

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

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Friday, December 19.

Full morning, with a long staff session first. Had a bunch of little things to clear up before I left. Long lecture about political uselessness of our playing up to Negroes, will get no votes, etc. All based on new Kevin Phillips analysis that shows New Jersey Governorship was won by big inroads into blue collar Catholics, not by any black or Jewish support. Ehrlichman made his pitch for necessity of keeping them at least neutralized, even though no hope for support. President made his point that we are not polarizing youth, rebels, etc., they are already polarized, and we can't give in or back down to them.

Then a pitch regarding budget - need to cut, especially he's determined to reduce stockpiles - Mayo gave him a lot of great horror tales the other day, regarding we have already many years' supply of helium, and we are producing more than a year's supply each year, but have to keep it up because of contracts. Also the unbelievable quantity of feathers stored, etc.

Wants a meeting tomorrow with Ehrlichman and Arthur Burns to lay down the line to Arthur that when he takes over the Fed he's got to change it. Said Martin had done everything at the wrong time, and he's determined not to let the Fed put us into a recession while trying to stop inflation. Says he'll take almost any level of inflation next year if necessary to increase GOP position in Congress. Current battles prove there's no hope for us as long as Democrats control spending increases and tax cuts are pouring in - and will be disastrous. And have now found that in most cases President cannot impound funds to slow federal spending.

Set up a Congressional GOP leaders breakfast for Tuesday with wives and asked whole Congress to White House Monday to see decorations. Getting mellow as session closes, even with the fights.

Lynda Bird Robb came into my office with Christmas gift from LBJ for President, with orders to have pictures put in the little silver frame - really thoughtful.



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Cabinet/Sub Cabinet briefing and reception. Really dull! But President was excellent, using the "Spirit of America" that started way back and is gradually developing into "the" speech, and will, I'm sure, become the State of the Union. Very effective. Nice party after for wives and kids.