



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

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Sunday, August 14. Correction that's Saturday, August 14.

At 4:30 this morning, I was awakened by the phone ringing. And it was the President, who said he was sorry to wake me up, that he was working on his speech and that he'd be ready to talk first thing in the morning. But he didn't want anyone-- he wanted to see Safire first thing in the morning, and before that, he didn't want him to freeze in on anything. The President has thought the outline through and will dictate it now, and get it to Safire. He should hold up on doing anything until he gets that. The President thinks Sunday night is the time to go with it. That there's no use to wait. We won't know any more Monday night than we know Sunday night, and there's no problem on briefing the TV on Sunday. Calls can be made the next day to the businessmen, and so forth. So we'll go Sunday night. That's the way it'll be. We can announce it at noon for 9:00. Don't worry about speculation. He wants to put a little more zip into the speech that he's drafted, but he doesn't want any cuties from Safire.

He says the major problem is the one Arthur raises, regarding the gold window, and that now he kind of thinks it may be good to go ahead with it. We have to protect the dollar until we can negotiate a new sound basis. He said all these things are pretty climactic, when you lay out these things. In other words, he was quite impressed with the scope of the program he was developing. He wants to be sure we do not call it the investment tax credit; he wants the Employment Investment Act of 1971, or something like that. He said to tell them to pour the coal on: the decision is definite to go Sunday. Get everybody cranking this morning. Tell Safire the President has very definite ideas. He doesn't want to talk about great sacrifices; he wants to start at the other end of the spectrum. Then he read a couple of examples from the speech, saying, I've addressed the nation several times regarding war and ending the war. Because of the progress we've made, this Sunday evening it's an appropriate time to address the nation regarding peace. America today has exciting prospects, a full generation of peace, and a new prosperity without war. To achieve this requires bold action and a call to greatness from a great people, and so on. That conversation ended at about 4:40. He called again at 8:40 and said he'd stayed up rather



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than going to bed after he talked to me before, and had finished his notes on the dictating machine and sent them to Rose.

He wants Safire to know that the form and structure of his notes should be followed. He knows the outline is right. He likes the gutsy rhetoric, and he wants to keep that feeling. Safire is to show it to no one, except for the technical points. He doesn't want to get people into the rhetoric. He wants Bill to try to get a speech together with this form. The President feels right with this. Wanted me to check with Peterson on his comment that the President had been so good at the Business Council on Consumerism, and pick up something from there, what Peterson thought was good. Then he had a great line for Safire: "Don't make it brutal and beautiful, rather, brutal and effective."

He made a point that we need more follow-up on the little talks that the President gives that are so effective, the off-the-record extemporaneous talks, that we should have one man there to pick out the good things, like Peterson did at the Business Council. He wants to set up a system to handle this and follow up on it, so we get it to the writers for future use. For example, yesterday, when he was outlining the speech to the group at Aspen, to give them the feel of how it should be. He said the major problem this morning is the gold float, and that he's almost around to Connally's view, that we should take the risk and take the heat. We say temporarily, to defend the dollar against the international speculators. He was worried that Burns and Volcker would defend the international speculators, but he would then say he's directed the Secretary of Treasury to suspend until we work out an international agreement, and he would put it at the last of the speech.

He's going to make the point that we need a new prosperity that has three elements: jobs; stop the rising cost of living; and defend the dollar against the international speculators. He put the import tax under that section. Said he didn't want to talk to Safire until later, but to be sure he keeps the guts and rhythm in, especially don't shop the speech around, except for specifics. Clear those with the key guy concerned, but do not show him the part on the reasons why. Said again Sunday



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night is definite and not debatable. Said he had gotten up about 2:00 last night and worked on the speech and then called me and then did the dictating. He had come out with the tapes to get them to Rose and was looking for someone, came down by the pool and saw a chief coming out of the sauna, and said, "Good morning, chief," and the chief said, "Yes, ma'am... I mean, yes, sir!" The President was quite amused by that; he said he scared the hell out of him.

Said he'd like to try the Cronkite-type TelePrompTer for the speech on Sunday night. He wants Safire to know the text is not to be added to; he's just to put in the numbers, no more substance. He now feels it's going to have to go to 20 minutes, 2,300 words, because he needs the rhetoric regarding the great country, etcetera. He talked a little about briefings, who should be called, and so on. Wanted Rockefeller to be called by Ehrlichman regarding revenue sharing, and explain to him that we're doing this as a tactical matter. We'll still push for revenue sharing now with the Congress, but realistically we'll budget it for later. He commented that this'll put the Democrats in a hell of a spot, this whole speech. Then he said this is a wearing job, the awesome responsibility of having to decide. He pointed out that we're just moving up to August the action we would have done in January anyway.

He reviewed the background, that we started working on this in March, that we had to keep it tightly held, especially the words "price freeze" and the gold thing, so we had to keep quiet about it. Then we made the decision three months ago on a closely held basis. He told me to call Bill Rogers and to tell him that we were going to be taking some strong action, but conciliatory, for the purpose of building a new monetary system, that we want competition, but we want it to be fair. He told Safire to put a line in on trade that we have a situation where the balance for 15 years has been eroded because of competition of other nations and the exchange rate discrimination against the United States. We must be more competitive, but also we must take this immediate action to correct the exchange rate problems. Then said to tell Connally that he'd start meeting with a group, or separate groups, at 2:30 this afternoon. He told me to call Rogers and ask if a 10 percent cut in foreign aid would be okay. He said we're cutting everything else, except Defense. It would be Rogers' decision. If no, then we won't do it, but several raised the



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idea of substantial cuts; the President said no, but in thinking about it, he thought a 10 percent cut might be okay. Also, he wants to strongly recommend that we re-tie aid, we've been untying it for the last several years.

