Conversation No. 125-1

Date: Unknown between June 7 and June 11, 1973  
Time: Unknown between 12:31 pm, June 7 and 3:07 pm, June 11, 1973  
Location: Cabinet Room

The President met with unknown people

[General conversation/Unintelligible]

Recording was cut off at an unknown time before 3:07 pm, June 11, 1973

Conversation No. 125-2

Date: June 11, 1973  
Time: 3:07 pm - 5:16 pm  
Location: Cabinet Room


BEGIN WITHDRAWN ITEM NO. 11  
[Personal Returnable]  
[Duration: 42s]

END WITHDRAWN ITEM NO. 11
Leonid I. Brezhnev’s visit

[To listen to the segment (2m27s) declassified on 02/28/2002, please refer to RC# E-628.]

National economy
- Labor-Management Advisory Committee
  - Efforts
- Wage agreements
- Construction industry
  - Inflation
  - Kansas City
- Meeting agenda
  - Topics
  - Possible freeze
- Labor-Management Advisory Committee
  - Leaks
  - William E. Timmons
    - General Alexander M. Haig, Jr.
- Agenda for meeting
- Status
  - Economic indicators
  - Gains
- Inflation
  - Stein’s charts
  - Food compared with non-food items
    - Consumer Price Index [CPI]
  - Phases of control program compared
  - Wholesale price index
    - Categories compared
  - CPI, Wholesale Price Index [WPI]
- Fuels, metals, lumber
- Exports

Japan
[To listen to the segment (1m) declassified on 02/28/2002, please refer to RC# E-628.]

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- Inflation
  - CPI
    - Categories compared
      - Gasoline prices
    - Used car prices, new car prices
  - Imports and exports
    - Exports
      - Wheat, soybeans
    - Energy, food costs
      - President’s forthcoming energy announcement
  - Output
    - Demand
    - Non-farm
    - Farm
      - Expectations
        - Food price increases
      - Weather
        - Mississippi, Arkansas, Virginia
      - Earl L. Butz
    - Feed grains
      - Effect of price increases
    - Food price increases
  - Export acreage
    - Russian and Chinese purchases
    - Domestic supply
    - Soybeans
  - Tariffs
    - Congressional action
  - Agricultural legislation
  - Agriculture lobby
    - Tariffs
    - Effect on supply
  - Inflation
    - Wages
      - Rate of increase
    - Manufacturing
- WPI
  - Raw materials prices
  - Labor, manufacturing and farm interests
- Prices
- Outlook
  - Indicators
- Effect on employment
- Demand
- Effect on economy
  - Program
  - Buyers
- Possible programs
  - Options
  - Internal Revenue Service [IRS] review of companies’ reports of prices
    - Cost of Living Council [COLC]
    - Rollbacks
  - Pre-notification of companies
  - Pass-through requirements for costs
- Base period
- Scrap metal and lumber supply
- Executive compensation
- Industrial price rises
- Agricultural exports
  - Notification
    - Licensing
    - Grains and soybeans
    - Reasons
    - Effect on prices
- Alternative program
  - Price freeze
    - Raw agricultural products
    - Rents
    - Wages
    - Follow-up
      - Wage and price controls
  - Exports controls on feed grains
    - Licensing
    - Crops
- Congressional program
  - Democratic caucus
  - 90-day freeze
  - Applicability
- Agriculture
- Rents
- Interest rates
- President’s prerogatives
- Possible freeze
  - Shultz’s view
  - Follow-up
  - Implications
  - Popular opinion
    - 1971 freeze
- Purpose
- Export controls
  - Necessity
- William Proxmire’s views
  - Gove Griffith Johnson
- Controls
- Congressional program
  - Congressional re-assessment
- Possible freeze
  - Popular opinion
    - Food prices
    - Problem
- Controls
- Wilbur D. Mills
- Popular opinion
  - Congress
- Follow-up
  - Administration position
- Wages
  - Compared to food prices
  - Fitzsimmons, Woodcock
- Taxes
  - Kirkland’s view
  - Investment credit
  - Accelerated depreciation
  - Reason for administration’s policy
- Interest rates
- Housing
- Status
  - Sustainable rate of increase
  - Economic indicators
    - Retail sales, plant equipment estimates, housing
- Outlook  
   - Past policies  
   - Wage trends  
   - Cost/push pressures  
- Taxes  
   - Plant and equipment expenditures  
     - Arthur F. Burns’ view  
     - Investment tax credits  
     - Percentages  
     - German proposal  
     - Compulsory savings  
     - Administration’s position  
     - Monetary policy  
- Compared to interest rates  
   - Housing  
- Investment tax credit  
   - Effect of changes  
   - Future  
   - Effect on productivity  
   - Kirkland’s position  
   - John W. Byrnes’ view  
   - Use  
   - Possible increase  
     - Effect  
- Phase III  
   - Goals  
   - Wages  
   - Corporate profits  
   - Violations  
     - Publicity  
   - Possible agricultural controls  
- Effect on individuals  
   - Wages  
   - Food prices  
     - Need for control  
   - Gasoline prices  
   - Wages  
- Hall’s view  
   - Possible 90-day freeze  
     - Rollback  
     - Fitzsimmons’ position  
     - Woodcock
- Productivity
  - Agriculture
  - Basing
  - Food prices
  - Agriculture
    - Acreage

