



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

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Friday, July 23rd. The main activity today was the budget meeting process. I'm missing my notes right now on the morning meeting; I'll add those later on this tape, so they'll have to be picked up. They're quite detailed and important. I'll go on to the period after that.

Before the afternoon meeting, I reviewed with the President a new Elmo Roper poll, which shows that 64 percent of the people feel that things in this country have seriously gotten off on the wrong track, and only 23 percent feel they're going in the right direction. In asking what they feel the causes of the problems in the country today are: 47 percent say drugs; 40 percent Vietnam; 33, racial tensions; 31, people forgetting the golden rule; 30, the lack of strong leadership; 27, the economic situation. It's kind of interesting the way those stack up. The President was very intrigued by this and came back to it a couple of times later in the day. He wants to be sure that that question gets put into our future polls, and establish a trend line on it. He feels that the reason for this result is quite simple: that people are discouraged regarding the war, that they're mainly discouraged about the kids. Also, there's been an unmerciful beating by ministers, teachers, media, and leaders in general, saying that everything's going to hell. And that this is the basis of our problem, that is, the basis of our Presidential approval problem. The country can't approve of a President, if they think things are bad. So there needs to be an Administration offensive on what's right about America. Some of our successes such as China, Vietnam, etcetera, should have an enormous effect in this direction. It shows, though that what's really needed on the radio series is to pick the big issues and to be hopeful, upbeat, and say we can do something. Problem here is that if people are not satisfied, they will vote for a change in the Administration. We have to hang Congress with the status quo; blame them for the way things are and not us. Make the point that for the first time in forty years we'll have peace and jobs. He raised the question of why the environment wasn't on the Roper list, but it isn't because they gave them the list, and they don't have it on it. He makes the point that we can't just drop the leadership point. It's not a matter of just getting along with the Chinese or having peace. The key



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of the whole China initiative is that it establishes the authority of the President. If we try, he thinks we can really get this theme across.

Then at the budget meeting, no, let's see, after the budget meeting, he got into some follow-up on some of the items he had covered in the morning meeting. He wanted me to get back to Cap Weinberger regarding his order to cut HUD, HEW, DOT and the independent Agencies. The point being to cut those in personnel by more than 10 percent, so that we can get an overall 10 percent cut. He wants Cap to give the President a list of the uncontrollables, where legislative recommendations could be made to reduce them, and especially where they're politically desirable for us to cut. He feels that now is the time for us to do dramatic things in the domestic area, to our constituency. He sums up the basic budget thing by saying we've got to come in with: first of all, a lower budget; secondly, a tax reform with a little reduction in taxes included; and third, a 10 percent cut in federal employees. If we can develop that combination, we'll be in good shape.

He then got onto my cutting the Secret Service by 10 percent, also Rex Scouten and the household staff, and he wants to make sure Kissinger and the Vice President both know that they, too, have to cut at least 10 percent like the rest, as we do in the overall White House staff.

He told me to get to Ehrlichman and have him work out a recommendation for legislation on busing that will enable him to take direct action, either a constitutional amendment, an executive order, or a law. Then he wanted to get the whole PR group in to push on the man you can trust with world leadership question.



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For the afternoon budget meeting, the basic subject was domestic policy budget, and the presentation was by Ehrlichman and his people. The President started by saying that first he wanted them to reexamine all pollution bills in terms of their current economic effect and put the brakes on where we can, without getting caught. He emphasized that economics and the economy is more important than undercutting Muskie. There's a dead loser in the question of jobs versus seatbelts. He also emphasized that getting credit for passing something in the way of legislation means nothing. It's not our Congress; we can raise hell with them. We won't get credit for anything that goes through; and we can turn the blame for what doesn't go through back to them, if we handle it right. He wants to be sure that Ruckelshaus is made to understand that jobs come first. Also on water pollution, he told them to prepare a veto message. If it's over \$6 billion, he'll veto it. He's not going to go for the Muskie bill. He wants to see the effect of the Muskie bill on '73 spending and jobs. Also he said to expect no health proposals to be passed this year.

He gave an order that there are to be no White House conferences any more for anything, no more commissions, no more councils. Then he said to prepare the veto message for the Economic Opportunity Act, which comes up in June of '72. He wants the Republicans to start working now on the Economic Opportunity Extension, load it down so he can easily veto it.

