



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

National Archives and Records Administration, Online Public Access Catalog Identifier: 7787364

Tuesday, August 31.

President had meetings this morning with Elliot Richardson, Goldwater, and Kissinger, and then went off to play golf at L.A. Country Club with the Golf and Poker group. He was quite disturbed before the Richardson meeting to discover that there was a plan for his meeting the press afterwards, and the President was concerned that he didn't want to do any promotion of welfare in California. He was very disturbed by Ehrlichman's approach to this whole thing and wanted me to call Ehrlichman right then and get it changed, but we worked it out with Ron, and then the President changed his mind and ended up having Elliot go out to the press after all. The Goldwater meeting apparently went pretty well. The President called me in at the end to tell me that he wanted an advance man assigned to Goldwater for making major speeches to conservative groups, and that we should use him more frequently for this purpose. Which, as a matter of fact, I think he's absolutely right on.

Shultz called to report on the airline merger. Said the he sent the material to the Attorney General, and he's changed the briefs somewhat, but he's against it, but not flamboyantly, and that this is the way the President wanted it, so they're going ahead on that. He said he had a long meeting with Meany this morning, that Meany thought it would be wise not to go ahead with the productivity meeting in September, but he would come if they did have it. He thinks it would be better to do it later on. The wage price question is too important now. He then spent an hour and a half on the Phase II problems, and after a little bitching on Phase I, he became very amiable, spelled out his views and told Shultz how to proceed. Said-- Shultz thinks we could move on this very fast, if we want to, but we need some Quadriad discussion first, before it goes to the President. Meany's views on Phase II are that, first, it should be primarily voluntary. He was very disturbed about Romney and Stans talking about it in terms of a compulsory thing. Shultz told him to wait until the President spoke out on it. Secondly, he thinks there should be a labor-industry public board to see that things are reasonable. He said he would participate personally. The board should have no enforcement powers: they should refer to another mechanism or the President. He said he had been reading Aneurin Bevan, who was writing on World War II



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

National Archives and Records Administration, Online Public Access Catalog Identifier: 7787364

controls and Churchill's strong support of the voluntary method. Shultz was quite impressed that Meany was taking this all this seriously. Third, on the mechanism, he feels that the President has to take the initiative: that Meany would respond to a call for a meeting on the subject with 15 or 20 labor and industry people. They should meet with the President and be given an assignment to work the whole thing up on a force draft basis. He agreed to include Fitzspat-- Fitzsimmons and Woodcock and said the management group and productivity council would be okay, if they added the Chamber of Commerce and the NAM. The problem, he says, is we drive for perfection and unrealistic expectations; that we must start with the present reality and work to a better reality. We want a visible machinery in place that's somewhat independent of government.

Meany says he'll respond to whatever the President wants. Especially after-- he's-- he's especially after getting rid of the income-- investment tax credit, however, and he's concerned about the postponement of revenue sharing and welfare reform, but Shultz corrected him on that. Basically he was very reasonable in the private meeting, but George says he'll blast us publicly. He thinks if we have this underway, it would be big news at the time of the President's Congressional address, and maybe the President could also say the freeze will end in 90 days and that this plan's being worked out.

Also, on the international side, the President has emphasized the import surcharge as temporary, and George-- and that it depends on the realignment of exchange rates. George feels that he could say that he sees that other currencies are now floating, so we'll reduce the 10 percent surcharge to 5 percent on January 1st, and we'll consider removing it entirely, depending on what happens in the future. Thus we would operate based on what the market shows and would discourage imports til the first of the year, which would be an additional accelerator. He feels still that we should not talk about the new tax program, because the President would then lock himself in, and because it would be too much newness. The purpose is to get current things done, and this would look like no follow-through.



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

National Archives and Records Administration, Online Public Access Catalog Identifier: 7787364

On the labor thing again, Shultz thinks he might go see Fitzsimmons, get him positioned, consider adding him to the productivity commission. He still thinks we ought to consider calling a meeting with the President quickly, even this weekend, or call it right after the speech. He emphasized the importance of leaving Shultz in charge of labor, especially as contrast to Hodgson or Colson. He's especially concerned about letting Colson move unilaterally.

The President's golf game apparently went all right. He called afterwards to say everything was okay and that there was no problem, and to give everybody the day off tomorrow.

End of August 31.