

MINUTES OF THE
PROJECT FOR A PROSPEROUS AMERICA EXECUTIVE COMMITTEE MEETING
September 12, 1977 - Washington, D.C.

Those present were:

Joseph Friedman, Chairman
Chromalloy American Corporation

✓ Merlin L. Taylor, Assistant to President
International Union of Bricklayers
and Allied Craftsmen

Thomas F. Murphy, President
International Union of Bricklayers
and Allied Craftsmen

Sam Talarico, Int'l. Secretary-Treasurer
Amalgamated Meat Cutters and Butcher
Workmen of North America

Richard Paysor, Vice President
Taxes and Governmental Affairs
Chromalloy American Corporation

Jack W. Minton, Chairman and President
General Bancshares Corporation

A. Susman
Louis B. Susman, Attorney
Susman, Stern, Heifetz
Lurie & Sheehan

The meeting opened at 10:20 a.m. with Mr. Murphy apprising the Chairman, Mr. Friedman, of those persons who had notified him of their inability to attend. They were: Mr. I.W. Burnham, who was compelled to attend his own Executive Board meeting, and Mr. Duane Pearsall, who had scheduled a trip to Alaska. Both, however, expressed their eagerness to attend future meetings. Mr. Thomas (Ted) Gleason, President of the International Longshoremen's Union, after having expressed his availability in a letter dated August 24, 1977, did not attend.

In addition to the names contained on the membership list submitted by Mr. Paysor, a letter was received from Edward T. Hanley, General President of the Hotel and Restaurant Employees and Bartenders International Union expressing his organization's willingness to join the full committee. (A copy of that letter is attached as a part of these minutes). Mr. Murphy also submitted a list of those who had accepted membership on the Subcommittee on Double Taxation, namely: Jack W. Minton, Chairman, August A. Busch, Jr.,

Dr. William C. Freund, Louis B. Susman, Robert A. Georgine, John Lyons and Jay C. Turner.

Mr. Murphy then submitted a sample of PAPA letterhead, with an accompanying envelope, for the Executive Committee's consideration and comment. The stationery presently listed only Mr. Murphy's name as Chairman of PAPA, and it was felt that each of the Committee members should be listed, along with their respective affiliations.

A discussion then followed regarding future financing of the Committee, and it was agreed that Merlin Taylor, Richard Paysor and Louis Susman would come back to the Executive Committee with a recommendation on future financing. Mr. Friedman suggested that the above-named group would need at least six months to form such a recommendation, and he also requested that it be kept within the confines of the Committee.

The discussion then turned to the subject of the subcommittee dealing with double taxation, and it was agreed that the name of this subcommittee should be changed to the "Legislative Subcommittee."

The subject, as contained on the agenda, "Coordination of Executive Committee and all subcommittees" was then discussed, and Mr. Murphy explained that he felt the Legislative Committee, for instance, would deal with the subject of double taxation, but the Executive Committee would be the ultimate body through which everything would filter.

Mr. Friedman then recommended that any action of the full Committee or any subcommittees be subject to ratification by the Executive Committee. It was then agreed that the chairmen of the various subcommittees would be free to suggest

policy and submit papers to the full Committee. In addition, the Executive Committee can make suggestions to subcommittees, so as not to usurp the complete authority of the subcommittee chairmen; however, any final action which the subcommittees wish to take, must first come back to the Executive Committee for ratification. In this way the Executive Committee must also share in the responsibility for any mistakes.

Mr. Minton stated that what he wants to get from the Executive Committee is simply that any position that is taken will be the easiest to understand. He expressed the desire to get double taxation taken off all stockholders. In addition, he felt the approach of the Executive Committee should be to "go for the whole ball of wax" so as to leave some room for compromise.

Mr. Paysor, at this time, read off the names of the new members of PAPA who were added to the previous membership list. They were: The Honorable J. John Fox; Norman Alexander, Chairman of the Board of Sun Chemical Corporation; and Larry Hickey, Director of Research for Stein, Roe & Farnham. This last name prompted Mr. Friedman to inject a word of praise for the firm of Stein, Roe & Farnham, and a hope that the Committee might consider this firm for its future needs.

Mr. Susman inquired as to the number of members of PAPA at present and Mr. Paysor replied there were about 29.

Mr. Friedman then evoked a discussion concerning how the Committee should hit the public with this, and again stressed the idea that too much formality should not be attached to this whole thing. He recommended that a simple, easy to understand position paper be prepared which could be incorporated into a news release. Its objective would be to destroy the image that business and labor

must be enemies, and it would stress that double taxation on dividends should be eliminated at the level of the man on the street.

Mr. Friedman then suggested that the Committee get somebody going on a bill, and Mr. Susman stated that he totally agreed with this recommendation. Mr. Susman then suggested that the following five actions be taken: 1) that Freund's paper be rewritten, emphasizing simplicity with no tax at shareholder's level; 2) that as soon as a position paper is finished, it be circulated to all members of the Committee, not for approval, but for objections only; 3) that it be published in the appropriate media as soon as the Executive Committee is confident that it represents what they want to say; 4) that it be communicated to the Congress; and 5) that an all-out lobbying effort begin on the bill.

