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
-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
-Presidential 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
- Present farm parity, 70%
- Last sixty years
- Prices for agricultural commodity
  - Market place
- President’s 1970 economic report
  - Farmers’ return on investment capitol
- 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 [GATT]
        - 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
-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
-Farmers’ image of effective curb on prices and wage rates
  -Increase in productivity
  -Housewife expenditures
    -Amount spent on food
    -Lowest in world
    -Political acceptability
- 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
-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
-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
- 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
- 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
- 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
-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

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

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

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


[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
-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
-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
-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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Tape Subject Log
(rev. 10/08)

-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
- 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
-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
-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
- 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
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