



THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

OCT 22 1970

Hon. Paul W. McCracken
Chairman
Council of Economic Advisers
Executive Office Building
Washington, D. C. 20503

Dear Paul:

I want to thank you for joining us on October 9th at the Industry Advisory Council meeting. As you undoubtedly know the Council members were most appreciative of the content of your presentation. Because of the Council's interest we will plan to ask you to address the group again at some future meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan", is written below the word "Sincerely,".



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Sincerely,

SIGNED

DAVE

**MEMORANDUM
OF CALL**

TO:

Mr. McCracken

☐ YOU WERE CALLED BY—

☐ YOU WERE VISITED BY—

Mr. Tyler

OF (Organization)

Secretary of Defense's office

☒ PLEASE CALL —→

PHONE NO.
CODE/EXT. Oxford 7-2059

☐ WILL CALL AGAIN

☐ IS WAITING TO SEE YOU

☐ RETURNED YOUR CALL

☐ WISHES AN APPOINTMENT

MESSAGE

Mr. McCracken will be speaking here on October 9. I was wondering if someone will be preparing an agenda for him.

I have tentatively set up a title for his speech "State of the Economy" Perhaps he would like to include something more specific.

RECEIVED BY

DATE

TIME

9/4

12:10

STANDARD FORM 63

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13 SEP 1970 pm
OFFICE OF THE SECRETARY OF DEFENSE

11 Sep 1970

MEMO FOR HON. PAUL McCracken, CHAIRMAN
COUNCIL OF ECONOMIC ADVISERS

Attached is your copy of the agenda
for the forthcoming meeting of the
Industry Advisory Council and a list
of the anticipated attendees.


GORDON H. TYLER
Executive Secretary



OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

INDUSTRY ADVISORY COUNCIL

AGENDA

9 -10 October 1970

3E 912 - The Pentagon

Friday, 9 October

- | | | | |
|----|--------------------|---|---|
| 1. | 10:00 - 11:00 a.m. | Opening Remarks and
Commentary | Mr. Packard |
| 2. | 11:00 - 12:00 | Blue Ribbon Panel Report | Mr. J. Fred Buzhardt |
| | 12:00 - 12:30 p.m. | Discussion | |
| | 12:30 - 2:00 | Lunch (Blue Room-3D854) | |
| 3. | 2:00 - 2:30 | State of the Economy | Mr. Paul McCracken |
| | 2:30 - 3:00 | Discussion | |
| | 3:00 - 3:15 | BREAK | |
| 4. | 3:15 - 3:45 | Navy Weapons Acquisition
Program | Mr. Frank Sanders |
| | 3:45 - 4:15 | Discussion | |
| 5. | 4:15 - 4:45 | Weapons Acquisition Policy | Mr. L. A. Hyland |
| | 4:45 - 5:15 | Discussion | |
| 6. | 5:15 - 5:45 | Government Procurement
Commission | Mr. E. Perkins McGuire
Mr. Donald Sowle |
| | 5:45 - 6:15 | Discussion | |
| | 6:30 - 9:45 | Informal stag buffet and
cruise aboard SEQUOIA
(Pier #1, Navy Yard) | Council, Mr. Packard,
and invited guests |

Saturday, 10 October

- | | | | |
|-----|--------------------|-----------------------------------|-----------------|
| 7. | 9:00 - 9:30 a.m. | Uniform Cost Accounting Standards | Mr. L. Spacek |
| | 9:30 - 9:45 | Discussion | |
| | 9:45 - 10:00 | BREAK | |
| 8. | 10:00 - 10:30 | Defense Industry Financing | Mr. E. Arbuckle |
| | 10:30 - 11:00 | Discussion | Mr. W. Wriston |
| 9. | 11:00 - 11:30 | Excess Production Capacity | V/Adm. E. Reich |
| | 11:30 - 11:45 | Discussion | |
| 10. | 11:45 - 12:15 p.m. | R & D Trends | Dr. Foster |
| | 12:15 - 12:30 | Discussion | |
| 11. | 12:30 - 12:45 | Closing Remarks | Mr. Packard |
| | 12:45 - 2:00 | Lunch - Blue Room | Mr. Symonds |