Meanwhile, during the morning, Connally had been meeting with his separate groups, and he assembled everybody at lunch at 12:30, sort of got the reports together, formed four groups to meet with the President starting at 2:30: first on budget; second on wage/price; third on taxes, especially import; and finally the mop-up crew to cover the overall aspects from yesterday's meeting. He pointed out that the decisions yet to be made were the gold window, capital controls and the antitrust amendments. The groups started their sessions at 2:30. I stayed up by the pool working and didn't go down to Aspen until about 4:00, and walked in on the end of the meeting on wage/ price controls, where they had decided on a council for wage/price stability. There was some discussion of trying to recruit Arnie Weber as Executive Director of the Council, after he left the meeting. We also talked about the import tax and the question of the President's power to impose it without Congressional action. And they reviewed the opportunities: that he could declare an emergency under the 1917 Trading with the Enemy Act; or he could raise the tax under the GATT authority. He doesn't want to get into the Trading with the Enemy thing, and he didn't want to declare an emergency on balance of payments in his speech, but they'll do it on Monday, afterwards. He wants to put it across the board, recognizing that there'll be some exceptions. He did agree to use the Trading with the Enemy thing, if necessary, and to use it in conjunction with the Japanese textile problems.

The President then kicked all of us out except the Quadriad and settled down to a discussion with them of whether to close the gold window. By that time he had decided to do so, and the point was to sell Arthur so that he would go along with it. At 6:00, the meetings ended, and the President called me over. He was down by the pool, smoking his pipe. He told me to talk to them tonight regarding the information process, who calls whom, the briefings, etcetera. He agreed to Cabinet and sub-Cabinet meetings on Monday morning, which he felt would be better than Sunday. He had originally, in the meeting, told them he'd have a Cabinet meeting Sunday, before



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the broadcast, and I recommended doing it afterwards. For the briefing, we wanted to say that the President made the decision 60 days ago, and we've been developing it ever since. This was a brief meeting, and I went back over to Laurel for dinner. The President called me at 7:15, said we could set up a picture with the group at 10:00 or 10:30 tomorrow morning. Reported that he's worked over the latest draft with Safire, that he's not going to try to do too much more on it. He's got it down to 20 minutes, and thinks it's in pretty good shape.

He then talked a little about the briefing. He was somewhat concerned about briefing the TV people, especially with the statements, but he agreed that we could do it. At 8:45, he called again. The groups were meeting in their separate sessions at that time. He said that he had talked with John Ehrlichman, and John had felt the spirit of the whole group was very good, which indeed it was. There was a very positive, upbeat atmosphere at dinner. He said he wanted Cap and John and me to come over to discuss the politics when we could, so we went over at 9:00. Meanwhile, back at 8:00, I ran the staff the review on follow-up, the discussion of getting our spokesman on the air afterwards, notifying the key publications to hold their front pages, the press briefings ahead of TV, the basic assignments, and so forth. We got the basic plan worked out on that. Then Ehrlichman, Weinberger and I went over to Aspen at 9:00.

We walked in, and the living room was empty. The President was down in his study with the lights off and the fire going in the fireplace, even though it was a hot night out. He was in one of his sort of mystic moods and, after telling us to sit down and informing Cap that this is where he made all his big cogitations, he said what really matters here is the same thing as did with Roosevelt, the second Roosevelt, we need to raise the spirit of the country. That will be the thrust of the rhetoric of the speech. We're at a time where we're ending a period where we were saying that government should do everything. Now all of this will fall, unless people respond. We've got to change the spirit, and then the economy could take off like hell. He talked about it not being important to be number one, but it's important to try to be number one. Otherwise, you can't reach your capabilities. He feels people respond to this. What it does for the individual is to fulfill himself; he must seek to be the best he possibly can. The Japs, Russians, Chinese, and



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Germans still have a sense of destiny and pride, a desire to give their best. It does matter when people get out of a race; they lose their spirit and it can never be recovered. You must have a goal greater than self, either a nation or a person, or you can't be great. Let America never accept being second best. We must try to be what it is within our power to be.

Ehrlichman then turned to the specific and raised the hurdle that this whole move will result in the dollar no longer being the measure of world currency, and the President said that isn't necessarily true, that it could still continue to be. There was then some political discussion. He wants Cap to talk to Reagan and explain what we've done, Ehrlichman the same with Rockefeller. Said the real thing here is to divide the labor leaders. He wants Mitchell to call Fitzsimmons. The PR types have got to be sure the big point is not the actions, but the leadership in taking those actions. He talked about some personnel, considered moving Lincoln to NATO and Rumsfeld to OEP, or Peterson at OEP, in addition to his other job. He wants Shultz to move very strongly tomorrow morning on Laird's statement today that the Defense budget would be \$80 billion, he wants to force him to recant immediately, before the President's speech.

End of August 14.