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[Conversation with Arthur Burns, chairman of the Federal Reserve Board, about what Burns should be prepared to discuss with foreign leaders during his upcoming trip to Latin America]

Nixon: I met with the Mexican President and I said, look – when you talk about dramatic increase of government assistance in Latin America, I mean you want to remember that government aid programs are not in my budgets. It's terribly difficult – although you can be sure that we'll cooperate to the extent we can. But in so far as private – private capital coming in here is concerned, you – speaking from the private capital side – say that the major problem is not the willingness or desire or affection for them, but the major problem is stability. And that if private capitalists feel that they're going to run into an unstable situation or a compensatory [?] situation, they're going to leave, like they're leaving Chile at the present time. They're not going to invest. Managing, of course, [unintelligible] he's important, but all these people don't understand that it's a question – they say, “look, get the capital in here, provide jobs, help us or it will become unstable.” The other side of that coin is, unless it is stable, there won't be any capital coming in! And you should hammer in – and you can say – your financial institutions will [unintelligible]. But you can also play this to the heads of government: it is terribly important that there is – I'd just say – that there is competition for private capital, not just American but capital in their own countries and European and Japanese capital – all over the world. The South-East Asia countries for example, Indonesia, all the rest, they're just giving tremendous incentives to these countries to come in and invest. Now Latin America is frankly the President's first choice – you can say that – because basically he feels, we are [inaudible] an American hemisphere, and I visited all these countries and I have a great affection for their leaders and for their people. But – and that I will, you, I and others in the administration, we're going to do everything that we can to encourage not only to have the right government programs but to encourage private capital to go into these places. You see? Then you've really got a bludgeon [?]. You say now look, I'm not going to say this publicly [. . . unintelligible] – or say you will say it publicly, I don't care. They come up here, they always have [inaudible]. You've simply got to have some stable economic policy or there's no way you'll get this. And I think coming from you it will be very important.

[Conversation continues, irrelevant]