



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

National Archives and Records Administration, Online Public Access Catalog Identifier: 7787364

Friday, September 24th. We got into some more evaluation of the Detroit trip last night, his feeling that he needs a better director of his television. For instance, there was nobody before he went on the air, or while he was on the air, that explained to the audience the way the questions were set up, and so on. He also had a lot of thoughts on Buchanan's briefing books and the speech writing, the need to go back and get his good lines and bring them in, and that sort of thing.

At 9:00, they had a Cabinet meeting on international economic policy. The President opened it, making the point of the need for a united front and that we have to take real care of what we say to the foreigners who are here for the IMF meetings, at social events, etcetera, because they will look for ways to point up the differences within the Administration. He explained the need for us to be tough in our economic policy and completely backed Connally's line in Europe, making the point that Connally has been accused by the press of having failed there, as Dulles always was, because he didn't give away the store and come away with the foreigners happy with us.

Connally further explained the need for a tough position and pointed out why our trading partners are opposed to us, because they want to go back to fixed exchange rates. He said there were four basic points that the others raised: first, they insist on the removal of the surcharge immediately; second, they question the extent of the realignment that we want; third, they say the US must revalue the dollar by changing the price of gold; and fourth, they are concerned about how much realignment, and who gives. He says we're now holding bilateral meetings with our trading partners to work these things out.

The President made the point that we shouldn't be concerned about all the criticism. He hit George Ball for criticizing us, making the point that...



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

National Archives and Records Administration, Online Public Access Catalog Identifier: 7787364

DECLASSIFIED - E.O. 13526, Sect. 3.4: by MS, NARA, June 12, 2013
Audio Cassette 14, Side A, Withdrawn Item Number 7 [AC-14(A) Sel 5]
Duration: 3 seconds

...of course he did, he represents the Japs...

...also, the New York bankers who want it back the old way. He said, don't forget that the system we found produced an annual major crisis and the quarterly mini-crises in international economics; made the point that the US is the only country left in the free world with the capacity to lead. It's essential not to allow economic difficulties and differences to shatter the free world alliance, and he doesn't think they will. We must exercise leadership, because none of them will. We can't be as irresponsible as they have been and are. We can only lead if we are strong and sound economically, otherwise, the American people will turn inward. Said these steps we are taking, although traumatic at the time, are essential. We have to strengthen our own economic situation. Only then can an American President lead the American people towards free world trade, etcetera.

He said that beneath the surface in the US there's frustration on Vietnam, the campus problems, economic problems, the fact that we've dropped to second place in air transportation, and steel, etcetera, and as a result there is a dangerous incipient economic and political isolationism growing. We can't just preach about it, we have to get at the heart of the problem, and that's the economic problem, not just in the business community. The labor unions have now become anti-free trade, in a 180 degree turn, because they don't want to compete with foreign labor. So



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

National Archives and Records Administration, Online Public Access Catalog Identifier: 7787364

our position now is being taken because of the long-range view. We have to cure the patient in order to support our leadership position.

Dave Packard emphasized that time is a big lever for us. That we should take our time, let the pressures build up. We don't need to be in a hurry to settle. Others are more dependent on international trade than we are, so they'll have to come around to our point of view. Uncertainty will be an important factor, and we should use it.

The President said we have to remember that everybody wants to get into the US market. Connally said we'll take everyone's export; they have to have this market. We can't have a trade war, because they can't afford it. We're dealing from strength, and we're in a position to get a lot of the things we want. The President said it's popular in other countries to kick the US, even though probably the majority of people in those countries don't feel that way. It's not.

DECLASSIFIED - E.O. 13526, Sect. 3.4: by MS, NARA, June 12, 2013
Audio Cassette 14, Side A, Withdrawn Item Number 8 [AC-14(A) Sel 6]
Duration: 5 seconds

He said we now could appeal to Americans to kick the foreigners, especially the Japs and Europeans.

It's not easy to be responsible and to satisfy our constituency. Again, the point that no other nation currently can lead, so we just want to make a fair deal. He said there's a significant



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

National Archives and Records Administration, Online Public Access Catalog Identifier: 7787364

political factor that within this country there's an ominous change in the attitude of Americans; there, a growing sentiment for trade barriers, and to reduce our commitments abroad, and to call on other nations to carry the burden. A demagogue could make real headway with this to call for the US to turn inward, but the US, in terms of the interest of the interest of the world order, both military and economic, must lead. The President does not want to withdraw from his commitments; he wants to keep the American people interested in the world, and continue our military strength and our foreign assistance, work toward reducing trade barriers. That's the position we're fighting for. The key to it is for us to make progress on reducing the unfairness now of international trade.

DECLASSIFIED - E.O. 13526, Sect. 3.4: by MS, NARA, June 12, 2013
Audio Cassette 14, Side A, Withdrawn Item Number 9 [AC-14(A) Sel 7]
Duration: 25 seconds

And he told the story regarding anti-Americanism. Magsaysay, who was talking with a, regarding a bitter enemy of his who was a Philippine Senator, and Nixon said, how does that Senator always win his elections? He's always kicking the United States. And Magsaysay said the sure way to success is to give the Americans hell but don't drive them away.

The President closed on the note that we should remember that a smile costs nothing, and that's all we'll give them.

There was some further discussion on the Supreme Court question today, now that he has a second seat, which was announced, the Harlan resignation was announced yesterday. The



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

National Archives and Records Administration, Online Public Access Catalog Identifier: 7787364

President had a talk with Mitchell on the phone at midday, reviewed the Court situation, wants to send up his nominations next week before he gets into his series of international announcements. Agreed with the Attorney General we should do the two together. He's figuring on Poff as the first one, was very intrigued with the AG's recommendation of Mulligan of New York for the second man. As an Irish Catholic, former dean of the Fordham Law School, very conservative, etcetera.

He then went out for a golf game with the AG this afternoon. And there's been no contact this evening, as he's getting ready, I'm sure, for the weekend trip.

End of September 24th.