscal and monetary policies back on course. Accordingly we have reviewed every program in the budget, cutting $4 billion out of projected expenditures for the 1970 fiscal year. I have also proposed a program of tax measures that will give us revenues needed to cover these outlays. This includes extension of the full surcharge through December.

and at half the present rate to the end of the next fiscal year. These tax recommendations are crucial to an orderly economy at home, and to a strong dollar in the world economy. It is essential that there be early and favorable action in the Congress on the tax measures we need for a sound budget.

Third, to cool inflation, we must curb "inflation psychology." When people understand what is behind the sharply rising cost of living, they see that tax measures essential for a strong budget are better than the cruel tax of inflation. When the public fully believes the government is determined to slow inflation, there will be less tendency to automatically include the assumption of continuing inflation in decisions about prices, investments, and wages. Preachments about restraint are not credible unless basic economic policies of government create economic conditions that make this restraint in the prudent self-interest of the consumer, the union, or the business.

In view of all this, I indeed welcome the program of public education being sponsored by the Advertising Council, the Joint Council on Economic Education and the Chamber of Commerce of the United States. Only with a better informed public can we build a sound basis for prosperity in the months and years ahead.

Private enterprise, far more than government spending, is the impetus behind sound economic growth. The voluntary effort of the men and women of private enterprise is needed now, as never before, to enlist the support of the American people in the fight against inflation.

# # # #

MEETING WITH REPRESENTATIVES OF THE CHAMBER OF COMMERCE, ADVERTISING COUNCIL, JOINT COUNCIL ON ECONOMIC EDUCATION:

THE PRESIDENT:

Also in attendance will be Dr. Paul McCracken, Dr. Charls Walker and Dr. Arthur Burns.

After you have greeted the group you will be seated and deliver very brief welcoming remarks. Mr. Archie K. Davis, Chairman of the Chamber of Commerce Dollar Committee will then give you a report on the joint advertising and educational program to promote economic stability.

Following Mr. Davis' report, it is suggested that you respond by expressing your approval and giving your endorsement to the Joint Council on Economic Education and the Advertising Council primarily, but also the National Chamber's Foundation and the Dollar Committee for the initiative and voluntary leadership shown by this group in beginning last year and pushing through to a conclusion during the last twelve months a national advertising and educational campaign against inflation in behalf of economic stability.

BACKGROUND:

--- the on going program of the group you are meeting with today was launched in May 1968 by then President of the Chamber of Commerce, Winton Blount.

--- the goal of the program is to reach the "Man-in-the-Street" to convince him that economic stability is attainable. In addition to the general public special emphasis is placed on informing students.

--- the program is two pronged:

1. a voluntary advertising campaign (including television) by the Advertising Council to combat the psychology of inflation.
2. a five year economic education program by the Joint Council on Economic Education to reach the primary and secondary schools.

Chapin in subsequent

3) P— You wouldn't have patriotic motivation in peace time.

(Wilson) We're at pt now in US where wages so high we will lose

business to foreign manufacturers.

cited ex 7-8 $/hr for min wage

$10 hr for common labor on construction jobs.

—Mill discussion

1st speaker. We're satisfied that better educ + ad campaign

P— I'm grateful for what you're doing.

I hope you'll give magnificent to hunger + diet probs.

Too much evidence that real prob is unbal diet

not lack of food or income. Most should be a nations

for advertising. Kids watch TV + the ads come on.

If you can get the intent to agree, you will have a

massive effect. We're studying this in HEW + Agric etc

but I hate to see us get into food stamps, free food etc

when real prob is people buying wrong things

I was talking to Normal Cobiakk (7 children) whose 1 boy

was on steady diet of diet cola + potato chips

Golf balls

Ziegler whispers— Press photos

MEETING WITH REPRESENTATIVES OF THE CHAMBER OF COMMERCE, ADVERTISING COUNCIL, JOINT COUNCIL ON ECONOMIC EDUCATION:

THE PRESIDENT:

--- 2. (The education program is underwritten by a $400,000 grant by the National Chamber Foundation.

--- Secretary Kennedy, Dr. Walker and Dr. McCracken endorse the program and feel it goes hand-in-hand with the Administration's program.

It is estimated that your participation will be of approximately 20 minutes duration at the conclusion of which you will be escorted back to your office.

NOTE:

There will be brief photo coverage at the outset of the meeting.

After your departure Secretary Kennedy and Dr. McCracken will introduce the leaders of this group to the press in the Roosevelt Room. A written statement from you endorsing the program will be released at this time.

Arthur Burns not present

2/

Ans Infl can be stopped is theme ... if everyone gets aboard & cooperates.

It tries to do things simply. Msg says it's everyone's JOB

to work against inflation.

Looking back over my exp in Cong... some 22 yrs now since I first came to Cong.

P — Infl is simply not a good issue — mainly bec it didn't hurt people much. This was true til '66 — then price push started to hurt a little.

Told Meany story about wife recalling days eggs for 25¢ — but Meany adding "yes, but in those days ~~25¢ was a lot~~ few people had 25¢."

(ex. of profit inflation)

In certain polls you can see that people are not worried much re infl — Taxes yes, but not so much inflation.

To left of VP chair — That's exactly what this booklet does — its approach.

Red B — Isn't correct to say that you're attacking the infl psychosis.

high employment
reasonably stable prices
growth
} Book emphasizes these 3 goals.

