



NIXON PRESIDENTIAL MATERIALS STAFF

Tape Subject Log

(rev. 10/08)

Conversation No. 75-1

Date: September 14, 1971

Time: Unknown between 11:07 am and 9:50 pm

Location: Cabinet Room

The President met with William J. Kuhfuss, John W. Scott, Robert C. McInturf, Tony C. DeChant, Oren Lee Staley, Clifford M. Hardin, and Clarence D. Palmby

[Recording begins while the conversation is in progress]

Wage-price freeze

- Agricultural segment of economy
 - Organizations
 - Scott
 - National Grange
 - Age and history of the group
- The President's economic action
- Wages and price increases
 - Productivity
 - Economic policy
 - Price freeze
 - Tax proposals
 - Cessation of gold convertibility
 - Surcharge
 - Freeze continuance
 - Agricultural products
 - Farm price contribution to inflation
 - Business
 - Processed agricultural products
 - Raw agricultural product prices
 - National Grange
 - President's new programs
 - Effect on raw product prices
 - Productivity increase
 - Restaurant prices
 - Management
 - Cost of labor
 - Stabilized economy
 - Economic growth
- Agricultural production
 - Last ten years
 - Consumer prices

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- Minimum government involvement in agriculture
 - Need for controls
 - Restraint on wages and prices
 - Economic effect on farmers
 - Increase in efficiency and productivity
 - Expandable income
 - Continuance of necessary economic controls
 - President's program
 - Inflationary problems
 - Stabilization
- Agricultural wages
 - Stability
 - Raw materials
 - Contracts
 - Voluntary restraint
 - Organized agricultural labor
 - Seasonal labor
 - Polls
 - Wage earner and wife
 - Price consciousness
 - Retired people
 - Person on dividends
 - Bills and outlay
 - Education
 - Doctor's bill

Kuhfuss

- American Farm Bureau

DeChant

- National Farmers' Union
- Statements and summary vis-a-vis presentation
 - Wage-price freeze
 - Support for the new economic policy
 - Effects
 - Adjustments following freeze
 - Scott
 - Goals
 - Reduction of inflation and unemployment
 - Adjustments in farm prices
 - 1970 Farm Act
 - Two years ceiling on farm income

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- Present farm parity, 70%
- Last sixty years
- Prices for agricultural commodity
 - Market place
- President's 1970 economic report
 - Farmers' return on investment capital
- Lag in income of rural Americans
- Recession in agriculture
- Current trend of cost
 - Continuity and rise of costs
- Productivity guide for income adjustment
- The President's speech
- Department of Agriculture
 - Hardin's comments
 - Unemployment
 - Inflation
 - Rural areas
 - Agricultural well-being and nutrition
 - Support of movement of dollar and gold standard
 - Surcharge on imports
 - Impact on monetary fund
 - Effects on agriculture
 - Working group on General Agreement on Tariffs and Trade
 - Possible counteraction
 - Exports
 - Agricultural dependence
 - Other segments reliance on imports
- US down payment
 - War and defense
 - US dollar
 - Present limitations
 - Overseas investments
 - Economic policy
 - Interest rates ceiling
 - John B. Connally
 - Business on foreign money
 - Profits acceptability
 - Excess profit
 - President's support in farm sector
- American Farm Bureau
 - The President and Secretary of Agriculture

[GATT]

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- Integrity of US dollar
 - Investments
 - US role in world
 - Imbalance in US economy
 - Labor, agriculture, and business
 - Connections
 - Imbalances and freeze
 - Importance of security of US economy
 - Confidence in US business
 - Plan for investment in US economy
 - Inflation
 - Forces responsible
 - Effects of end of the Vietnam war
 - Employment levels
 - Labor negotiations
 - Import-export balances
 - US and competitive world position
 - Directions of US
 - Market place
 - User of commodities
 - Direction for producer
 - Supply and production
 - Future of agriculture and US economy
 - World trade
- Duration of freeze
 - Future of US economy
 - US dependence on world trade
 - US participation in world trade
 - Guidelines
 - Negotiations between groups
 - Duration of 10% import tax
 - Effects on [US] trade balance
 - Effect on US foreign trade
 - US role in world trade
- McInturf of the National Council of Farm Cooperatives
- Appreciation of President's leadership
 - Farmers' support for President's group
 - Rise in farm prices, costs
 - Labor
 - Exemptions of raw farm products
 - Freeze
 - Price contribution to inflation

