



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

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Thursday, March 23.

The big item today was the Pay Board situation: Meany's walk out yesterday, etcetera. Shultz made the point at the staff meeting this morning that the problem now is that we're being maneuvered into the wrong position, in that we're being portrayed as the Party that is for controls. While Humphrey and Meany and all come out against controls. The problem of standing up to labor is, what can you do, how can you succeed, it looks like we can't govern if we don't do something. So Shultz came up with the plan that we should let the Pay Board know that they have their standards, but they should become essentially a pre-notification agency, drop a control of small firms, review proposed new contracts over a 30 day period. Maybe get Usery and a team of mediators into it. We should go ahead and say what we had planned to say today but then in a couple of weeks clean out the red tape and shift to this. Problem with this plan is that it would be seen as dismantling Phase II under pressure from labor. I raised the point then of maybe doing that consciously, openly, and saying we're moving to Phase III. That maybe this would be a good move.

We had a strategy meeting with Connally, Shultz, and the rest of the group a little later in the morning. Shultz made the point that we made the point that this whole program requires voluntary support: the tripartite approach was a concession to that view. We're in pretty good shape now, except for the Longshore situation. Overall we've stayed within 5.5 percent on wage increases, so we should put together a set of moves to concentrate more on large enterprises and change the method of administration of the Pay Board, do essentially the pre-notification thing that Shultz had in mind. We would drop the small businesses, drop rent control, rearrange the system more sharply, and either do this now and explicitly, or do it as the Pay Board works these things out. Stein felt that we have a great clear cut issue, the question of who's for stability of the country and who's against it. We have Meany in a bad spot and we shouldn't let him be proved right. Everybody else tended to agree with that, and that we should make the case that until yesterday, things were moving along well, and now we're coming into a different era, where



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labor has forced us into an adjusted position. On the basis of this, we decided to stay with the plan that we'd had for last night and the Pres-- .

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March 23, continued. President made the point in preparation that-- for his remarks this evening that he wanted to really zing Meany, and make the point that he objects to the fact that the Board wouldn't approve the 20 percent increase for the longshoremen after a 137 day strike while millions of Americans are limited to a 5 percent increase. That to allow 20 percent to one specific special group was wrong. He went ahead with a strong attack on Meany and felt afterwards that it had come off quite well and seemed to be in good spirits for having done it.

Got into a discussion with Ehrlichman this morning on busing follow-up, checking on legislative action and Ehrlichman says they're going push it through the Conference, he thinks that'll work. He says the degree of Congressional support is strong, and broadly based, that the editorial support is pretty good and we're working in the South, the West, and the Border States. On intervention, Kleindienst and Morgan are meeting and moving ahead on that, we won't announce any this week but will release them one at a time, and string them out over a period of time in the future. Thinks that the Cabinet's in good shape, we're getting good background material. The President's concerned that some of the editorial reaction shows a lack of understanding. Ehrlichman raised the point of having a dinner for the Supreme Court to show the right Presidential attitude towards the Court which has been jarred a little bit as a result of the busing



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statement. President said he'd prefer to do an article or-- then I suggested a radio address which they both thought as the best idea.

Got into a discussion of Arthur Burns who is insisting on seeing the President, President says he won't see him, that he wants me to tell Burns that he doesn't approve of the articles that are appearing that are driving the wedge and he wants to know what the story is on this, and that I'm to tell him to have Arthur report to Connally at the President's direction.

When I talked to Arthur later he pushed strongly for seeing the President, saying the President had told him he wanted to see him before he made the next appointment to the Board, and Arthur wanted to discuss that with him in his report on his trip. And he didn't buy my idea of his seeing Connally, so we're just going to stall him for a while.

On ITT follow-up, Colson seems to think now that they've got the typewriter case worked out pretty well, and that we can prove that the memo wasn't typed in June, and thoroughly discredited, although Dita Beard's testimony is apparently going to come out pretty well.

President went into quite a discussion on the economic statistics because it shows that government purchasing has slowed way down, and he wants me to really hit Shultz on following up on this, especially to kick Laird and Rush. And I'm supposed to get them over to the White House and make the point that the President wants the report twice a week personally on this, that they are to cut their Vietnam reports down and pick up reporting on this because the responsibility isn't the Defense Department and it's up to them to move on it, and he wants to stay on top of it personally. He's concerned that we aren't using the purchasing power we have to get the economy moving, and he wants to really put the heat on them to force them to do it.

End of March 23.