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Lou Harris rode down on the plane from New York yesterday with Larry O'Brien. O'Brien talked to him like the old confidant that he once was. According to Harris, O'Brien made the following points:

1. The early runners, McGovern, Bayh, etc., are all dead. Scoop Jackson is picking up some support but is making a mistake by putting all of his eggs in one basket, i.e. Florida. O'Brien believes that even though Jackson has Holland and Smathers working for him, Muskie will get Chiles and Askew and Muskie will win the Florida primary.

2. Muskie has a big leg up and is improving his lot with the pros; he has picked up some very effective regional coordinators.

3. Jackson's one hope is that the defense issue will come back hard. O'Brien believes that in fact it will but he still won't be able to make a strong race.

4. Teddy is not out of it "by any means". His problem is that he will have to make a decision next January on the California primary. He probably, according to O'Brien, will not go in (Harris has it from Steve Smith that Kennedy probably will go into California). If he doesn't go in, according to O'Brien, Muskie will win the nomination unless he "commits a terrible goof".

5. The one candidate over whom O'Brien feels he has no control is Gene McCarthy. O'Brien considers him a son of a bitch, a spoiler and a sorehead who is still mad at the guys who did him in in 1968. Whoever the candidate is (with one exception) he will stay in and run on a fourth party ticket; he's especially irked at Muskie and Humphrey and would love to stay in the race if either of them are the nominee.
6. The one exception is if Teddy were nominated; for some curious reason he does not want to block Teddy. O'Brien says that Teddy's man, Dave Burke, now works for Howard Stein and this could be behind it. O'Brien considers a McCarthy fourth party candidacy as the biggest danger the Democrats face next year. He also says that McCarthy is a "money" man who will run if he thinks he can make something out of it, but he won't unless he has financial backing and there is some money in it for him personally.

7. Humphrey will try but can't make it. He'll never quit trying and will go into California.

8. Lindsay will become a Democrat in mid-August, but will not run for the Presidency.

9. O'Brien feels that the economy is the only issue that the Democrats have. He simply cannot understand why the President has not used selective wage and price controls. This would cut the legs out from the Democrats and take away their only issue. He considers that all the "dove" candidates are dead and that the President has completely taken over the "peace" issue. No Democrat can profit politically in the foreign affairs field, but they can win on the economy unless the President pulls the rug out and does some spectacular things, which O'Brien feels the President is entirely capable of doing. As he puts it, "it's all in the President's control. But, I don't understand why he hasn't done it".

10. O'Brien is not concerned at all about money. He has no intention of paying off the $9 million debt, $800,000 of which is owed to Daley (who is very unhappy about it). The Committee collected $1.7 million on their dinner, they will spend it all this year but Strauss is doing an excellent job and thinks that he can raise the funds needed for a Presidential campaign next year without any difficulty.

11. O'Brien believes that Texas was a fluke in 1960 and 1968 and that the Democrats should clearly write it off for 1972. He sees no chance of winning it but he does believe that they can win Ohio, Illinois and New Jersey. He, therefore, believes that California will be the swing state in the election. He thinks that the "Nixon South" is gone as far as the Democrats are concerned, that they might pick up one or two border states but that's all and they need Wallace in the race to deny us the deep south. If Wallace were not in, they would lose the entire south.
12. O'Brien's attitude is guardedly optimistic. He said as he moves around the country he finds that the economy is really biting people and that if the President does not do something fairly significant and if the Democrats play to this issue alone, they can win. He is very cautious in his outlook, however, and is extremely worried about the McCarthy situation which he kept coming back to in the course of the discussion.

13. O'Brien thinks that Reagan is no asset in the coming election, will not help us in California and is the most dangerous problem the President has within the Republican Party.

From all of the foregoing, two things of significance emerge in my mind. We should be planning how to encourage McCarthy's candidacy. It may all turn on one man, Howard Stein. If Stein agrees to go all the way and bankroll McCarthy's candidacy, McCarthy will stay in the race all the way, even as a spoiler. Stein is Jack Dreyfus' partner as you know and I would think that through Bill Rogers or others, we could perhaps encourage Stein's commitment to McCarthy. It would even be worth pumping some money in.

A second point which seems to me to be very important is the Democratic debt. We have an analysis of the Democrat's creditors and we should start on the outside a pressure campaign to force them to pay their bills before they start spending new money. Obviously we can't get involved in this from here but some of our business friends on the outside might be asked to organize a campaign to put the screws on.

You and I talked about this many months ago. It was my judgment then that we should not try to embarrass the Democrats over their debt or create public sympathy for the "poor" Democrats, but rather wait until the campaign was about to get underway and then see that the creditors put the heat on them. If someone from 1701 were to pick a couple of good loyalists on the outside, they could start them to work on this now.
August 11, 1971

MEMORANDUM FOR: H. R. HALDEMAN
FROM: CHARLES COLSON

SUBJECT: George Meany

You may have noticed in the article reporting Meany's China blast at us that he plans to meet with Chavez while in California this week to try to get Chavez under control. As you know, Chavez is fighting the Teamsters and Fitzsimmons would never consider reentering the AFL-CIO as long as Meany was supporting Chavez and Chavez was in turn blocking the Teamsters.

Meany and Fitzsimmons have discussed the Chavez situation before and the whole representation issue of the produce growers in California. Fitzsimmons has been trying to get Meany to straighten the problem out, but Meany has been heretofore reluctant to get into it.

I think it is a reasonable surmise that if Meany is meeting with Chavez it is to please Fitzsimmons and thereby pave the way for the Teamsters to rejoin the AFL-CIO. This is, as I have indicated to you before, very much against our interests politically and I would hope that you might pass along to those involved the suggestion that Fitzsimmons be pinned down at the earliest possible time on this point. We should want him to remain independent through next year.