McC — Amazed by Cyc no. of BC members who said maybe we're going to have to go to wage & price controls.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 14, 1969

TO: The President

Attached is the first draft of a written statement from the President endorsing the program which will be discussed during the meeting. Copies of this statement were provided Dr. Burns, John Ehrlichman and Jim Keogh at 4:00 P.M. Wednesday, May 14. Their comments, recommendations and revisions will be received by 10:00 A.M. Thursday, May 15, and the final draft will be included in the President's folder prior to the meeting.

Stephen Bull

Stephen Bull
Office of
Staff Secretary

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

May 13, 1969

MEMORANDUM FOR KEN COLE

You will find attached some thoughts which might form the basis for a statement by the President at his meeting Thursday, May 15, 3 p.m., with the Advertising Council, the Joint Council on Economic Education, and the Chamber of Commerce of the United States.

I do recommend that the statement touch explicitly on the need for the President's tax proposals, and I have suggested some language in this statement.

Paul W. McCracken

This Administration's policy for dealing with the problem of inflation has been based firmly on three propositions.

First, this long-sustained erosion in the purchasing power of the dollar has been causing serious social damage, and it must be curbed. The rise in the price level last year approximated 5 percent -- a pace that would double the general price level in 15 years.

This inflation has been harder on the little fellow, in the management of his savings, than on the sophisticated investor. It has produced the highest interest rates of a century, posing difficult problems for home buyers. And it has had an adverse effect on our balance of payments and the strength of the dollar internationally.

Second, we can cool this inflation only if we deal with "fundamentals." The inflation that erupted after 1965 was caused by excessively expansive economic policies -- such as the $25 billion deficit in FY 1968 -- that kept our economy in a chronically over-heated condition. Our first actions, therefore, had to be getting these fiscal and monetary policies back on course.

Accordingly we have reviewed every program in the budget, cutting almost $5 billion out of projected expenditures for FY 1970. I have also proposed a program of tax measures that will give us revenues needed to cover these outlays. This includes extension of the full surcharge through December, and at half the present rate to the end of the next fiscal year. These tax recommendations are crucial to an orderly economy at home, and to a strong dollar in the world economy. It is essential that there be early and favorable action in the Congress on these tax measures needed for a sound budget.

Third, good policies require public understanding. If people understand this problem, they will see that tax measures essential for a strong budget are better than the cruel and capricious tax of inflation. There will then be less tendency to bake the assumption of continuing inflation into price, investment, and wage decisions -- something which would only make more painful the transition to a more stable price level. And there will be clear recognition that preachments about restraint will not do, and are really dishonest, unless basic economic policies of Government create economic conditions that make this restraint in the interests of the consumer, the union, or the business.

I, therefore, welcome your program of public education. The dividend will be a better informed public, better economic policies, and improved prospects for the performance of our economy in the months and years ahead.

Intro around table by Archie Davis

Seck bring opening. coffee session

Open business - & main speaker in CP chair

34 Trade orgs. activities in for no 1 could do by its alone

How could we get to man on st. to explain what happens

to him when inflation takes over?

This all lead to Dr. Grant 's org would be educ media

to get word out.

Then educ - no Ad Council. They insist on objectivity

P - I just hope you quit putting out these jobs Corps ads (laughter)

P - When the sec got me to put out statement on SSW Bond I said once

this yr. but not again until it becomes a better deal for

the little man. What are they? 3%

Seck - On no 4½%

P - Oh yeah - then you go again } laughter

CC endorsement 5-yr prog for ~~Ad Council~~ educ

We're thinking of 8-10 mil dollars

~~no~~ Prejudiced interests we're satisfied

1-yr prog for Advertising

Nature of this campaign is such that we can condition minds of people ore

what the govt is doing. Msg tells why infl happens.

P - I'd like to know what ...

ADVERTISING COUNCIL
JOINT COUNCIL ON ECONOMIC EDUCATION
CHAMBER OF COMMERCE OF THE U.S.

THE WHITE HOUSE

THURSDAY, MAY 15, 1969

THE PRESIDENT:

At 3:00 p.m. you will be escorted from your office to the Cabinet Room where you will be greeted by Secretary Kennedy and Postmaster General Blount. They in turn will introduce you to the following men:

ADVERTISING COUNCIL:

Victor Bloede, President and Chief Executive Officer, Benton & Bowles
Robert P. Keim, President, Advertising Council
T.S. Thompson, Volunteer Coordinator, Advertising Council, Senior Vice President, Marketing and Development, General Foods
Charles E. Wilson, Chairman, Industries Advisory Committee, Advertising Council; formerly President, General Electric

JOINT COUNCIL ON ECONOMIC EDUCATION:

Marvin K. Bower, Chairman-Board of Trustees, Joint Council on Economic Education; Director, McKinsey & Co., Inc.
Dr. M.L. Frankel, President, Joint Council on Economic Education

CHAMBER OF COMMERCE OF THE UNITED STATES:

Arch N. Booth, President, National Chamber Foundation; Executive Vice President, Chamber of Commerce of the United States
Archie K. Davis, Chairman, Chamber's Dollar Committee; Chairman of the Board, Wachovia Bank and Trust Co.
Carl H. Madden, Secretary, Chamber's Dollar Committee; Chief Economist, Chamber of Commerce of the U.S.

4/

P— Golf balls are pretty small pay.

(laughter)

If prices go up blame Dave Kennedy