EXPLANATORY NOTES ON IAC AGENDA FOR 9-10 OCT 1970

- Item 1 Opening Remarks and Commentary. Mr. Packard will review items of general interest not otherwise scheduled for discussion during this meeting.
- Item 2 Blue Ribbon Panel Report. Mr. Buzhardt, General Counsel for the Department of Defense, and former Special Assistant to the Chairman of the Blue Ribbon Defense Panel, will review the activities of the group and discuss the findings and recommendations contained in the final report.
- Item 3 State of the Economy. Mr. McCracken, Chairman of the Council of Economic Advisers, will talk on the state of the overall economy and prospects for the future, both near and long-term, with open discussion following his briefing.
- Item 4 Navy Weapons Acquisition Program. Mr. Sanders, Assistant Secretary of the Navy (Installations and Logistics) will describe some of the steps already taken in the Navy Department to improve the acquisition process and their plans for further improvements.
- Item 5 Weapons Acquisition Policy. Mr. Hyland, together with Messrs. Evans, Gilbride, Gwinn and Robinson, were asked to develop a Council position on Mr. Packard's May 1970 policy statement on weapons acquisition. Mr. Hyland will report on the group's findings and discuss their reactions and recommendations.
- Item 6 Commission on Government Procurement. Mr. McGuire, Chairman of the Commission on Government Procurement, and Mr. Sowle, Director of Commission Studies, will brief the Council on how the Commission effort is organized, its actions so far, and future plans.
- Item 7 Uniform Cost Accounting Standards. Mr. Spacek, Chairman, Arthur Andersen & Co., will present his views on the subject as it relates to Defense contractors with an open discussion following his presentation.

EXPLANATORY NOTES (CONT'D)

- Item 8 Defense Industry Financing. Messrs. Arbuckle and Wriston will present their comments and observations on the matter of obtaining necessary financing to perform Defense business.

- Item 9 Excess Production Capacity. V/Admiral Reich, Deputy Assistant Secretary of Defense (Materiel) will describe the magnitude of the problem of excess production capacity in its Government-owned industrial facilities and discuss some of the steps being taken to resolve the problem.

- Item 10 R&D Trends. Dr. Foster, Director, Defense Research & Engineering, will brief the Council on (1) an appraisal of Soviet and Chinese capabilities, (2) a review of areas where Defense expects to concentrate its support of R&D, and (3) identify areas where Defense would hope industry independent research would be emphasized in the future.

- Item 11 Closing Remarks. Mr. Packard and Mr. Symonds (new Vice Chairman of the Council) will comment on the meeting, review Council recommendations, and discuss possible topics for the next scheduled meeting on 12-13 February 1971.

Attendance List for Industry Advisory Council Meeting 9-10 October 1970

Industry Members.