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- Farmers' image of effective curb on prices and wage rates
 - Increase in productivity
 - Housewife expenditures
 - Amount spent on food
 - Lowest in world
 - Political acceptability
- Farm prices and income decrease
 - Productivity and agriculture
 - President's talk with unknown person, September 3, 1971
 - Increased productivity
 - Fresh consumption
 - Fruits and vegetables
 - Exemption from freeze
 - Processed food prices
 - Exemptions relation to productivity of workers and farmers involved
 - Transportation cost
- Market control
 - Distributing and processing market
 - Productivity of industrial firms
 - Farmers' views
 - Foreign and domestic economic coordination policy
 - Import tax surcharge
 - Duration
 - Effect
 - World trade economy
 - Negotiations
 - Exchange rates
 - Worldwide responsibility for peace
 - Long run trade expansion
 - Self-help program
 - Cooperatives
 - Encouragement of farm marketing and farm supplies
 - Farmers' group action
 - Anti-inflationary action
 - Need for President's support
 - Agriculture as US backbone
- Need for more committee work
 - Agricultural improvement
- Staley
- Kuhfuss's comments

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- Causes of imbalance
 - Freeze effects
 - International trade problems
 - Deficit of payment
 - Countries assisted through Marshall Plan
 - Dollar status
 - President's program
 - New points
 - President's statement of issues
 - Franklin D. Roosevelt and 1937
 - Equity and peacetime economy
 - Inflation and economic recession
 - Jack R. Miller
 - Speech at Iowa State Convention
 - Level of farm income
 - President's program with agriculture
 - Alternatives
 - Inflation and recession
 - Effects of freeze
 - Long term repercussions
 - Changing of US economy
 - Conglomerate corporate structure
 - Ability to administer prices
 - Lowering volume output
 - Profits
 - Gross National Product [GNP]
 - decrease, inflation increase
 - Raising interest rates
 - Money supply
 - Taxation
 - Higher income groups
 - Incentive of capitalistic structure
 - Labor's responsibility
 - Welfare
 - Leadership
 - Wage contracts
 - Unions
 - President's recognition of importance of agriculture
 - Agriculture's role in economy
 - 30% of US population directly tied to farmers' income
 - Poverty in rural areas
 - Increase of farm income

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- Credit and interest rates
- Small businessmen
- Unemployment
- Theodore (“Teddy”) Roosevelt
- Large corporation structures
 - Roman Empire
 - Factors in collapse
- Companies and interlocking directorship
 - Administration of prices
 - Antitrust enforcement
 - Wages
 - Inequities
- US foreign country development
 - Surcharges
 - Strategy
 - Reality of situation
 - President’s awareness
 - Dollar and economy protection
- Agricultural plan
 - Farmers’ number increase
 - Average age of electronic engineers
 - Average age of farmers
 - Need for farmers’ profits
 - Organized economy
- Countries with dollars
 - Need for products
 - US as supplier
 - Japan’s future food supply
 - World population
 - International agreements
 - Floors on foreign products
 - Common Market
 - Agricultural commodities
 - Alleviation of issue
 - Hardin
 - Farm income
 - Price raising
 - Farmers in profit position
 - Rural development in profit situation
 - Rural development
 - Grants
 - Raw material productivity

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- Increase in farm income
 - Investment in productivity
 - Rural economy
 - Reforms
 - Use of steel, oil
- Economic income
- Success of economic policy
- Recession
- Cost of Living Council [COLC]
 - Discussion of action following 90-day freeze
 - Options
 - Political forces
 - Rapid inflation
- Follow-up program
- Wage-price freeze
 - Duration
 - Wartime measures applied in peacetime
 - Public support
 - Labor and business views
 - Agricultural commodities
 - Effectiveness
 - Long term solution
 - Controls
 - Free market
 - Inflation
 - Government spending
 - Government influence
 - Productivity of guidelines
 - Proposals
 - Labor negotiations
 - President's presentation
 - Freeze follow-up
 - Firm program
 - Enforcement of policy
 - Majority of public support
- Establishment of board
 - Enforcement authority
 - Dealing with issues
- Two segments of economy
 - Inflation-affected segment
 - Economically depressed part
 - Views of majority of US

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Tape Subject Log

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- New tax program
 - Wages
 - Profits
 - Low interest rates
 - Economically depressed areas
 - Factors
 - Organized labor
 - Wage raise
 - Effects for the unorganized
 - Type of action required
 - Inflation
 - Wages
 - Contracts
 - Unemployment
- Freeze follow-up
 - Voluntary program
 - Prices and wages
- Labor contract negotiations
 - Rank and file of labor
 - National leaders
 - People at local level
 - Federal Reserve
 - Excess profits
 - Protection of prices
 - Control
 - Bureaucracy
 - President's leadership
- Food prices
 - Investment
- Statistical data
- Investment and capital
 - Business issues
 - Low steel profits
 - World market
 - Hardin's liaison role
 - President's need of input for decision-making
 - Import surcharge
 - Effects in agriculture
 - Japan and European countries
 - Long term purpose
 - Exchange rates
 - Floating dollar, surcharge

