



NIXON PRESIDENTIAL MATERIALS STAFF

Tape Subject Log  
(rev. 10/08)

Conversation No. 73-1

Date: September 11, 1971  
Time: Unknown between 9:29 am and 10:51 am  
Location: Cabinet Room

Unknown people met

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BEGIN WITHDRAWN ITEM NO. 1  
[Non-historical]  
[Duration: 50s ]

END WITHDRAWN ITEM NO. 1

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The unknown people left at an unknown time before 10:51 am

Conversation No. 73-2

Date: September 11, 1971  
Time: Unknown between 9:29 am and 12:53 pm  
Location: Cabinet Room

John B. Connally, Paul W. McCracken, Clifford M. Hardin, James D. Hodgson, George W. Romney, Maurice H. Stans, George P. Shultz, General George A. Lincoln, Virginia H. Knauer, Arnold R. Weber, Herbert Stein, and Arthur F. Burns met

[General conversation/Unintelligible]

The President entered at 10:51 am; the White House photographer was present at the beginning of the meeting

Arrangements for group photograph

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 10/08)*

Cost of Living Council's work

- The President's conversation with Connally

[Unintelligible -- Camera noise obscures conversation]

Previous meeting on economic action

- Telephone call to George Meany

Meeting agenda

- McCracken, Weber, Lincoln

The economy

- Recently imposed 90-day wage-price freeze
  - Impact on newly-negotiated contracts
  - Wage increases
  - Pricing system
  - US economic system
  - Report on effect of August 15, 1971 freeze
    - Work with Lincoln regarding staffing
      - Internal Revenue Service [IRS] and Department of Agriculture details of personnel
  - Compliance
    - Effectiveness of freeze
  - Problems
    - Consistency of treatment of landlords, wage-earners, and businessmen
    - Handling of teachers
      - Summer recess
- Organization of enforcement effort
  - Cooperation of federal agencies in detailing staff
  - Support from all parts of society
    - Unionized labor
    - Report
      - IRS
    - Exemption requests
      - Denial percentage
    - Cooperation of business
    - State and local governments
      - Governors
        - Unnamed governor's negative reaction
      - Mayors
      - Policy making

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 10/08)*

- Council staff reports
- Questions for regional offices
- Phase II
  - Stein
  - Review of options
    - Office of Price Administration [OPA]
      - Voluntary cooperation
  - Planning for Phase II
    - Options
    - Outcome
    - Background
    - Support
    - Paper
      - Main ingredients
      - Government goals
      - Reconciliation of the interests of the different parties
        - Agreement on goal
        - Inflation
  - Acceptance by US public
    - Display of leadership in action taken
    - Unbridled inflation
      - Interest
      - Options
      - Profits
      - Wages, salaries, executive salaries
      - Strike by longshoremen
      - Restraints
      - Inflationary expansion
  - Need for sustainable policies
  - The President's leadership
  - Public opinion
  - Guidelines
  - Confidentiality
  - Decision making
  - Timetable
    - October 10, 1971
      - Final decision
    - Announcement
    - Recommendations from Council
    - Implementation of policy
      - Wage-price freezes
      - Psychological impact of action

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 10/08)*

- Business decisions
- Wage-price control system
  - Public attitudes in support of controls
  - Union members
    - Support of initial action
    - Union leaders oppositions
- Business price increases
  - Christmas sales profit
  - Restraint on leaders of businesses, unions, professions
- Change
  - Consumer, business and labor groups
  - Psychological factors
  - Labor union
  - Business
  - Labor
  - Professionals
- Cost of living policies
- Public relations effects for assurance on nature of economic action
- Announcement of program, October 7, 1971
  - Deadlines
    - Objectives
      - Incomes policy
    - Recommendations
  - Labor-management response
  - Public announcement 30 days prior to end of 90-day freeze
  - Partisans view
- Views of labor leaders
  - Frank E. Fitzsimmons
  - Cooperation
    - Permanent restraint
  - Attitude
  - Attitude toward criticism of issues involving labor
  - Prices and profits
    - Walter P. Reuther's previous actions
  - Leonard Woodcock's philosophy
  - Meany's philosophy
    - Free enterprise
- Decisions on Phase II implementation
  - Timing
  - End of freeze
    - Extension beyond 90 days
  - Business view on economic issue