Gardiner Symonds, Chairman and Chief Executive Officer, Tenneco Inc., Houston, Tex.
Vice Chairman
Ernest C. Arbuckle, Chairman, Wells Fargo Bank, San Francisco, Calif.
Bernard J. Bannan, President, Western Gear Corp., Lynwood, Calif.
W. L. Davis, President, Emerson Electric Co., St. Louis, Mo.
L. J. Evans, President, Grumman Aerospace Corp., Bethpage, N. Y.
E. B. Fitzgerald, Chairman and Chief Executive Officer, Cutler-Hammer, Inc.,
Milwaukee, Wisc.
John T. Gilbride, President, Todd Shipyards Corp., New York, N. Y.
James F. Goodrich, President, Bath Iron Works Corp., Bath, Maine
Paul A. Gorman, Summit, New Jersey
William P. Gwinn, Chairman and Chief Executive Officer, United Aircraft Corp.,
East Hartford, Conn.
L. A. Hyland, Vice President and General Manager, Hughes Aircraft Co.,
Culver City, Calif. 90230
Dr. D. L. Jaffe, Great Neck, N. Y.
Stephen F. Keating, President, Honeywell, Inc., Minneapolis, Minn.
Semon E. Knudsen, Birmingham, Michigan
John Lawrence, Chairman, Dresser Industries, Inc.
Robert S. Oelman, Chairman, National Cash Register Co., Dayton, Ohio
Bruce F. Olson, Chairman and Chief Executive Officer, Sundstrand Corp.,
Rockford, Illinois
Glen P. Robinson, Jr., Chairman and President, Scientific-Atlanta, Inc.,
Atlanta, Ga.
Willard F. Rockwell, Jr., Chairman, North American Rockwell Corp., Pittsburgh, Pa.
Walter E. Schirmer, Chairman, Clark Equipment Co., Buchanan, Mich.
Mark Shepherd, Jr., President, Texas Instruments, Inc., Dallas, Tex.
Clyde Skeen, LTV, Inc., Dallas, Tex.
Donald W. Smith, Chairman of Executive Committee, Singer Co., New York, N. Y.
Leonard Spacek, Chairman, Arthur Andersen & Co., Chicago, Ill.
Walter B. Wriston, Chairman, First National City Bank, New York, N. Y.

Defense Participants

Hon. David Packard, Deputy Secretary of Defense, Council Chairman
Hon. John S. Foster, Jr., Director, Defense Research & Engineering
Hon. Robert C. Moot, Assistant Secretary of Defense (Comptroller)
Hon. Barry J. Shillito, Assistant Secretary of Defense (Installations & Logistics)
Hon. Daniel Z. Henkin, Assistant Secretary of Defense (Public Affairs)
Hon. Gardiner L. Tucker, Assistant Secretary of Defense (Systems Analysis)

Richard G. Capen, Jr., Assistant to the Secretary of Defense (Legislative Affairs)
J. Fred Buzhardt, General Counsel, DoD
Jerry Friedheim, Principal Deputy Assistant Secretary of Defense (PA)
John M. Malloy, Deputy Assistant Secretary of Defense (Procurement)
V/Adm. E. Reich, Deputy Assistant Secretary of Defense (Materiel)
James N. Nash, Assistant General Counsel (Logistics)
Gordon H. Tyler, Executive Secretary of the Council
Frances H. Tucker, Administrative Assistant to the Council
Hon. Stanley R. Resor, Secretary of the Army
Hon. Eugene M. Becker, Assistant Secretary of the Army (FM)
Hon. J. Ronald Fox, Assistant Secretary of the Army (I&L)
Hon. Robert Johnson, Assistant Secretary of the Army (R&D)
General F. J. Chesarek, Commanding General, Army Materiel Command
Lt. Gen. Joseph Heiser, Deputy Chief of Staff, Army (Logistics)
Hon. John H. Chafee, Secretary of the Navy
Hon. Charles A. Bowsher, Assistant Secretary of the Navy (FM)
Hon. Frank Sanders, Assistant Secretary of the Navy (I&L)
Hon. Robert A. Frosch, Assistant Secretary of the Navy (R&D)
V/Adm. J. D. Arnold, Acting Chief of Naval Material
Hon. Robert C. Seamans, Jr., Secretary of the Air Force
Hon. Spencer Schedler, Assistant Secretary of the Air Force (FM)
Hon. Phillip Whittaker, Assistant Secretary of the Air Force (I&L)
Hon. Grant L. Hansen, Assistant Secretary of the Air Force (R&D)
Lt. Gen. Harry E. Goldsworthy, Deputy Chief of Staff, AF (Systems & Logistics)
Lt. Gen. Earl C. Hedlund, Director, Defense Supply Agency

Other:

Wm. Finan, President, Logistics Management Institute
Hon. Paul McCracken, Chairman, Council of Economic Advisers, Executive
Office of the President
E. Perkins McGuire, Chairman, Commission on Government Procurement
Donald Sowle, Director of Commission Studies, Commission on Government
Procurement



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS AND SOLID FUELS
WASHINGTON, D. C. 20240

OCT 2 - 1970

Hon. Hendrik S. Houthakker
Member
Council of Economic Advisers
Executive Office Building
Washington, D.C. 20506

Dear Dr. Houthakker:

Confirming our telephone conversation of today, I am pleased to invite you to meet with Assistant Secretary Hollis M. Dole, executive officers of U.S. coal-producing companies and representatives of interested Government agencies.