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- Readjustment of exchange rates
- Tariff barriers
- US industry
 - Greater dividend out of foreign trade
 - US agriculture
 - Japanese
- Opening of market to noncompetitive products
 - Soybeans
- Connally's trip abroad
 - Selling of agricultural products
 - Agriculture as main producer of foreign exchange
 - Aerospace industries
- Long range effect of US policies
 - Short term retaliation
 - Building of new system
 - Highly competitive commodity
 - Tax reductions
 - Automobile excise tax
 - Job investment credit
 - Job development credit
 - Agricultural segment of population
 - Congress
 - The President's September 9, 1971 speech
 - Corresponding cut in spending
 - Wage-price freeze
 - Deferral of wage increase for government employees
 - Six month deferral
 - Wage cut's effect
- Farmers' views
 - Support of President's policy
 - Parity
 - Agriculture's position
 - Freeze
 - Imbalances
- Farmers
 - Increased costs
 - Income
 - Businessman
 - Outlay, income
 - Fertilizers' importance
 - Amount of wage earners in US
- US world role in agriculture

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- Congressmen
- Senators
- Need for strong agricultural economy
 - Public awareness
- Chicago speech
- Cost of US food program
- Food program subsidies
- Small percentage of income for food
 - Comparison with past
- US productivity and competitiveness
 - Fresno, California
 - Labor, boycotts
 - US balance of trade
 - Foreign produce
 - Employees, hiring
 - Consumers' choice
 - Prohibition of technology
 - Three years
 - Mechanical apparatus use
 - Boycotting of products
 - United Farm Workers
 - Technological advances in agriculture
- Politics
 - Grape boycott

The President left at 12:37 pm

[General conversation/Unintelligible]

Kuhfuss, et al. left at an unknown time before 9:50 pm

Conversation No. 75-2

Date: Unknown between September 14 and September 16, 1971

Time: Unknown between 12:37 pm, September 14 and 4:58 pm, September 16, 1971

Location: Cabinet Room

Unknown men met

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Tape Subject Log
(rev. 10/08)

BEGIN WITHDRAWN ITEM NO. 1

[Non-historical]

[Duration: 1m 50s]

END WITHDRAWN ITEM NO. 1

The unknown men left at an unknown time before 4:58 pm, September 16, 1971

Conversation No. 75-3

Date: Unknown between September 14 and September 16, 1971

Time: Unknown between 12:37 pm, September 14 and 4:58 pm, September 16, 1971

Location: Cabinet Room

Unknown men met

BEGIN WITHDRAWN ITEM NO. 1

[Non-historical]

[Duration: 3m 26s]

END WITHDRAWN ITEM NO. 1

The unknown men left at an unknown time before 4:58 pm, September 16, 1971

NIXON PRESIDENTIAL MATERIALS STAFF

Tape Subject Log

(rev. 10/08)

Conversation No. 75-4

Date: September 16, 1971
 Time: 4:58 pm - unknown before 7:00 pm
 Location: Cabinet Room

The President met with Arch A. Moore, Jr., Richard B. Ogilvie, Thomas J. Meskill, Winfield Dunn, Warren E. Hearnes, J. James Exon, Wendell R. Anderson, Frank Licht, Luis A. Ferre, John C. West, William J. Connor, Gladys N. Spellman, Bernard Hillenbrand, Henry W. Maier, Louie Welch, John J. Gunther, Richard G. Lugar, Pat Healy, John B. Connally, Jim Martin, Vice President Spiro T. Agnew, George P. Shultz, John D. Ehrlichman, Herbert Stein, Kenneth R. Cole, Jr., Charls E. Walker, and Ronald L. Ziegler; the White House photographer and members of the press were present at the beginning of the meeting
 [Recording begins while the conversation is in progress]

Visit

- President's trophy presentation
- Gunther
- Cecil D. Andrus
- Anderson
- Hearnes
- Welch
- West
- Andrus

Agnew

Press photograph

- Guests

[General conversation/Unintelligible]

Economy

- Walker
 - Freeze effect on schoolteachers
 - Governor West, from South Carolina
 - Teacher contracts
 - Freeze exemptions
- President's press interview
 - Phase II