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 10/08)*

- Labor's role
- Price controls
- Utilities
- Interest rates
- Voluntary tripartite board
- Objectives in cost of living increase
  - Price restraint
  - Meany's view
    - Voluntary control
      - John H. ("Jack") Lyons' view
- Government sanctions
- Congress
- Freeze extension
  - Phase II parts
    - Preparation for rest of program
- Public perception of business leaders, union leaders, and politicians
- Knauer's September 10, 1971 memorandum for Shultz and Connally
- Leaders
  - Labor
  - Business
  - Congressional
  - Consumers
- Rents
  - Housing
  - Wages and prices
  - Rent control
- Governors and mayors
- Vice President Spiro T. Agnew
- Council meeting
- State and local government costs
- Executive council of governors
  - Richard G. Lugar
- Counties
- Representatives
  - State, local, and county groups
- Focus of special interest group meetings
  - Stans
    - Ability to characterize business attitude
  - Shultz
    - Ability to characterize labor attitude
  - Sense of cooperation
  - Congressional support for Phase II

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 10/08)*

- Tax bill
- Use of legislation
- Tax diversion

Cabinet

- Forthcoming September 13, 1971 meeting of Cabinet members and their wives

The President left at 12:06 pm; unknown members of the Cost of Living Council remained

[Unintelligible]

Cost of Living Council's work

- Investment bankers
  - [Lincoln?]
  - Gordon [?], head of Kidder, Peabody
  - [Unintelligible]
- Pressure
  - Contrast to John F. Kennedy administration action
  - Stock market perceptions
- Possible telephone call to Bill [?] [Surname unknown]
- Schedule
  - Paul's [McCracken?] office
- Unknown business
  - Bankruptcy

[Unintelligible]

The unknown council members left at a unknown time before 12:53 pm

Conversation No. 73-3

Date: Unknown between September 11 and September 13, 1971

Time: Unknown between 12:06 pm, September 11 and 8:40 am, September 13, 1971

Location: Cabinet Room

Unknown men met

NIXON PRESIDENTIAL MATERIALS STAFF

Tape Subject Log  
(rev. 10/08)

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BEGIN WITHDRAWN ITEM NO. 1

[Non-historical]

[Duration: 4m 13s ]

END WITHDRAWN ITEM NO. 1

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The unknown men left at an unknown time before 8:40 am, September 13, 1971

Conversation No. 73-4

Date: Unknown between September 11 and September 13, 1971

Time: Unknown between 12:06 pm, September 11 and 8:40 am, September 13, 1971

Location: Cabinet Room

Unknown people met

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BEGIN WITHDRAWN ITEM NO. 1

[Non-historical]

[Duration: 35m 18s ]

An unknown person talked with an unknown person at an unknown time between 12:06 pm, September 11 and 8:40 am, September 13, 1971

[Conversation No. 73-4A]

END WITHDRAWN ITEM NO. 1

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Recording was cut off at an unknown time before 8:40 am, September 13, 1971

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 10/08)*

Conversation No. 73-5

Date: September 13, 1971

Time: Unknown between 8:01 am and 3:07 pm

Location: Cabinet Room

Secretary and Mrs. William P. Rogers, Secretary and Mrs. John B. Connally, Melvin R. Laird, Attorney General and Mrs. John N. Mitchell, Secretary and Mrs. Rogers C. B. Morton, Secretary and Mrs. Clifford M. Hardin, Secretary and Mrs. Maurice H. Stans, Secretary and Mrs. James D. Hodgson, Secretary and Mrs. Elliot L. Richardson, Secretary and Mrs. George W. Romney, Secretary and Mrs. John A. Volpe, Ambassador and Mrs. David M. Kennedy, Director and Mrs. George P. Shultz, Counselor and Mrs. Robert H. Finch, Mrs. Donald H. Rumsfeld, Ambassador and Mrs. George H. W. Bush, Robert J. Dole, Dr. Arthur A. Fletcher, Robert E. Hampton, Dr. John A. Hannah, Thomas S. Kleppe, Virginia H. Knauer, Robert L. Kunzig, General George A. Lincoln, Dr. James R. Schlesinger, Frank J. Shakespeare, Paul W. McCracken, Arnold R. Weber, H. R. ("Bob") Haldeman, John D. Ehrlichman, Clark MacGregor, William E. Timmons, Peter M. Flanigan, Peter G. Peterson, Herbert G. Klein, Raymond K. Price, Jr., Ronald L. Ziegler, Herbert Stein, and Alexander P. Butterfield met

[General conversation/Unintelligible]

The President and Patricia R. ("Pat") Nixon entered at 8:40 am

Television program

- The Nixon family
- The President's appearance on television
- Vice President Spiro T. Agnew's schedule
- Mrs. Nixon
- Role of political wives in support of husbands

Cabinet meeting

- Wives present
- Nellie Connally
- Participation of Cabinet member's wives in the administration
- Women in government
- Forthcoming foreign policy briefing for Cabinet wives

