



**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**  
*(rev. 10/08)*

Conversation No. 71-1

Date: September 7, 1971  
Time: Unknown between 8:03 am and 10:36 am  
Location: Cabinet Room

Brandon Sweizer met with Peter G. Peterson

Forthcoming meeting of the Council on International Economic Policy [CIEP]

- Arrangements
  - Visual aids for presentation
    - Unnamed person presenting briefing
    - Timing
    - Set-up

An unknown woman entered at an unknown time after 8:03 am

- Forthcoming meeting
- Schedule
  - Peter M. Flanigan
  - Unnamed man's presence at meeting
  - The President

[Peterson talked with an unknown person at an unknown time between 8:03 am and 10:36 a.m.; the unknown woman was no longer present]

[Conversation No. 71-1A]

- Schedule
- Invitation to attend CIEP meeting

[End of telephone conversation]

- Forthcoming meeting
- Placement of charts

Clifford M. Hardin and unknown people entered at an unknown time after 8:03 am

Introduction to Sweizer

Schedule

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Current economic conditions

-Agriculture

-Effect of West Coast dock strike on transport of farm products

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Japan

*[To listen to the segment (1m17s) declassified on 02/28/2002, please refer to RC# E-552.]*

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William P. Rogers, Nathaniel Samuels, John B. Connally, Paul A. Volcker, Melvin R. Laird, Maurice H. Stans, James D. Hodgson, David M. Kennedy, George P. Shultz, Paul W. McCracken, Carl J. Gilbert, John D. Ehrlichman, Henry A. Kissinger, Richard V. ("Dick") Allen, Deane R. Hinton, Donald A. Webster, Robert D. Hormats, [Raymond J.?] Waldman, and Peter M. Flanigan were present at an unknown time after 8:33 am

Greetings

Agriculture

-Tobacco industry

-Italian barley

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Action

*[To listen to the segment (1m17s) declassified on 02/28/2002, please refer to RC# E-552.]*

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The President entered at 8:33 am

International economic policy

-Forthcoming US talks with the Japanese

-Peterson's forthcoming briefing

-The President's August 15, 1971 economic announcement

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- Trade
- Productivity
- Competition in worldwide markets

US economic policy

- Effect of August 15, 1971 action
- New Economic Policy [NEP]
- US trade policies

Premises and realities of liberal trading policies worldwide

- Maximization of consumer real income
- Level of consumer organization
  - Comparison to labor, industry, agriculture
- Free flow of goods
- Labor
- Exports, imports
- Real income maximization
- Rules of conduct
  - Equal application of rules
  - Balance and equilibrium
- Japan
  - Forthcoming negotiations
  - Surplus and reserves
  - Projected trade surplus
  - Reserve status
  - Exports
    - Status of the United States
- Devaluations, revaluations
  - Application
    - Assumptions on balance
  - International Monetary Fund's [IMF] work
    - Weak currencies
    - Effect of unforeseen strong currencies
      - Germany, Japan
  - Council of Economic Advisors [CEA]
  - Status of the dollar
    - US deficits, balance of trade
    - Effect on revaluation, devaluation premises
  - Avoidance of exploitative "beggar my neighbor" policies
  - Investment production trends
  - Japanese export position
    - Effect on US trade balance

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-Handling of domestic problems in each country

US economy

-Connally, Volcker

-Trade

-Surplus, equilibrium

-1964 surplus comparison to current deficit

-Effect of deficit on employment in the United States

-Monetary situation

-Use of undervalued currencies by some countries as national policy

-US options for changes

-Provision for additional liquidity

-Dollar, gold convertibility

-European currencies

-Volcker

-IMF, World Bank

-Treasury-Volcker group options

-Reform system

-Liberal trading, multi-lateral cooperation

-Regional bloc system

-Floating world system

-Timing of future initiatives

-August 15, 1971 action

-Relations with other countries

-Japan, Canada, Europe

-General Agreement on Tariffs and Trade [GATT]

-Agriculture

-Balance compared to other categories

-Worldwide patterns of high subsidies, artificial price levels, minimal production controls, and exporting of problems

-NEP

-Adjustment process

-Employment situation

-Acceleration of market penetration

-Effect on political and economic problems

-Consumer perspective

-Federal Reserve Board

-Impact of fixed quota on retail prices

-Shoes as sample product

-Early recognition of problems

-Ehrlichman

-Labor and jobs

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- Retraining, unemployment compensation
- Hodgson
- Securing the cooperation of labor unions
- Temporary orderly marketing mechanisms
  - Agreements of textiles, shoes, steel
  - Other agreements
    - Electronics
- Adjustment to new technologies and fields
  - Rehabilitation, renewal
    - Welfare
  - Emphasis on industries of the future
- Emphasis on exports
  - Organization of import and export industries
  - Export promotion
    - Japanese example
      - Trading companies
  - Military exports
    - Airplanes
- East-West trade
  - Effect of possible lifting of trade restrictions
    - Stans
    - Business
- Foreign investments
  - Effect
  - Comparison with amount invested in the United States
  - Perceptions
- Multinational corporations
  - Status
  - Labor's reaction
  - Exporting of jobs
  - Effect of US industries abroad
- Technology transfer
  - Labor's priorities
- Japan
  - Royalties
    - Investment income
  - High technology product restrictions
    - Investment
    - Exports
- Handling of technology exports within the open market concept
- Need to stimulate foreign investment in the US
  - Balance of payments