Ehrlichman's group then made their presentation on what they considered to be the major issues, going on the thesis that ideology is not important to voters, but issues specifically are. They came up with their main issues being jobs, taxes and inflation, crime and drugs, and then some specific issues for special areas: veterans, agriculture, environment, education, aging, and health. The President established the rule that we should work the good areas, but don't write anyone off. Then they determined that the key states are California, Wisconsin, Illinois, Indiana, Ohio, Missouri, Texas, Tennessee, New Jersey, Virginia, North Carolina, and Florida. And their whole



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presentation was based on that concept. Regarding jobs, there are basic problems in California and New Jersey, and moderate problems in Wisconsin, Illinois, Indiana, Ohio, Tennessee, and Missouri. No problem at the present time in Texas, Florida, North Carolina, or Virginia. It appears that we can clear up all of these, except leaving a moderate problem of California, Tennessee, and New Jersey, if we can get to 4.5 percent unemployment. Taxes will be discussed at the special session tomorrow. Inflation, they made the point it's increasingly difficult to achieve reductions that will cut inflation. And the President said well we'll consider the plan of wage and price controls in January, but nothing until then.

Regarding crime, it was pointed out that over half the violent crimes are committed by teenagers; that the best things we can do are code reform, gun control, and criminal.

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July 23rd continued. I'm in the middle of the second budget meeting on domestic policy and in the middle of the section on crime. Point here is that we can concentrate on getting credit for the good results that we are producing. The President raised the question about prisons and what to do, saying they're a horrible disgrace and we have to do something, not worry about it too much now because there's no political value in it, but it's something we do need to handle. We need to focus on juvenile delinquency, and the President ordered them to get the whole juvenile question out of HEW and move it to Justice. This turns out to be a potent issue in the key states, because



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one-third of the crime is committed by one-eight, in the areas inhabited by one-eighth of the population. This clearly is potentially our plus issue.

Next one is drugs. Basically our job is supporting the present program, along with the tougher international line. We need to prove that our program's effective. Important thing is to keep talking about it, underscore the personal identification of the President with the issue. We have to find a way to identify it. At this point, the President made the comment that, "It repels me to demagogue things, except in major areas," which practically broke Connally up, although President didn't notice it.

On veterans, they feel we can create an issue here that will do us some good. The Vietnam veterans have been overlooked, and the key is to move more things to them. Personally, I think this is a lousy idea and a waste of time and money, but except for some cosmetic-type stuff like Ehrlichman has an idea of sending them a special card that gives them some kind of treatment, special attention, and this card would be sent from the President, which does sound like a good idea.

On environment, the key is to balance between environment and economy.

On agriculture, the farmers feel forgotten, but we're dealing with a two-sided coin here on prices: if we get them up for the farmer, we also raise the cost of living.



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Education came in for quite a little discussion. They proposed the voucher plan and tax credits, discussed going for a constitutional amendment for private education support. We need to weigh where things hurt versus where they help. There's a real opportunity here; we should move on it now. At this point, the President said maybe the way to solve it is to repeal the Fourteenth Amendment.

On aging, we have some big opportunities in terms of population concentration in Florida, Missouri and Illinois, and moderately so in California, Texas, Tennessee, Wisconsin, Indiana, Ohio, New Jersey, Tennessee, Virginia, and North Carolina. This is something we need to hypo in the Midwest, and it's fertile ground politically, where there's no ground for us politically with the minorities. We need to do some checking on the question of the appeal of letting old folks earn more money.

On health, we got into a by-play regarding Mills, and the President's theory was to let Mills get credit for the things that he does, because anything that builds him helps us, because he's not a viable candidate so it takes steam away from other candidates who are. He told Connally to head up a plan to make a deal with Mills, regarding getting credit for these various things. There's no real advantage to our fighting him. We should look at each play, regarding the question of giving Mills credit. It's best to let the liberal Democrats deny him the nomination, rather than our denying it to him, and thus create another break in the Democratic Party. Ehrlichman then wrapped up on the point of the failure of our presentation of what we stand for. He emphasized the issues are not national, they're regional or local; that we need to figure out how to present them regionally, based on the point that each voter individually retains only three issues, and one of them inevitably is peace. He presented some goal themes, but they're all lousy. The President raised the question of the cost of living issue and whether we can do anything on it, and pretty much concluded that we can't. Connally raised the point of how to overcome boredom and avoid



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decadence. And he suggested the theme of the "Decade of Dedication", which would be the decade of the 70's. He made the point that man doesn't accomplish things in times of fear, only when he has faith and confidence, that we should now shift to the job to do at home, which we can do only with dedication. Ehrlichman pointed out that we're aiming at a theme with the word "new" in it.