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- President's meetings with bipartisan groups and senators
 - Purpose
 - Public support of wage-price freeze
 - Enforcement of economic action
 - Cooperation of business and labor
 - Pay raise
 - Three or six month wait
 - Follow-up program
- Contracts for teachers
 - Negotiations
 - Execution of contracts
 - Professor at the college level
- Communication workers and American Telephone and Telegraph [AT&T]
 - Contract ratification
- Dock workers
 - Hearings
- Representatives
 - Governors' Conference
 - US Conference of Mayors
 - National League of Cities
 - National Association of County Officers
 - National Legislative Conference
- Views on Phase II
 - Connor
 - Morning meeting with Agnew
 - Wage-price freeze
 - Causes of inflation
 - Businessman's views
 - Government
 - Increase in federal pay raise
 - Local and state governments
 - Effect on wages and prices
 - New York City
 - Escalating wage scale
 - Effects on cost of living
 - Importance of decision made by state and local governments
 - Rest of US
 - George Meany and Frank E. Fitzsimmons
 - Connor
 - Cost of Living Council [COLC]
- Productivity in government
 - Representatives of county and city government

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- Importance of government productivity
 - 4,000 operate wage-price freeze
 - Connally
 - Coordination
- Agnew
- Chairmanship of National Governors' Conference
 - Hearnes
 - Time, US News and World Report*
- Phase II and Phase I
 - 90-day length
 - Inequities
 - Phase II without terminal date
 - Budgets
 - Guidelines for freezes or percentage increases
 - Legislation
 - Revenue sharing
- Local government
 - Counties and cities
 - Fixed tax rates
 - June 1st sewer rates fixed
 - Walker
 - Property tax rates
 - Search for equity
 - Effects of freeze
 - Bankruptcy
 - Integrity of local government
 - Revenue and expenses
 - Police force
 - Environment Protection Agency [EPA]
 - Federal government credibility
 - Intergovernmental relations
 - Health and safety
 - Phase II
 - Financing of governments
- Issues affected by economic action
 - President's talk with business and labor leaders
 - Complexity of issues
 - Permanent controls
 - User's fees
- Incomes and Phase II
 - South Carolina issues
 - Minimum raise allowed

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- Situation in South Carolina: half less \$6,000 per annum
 - Minimum wage
 - Labor difficulties
 - Charleston Hospital activities
 - Practicality of exempt wages
- Guidelines
- Cost of living increases
 - Low salaries and salary increase
 - High salaries and salary increase
 - Freeze on interest rates
 - Corporate profits
 - Dividends
 - Need for sacrifices
 - End of freeze
 - Public reaction
 - Perceptions on wage and price control efforts
- Profits
 - Walker
 - Political and economic issues
 - Freeze
 - Control of prices and wages
 - Effect on profits
 - Production increase
 - Corporate profit increase and percent to federal government
 - Revenue sharing
 - Welfare reform
- World War II and excess profit tax
 - Effects
 - Encouraging economy growth
- Profits
 - Connally's previous testimony
 - Ways and Means Committee
 - Profits share of Gross National Product [GNP]
 - General Motors [GM] and other automotive industries
- US world competitors
 - Greater profits
 - Japanese
 - Comparison with US plant, equipment
- US issues
 - Increasing employment
 - Checking inflation

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- Lid on profits
 - Effects
 - Economic depression
- Lid on prices
 - Taxes
 - Comprehensive Tax Reform, 1969
 - 1969-1973
 - Amount of relief to individuals
 - Relief to corporations
- Limit on corporate profits
 - Effects
 - Less world competition for US
- Depreciation
- Regulations and taxes
 - Role of the Congress
 - Investment tax credits
 - Rhode Island
 - Company lawyers
 - Investment tax credit
 - Depreciation allowance
 - Job development credit
 - John F. Kennedy's role
 - 1959, Dwight D. Eisenhower administration
 - Shultz's role
 - James P. Mitchell [Secretary of Labor]
 - 1961 and Kennedy's recommendation of investment tax credit
 - 1961 employment
 - Increasing purchasing power
 - Job producers
 - Buying of new corporation equipment
 - Stimulation of economy
 - 1964 and 1965 unemployment rate
 - US unused capacity
 - World context
 - Meany
 - Use of words
 - Inefficient use of capacity
- World-US competition
 - Post-World War II era
 - Germany
 - Japanese independence
 - Effects of rebuilding

