



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

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Thursday, January 20.

President spent the morning over at the EOB, called a couple of times prior to State of the Union time. Was concerned that we not let the staff get depressed by setbacks, that we should just remember that something else will be the headlines next week. Pointed out it is important to remember the great capacity of MacGregor and Colson, who were both fighters and realists, and know the importance of not getting down in the mouth.

Raised the question of whether he should have breakfast with the Republican Congressmen. Decided he wanted Adele Rogers to do a two minute talk tonight at the Cabinet dinner, then sort of wrapped it up by saying, considering everything, we probably stand as well as we could hope, with a divided Congress, our foreign problems, economic problems, and so on. This was in reaction to the Gallup poll release saying that Nixon started in a fairly strong position in the depth of his approval. Which was a rather surprising poll release for Gallup.

State of the Union went well, and he had MacGregor, Colson, and me in afterwards to analyze reaction. We all agreed that it accomplished exactly what he was after, and that it was the best possible way to have done it. He does want to be sure our Congressional types follow-up with a very rough, positive attack.

The Cabinet meeting this afternoon, main discussion was the budget, and complete presentation on it. He started out by saying he always has a line that his speech writers give him in every speech that he does about food stamps and the great accomplishments we have there, and that he strikes it out every time, because that doesn't prove we're on the right track, and he made the point that in civil rights, all that counts is talk. Then they went through the budget presentation: the end of which Shultz went into a wrap-up, making the point that we'll take a lot of heat for the deficit, which we can handle, but since we'll take it, we might as well spend the money. There's no point in taking the blame and then hoarding the money. Last year, when we came to the budget closing, Shultz went to the Departments, checked on whether they'd spent their budget, and even the OMB, who doubted the Departments, underestimated the shortfall in spending. He



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said that the figures for the first six months of this year—interpolated for the second half year and adding the known increases in the second half, comparing that to the spending authority—indicate we have a \$12.5 billion dollar shortfall. From the standpoint of expanding the economy, tools are now all in the hands of the department heads, the Cabinet officers. They've got the money, they've got to spend it. Vice President made the point that the President is accused of ordering that the money not be spent, which is not the case. The President then emphasizes that we need this done right now, if it's not done by April, forget it as far as any effect this year. It won't give the economy the impetus it needs. A major problem we have now is to get the shortfall removed. The way to balance the budget is to get the economy moving so that we have the revenues. If you don't spend this money, then your failure to use this fiscal tool to give the economy the impetus it needs will actually be detrimental. He said that we'll take the rap for the big deficit, having taken it, we must not then save the money. It's good for the country to spend it as fast as we can, not wait till July, but get it done now. Then he said also, that just might help us politically, a thought that just occurred to me. The Vice President made the point of the need for a professional job of presenting the details of the budget. President pointed out it's very hard for Republicans to brag about spending money, especially about spending for social purposes, because they don't believe in it, but we're stuck with it, so we should make it a virtue out of necessity.

We had a dinner for the Cabinet, particularly in honor of Stans and Hardin tonight, and Bryce Harlow and Pat Moynihan each gave very good clever little talks. Stans gave an excellent, fairly serious talk about the President, and then the President gave an outstanding talk about the accomplishments of the Administration to date and the fact that we're now about to start the fourth quarter, which is when the decision will be made as to who wins the game. Text of his remarks should be in the file, and is worth reference. It was extremely impressive and had many of the people in tears, or very near it, and was, it seemed to me, almost completely ad-lib. Obviously, he had done some preparation for it, but it was one of those that was not polished in



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the way that his prepared remarks are, so must have been developed pretty much as he, as he was delivering it.

After the dinner we left for Key Biscayne, arriving there at about 2:00 in the morning. Earlier today, after the-- right after the Cabinet meeting, I gave Bill Rogers the directive from the President that Henry wanted put out, that orders him to notify the President in advance of all meetings with Russians, Chinese, etcetera, and Rogers obviously didn't like it very well, leaped into my office with the Attorney General and we had some discussion of it. He making the point that the real problem here, still, is how we make sure that Henry keeps him informed of things. It's just impossible to get through to him the point that there's a difference between keeping the Secretary informed and keeping the President informed, but I guess if we keep hammering away it will work out.

End of January 20.