The economy

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 10/08)*

- Pocketbook nature of issues
- Economic policy
  - Tax program
  - Import surcharge
  - Wage-price freeze
  - Jobs
  - Balancing of family budget
  - Cost of living
    - Transportation
    - Health and welfare programs
    - Education
    - Lack of jobs
    - Cost of living controls
      - Effects on family
  - J. B. Connally's role
    - Chairman
    - Program management responsibility
  - Trip to Europe
  - Presentation
    - Tax
    - Overview on economy
  - Presentation overview
    - Prospects for the future
    - Reasons for budget decisions
      - Congressional vote
        - Effect on budget
      - Employment
        - Budget reduction
    - Shultz's role
    - Weber's role
      - Description of wage-price freeze
    - J. B. Connally
      - Initiation of general briefing
        - Overview of public reaction
          - Tax description
          - Answering criticism
            - William Proxmire
- Federal government
  - Reductions
  - Views of Cabinet members
    - Office of Management and Budget [OMB]
      - Budget issues

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

(rev. 10/08)

- Implementation of New Economic Policy
  - Containment of inflation
- The President's New Economic Policy
  - Basic issues
  - Sense of continuity
    - Past economic policies
  - Vietnam war winding down
    - Release of manpower from war-related activity
      - Military duties
      - Defense production and procurement
  - More people in civilian jobs
  - Shift in expenditure patterns
    - Money in industries
    - Surge of inflation in the late 1960s
    - Rate of inflation increase
  - Inflation
    - Present and past
      - Automobile industry
      - Expansion of the economy
  - Wage-price freeze
    - Control
  - Economic developments
- Structure of economic expansion
  - Consumer's role
    - Wall Street Journal*
    - Retail sales
    - Home buying
      - Boom
        - Joint products
          - Refrigerators and appliances
- Steel industry
  - Prospect of steel strike
  - The President's meeting with steel leaders
- Sales surge
  - Business lack of inventory buildup
    - Lack of equipment buildup
  - Rebuilding of stocks
    - McCracken
      - Economic expansion
        - Inventory surge
        - Strong consumer purchases
          - Consumer savings

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 10/08)*

- Rate of spending
- Policies
  - Monetary growth
    - Unprecedented rate of increase
    - Congress's actions
    - Strong policies
  - The President's new policies
    - Results
      - International impact
        - Revaluation of currencies
          - (German) Deutsche mark, Japanese yen
        - Temporary import surcharge
          - Indication of changes in terms of trade
      - Retail sales
        - Rising interest rates
          - Wage-price freeze
          - Loan
          - Rising stock prices
- West Coast strike by longshoremen
  - Settlement attempts
- The President's program in solving strikes
  - Union members on job
- J. B. Connally
  - Program on international monetary situation
  - Old system
  - New, permanent program
  - Predictions
  - Taxes
    - Cuts
      - Social Security
  - Less than expected revenue
  - Sum of Camp David meetings
    - Deficit
      - Tax changes
    - Maintenance of basic structure
      - Inflation policy
      - Wage and price controls
      - Continuities
      - Budget
      - Personnel cuts
- House of Representatives vote
  - Federal pay raises

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 10/08)*

- Forthcoming governors' conference
  - County executives
  - Mayors
  - Inflationary effects of wage increases
    - Steel industry
    - Automobiles
  - Government workers
    - Federal
    - State
    - Local
  - Inflationary wage increases
  - Governors, mayors, county executives
- Deferral of wage increases
- "Today" show on television
  - Weber's appearance
- 90-day freeze
  - Effectiveness
    - Camp David meetings
    - Economic Stabilization Act of 1971 authorization
      - Defense Production Act
      - Presidential right to regulation
        - Wages
        - Salaries
        - Rents
        - Prices
- August 15, 1971 freeze
  - Timing
    - Need to prevent drastic increases in prices and wages due to prior warning of forthcoming freeze
  - Compared to Korean War era
    - Stabilization
  - Implementation machinery
    - The President's address
    - Shultz
    - Lincoln
    - Members of OMB staff
  - Coverage of freeze
  - Staffing
    - Office of Emergency Preparedness [OEP], IRS, National Aeronautics and Space Administration
    - Department of Agriculture
    - Department of Defense

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 10/08)*

- Department of Labor
- Resources of federal government
- Comprehensiveness of policy
- Controls
  - Consistency
  - Equity
    - Labor market conditions
    - Effectiveness of freeze
  - Preparation of other policies
  - Consistency of application as critical issue
  - Effect on teacher salaries due to school recess period at time of freeze imposition
- Policy decisions
  - Rental apartments
  - Deferred wage increase
  - Price increases
  - Stringency
  - Scheduled increase in pensions
    - Accommodations
      - Apprenticeship programs
      - Connection to productivity increase
- Revelation of freeze's effects
- Agricultural products
- Support for the President's programs
  - Indication of support in polls
  - Economic index
    - Stock market prices
    - Zinc
    - Burlap
    - Controlled and uncontrolled commodities
      - Ceiling prices
  - Index of performance
    - Operational statistics
    - Transactions in economy
      - Complaints
        - Misunderstanding of freeze
        - Requests for exceptions to freeze
- Present appearance of support and effectiveness
  - Phase II
  - Thaw
  - Productivity of employees