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- New industrial plant
 - Contrast with old US industrial plant
- Job investment credit
 - US competition
 - Japan and united Europe
 - Need for economic unity
 - Higher wages
 - Efficiency
 - Economic stimulation
 - Greater world competition
 - Greater plant efficiency
- Congress appropriation of funds
 - President's un-willingness to spend
 - Impoundment charges
 - Lyndon B. Johnson
 - Unemployment
 - Impoundment issue's background
 - Thomas Jefferson
 - Funds
 - Low flow of federal funds
 - Navy appropriations for submarines
 - Reserves
 - Federal budget
 - Uses
 - Stimulating effects
 - Federal fund outflow greater than inflow
 - Larger deficit
 - Walter W. Heller
 - Release of federal funds on contracts
 - Unknown person
 - Appropriate amount of deficit
 - Reliance on private and public sectors
 - Twenty million dollar deficit
 - Effects of money input into private sector
 - Effects of money input into public sector
 - Federal employees
 - Washington, DC
 - Low unemployment rate
 - Rest of country
 - Effects of reduction
 - Attrition
- Maier

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(rev. 10/08)

- Role as president of US Conference of Mayors
 - Production goals
 - Jobs
 - Highway funds
 - Trust funds
 - Total national reserve
 - Release of monies
 - Amount
 - Senate committee
 - Transportation Department
 - Highway funding
 - Suit
 - Maier as mayor of Milwaukee
 - Costs
 - Business
 - Summary
 - Congress
 - Supportive documents
 - Effect of policies
 - Revenue sharing
 - Ways and Means Committee action
 - Contribution of public sector
 - Fighting sluggish economy
 - Dealing with unemployment rates
 - Use of contributions
 - Economy stimulation
 - Tax policies
 - Revenue loss
 - Effects on local governments
 - Additional sources
 - Revenue sharing
 - Employment act
 - Reassertion of belief
 - Stabilization program for federal funds
 - Local government
 - Transfer of funds
 - Revenues
 - Revenue sharing
 - Priority level in Congress
 - Priority with the President
 - Taxes
 - Readiness for Congress to act

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- Welfare reform
 - Commitment
 - Revenue sharing
 - Importance
 - Support in US
 - Governors
 - Public officials
 - Mayors
 - October 1st
 - Action of the Congress
 - Intent to adjourn November 15th
 - Adjustment postponement
 - Revenue sources
 - Highways
 - Current loss of revenue
 - Support for the President
 - Congressmen
 - Ehrlichman and Walker
 - Plans
 - Executive committee
 - Wilbur D. Mills
 - John W. Byrnes
 - Understanding of tax
 - Advisory commission
 - Bipartisan group
 - Anderson
 - Heller
 - Hearnes
 - Anderson
 - Governor Daniel J. Evans of Washington
 - Amount of highway funds
 - Surtaxes and automobile industry
 - Agricultural states
 - Increased productivity
 - Unemployment
 - Those present representative of agricultural states
 - Illinois
 - As industrial state
 - Amount who depend on agriculture
 - Missouri
- Agricultural exports
 - Role in US import and export economy

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- US world standing
- Farmers, equipment manufacturers
- Effect of temporary surcharge
 - Floating the dollar
- Better deal in trade
 - Revalue of foreign money
 - Trade barriers
 - Negotiations on surcharge
 - Possible reaction by foreign countries
 - US surplus
 - Long term effects
 - Negotiations
 - US costs
- Major beneficiary
 - Agriculture
 - US ability to sell abroad
 - Farm Belt
 - President's, Hubert H. Humphrey's statements in 1968
 - Kennedy, 1960
 - Markets abroad for US products
 - US negotiating tools
 - Increase of US sales abroad
 - Communication with Department of Agriculture
 - Corporate profits
 - Higher teachers' salaries
 - Shape of economy in agriculture
 - Effects on farmers
 - Long range view of agriculture
 - Trade
 - Short range view of agriculture
 - Corn, sorghum
 - Prices
 - Need to give more to agriculture economy

Profits

- Price control versus profit control
 - Increasing productivity
 - Encouragement of moderation

Agnew

- Liaison role

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Phase II and effects

- Productivity increase
 - Federal employees
 - Alternative to Civil Service
 - Phase II
 - State of Washington
 - Connecticut
 - Flexibility
 - Tie to defense industry
 - Aerospace industry
 - California

Gifts

- Presidential seal
 - Paperweight
 - President's name
 - Size

The President left at 6:19 pm; Agnew, *et al.* remained

Appreciation of the President

Knowledge of state and local government

Press

- Ziegler
- Press briefing
 - Moore
 - Microphones

Recording was cut off at an unknown time before 7:00 pm