



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

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Monday, August 2.

This was a big news day, with the Lockheed vote coming out in our favor in the Senate by one vote. The President spent a lot of time before the vote calling Senators to try to line up the ones that Connally thought were winnable. Carl Curtis, he thought he had gotten, and he turned out voting against us. The President made the pitch to him, as to all the others that he had been talking with Reagan who was really uptight about this. That if we lost the vote, it would be critical to our chances in California in '72, and that was the appeal the President made to each of them. He also called: Goldwater, who said he couldn't support him because he had already been out publicly on the other side of the issue; and Aiken, who waffled, but said he would at least stay out of the debate on it, but couldn't vote with us probably, because it didn't provide anything for Vermont. Boggs, who said he would go along with us if Roth would, but he had a problem with the papers there in Delaware. Connally worked a lot of them also. The net result was that we got Boggs and Roth, but none of the rest, and won the vote by 49-48.

Bill Rogers announced our policy on China in the UN, and both the rail and steel strikes were settled, and that was announced today. So all in all, there was quite a lot of action. Also a great deal of internal activity. Ehrlichman met with the Vice President, who told him that his problem was not so much with Ehrlichman, as it was his concern that he was not involved in the final decision process. He thinks that under his particular circumstances, he should be handled differently than other Vice Presidents have been, and he made a plea for the President to cut him in on the decisions. He continually-- that's the end on this tape. Continued on the next one.

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Continuing August 2, 1971. The VP apparently continually came back to the point of China and raised the question of how you'd feel if the President winked at his National Security advisor when the subject of China came up and then said that he couldn't get into a discussion about that, that we had some things going on, but he couldn't talk about them. He feels that the President should have confided in him. Then he came back to the welfare decision and felt that he had not been personally consulted by the President, although he admitted that his inputs were in. John says he really let his hair down, that he says he has no ambitions, that it's way too early to decide on a running mate, that it's embarrassing to be confronted by the press on things he knows nothing about. He disclaimed any attack on Ehrlichman, but admitted he'd gotten off on the wrong foot when Ehrlichman frustrated his hiring of Lyndon Johnson's advance man back at the beginning of the Administration. He's never felt on a good basis since then and agreed it should be more informal. He also said he had decided not to appoint a director of intergovernmental relations, and that he was going to have C.D. Ward run it, which would be another disaster.

The President had a session with Ehrlichman and Morgan on the Austin school busing case and told them that they've got to get the point across that our filing an appeal does not in any way mean an endorsement of the HEW plan, or any other plan, for busing. Ehrlichman pointed out that there's a question of what's being appealed, and that we've got to make it clear that we have to do this according to the Supreme Court. John suggested that Shultz and Morgan go down to Austin and explain the thing. The President agreed with this and said they must specifically say that this appeal does not in any way endorse the HEW plan, that there are better ways to handle this, and that HEW's is not a good plan. The President then raised his question of a constitutional amendment. John said it's possible, but there's a better alternative in the Emergency School Aid Bill, because we can put a House amendment on regarding no use of funds for busing. The President said we should take the initiative, and we propose the amendment. We should lead, not follow the House. His concern is how to make the issue clear that we are against busing. He thinks that we may have something so fundamental that we have to have a constitutional



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amendment. He agreed with John that we could hold this until next September or put it in the Republican platform in August. In any event, he wants to do the House amendment to the floor bill, after Congress comes back in September.

He had a long session with Connally this morning, as a result of which he wanted to meet with-- he wanted Connally to meet with Shultz, and then he wanted to meet again with Connally this afternoon, which he did, having Connally interrupt his Mitchell meeting. As a result of that, he met again for a long time tonight with Connally and Shultz. The net of this is a huge economic breakthrough, based on the international monetary situation, which would provide for: closing the gold window, a floating of the dollar, a wage and price freeze for six months in the United States, a reinstatement of the 7 percent investment tax credit, and the imposition of a 10 percent import tax quota. These, Connally feels, would be self-balancing measures to control the economy, both the inflationary side and on the import side, as well as to meet the international monetary situation and get us away from being the victims of the foreign governments that are arbitrarily floating their currency and leaving us hanging.

The President, in deciding who to meet with tonight to try to arrive at a decision on this, felt definitely it should be Connally and Shultz, and then he on and off weighed the question of adding Peterson. He dismissed the idea of McCracken, Volcker, or Burns. This becomes a rather momentous decision, and it will be interesting to see what develops. Mitchell appears to be basically in favor of it, and Connally is pushing hard for it. Shultz will put some brakes on, but I'm not sure he'll be able to be effective.

The Mitchell meeting was primarily on politics. We discussed several states. In Ohio, it was agreed that we would adopt a policy of no stand-ins in the primaries, and that this would apply to all states but had to be done, in order to apply it to Ohio. In Iowa, we decided the problem of Governor Ray versus the Lt. Governor is not worth worrying about, and we should do nothing now. In California, it was agreed that we need a Chairman with more zip than Firestone that we've got to get Finch out of the state and keep him out. That led into a decision on Rumsfeld, to



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leave him in the White House, but for the AG [Attorney General] and me to talk to him to see if we can't get him more productive. We then discussed Secretary of Agriculture, and Mitchell strongly recommended Louie Nunn. Both he and the President feel that Bellman would not be good. Connally came in then to report on his meeting with Shultz, and he agreed that Nunn would be good for Agriculture. One other item, in their economic thing, is to defer HR-1 and save \$4 billion that way. They'd put it off for a year.

After Connally left, we had some discussion with Mitchell on the VP problem and the need to keep him credible, especially if we're going to try to get him off the ticket. Ehrlichman, Shultz, and I had our regular Monday night dinner meeting. We discussed the international economic thing and a few other odds and ends. Then Shultz left for his meeting with the President. John and I discussed polls and PR. Nothing was decided.

End of August 2.