Mr. Susman, in discussing the timetable for this undertaking, suggested that he was personally going to take a crack at rewriting Freund's paper. He felt someone should be brought on board immediately to write the bill, and that both the bill and the position paper could be ready for circulation, that is, mailed to the membership of the PAPA Committee, on September 26, 1977. Then he felt it could be approved by the Committee at its October 3, 1977 meeting.

At this time, Mr. Friedman suggested the need for a Public Relations Committee, and it was agreed that Merlin Taylor and Richard Paysor, with the aid of Judy Lorenson, would comprise this Committee. Mr. Paysor then recommended that Ray Lackey of Henry J. Kaufman & Associates, be involved, and it was agreed that he should.

Mr. Friedman felt that it was not too soon to begin picking the media that would be most effective in this effort, and Mr. Taylor suggested several Union

contacts, namely Saul Miller of the AFL-CIO Publications Department, and Al Zack of the AFL-CIO Public Relations Department.

Mr. Paysor injected that he had recently talked with a PRIDE group in St. Louis, and that they would be willing to support the Committee on the double taxation issue.

Mr. Friedman inquired of Mr. Murphy as to whether or not Mr. Meany would allow PAPA to publicly state that the Committee has his full support. Mr. Murphy suggested that a news release contain some language to that effect, and that he, Mr. Murphy, would personally go over and have Mr. Meany take a look at it.

Concerning the public relations angle, it was suggested that Mr. Paysor and Ms. Lorenson would meet with Mr. Taylor in Las Vegas over the weekend of September 17-18, 1977, because logistically speaking, this was the only time they could all get together.

At this time Mr. Friedman read a letter which he had received from Mr. John R. Sutton, a Trustee for the John R. Callaghan Estate, in praise of a recent report from Mr. Friedman to the stockholders of Chromalloy. A copy of that letter is attached as a part of these minutes.

Mr. Taylor inquired of Mr. Minton as to how the Committee would move into its lobbying effort once the bill was prepared and the press release goes out. He specifically wanted to know how this effort would be coordinated, as he knew it was going to entail a lot of work.

Mr. Minton responded that the PAPA Committee would be coordinating their efforts with other committees who are trying to accomplish the same thing. He also stated that he felt Lou could be very helpful here.

Mr. Taylor then inquired of the Chairman as to the possibility of getting some secretarial support from the Chromalloy office here in Washington once this thing really gets rolling, and Mr. Friedman responded: "Absolutely."

At this point Mr. Paysor distributed a packet to each of the members of the Executive Committee who were present. The packet contained the following items:

1. Key Facts of Interest to Labor
2. Charts analyzing the effects of eliminating double taxation of dividends
3. Tables analyzing the effect on individual shareholders taxes
4. Position paper prepared by Dr. William Freund
5. Booklet prepared by Bank Building Corporation
6. Two opposing views published by Tax Analysts and Advocates

Mr. Taylor requested that Mr. Friedman share with the Executive Committee a letter he had received from President Carter.

This letter evoked a discussion as to the need for help from the Administration on this thing, and it was suggested that perhaps the Panama Canal issue could be used at this time as a sort of ploy for Administration support. Mr. Susman requested that if the Committee would tell him that he could represent it in lobbying in support of the President's position on the Panama Canal issue, he would begin right away.

Mr. Susman, after having left the meeting to make phone contact with a Mr. McGlaughlin regarding drafting the bill, returned to state that this gentlemen could have a draft in one week to ten days, and therefore, it was felt that the Committee could make its schedule of having something ready to go for the October 3 meeting of the full committee.

It was agreed that the next meeting would be held with the full committee in St. Louis on October 3, 1977 in the Board Room at Chromalloy headquarters, 120 South Central Avenue. The meeting will conclude that evening with dinner at Grant's Farm, and those who wish may stay over at the Clayton and return home the next morning.

Notification letters will follow regarding the next scheduled meeting.

The formal meeting closed at 11:30 and the attendees proceeded to Dominique's Restaurant for lunch.

RECEIVED AUG 22 1977

AFFILIATIONS: AFL-CIO — CLC — RLEA

HOTEL AND RESTAURANT EMPLOYEES AND BARTENDERS INTERNATIONAL UNION

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Office of the
GENERAL PRESIDENT

August 19, 1977

Thomas F. Murphy, Chairman
Project for a Prosperous America
815 Fifteenth Street, N.W.
Washington, D.C. 20005

Dear Chairman Murphy:

I have received your letter of August 16, 1977, inviting this organization to join the "Project for a Prosperous America."

After reading your letter and its enclosures, I applaud the leaders of business and labor who have formed this group. I have long espoused the many common goals of labor and management and have stated my position publicly.

It is with pleasure that I accept your invitation to join your group. Please add this organization's name to your list of participants.

For your information, our International Union has a very effective legislative department and we commit the resources of our organization to help achieve the goals of "Project for a Prosperous America."

Fraternally yours,

Edward T. Hanley
EDWARD T. HANLEY
General President

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cc: Robert Juliano, Legislative Rep.