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 10/08)*

- Cost of Living Council meetings
  - White House staff
  - J. B. Connally's general wrap-up
    - Taxes
    - International monetary issue
      - International reaction
      - World perspective
  - May 4
    - Cost of Living Council
      - Chairman
      - Vice Chairman
      - Weber
  - Automobiles
    - Move from foreign to domestic cars
      - Surveys before and after freeze
    - Polls
    - William F. ("Billy") Graham's conversation with the President
      - Berkeley crusade on television
        - Response by audience
        - Indicator of future economy
  - News media's attitude
    - The President's administration
      - Accomplishments
        - Comparison with Democrats
        - Congress
      - Rate of unemployment
        - Creation of new jobs
        - Stimulation of economy
      - Psychology of inflation
        - Supply of money
          - High interest rates
          - The generation of business
      - Anticipation of inflation
        - Beginning time of the mid-1960s
    - Trade balances
      - US relations with others
      - Mid-1960s
        - Surplus
      - Trading with profits
      - US buying and selling
        - History since World War II
        - Reserves of gold

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 10/08)*

- Dollar standard
  - Backing for other currencies
  - Stabilization of other currencies
- France, Italy
- Japan
- US losses
- Convertibility
- Foreign government holdings of US money
- New economic policies
  - Housing starts in construction industry
  - Reduction in inflation
  - Unemployment
  - Wage-price freeze
    - Convertibility of the dollar
  - World trade
  - Forthcoming international conference
  - Tax measures
    - Excise tax on automobiles
      - Automobile sales stimulation
        - Economy tied to employment
      - Gross National Product
        - Creation of new jobs
    - Executive increase
    - Personal exemptions
      - 1972
      - 1973
    - Job development
      - Plant expansion and modernization
        - Expenditure on equipment
        - Tax relief
      - International Sales Corporation
        - US and subsidiary corporations
          - Tax deferral
          - Types of goods affected
          - Quota goods
            - Petroleum products, beef, sugar
              - Congressional action
  - Consumer profits
  - Business profits
  - Farmers
  - Welfare
  - Money investment

NIXON PRESIDENTIAL MATERIALS STAFF

Tape Subject Log

(rev. 10/08)

- Job development credit
- US manufacturers
  - World competition
    - Sales taxes, value added taxes
    - Japanese steel
    - Comparison with US production
- Taxes
  - Sales categories
    - Treasury bills
      - Decline of interest rates
      - Telephone company in Florida
  - Control of profits
    - Price control
    - Gross National Product
      - Low corporate profits
      - Chrysler Corporation profits
      - General Motors profits
      - Unknown corporation
      - 1971 compared to mid-1960s
      - Creation of jobs
  - The President's program
    - Welfare reform
    - Revenue sharing
    - Budget preparation
      - Tax decreases
      - Increase of expenditures
        - Welfare reform
        - Revenue sharing
    - Congress
    - Welfare reform
      - E. L. Richardson

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Japan

[To listen to the segment (8m) declassified on 02/28/2002, please refer to RC# E-554.]

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NIXON PRESIDENTIAL MATERIALS STAFF

Tape Subject Log

(rev. 10/08)

Members of the Cost of Living Council

- G. W. Romney
- Rent control examples
  - Paris
  - New York
  - Housing boom
  - Meetings schedule
    - Business group
    - Labor leaders
    - Agricultural leaders
    - Consumer group
    - State, county, and local officials
    - Other interest groups
  - Congressional reaction
  - Media reaction
  - Polls
    - Public support
    - Union member support
    - Results
      - Congressional action
        - Proxmire's views
        - Taxes
        - Wilbur D. Mills' views
      - Spending
      - Confidence
- Klein
  - Talk shows
  - R. H. Finch
- Cabinet wives
  - Media exposure
  - Public reaction
- Foreign policy

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US responsibility

[To listen to the segment (17m49s) declassified on 02/28/2002, please refer to RC# E-554.]

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NIXON PRESIDENTIAL MATERIALS STAFF

Tape Subject Log  
(rev. 10/08)

Photographs

[General conversation/Unintelligible]

Cabinet members

- Forthcoming meeting with business group
- Arrangement of room

The President left at 10:42 am

[General conversation/Unintelligible]

Rogers, et al. left an unknown time before 3:07 pm

Conversation No. 73-6

Date: September 13, 1971

Time: Unknown between 10:42 am and 3:07 pm

Location: Cabinet Room

Unknown men met

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BEGIN WITHDRAWN ITEM NO. 1

[Non-historical]

[Duration: 3m 24s ]

END WITHDRAWN ITEM NO. 1

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Recording was cut off at an unknown time before 3:07 pm