

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 2/24)*

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

Current economic conditions

NIXON PRESIDENTIAL MATERIALS STAFF

Tape Subject Log

(rev. 2/24)

-Agriculture

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

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[This segment was declassified on 02/28/2002.]

[National Security]

[071-001-w001]

[Duration: 1m 18s]

US-Japanese relations

-Forthcoming announcement

-Impact

-Coordination

-The President

-Ambassador

-Japanese finance minister

Forthcoming action [?]

-Montana, North and South Dakota, Minnesota, Wisconsin, Illinois

-California, Florida, Texas

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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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[This segment was declassified on 02/28/2002.]

[National Security]

## NIXON PRESIDENTIAL MATERIALS STAFF

## Tape Subject Log

(rev. 2/24)

[071-001-w002]

[Duration: 1m 5s]

## Action

-Montana, North and South Dakota, Minnesota, Wisconsin, Illinois

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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
    - 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 US
- Devaluations, revaluations

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 2/24)*

- 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
- 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 US
- 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

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 2/24)*

- 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
  - 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 US
  - Perceptions
- Multinational corporations
  - Status
  - Labor's reaction
  - Exporting of jobs

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 2/24)*

- 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
  - 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

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 2/24)*

- 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
  - 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
- US
  - Bi-partisan group

## NIXON PRESIDENTIAL MATERIALS STAFF

## Tape Subject Log

(rev. 2/24)

- 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
  - 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-à-vis rest of the world
  - Competitiveness
- Foreign aid

## International economic relations

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[This segment was declassified on 02/28/2002.]

[National Security]

[071-001-w003]

[Duration: 36m 33s]

## US economy

- Foreign aid
  - Political situation
  - Government
  - Attitude towards the US
  - Issues
    - United Nations [UN] representation
    - Armed Forces levels
  - Forthcoming US-Japanese negotiations
  - Recent US economic action
  - Forthcoming negotiations
    - Topics
      - Possible response



**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 2/24)*

- Effect of forthcoming monetary meeting
- Japanese domestic situation
- Japanese delegation head Takeo Fukudo
  - Eisaku Sato
  - Takeo Fukudo's health
- US public comment
- Importance in US policy
- US relations with other countries
  - Brazil
  - Latin America
  - Mexico
  - Taiwan, South Korea, Japan, Indonesia
- japan
  - Background of actions taken
  - US involvement
  - Japanese post-World War II constitution
  - Constitution
  - Direction
  - Public opinion polls
  - Public attitudes towards the US
  - Military defense situation
    - Percentage of Gross National Product [GNP] spent on
      - National security
  - People's Republic of China [PRC]
    - Perceptions
      - US
  - Philippines, Thailand, Indonesia
    - Background of relations
  - Role in Pacific region, the world
    - geopolitical characterization
  - People's Republic of China [PRC]
  - Union of Soviet Socialist Republics [USSR]
  - Negotiations characterized
    - David M. Kennedy
    - Lebanon
  - Korea, Taiwan, Indonesia, Thailand
    - Attitude on Asian military defense issues
    - Nixon Doctrine
    - Korea, Okinawa, Taiwan, Philippines
      - US military involvement
  - Future projections
    - International competition
      - George P. Shultz

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 2/24)*

- Milton Friedman
- Trading companies
- Government, business
  - Roles
- Organization, contacts in international business
- Foreign economic policy
  - Union of Soviet Socialist Republics [USSR]
  - Western countries
  - US
    - Department of Justice [DOJ], Commerce, Treasury
      - Coordination
    - Differences from totally controlled economies
    - US business
- Military defense situation
  - Budget allocation
    - Japanese, US forces
  - Aircraft industry
- Competitive situation
- Indonesia, Korea, People's Republic of China [PRC]
  - US options
    - Japanese economic influence
  - Forthcoming meetings
    - Possible US stance
    - US trade balance
      - Paul A. Volcker
      - European countries
- Takeo Fukudo
  - Eisaku Sato
- Williamsburg trip
- Japan
  - Premises of US post World War II foreign policy
    - PRC
    - South East Asian Treaty Organization [SEATO]
    - Japanese security treaty
    - Korea
  - Okinawa
    - Status
  - Taiwan, Thailand
  - Issues
    - Nuclear non-proliferation treaty
  - Possible US stance

NIXON PRESIDENTIAL MATERIALS STAFF

Tape Subject Log

(rev. 2/24)

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[Previous National Security (B) withdrawal reviewed under MDR guidelines case number LPRN-T-MDR-2014-014. Segment declassified on 12/29/2017. Archivist: DR]

[National Security]

[071-001-w003]

[Duration: 4s]

US economy

-Japan

-Possible US stance

-William P. Rogers's comment on the Japanese

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US economy

-Japan

-Political situation

-Left-wing, Communists

-Liberal Democratic Party

-US stance

-Competition

-Canada, Mexico

-characterized

-European Economic Community [EEC]

-Economic buildup

-characterized

-Japanese political situation

-Increases in production

-Steel

-Negotiating stance

-The President's forthcoming meeting with Hirohito

-Hirohito

-Handling of issues

-Partnership characterized

-Goals and perspective

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-Research initiative

## NIXON PRESIDENTIAL MATERIALS STAFF

## Tape Subject Log

(rev. 2/24)

- 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

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[This segment was declassified on 02/28/2002.]

[National Security]

[071-001-w004]

[Duration: 18m 5s]

- International Monetary Fund [IMF]
  - Recent group of ten meeting
    - The President's August 15, 1971 speech
    - Goals of the US and other countries
    - Response of other countries to August 15, 1971 action
  - Coordination
    - France
    - Germany
    - Britain
    - Interests characterized
  - Adjustment
    - Capital vs. trade
    - Controls
  - Reaction to the US
  - Resolution of issues
  - France
    - Common market
    - Germany
    - Response to action on the dollar
    - Coordination
  - Italy
    - Rome
      - Karl Schiller
      - Coordination

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 2/24)*

- Reaction to the US
  - Perceptions
- Revaluation Option
- International Monetary Fund [IMF], the group of ten
  - Mechanism for action
- US options in economic action
  - Monetary situation
  - 1971 Camp David meetings
  - Economic situation
    - Contrast with other countries
  - Past history
    - Bretton Woods agreement
    - Special drawing rights
  - Current Status of other countries
    - People's Republic of China [PRC]
    - Japan
    - Europe
    - Control of economy
      - Quotas, restrictions
  - Standards, adherence
    - Gold
  - Stance of other countries
    - Fixed exchange rates
  - Forum for discussion of action
    - Group of ten
  - Non-monetary issues
    - Trade
    - Japan
    - Germany, Peru
  - Japan
    - Great Britain
  - Gold issue
  - General meeting
    - Japanese action
  - Gold issue

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Scheduling

US economic policies

-Press reaction abroad

**NIXON PRESIDENTIAL MATERIALS STAFF**

**Tape Subject Log**

*(rev. 2/24)*

- 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

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

NIXON PRESIDENTIAL MATERIALS STAFF

Tape Subject Log  
(rev. 2/24)

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[This segment was declassified on 02/28/2002.]

[National Security]

[071-001-w005]

[Duration: 10s]

General conversation

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[Previous archivists categorized this section as unintelligible. It has been rereviewed and released 08/14/2019.]

[Unintelligible]

[071-001-w005]

[Duration: 1m 13s]

General conversation

-William P. Rogers

-George P. Shultz

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