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- Jobs
- Vulnerability
- Legislative area
  - Short-term effect of NEP
  - Labor's stance
  - Authorizations
- US domestic economy
  - Open market concept
  - NEP
  - Status of production
- CIEP
  - Coordination of domestic and foreign policy matters
- Nixon doctrine of economics
- Competitive spirit
- Modernization of US plants and equipment
- Investment tax credit
  - Quality, modernity and utilization of equipment
- Age of US plant
  - Age of Japanese plant
  - Modernization effort
- Creation of new jobs
  - Cost
  - Peter Drucker
- Investment tax credit
- US industrial technological position enhancement
  - US Patent Office statistics
    - Comparison to number of foreign applications
  - Domestic Council, Commerce Department role
  - William M. Magruder
  - Research and Development [R&D]
  - Combination of social and economic benefits
  - Magruder's work
  - Technology transfer
- Anti-trust action
  - Effect on competitiveness
  - Ehrlichman
- Venture options abroad
- Diversification as adjustment option
- Multinational corporation
- Energy and raw materials area
  - Priority
  - Effect of status on competitiveness

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- Oil import projections
- Government role
  - Commission on materials policy
  - World War II efforts
- Jobs
  - Manpower policies and planning
    - Demographics effect
      - Youth unemployment
      - Blacks, whites
    - Oversupply
      - Education field
        - Number of teachers
    - Number of college graduates
    - Aerospace industry
  - Undersupply
    - Health and technical fields
  - Effectiveness of high school education and training
  - Orientation of training
    - Attitudes towards newer technologies
  - Hodgson
  - Role, responsibilities of government
  - Education
    - Commissioner Dr. Sidney P. Marland, Jr.
      - Career education orientation
  - Hodgson
- Development
  - Projections
    - Other countries
      - Japan
    - Raw materials
- United States
  - Bi-partisan group
    - Roy L. Ash, Ben W. Heineman
  - Projected industrial, manufacturing and employment base
    - Increasing service economy
  - Productivity and competitiveness
  - Effect of contacts abroad
  - Mobility of capital, technology and management
    - Export
      - Low labor costs
  - Changes of image of less-developed countries
    - Manufacturing orientation

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- Hong Kong, Korea, Taiwan (Republic of China)
- Increase in computer technology manufacturing
- Liberal trading system
  - Application in changing world
- Monetary adjustment
  - Possible future changes in barriers
- US position vis-a-vis rest of the world
  - Competitiveness
- Foreign aid

International economic relations

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BEGIN WITHDRAWN ITEM NO. 3

[National Security]

[Duration: 4s]

JAPAN

END WITHDRAWN ITEM NO. 3

*[To listen to the segment (36m30s) declassified on 02/28/2002, please refer to RC# E-552.]*

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- Research initiative
  - Ehrlichman
    - Forthcoming presentation
  - Appropriation
    - National Science Foundation
    - Mobilization of resources
  - Efforts in research field
    - Professors
  - National plan on R&D
  - Aerospace
    - National Aeronautics and Space Administration [NASA] revitalization



## NIXON PRESIDENTIAL MATERIALS STAFF

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IMF

*[To listen to the segment (18m5s) declassified on 02/28/2002, please refer to RC# E-552, E-553.]*

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Scheduling

US economic policies

- Press reaction abroad
  - Europe
    - Internal problems
    - Vice President Spiro T. Agnew

The President's economic program

- Acceptance by American people
  - McCracken
    - Policy committee
- Reaction of Americans
  - Ranchers, business
    - Connally's contacts
- Projected action after 90-day period
- Political circles
  - Democrats
    - Indiana
      - Birch E. Bayh, Jr., Vance Hartke
    - Tennessee
      - William R. Anderson
    - William Proxmire
    - Edmund S. Muskie
      - Proposal
  - Congress
    - Attitude
- The President
  - Credibility, honesty
  - Effects of action
  - Future stance

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Schedule

- Forthcoming budget meeting
- Government coordination

US economic action

- Handling of aftermath
- Federal agencies, Cost of Living Council
- Work
  - Office of Management and Budget
    - Arnold R. Weber
  - Office of Emergency Preparedness
    - General George A. Lincoln

The President left at 10:35 am

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[General conversation/Unintelligible]

***[To listen to the segment (12s) declassified on 02/28/2002, please refer to RC# E-553.]***

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Recording was cut off at an unknown time before 10:36 am