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THE WHITE HOUSE  
WASHINGTON

March 23, 1973

MEMORANDUM FOR: MR. H. R. HALDEMAN  
FROM: THE PRESIDENT

As John Ehrlichman may have told you, the session with George Shultz yesterday was not particularly one of his more distinguished moments.

After all that he has been told with regard to appointments, he delayed my departure on the helicopter for about half an hour going over his recommendations and lobbying me with regard to appointments that I had previously discussed with you and one of which, of course, should have been discussed with Henry.

For example, he went over the General Counsel thing again with me. I had told him and you before that this thing ought to be worked out. As a matter of fact, I don't know whether the Webster deal is still around, but I believe George does make a good point in the sense that he says that Webster is persona non grata with Meany and with Labor leaders generally and that, therefore, his being General Counsel for the Labor Department would make his, George's job, far more difficult. This is, to me, a compelling point and under the circumstances Colson just has to be told and Webster, as well, that we can't move in that direction as far as Webster is concerned.

On another point, I was surprised to find that Colson according to Ehrlichman had put a hold on the appointments to the Labor Management Committee which will deal the problems of labor peace. I had already decided that what we would do in setting up that Committee was simply to take our present Labor Management Advisory Committee on Phase 3 and have it, in effect, the new Committee since it has on it prestigious members from Labor and business. Apparently, Colson had told Shultz or somebody

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do the paper for me w/ Colson

else that he was to be on the Committee. This would be a very great mistake from Colson's standpoint and, of course, from ours. After all, Fitzsimmons is going to be on the Committee and to have Fitzsimmons' lawyer on the Committee as well would require that every other Labor leader on the Committee have his legal counsel on the Committee and it would get completely out of hand. If there are to be any public members of the Committee, and I assume there are to be some, they must not be lawyers for or otherwise tied to either the management members or the labor members. You will have to lay this down hard to Chuck and get him to understand that while we will be most cooperative on matters where he can get prestigious appointments, he must not cut off his nose to spite his face by insisting on an appointment to a Committee like this which would be so completely incongruous that it would be attacked by all parties concerned.

George also raised the question of Sonnenfeldt coming into his Department. I must have discussed this with George in the past at least a half dozen times. As you know, the problem here is Henry.. . Henry's relations with Sonnenfeldt and Henry's going up the hill and down the hill with regard to whether Sonnenfeldt should stay with him or go over with George. The problem also is Sonnenfeldt himself, whether or not he wants to take this position.

My own view is that Sonnenfeldt probably ought to take it provided that he can, as I told George, be available to Henry whenever Henry needs him for economic matters that have to do with the Soviet Union and with Western Europe.

It is quite obvious that George does not look kindly on the idea of his giving up the position of being the manager of the Soviet-American economic relations. I told him in John's presence that I felt that he was spread too thin at the moment and that his primary responsibilities had to be Phase 3 taxes and trade. He wants to keep Soviet relations as well as to take a leading role in energy and this simply will not add up, even though he does

have in Simon a man who can take some of the responsibility.

At least as far as the Sonnenfeldt thing is concerned, it is a matter that you should work out with Sonnenfeldt, George and Henry. If it can be worked out for everybody concerned so that Sonnenfeldt goes over to Treasury and is available to Henry when he needs him, this could be of great assistance to George in taking a considerable load off of George in areas where he is already overburdened. I just want to be sure, however, that we don't give George too many franchises and give him the men then to carry out the franchises. For example, the Soviet gas deal is a case in point. It was a mistake to give this to George even though Henry insisted upon it because now George wants to negotiate all economic relations between the Soviets and the United States and he has neither the time, nor in my view, the right leanings to do this job properly. As John Ehrlichman pointed out, at least Dent would do what we told him and that is really what kind of man we want in this particular position.

In any event, as you can see, whether it is the Sonnenfeldt matter, Colson's membership on the Labor Management Committee, or George's Counsel for the Department, these are matters that he should not have thrown in to me without having you present or at least without having somebody present who was more up to date on it than I was. I finessed them all as well as I could but what I am concerned about here, too, is that George didn't seem to have any concern at all about the fact that I was a half hour late in getting off after what you know was a pretty hard day.

You can discuss this matter with Ehrlichman and perhaps the two of you can have a chat with George and tell him that on personnel matters that they simply have to be worked out at the staff level with you, of course, making the decisions and then bringing it up to me only if I have to decide between two Cabinet Officers.

I had a similar problem with George Bush in that meeting. I would write Bush a memorandum on this, but I don't want anything to get out publicly. Consequently, I want you to have a private talk with

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him . Tell him that this is a result of a conversation that I had with you that I did not want to talk to him even directly about it so that he could be in a position to do what we want done without saying that he had been ordered by the President to do it.

The way the matter came up was at the conclusion of my meeting with George, Brock et al. Incidentally, at this meeting I was rather surprised to see Timmons there to cover. I want it strictly understood in the future that I do not want Timmons or any of the Congressional Liaison people to get involved in these meetings that are held for a purely partisan political purposes. You should be the man that should cover them because you are the one who will have to follow through on them.

