MEMORANDUM FOR

THE PRESIDENT

THROUGH: Bob Haldeman

FROM: Bryce Harlow

SUBJECT: Tax Exemptions for Segregated Private Schools

1. I am advised that the President requests clarification of my views in support of Option III of the Planigian paper respecting the above subject.

2. At some risk of over-simplification, I must state my conviction that anything less than Option III would constitute either a straddle or a misleading of the people of the South. Option I probably should have been our position — but Treasury (Thresher) has goofed this matter up that Option I is no longer feasible. Option II is a deliberate (as I view it) dodge which has the effect of Option III but shrinks from saying so. I do not think it will fool any intelligent Southerner.

3. I prefer that the President stand up for principle in this area. I think the South will respect him for it, angered though it will temporarily be. Federal aid to schools deliberately segregated on racial grounds is wrong constitutionally and morally, in my opinion. I hate to see the President equivocate on that.

4. There is nothing whatsoever to keep a Southern racist from continuing to contribute to a private school segregated by race even if Option III is approved. The difference is, Federal tax exemption for such a purpose will not be available. And that is as it should be.

5. I recognize the temporary political expediency to be served by Option II. But I think this is a ephemeral advantage. It will not persuade the South, who will know better, and it surely will further abrade the President's relations with the blacks and whites who fondly regard civil rights. As a result, I think the failure to stand up to this issue will be a total loss on all sides.