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Thursday, February 8th. The day started with the Cabinet breakfast. The President opened another point of importance of other subjects than the Congress and the problems that they're raising. He then turned to me and said we should be sure to get the polls circulated regarding public opinion on the budget and so forth, to our Cabinet members and to our friends in Congress, making the point that the public generally is with us on this subject.

Ehrlichman then gave his pitch on the, no, Ash then gave his pitch on the budget and did a good job. He has some good facts, but he doesn't make good points with them, and the fact sheets don't do what the President suggests in making clear arguing points, they don't have a few meaningful stories that people can use in talking to others. Ash made a very good pitch, but gave them nothing to take away and use. The President interjected from time to time, made the point that by doing this right, this budget thing on these programs, we can do more for those who really need help, because we divert the money to where it is effective. Ehrlichman then made three points on how to use some of this effectively, making the point that we've got to keep looking at the forest instead of the trees; the big question rather than any individual program cut. First, on impounding, we should talk about savings, not reserves; we should call them tax savings, and make the point that we're reserving or saving less in '73 than we have in previous years. The President then said that Congress always overspends. The President's the one that has to hold the line regarding taxes. We have to say no to a tax increase or a price increase. The President says: don't argue the constitutionality, keep the issue on the tax increase. Hit the special interests. The issue is not the authority of the President, but the responsibility of the President. Ehrlichman's second point was that the Congress wants to add \$200 to your \$1,000 tax bill; the President has saved \$22 billion or withheld \$22 billion. The total tax revenue is about \$100 billion, so if we spent all they want to spend in addition, it would raise your tax bill by over 20 percent. The President made the point that it's clear-cut; when the question is spending, it's not whether the Congress or the President wins. If the Congress wins, then they increase your tax by 20 percent, if the President wins, then there's no tax increase. Ehrlichman's third point was on plugging



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loopholes in making the point that there are no loopholes in reality, and that they wouldn't accomplish anything in terms of added revenue anyway. The President made the point that this is a maximum growth budget and has to be based on that. The President then summed it up saying that the name of the game in your speeches is jobs, taxes, and prices. At stake are the taxes you pay, the prices you pay, and your jobs, because if the government, when the economy is running at full-bore, spends more than it takes in in revenues. Then you lead to inflation, from there to recession, and from there to unemployment. For example, in '68, LBJ overspent \$28 billion. Our '69 action, in reaction to that, caused the unemployment in 1970 of 6 percent. So what is involved is your prosperity. Congress would force on the President higher spending, which hurts you, hurts your prices, taxes and jobs. In the last four years, we've increased spending for the poor, education, housing and health by 300 to 400 percent, so we're not wiping out these programs, but we're now trying to pare out the programs that don't work. The average person is interested in his own problems; talk to that in general, not the specific programs. This is a tax increase Congress, and it imperils the prosperity we now have by forcing the President, who represents all the people, by representing the special interests, they force the President to spend more to help the special interests.

The President gave this in a very powerful way and said well that takes care of a little demagoguery. Now I want to make several other points. One, on the super-Cabinet; that's a lot of baloney, however you slice it, what we have is a way to coordinate those things that cut across Departments—not a super-Cabinet in any sense. The purpose is to see that the President's able to bring together all the agencies, not to downgrade any member of the Cabinet. All are equal, there's no super-Cabinet, they're just Cabinet committees. In the future, we may use other members for special assignments. Regarding the press and how to handle them, don't be afraid; talk to the press, especially out in the country. The press out there, you'll find their questions relate to the real issues instead of the phony issues ginned-up by the Washington press. For coordination, your press officer on all major things should coordinate very closely with Ziegler's



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office. Also regarding social events, if you have a choice, favor those that are for us; anything you say is all on the record at a social event. The point a reporter makes regarding off-the-record stuff with the press is baloney. Their first allegiance is to a story. Regarding the Congress, don't limit your contacts to Republicans or only to the Democratic Chairman. Avoid those who are totally against us, but remember that a lot of Democrats are consistently for us; be open, invite them down, flatter them, not doing just social deals, but those are good; have the wives, but talk substance at them rather than just socially; work with the Timmons office on this. There are a lot of dedicated people in the Congress who are strong with us. Congressional partisan people, Congressional people are partisan because of their own frustration. They take it as a part of the game, and you should take it as part of the game. You'll be backed 100 percent on what you do, if you get out and talk; the worst thing that you can do is to be timid.

He then referred to the King of Jordan and the point that he was shot when he was young, and his grandfather was shot, and he rode around in tanks ever since. But he made the point to the President that the moment a leader shows timidity it only encourages the attackers to go at you. Don't be arrogant or rash, but stand up for what you believe. If the opponent doesn't want to be conciliatory, fight, and fight hard.

Regarding foreign policy, he says our opponents have become strangely silent about the war. When we have a success they want to forget it, same as, but look at the example of Eisenhower in Korea. After he ended that in the first six months, we talked about it for four years. This cease-fire, of course, is not certain, nor is the Middle East, nor are all our problems solved. But if ever an Administration could point with pride regarding foreign policy successes on the broadest possible canvas, and we're painting on the whole canvas, this is that, this Administration has that right. So stand up there and cram it down their throats when you're on TV, and so forth. When you're asked a question, be responsive, but turn the answer to our issue. If the story doesn't come



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out with your facts, you haven't succeeded. Our story is what we want, not theirs, and you've got to see that you turn it.