In this instance, Brock at the conclusion after I had said that I would be as helpful in every way possible except for being used to get candidates to run, said that he wanted me to make three exceptions in the case of Bellmon, Marlow Cook and Saxbe.

I told him candidly that I would support any incumbent if was decided by the three of them unanimously that the incumbent deserved support. On the other hand, I also tried to get across the point that for them to bring these people in and have me try to work them over to get them to run would be a great mistake. Putting it more directly to you, for example, if you bring Bellmon in his price will be that he will want to come in every week to sit in on meetings and give me advice which, of course, seems to be a problem that affects whatever Senator who happened to come to Washington after being Governor of Oklahoma even though they are very good supporters. If Marlow Cook comes in, the price will be some sort of a judgeship. If Saxbe comes in, who knows what the price would be.

In any event, I was rather surprised that the three of them and particularly Brock, would bring up such a matter.

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The policy must clearly understood. Under no circumstances, am I going to have a man come in to see me for the purpose of my convincing him that he should run. I will be glad to see any individual who has agreed to run and bless the thing when the three agree that I should do so. Of course, this should be limited to Senators and to Governors -- Congressmen only in a very rare situation should be included in this group. I want you to put George in a position of responsibility on this and see that this is followed through.

Also, in the meeting with Bush there was another point raised that I want you to talk with him orally -- tell him that I didn't want to discuss it in that meeting with the three of them present but I want him to take the responsibility for carrying out the orders.

Bush raised the point when some of the others were complaining about money that I was going to do the May 9 dinner. This came up because the House people were raising hell about the fact that the White House got all the money and that sort of thing. I was rather surprised that Bush didn't speak up at that point and say why didn't the House Committee use the surpluses and so forth that were available to them at the end of the 1972 campaign. As you may recall, I have been trying without success to get across the point that Maury Stans' report showed that both the House Campaign Committee and the Senate Campaign Committee had significant surpluses that were unexpended at the end of the 1972 campaign. Consequently, the bitch to the effect that we dried up all the money simply doesn't hold water. It is rather difficult for me to sit in a meeting like that without either Timmons or Bush apparently knowing what the facts were and at least not speaking up on those facts.

Michel, of course, was very decent and diffident as a matter of fact about raising the point but he obviously had been told by his colleagues that he had to raise it. I stepped up to it by saying

that we had tried to be as helpful as we could in 1972 and that we would be helpful in 1974 -- that no funds were going to be raised except for candidates. I emphasized strongly, of course, that funds should be raised for new candidates rather than simply for incumbents and he and Brock both said this was their view as well. I also told them categorically that under no circumstances would I campaign for any "turkeys". They seemed to get the point although I expect to see them drop by a few turkeys over the next year or so on the ground that we can't find anybody else to run in certain districts.

What troubles me and what I want you particularly to take up with Bush is that Bush said they were also considering another finance dinner in the fall, the proceeds of which instead of going to the House and Senate Campaign Committees in this instance would go to the State Committees. This is something that I have got to stay a hundred miles away from. I think it is important that you re-emphasize to Bush a point that I thought I had made to him that the best use of the President is not to trot him out for finance dinners except the one big dinner for the House and Senate candidates which can also be a salute to the Republicans in the House and Senate.

For example, we are getting a hell of a lot of heat today from Reagan for me to come to some big finance dinner in May in California.

I have pushed him off and of course have no intention whatever of doing it. But I want the word around all over the country that I will do no finance dinners for an individual State and also I think Bush should know that except for this one annual dinner for House and Senate candidates, I will not do finance dinners generally. Here he has got to depend primarily on the Vice President. That's his job. That's the job I did for Eisenhower for eight years and it is time that the Vice President took the laboring over here. Also, if Reagan, Rockefeller and possibly Connally become active as candidates they can be the big names that draw for such dinners. On the other hand, I don't want to be in the position in the fall to have to do another big finance dinner for the States. You can point out to Bush, too,

that finance dinners unless they can be tied to some sort of legitimate political purpose like raising money for House and Senate candidates or a Salute to the House which becomes thereby a salute to the Republican Members of the House, the President is in the position of being directly indebted to contributors for partisan political purposes not involving his own campaign or the campaigns even of House and Senate Members.

I realize Bush will have a terrible time on this rash of requests he is going to get for my participation in finance dinners. But if you and he can have a talk, get a line developed, and get it sold now, it could be helpful. I, of course, will listen to an opposing point of view in the event you and Bush decide one deserves to be presented. On the other hand, I think my best service to the campaign of 1974 is first, of course, to do a good job as President and second to appear in behalf of our better candidates for the House, the Senate, and in some instances, even for Governor across the country. Just tell Bush that for the President to do a finance dinner, it is a political loser and that only if he finds that is the only way we can get the money should the President be used for such purpose.

Incidentally, this also covers requests which undoubtedly will be coming in for me to sit down with some major fat cats and try to get them to put up a sizable piece of dough for the Senate and House Campaign Committees. I simply am not going to do that now. It was legitimate for me to do so when I was a candidate myself but even then it raised some problems as we well know. For me to do it now is simply not a proper activity for the President. This is again a place where Agnew should be used and top Cabinet Officers, not the President.

*Cover key point in above w. Bush with Parker.*