The meeting to discuss the coal supply situation will be held at 10:30 a.m., Friday, October 9, 1970, Room 8068, Department of the Interior.

We will look forward to seeing you at this meeting.

Sincerely yours,

John E. Shelton
Deputy Director

10/5

Daisy--

Mr. Houthakker talked with Mr. McCracken about this, because Mr. Shelton called Mr. Houthakker today and said that they would like to have Mr. McCracken attend. Mr. McCracken said he would go. I am going to call Mr. Shelton tomorrow and tell him this, but I am also going to ask him to call your office to confirm it. Mr. Houthakker will not go, since he doesn't think it is necessary for both PM and him to go.

dr

From the desk of . . .

PAUL W. McCRACKEN, Chairman
Council of Economic Advisers

HH
—

Could you
do this?

UNITED STATES GOVERNMENT

Memorandum

TO : Paul McCracken

DATE: October 2, 1970

FROM : Hendrik S. Houthakker *HSR*

SUBJECT: Meeting with Coal Producers

John Shelton, Interior, called me when he was unable to reach you. He said that Asst. Sec. Dole is meeting with a group of coal producers on Friday, October 9 in Room 8068 at Interior. The meeting will begin at 10:30 a.m. and is expected to last 1-1/2 to 2 hours. Interior would like to have someone from CEA at the meeting since it relates to the energy study.

cc: HS
SN
EM
SJ



5010-108

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

Oct 9

August 7, 1970

Mr. McCracken:

Sec. Packard's Executive Secretary called regarding scheduling a day and time for this meeting.

If you would like you could join them for lunch at 12:30 on Friday at the Pentagon and give your speech at about 2 p.m. They would schedule about one hour for your talk and a discussion afterwards.

Or you could meet with them on Saturday morning for an hour.

Shall we schedule it for

Friday, with lunch and speech after? ✓

Saturday, speech and discussion only?

State of Economy

(Mr. Tyler will call back early next week to see what can be worked out.)

72059

new Mts folder

July 17, 1970

Dear Dave:

This is in response to your invitation to participate in the October meetings of the Industry Advisory Council. This is a command performance and I shall be delighted to work this into my schedule.

Regards,

Paul W. McCracken

Honorable David Packard
Deputy Secretary of Defense
Washington, D. C.

filed: ~~Gov't Corres~~



THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

JUL 13 1970

Hon. Paul W. McCracken
Chairman
Council of Economic Advisers
Executive Office Building
Washington, D. C. 20503

Dear Paul:

You no doubt have heard of the Industry Advisory Council, of which I am chairman. It is one of the more useful tools we have in the Department for providing an official means for direct and regular contact between Defense and Industry top management. The Council of about 25 industry chief executives meets here at the Pentagon three times a year to consider and discuss mutual areas of interest at the highest policy level in the Department. The topics for discussion at these meetings are developed by Defense from suggestions within the Department, or from Industry. Subject matter is quite diverse; during our last meeting topics ranged from specific contracting policies to employment opportunities for returning veterans.

Understandably, during recent meetings, the Council has expressed interest in the total economy picture and prospects for firms affected by reductions in Defense spending. I feel therefore, it would be appropriate to have a briefing from you, or your representative, at the fall meeting of the Council on 9-10 October, on the state of the overall economy and prospects for the future, near and long-term. I am sure the Council would appreciate your report and believe that the reactions and discussion might prove mutually beneficial. I would like to hear your thoughts on this, and hope you will be able to participate personally.

Sincerely

A handwritten signature in blue ink, likely of the Deputy Secretary of Defense, is written below the word "Sincerely". The signature is stylized and appears to be "R. M. ...".