

November 22, 1971  
9:30 a.m.

MEMORANDUM FOR: MR. GEORGE P. SHULTZ  
FROM: DWIGHT L. CHAPIN  
SUBJECT: Bernard Lasker

Bunny Lasker called and asked that I get a message directly to the President. Since it deals with the present economic situation, I am sending it to you so you can include Lasker's thoughts in any material you are pulling together for the President or delete it entirely if that is your choice.

Mr. Lasker said that Dr. Burns had come up to New York and had talked to a group of the men but that it didn't go over too well. There was the feeling that Burns had come up to tell the group to buy stocks, but he didn't say anything new and therefore there was no reaction from the investor types.

Bunny stressed that confidence in the market is wavering. He was going to write the President a letter but he did not feel he could put these thoughts down in writing.

He said it was a mistake whoever billed Connally's remarks at the New York Economic Club as a major address. He pointed out that Connally had nothing new to say.

Regarding the international monetary situation, he said that this must be resolved as quickly as possible. Bunny points out that Europe is starting to feel a recession (and he hopes that Kissinger is aware of this). Internationally, he feels that there must be some sort of an interim settlement or an illustration of progress of some type. We cannot ride with the impasse which Connally keeps projecting. He feels the longer this international situation goes the route it is headed, the worse off we will be. It is his opinion that the political time clock is running against us and that it is important that we settle the matter sooner than later. He points out that the way Connally was talking in New York the other day he is playing Russian roulette and this in Bunny's mind is wrong because he feels we must show evidence of progress. It is his contention that any interim settlement will quickly turn around the market situation here in the United States and will help the President a great deal in terms of restoring confidence in his policies.

Regarding Phase II, Bunny said that businessmen are beginning to think it is a two to a five year deal and are worried about this time factor. He thinks and he says others agree with him that the President must be extremely tough and reasonable and go for a short duration. He should take an

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uncompromised stance. He says at the present time there is nothing in the air which illustrates that the President feels that the Phase II period should be short.

Bunny covered the above points with Arthur Burns by telephone and Arthur had suggested that he pass them on directly to the President.