He then called on Rogers who made the point that we should use our foreign policy successes. All Americans know about and that can be used to our advantage in all fields. Government is too complex for the average person to understand, so people judge an Administration first, on do you have a policy, second, do you have the courage to carry it out, and third, does it work? If they come to that conclusion, you're in good shape. The people, the criticism that we're dull, efficient, and orderly is not bad; people want orderly government. Use foreign policy successes to prove the point; don't say too much, but say it with conviction. First, the President is the world leader in the cause of peace; no one else even compares to him. Americans are proud of their country and their President; they like to see the US succeed. Second, they know the President has carried out his programs against tremendous odds. And third, it's worked, not just on Vietnam, but at the start of this Administration we announced a broad foreign policy, and the President has carried it out against the opposition of Congress, against the consistent opposition of the influential media, and it's worked. Get the facts to support these generalizations in the way you want to. He said the most dramatic illustration of this was a conversation he had with Pompidou, when he was in Paris for the Vietnam signing, and Pompidou requested a meeting with him. Even though he'd been critical of the President regarding the bombing, he asked to see Rogers and was quite apologetic. Rogers said that the people in the US supported the President and the people in the world, and Pompidou said...

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...yes, I think that's right. Pompidou then referred to his trip to Moscow and said that he had been a little concerned that we were too friendly with the Russians. But, he had told Brezhnev that was something he wanted to discuss with him, something Pompidou wanted to do, and Brezhnev said I'll have to talk to President Nixon about that.

The media and the others had a vested interest in our failure; they're sorry that we succeeded. You look at what they said; you'll be embarrassed for them if you review it; and then we should make no apology--, they've made no apologies or retractions.

The President then said that we'll have a Cabinet meeting on energy within four weeks and one on trade soon, in two weeks or so. And generally, Cabinet meetings will be on such a particular subject of general interest. Meantime the Cabinet committees ought to keep working. You should participate as principals in those. Don't send your deputies, but bring them along to sit in on the meetings.

He referred to the barrage that they've all been under, in the Hill hearings and so forth, and said that the President and Rogers had some rough moments, and went back to the November '69 demonstrators and all that made things look bad until Pete Brennan and his hardhats marched in our favor. Also we shouldn't blanket the media; we should separate reporters from columnists.

That we've had moments of discouragement and so on in the foreign field, as we're working on the China thing, Soviet, Middle East, Jordan, Vietnam. The Senate pulled the rug out from under us on Vietnam time after time. Those most for peace are the ones who prolonged the war. But



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looking at Mrs. Nolde, the wife of the Colonel who was the last man to die in Vietnam, she came to Washington for the funeral with her five children, some brothers and sisters, and so on, the whole family. And after the funeral service, the President had them come in, and Mrs. Nolde told him that in Nolde's last letter to the family before he was killed, he said that he'd like to take the family to Washington and take them on a tour of the Congress and the White House, so they have set that up. He said they were a typical American family, and that she had conducted herself and walked in like a First Lady. And he referred to Mrs. Johnson's being dignified at Johnson's funeral, which she should be, she's had five years as a First Lady, but Mrs. Nolde, who hadn't been in the glare still performed like a First Lady, too. Then on the kids, the 17-year-old boy who had a ragged beard and mustache, and long hair, the type that CBS would pick out, and they did, in the hopes that he'd make a negative statement, prepared a statement on why his father died, which was superb, and he had a big American flag in his lapel. He said he was proud of his dad; he fought for peace. Then the 16-year-old daughter, blonde, blue-eyed, looked up at the President and said just, Could I kiss you? At this point, there was a long silence, and I had been making notes, looked up and the President was just standing there. He started to say something and couldn't say it, paused for quite a bit longer, more silence, and then sort of said under his voice, I guess that's what it's all about, then he paused a minute, turned around and walked out of the State Dining Room, while everybody sat in silence for a moment, and then rose and applauded for quite a long time. It was a highly emotional and highly dramatic moment, one of the more unforgettable ones of the time we've been here, and everybody was very much overwhelmed emotionally by it.

I had no further contact with the Cabinet until we got on, or with the President until we got on the plane to California. He got into the Labor Department personnel question, said that Shultz had raised the point with him that Brennan hasn't appointed anyone because Colson, according, well, and then Colson, he said Colson had told him Malek won't approve Brennan's slate. And he



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feels that Ehrlichman should not get into a fight with Brennan on appointments, because he's got to maintain his relationship with him, and that we've got to get Brennan's people in there.

He went through a lot of miscellaneous items on the plane, the question of Webster at the Treasury Department, which Shultz also raised with him. He wants to make sure Colson talks to Ehrlichman's IRS recommendation and checks him out. He had a lot of miscellaneous schedule items on things he might do in California and on Evenings at the White House, otherwise you're getting Congressmen in, mobilizing PR forces on various things.

Then he got into the Nobel Prize. He said, don't discuss this with anyone else, but we've got to cover the question of how to handle the Nobel Peace Prize. It's a bad situation to be nominated and not get it. Maybe there should be a letter to Miller, who is nominating him, saying that the President feels he should not be honored for doing his duty, and that we can separate from Teddy Roosevelt, because he was involved in two other countries, it was something outside his normal duty as President. He wants a report on the Nobel Prize. Who's on the committee; what's the process; can the President withdraw his name and so on?

He also wanted a review of the Gallup figures. Wants Kendall to call DeLoach in on the FBI '68 bugging thing and tell him that if the FBI finds anything that you didn't tell us about, you're going to be fired. He feels we need to develop our press strategy toward *Time* and *Newsweek* that we haven't got that worked out yet. Wants Buchanan to prepare for the President a sh--, the sharpest, briefest thing he can regarding the most vicious thing said by the media in the last month. He'd like a copy of that out tomorrow.



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He makes the point that we haven't received a letter yet from any Ivy League president or the Council of Churches. No retractions from Reston or any of the others. He wants the attack group to look for other things to do on media attack regarding Vietnam; that we have to keep that going.

He explored some questions on Watergate and the Ervin hearing, and we arrived in San Clemente to stay here for about 10 days.

End of February 8th.