



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

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Wednesday, January 24.

Got into the LBJ plans and all again today, when Tom Johnson called me several times from Air Force One as they were on route to Washington from Texas, wanting to get the schedule worked out. Plans for Mrs. Johnson to stay in the Rotunda after the service to greet people and her plans for meeting the diplomats at Blair House and having a buffet supper, and so on. The services all went very well and according to schedule although a little late. Then Tom called me at home tonight, wanting to change from using the DC-9 hospital plane to go direct to the ranch when they go back tomorrow. He wants to use the Air Force One and go to the Air Force base, because the weather's bad in Austin, apparently.

The President got into his concern about moving on the budget. He has an uneasy feeling about meeting with the leaders on Friday on the budget, because he just doesn't think anybody's going to be interested in it at this point. That led him into a long harangue on the need now to attack our opponents on Vietnam, rather than to shift to their issues, which are mainly the budget. He called again tonight at home and raised the same point. He had discussed it with Colson this afternoon, and he wanted me to raise with Ehrlichman and Shultz and include Colson in the staff meeting in the morning. He questioned the advisability of trying to move the attention from Vietnam to the budget, and what's really involved is whether we fight the budget battle now or later. If we move now, it lets the opponents off of Vietnam, which they don't want, and lets them get onto the issue they want -- about our withholding funds from schools and lunches and all that. He felt that Brennan had raised the point basically today at the Cabinet meeting, when he made the point that our opponents are moving to the domestic front because they're so frustrated by the President's success on Vietnam. Why should we play their game by the President moving to the other issue? He thinks Colson should be there to present his view on this, which is strongly against going with the budget now.

At the Cabinet meeting, which was 45 minutes late starting because of the delay in the LBJ funeral operation, the President opened by explaining the calendar book we were giving all of



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them and talked about when you reach the age of 60 your days are numbered. And he started citing the ages of all the various President's when they died, many of them under 60, and that we need to make every day count. Went into his pitch on that in explanation of the book. Then he said on the budget that he sat through so many of these budget meetings. That they're the most boring, depressing exercises in the world, and so on, but you have to do it. He made the point that government spending is a lousy issue. People are for spending. However, raising taxes is a good issue -- that is, being against it. Being for a balanced budget is an impossible issue. He explained that the full employment budget concept is our mirror game to explain our unbalanced budget. The reason for balancing a budget is that it's the only way to avoid inflation and higher taxes, but you never win on the question of school milk to rich kids. You have to hit on higher taxes. You never debate the programs. By cutting the budget back, we are avoiding more taxes, and that's the line we have to use.

Then he turned the meeting over to Cap and interjected from time to time. He gave a lecture about the danger point that you reach when the government is taking one-third of the Gross National Product, or national income, away from people in terms of state, Federal and local taxes. On the point of Human Resources over the expenditures rising so much higher than Defense money, the President says I don't particularly like it, but that's where it is. Then Butz or someone made the point that we now do school breakfast as well as school lunches, and the President says why not dinner? The President made the point that the expansionary budget last year was necessary, but now, with a sharp contraction, will that dampen the economy? And Stein says we need to slow the economy down. It's going too fast now. The President then asked how this compared to 1960, when we were supposed to be starting the Soaring 60's. Then he wryly commented, I remember that year well, '60 turned out to be a lousy year, in a lot of ways. Shultz said, we're trying to put the economy into a sustainable orbit and not go through the lid by stimulating it too fast. In '60, there was a difference also, because there was a big, full employment surplus as they attempted to keep the actual budget in balance. Brennan then made the point that the President pulled the rug out from under his opponents on Vietnam, and now



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they're ready to attack us on domestic programs, so we need a program. We should fight this war like we did the last one, the Vietnam war. We should say to the working people who supported the President, in much plainer language, that we want to keep them on board, so we should tell them what we're going to do. Our opposition will try to attack the cutbacks, such as on labor. We need to explain our position. The key thing is we need to explain our position to the people. It should not get tied up in a lot of high-class rhetoric. We should head it off in a practical way.

Richardson said we must force Congress to look at the total expenditure instead of playing to one group at a time. We have to force this through the pressure of public opinion. That is, the President has got to apply pressure for a spending ceiling. Brennan said we have to do it on the home front, not just to Congress, because they'll undercut us. Butz said the President should say on the air, when he goes on this weekend, "Let your Congressman and Senator know what you think. Write and wire them." Shultz said "taxes" is the one single word that we should use, and "jobs" is the other; Butz and the Vice President argued for a compromise, that we should give a little on some of these cuts in order to save the overall. The President said we must have no illusions on Congress. They're spenders on both sides. Lynn points out our turnaround, that in the election, we appealed to groups as segments, to Agriculture, Labor, and so on, maritime people, and all that. Now, we're talking about a general appeal of saving taxes, and to do that we need to hit the freedom element and hit the idea of real wages and hit the impact on the poor of inflation. We need some strong statements on this. Now we're trying to go to a constituency of the whole, instead of a combination of constituencies. Cap argues that we've got to be on the offensive and sell our concept. The President agreed with Lynn regarding the fact that we were spending more last year and now we want to cut, so we have to put the monkey on the back of Congress as the spenders who raise taxes. The Republicans in Congress will get as far away from us as they can on this issue. It's a fact of life, and we shouldn't think we can buy them off with a compromise. The question is, how big their constituencies really are. The Vice President said we should demonstrate where the programs are bad. Show the waste and so on. Build the horror stories. The



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Vice President said farmers and the farm community are the most difficult, most miserable people of all, but they're our friends.

The President then in closing said, we have to have in mind that a budget fight is always difficult. We must be on the offensive. There may have to be some changes in the budget, but we should not give any ground now. In order to achieve these goals, we have to hold this line. Therefore, we have the responsibility. Unless we want to say OK, have a tax increase. We should let it be fought out, though, on this ground. Make it the Congressional tax increase, not ours. Keep it cold turkey, but hold the line now, and look at the individual cases. He left right from the Cabinet meeting to go to the Residence.

End of January 24.