- Wages
- Food prices
  - Effect on public
  - Possible freeze
    - Effects on productivity
      - Agriculture
- Union of Soviet Socialist Republics [USSR] and People’s Republic of China [PRC] markets
  - Effect on surpluses
- Shultz, Dunlop
  - Effect on workers
  - Compared to wage increases
  - Administration’s policy
    - Importance

- Economic Stabilization Act
  - Wage and price controls
  - Legislative compromises
  - Phases I, II, and III
    - Effects
      - Wages

- Popular opinion
  - Union views
    - Effects of controls
      - Woodcock
  - Phase III
    - Reasons

- Press
- Possible freeze
  - Union position
  - Effect on workers
    - Woodcock
  - Need for action
  - Democratic caucus
  - Return to Phase II
    - Unions’ position
  - Follow-up
Tape Subject Log

-Wage increases
-Food prices
  -Compared to wages
    -Labor cost increases
  -Possible rollback
  -Possible freeze
    -Effects
    -Agricultural exports licensing
  -Supply problems
    -Effect of weather
-Phase II
  -Wage increases
    -Compared to food prices
-Agriculture
  -Price rollbacks
  -Worldwide crop failures
    -PRC, USSR, Australia, US
  -International trade
    -Popular opinion
      -Differences
    -Balance of payments
      -Export restrictions
        -Woodcock’s statement
      -Expanding trade
    -Importance of agriculture
  -Productivity
    -US advantage
  -Legislation
    -Farm lobby
      -Supports, parity
      -Effect
  -President’s possible speech
-Possible freeze
  -Democratic caucus
  -Effects
-Balance of payments
  -Effects of exports
    -Inflation
    -Soybeans
  -Export controls
  -Food prices
    -Supply increases
- Interest rates

-Taxes
  - Possible administration policies
    - Burns
  - Investment tax credit
  - Compulsory saving
  - Surcharge
  - Melvin R. Laird
  - Possible legislation
    - Prospects
    - Present tax proposals
    - Mills
    - Prospects
    - Trade bill
    - President’s view
    - Tax proposals
      - Prospects
      - Elderly
    - Tax credit for private schools
    - President’s conversation with Russell B. Long
    - Mills
    - Prospects

- Status
  - Roach, Hall, Woodcock, Fitzsimmons views
  - Gross National Product [GNP]
  - Personal income
  - Phase III
    - Results
      - Food prices

- Possible freeze
  - Effects
- Food prices
  - Possible rollback

- Phase III
  - Food prices
  - Congressional action
  - Public opinion
  - Follow-up
  - Food prices
  - Possible Senate action
  - Agriculture exemptions

- Permanent controls
- Group’s view
- Federal budget
  - Monetary actions
  - Burns
- Possible domestic spending increases
  - Farm bill
  - Department of Health, Education, and Welfare [HEW]
- National defense

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Defense budget

Soviet Union

North Atlantic Treaty Organization [NATO]

[To listen to the segment (52s) declassified on 02/28/2002, please refer to RC# E-628.]

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- Defense budget
  - President’s reductions
    - Compared to past administrations
  - Relations with Soviet Union

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BEGIN WITHDRAWN ITEM NO. 9
[National Security]
[Duration: 49s ]

NATIONAL DEFENSE

USSR

END WITHDRAWN ITEM NO. 9
To listen to the segment (1m23s) declassified on 02/28/2002, please refer to RC# E-628.

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- Administration’s position
  - Possible increases

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Foreign policy

Defense budget

To listen to the segment (2m22s) declassified on 02/28/2002, please refer to RC# E-628.

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-Possible freeze on food prices
  - Public confidence
  - Possible freeze
    - Senate
    - Effects
  - Need for action
    - Food prices
      - Possible controls on agriculture
        - Farmers
        - Increases
  - President’s goals
  - Need for cotton
  - Public opinion
  - Previous government actions
    - Consumers
    - Farmers
  - Administration’s policies
    - Options
  - Possible freeze
  - Executive compensation
    - Dwight D. Eisenhower administration
-Congress
-Executive branch
-President’s schedule

[General conversation/Unintelligible]

National economy
-Phase II compared to Phase III
  -Price controls
    -Food, energy
-Controls
  -Effects

[General conversation/Unintelligible]

The President, et al. left at 5:16 pm