The President then got into some comment on his reaction to the Roper poll, making the point that even with all we have now, physically and materially, people are depressed regarding the future. The end of the war will remove one of the depressants. We've got to work on drugs, but we must recognize that when they name that so high on the list, it may just be an excuse. Also though, we have a new factor: since the sixties, we have the enormous influence of the Left-Wing media, who are anti-American. Eighty percent of what they say is negative about everything, and that's where the people get their news. At the schools, the teachers used to lift the students; today they run down the country. They tell them: the system is rotten, society is no good. Ministers don't lift anymore. All the leaders are depressing: the media, the teachers, the ministers. The need in national spirit is very great, but we have a huge problem, even with the war ending.

This generation has a total negative background. Somehow we have to reach people over the media and over the leaders. We have to give some leadership, somehow. We face a concerted, deliberate attempt, in the media and the other leadership areas, by people who hate the country, who are trying to create the conditions that they describe. The negative result of the Roper poll is the result of this. Connally interrupted to say, you should say this to the people, Mr. President; no one else can set the moral tone of this country. We should have the courage of confidence. The President said we have done great things, and we have great things to do. We've got to make the point on peace and prosperity. We haven't had this, without a war, for forty years. This is



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something really new in the last four years, a new era, a challenge to keep the peace. The greater challenge: what do we do with the peace? Boredom? What do they do with the time they have? We have to have great challenges. There will be a great vacuum to fill, not just a material one. We've got to get people to realize how lucky they are to be here and to be here now; that we don't create jobs at the cost of men dying. This makes the peace issue. What is this country going to be in time of peace? We need to get a little of the spirit that Americans used to have; even right after World War II, they had it for a short time. The challenge of peace is much greater than the challenge of war. And we're going to have jobs without war. What are we going to build? It's almost impossible to get the media to carry this, because they're against it. They're not like the old muckrakers, who served a useful purpose. Now we have a new leader class that's not fit to lead. People have to believe in the country, but now we have a national obsession to care, tear the country down. This shows the necessity to focus on the main issues, the hell with the Mickey Mouse stuff. We need more than a program. The country needs a purpose. Maybe we have to demagogue it. We've been program-oriented, now we need to be purpose-oriented. So, we should bite the bullet, scrape away some of the programs, put the country in a new direction, but really do it.

Ehrlichman said we should relate all this to a key note, such as new direction. The war is over; the old programs haven't worked. We need some new directions in this country. The President made a very key point that the Liberals have let the country down, something that we can develop some. The Old Liberals used to be for things and move positively. The New Liberals are totally negative and against everything. The Liberal praise for China is for the wrong reason: they think this proves that China is right, and that we'll now have sweetness and light. That's not true. We've opened a dialogue but we have to live with, look, based on the recognition that we have to live with China, or we're going to die with them, and that's, this is hard to do, because of the other nations. We can also get the point of who gets us into war, the Liberals who are always



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meddling. For instance, they wanted us to go into Biafra, Pakistan, etcetera; they assassinated Diem, and built up Vietnam.

The establishment in terms of the intellectual elite, is decadent, and it's wrong. The President is hated so by them, because they're afraid he might beat them.

That's the end of the notes on the budget meeting. Obviously it was quite a session; it went on quite a long time, I think a little over three hours.

Afterwards the President had Ehrlichman, Weinberger, Colson, and me join him for dinner on the *Sequoia*, and we had some more conversation along some of the same lines—nothing very significant.

Earlier in the day, I talked to Bill Rogers about the President's decision to appoint Dave Kennedy Ambassador to Japan. Rogers didn't receive it very favorably, as I expected he wouldn't. Said he wanted to think about that idea. He would much prefer Dave Packard. I told him that that wouldn't work, but he said we ought to try some more.

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He makes the point that the problem here is that the relations with Japan, in the future, are going to be very rocky. And he said that his meeting with the Japanese ambassador was quite moving. He made a plea with tears in his eyes that we understand them, and, and be understanding. They have all kinds of fears, and we need to recognize them. Rogers feels we need to give them a lot of mood music. He doesn't think Sato can last. And he says their upset as hell, and we should be very careful about who we send in as ambassador.

End of July 23rd.