



July 14, 1977

Mr. Joe Friedman, Chairman
Chromalloy American Corporation
120 South Central Avenue
St. Louis, Missouri 63105

Dear Mr. Friedman:

The attached Washington Economic Report by Charls Walker focuses very clearly on the pending Carter Tax Reform proposals.

As a matter of focus for our Committee, it would seem to me that the most immediate benefit would be to freely exercise the whole subject of taxes, as it becomes the heart of the country's ability to stimulate its economy. Perhaps, as an optimistic possibility, there could evolve some subtle support of labor to elements of the tax package, benefiting all components of our economic society.

I look forward to meeting with you again on the 28th.

Sincerely yours,

Duane D. Pearsall
President
bc

Attachment
cc: Dick Paysor (w/attachment)

bcc: Blaine D'Arcey (w/attachment)

P.S. to Blaine - PAPA (Prospect for a Prosperous America), which I discussed with you, may be a subtle approach to securing labor support for business benefits in tax reform. In our last meeting, they very clearly recognized the need to stimulate capital investment through tax relief, including dividend tax changes as well as investment tax credits.



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