



H. R. Haldeman Diaries Collection, January 18, 1969 – April 30, 1973

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Friday, August 27th. Rogers called me first thing this morning, said they're having problems on the Berlin Agreement with the Russians, because they're renegeing on the translation. The agreement was made in English and German. He thinks that regarding the Rush meeting scheduled for today, the President might want to say a few words afterwards on television, making the point that he's pleased about the agreement so far, and thank those who worked on it, especially those at State. Says the other nations have accepted it, but we and the Russians have not formally announced acceptance, so the President shouldn't say he accepts it, but he should just say he feels it's a good move, and he suggested this is a good way to get credit for the President. He then complained that Dan Rather had a comment again last night saying Kissinger is the Secretary of State, the President has no contact with Rogers, etcetera. He suggested that could be helped by a phone call to him from the President.

The President had me in for quite a while during the morning before and after his meeting with Rush. Rogers had reported that the Japanese had floated the yen, which he thought was very good news. The President had his, a good meeting with Rush. In his discussions with me, he was concerned mostly about personal matters. The oil leak in the ocean has fouled his beaches, so that there's no place for him to swim. So we started an all-out project to try and develop something. It turned out that now Red Beach is clear, and he can use it again; so he'll do that this afternoon, but we're lining up a boat for him to take off for Catalina on Saturday and Sunday.

Within the suggestion Ehrlichman made regarding an address to a joint session of Congress, the President thinks it's a very good idea and wants me to talk to Connally about it; he thinks we should do it, if we can develop something new to discuss in it, but he wants to get Connally's readings on the tactics.



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At noon the President had Peterson and Kissinger in for basically a therapy session. He made the point that it was going be, this was therapy for Peterson, but President played it to Henry, which was very adroitly done. He said that there was a need for Henry to get more into the economic thing now, especially holding the line against Volcker and Arthur Burns. He said we've got to consider our primary concern, which is, first, the effect on the American economy, which is Peterson's responsibility; and second, the effect on international diplomacy, which is Kissinger's. Then and only then, do we worry about the international monetary situation, which of course, is the prime concern of Volcker and Arthur. We also have to do what is politically possible, and the President doesn't want a resurrection of the old system, which Volcker does want because he helped to put it together. He emphasized that Connally has to be the head man, and that Kissinger and Peterson should bring their influences to bear on him. The President knows that Volcker and Arthur are very limited on this. He does not want to play the game of restoring the international monetary system without being sure that it helps us, both domestically and internationally. Volcker and Burns aren't considering international politics, and Volcker has also no knowledge of domestic politics.

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He then reviewed briefly some of Connally's ideas about questioning whether we should continue to support European unity, and whether or not instead we shouldn't go to new alliances.

Peterson said that Volcker has agreed to bring in the CEA. And Peterson's met with a New York group of power people, bankers, and he confirms their view that we need fundamental reform.



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His view is that the technicians have lead us astray regarding what foreign nations will do regarding revaluation. He says the whole system is asymmetrical. We must take more of an activist and presumptive role in setting exchange rates, and we have to solve the fundamental problem, which is that other countries have decided to use their undervalued currency to their own advantage. The President asked where Samuels and Rogers stand on this. His guess is that they've pandered to the Japs. Kissinger made the point that we can't let one Department run with the ball. We have to pull the international monetary question out of Treasury and into a committee. Peterson agreed to, or argued to Volcker that the key here was not to do this as a Treasury job, but to recapture the spirit of Camp David, all work together under Treasury leadership, with the same approach we used at Camp David. The President suggested Kissinger's influence on Connally could be very great, and he could get him to track with the group. He asked Kissinger to call Connally and tell him not to move precipitously, but rather to be very careful of the foreign policy considerations.

The President then left to spend the afternoon at the beach. We got the boat lined up for him after some turmoil, and he'll take off first thing tomorrow morning.

End of August 27th.