



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

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Monday, November 15.

The staff meeting this morning got into the continuing resolution problem again, and right after the meeting, I got with Shultz, Weinberger, and MacGregor for a long session on trying to work out what we do. The problem is that tonight is the expiration and legally we can't go ahead with expenditures on OEO, foreign aid, Defense, military procurement and District of Columbia operations. The option is either to get an agreement from Mahon and Ellender and go with their assurance that they'll make this legal retroactively; but the problem is we get trapped. Continued on the next tape.

[End of tape reel AC-15(B)]

[Begin tape reel AC-16(A)]

Continued. I was going over the problem on the continuing resolution and the fact that if we go along with Mahon and Ellender's assurance that they'll make it legal retroactively, we get trapped in that the President has to sign the ultimate bills even though some of them may be candidates for vetoes, but he'll have to sign them in order to make his actions in the interim legal.

The President asked me to get Connally's view on this, and he said we should take the hard line. That first, we are in an indefensible position: if we violate the law and box ourselves in, we'll be forced to make decisions that we should not make. Second, we have a breakdown in government operations. The Senate is acting irresponsibly. We have to run against Congress anyway. We should hit a few obstructionists for venting their anger in an irresponsible way. A tangible positive ingredient is the President as a strong decisive leader. He has to draw the distinction, praise the House, and so forth. The problem here is that, if we take the hard line and they don't



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go with the continuing resolution, then we have to cancel expenditures or halt expenditures as of midnight tonight; and on that basis, the government will, in effect, collapse, and that then becomes blamed on the President.

Shultz called Ellender from our meeting and basically showed him down. He came up afterwards with the fact that Ellender has a very hard strategy. He'll give us all kinds of commitments on making it legal, and he volunteered a five day continuation. Basically he's burned up because the House is going out for ten days, and he wants to put their feet to the fire and force them to pass the authorization bills. Also he wants to hold the President to the fire and force him not to veto. So we agreed that we couldn't go along with the five day extension. The net result was the President called in the big four leaders plus the four chairmen and ranking members of Appropriations of both houses and really laid the law down to them very firmly. As a result of which, Ellender backed off, agreed to pass a continuing resolution by Wednesday, and on that basis, we're going ahead with expenditures.

The President got into a discussion with Flanigan and me this morning on appointments -- several key ones, particularly Federal Reserve, where Connally wants Earl Coke appointed. The President wants to have someone close to Connally, that Connally can control, rather than Arthur controlling him. He's not worried about it being a Democrat, if the guy will do the job. Flanigan suggested Congressman Stuckey, which appealed somewhat to the President. On NATO, he likes Mansfield, Sprague or John McCloy, who Henry is exploring at the moment. Another possibility there would be Walter Thayer. Also he bought Hoyt Amadon for Japan, with Thayer as an alternative and George Champion as a possibility.

He then urged that we push on getting Mitchell to go on Stans right away, so that we can move Peterson over to Commerce, which he feels is essential in spite of the Attorney General's desire to try to put someone in that we can make some political hay out of. Later, he had Ehrlichman in on budget and general domestic plans. He said he wanted to do a poll that would determine whether the public would favor a sales tax if the funds were to be used for education or for



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adequate defense or for reducing property tax. He said he's inclined to go for the 4 percent value-added tax -- not for new initiatives, but basically use it to balance the budget. He told John to set up a meeting with Ehrlichman, Shultz and Connally and the President to sit down and decide on the budget as a fundamental political decision. He wanted Ehrlichman and Shultz to brief Connally first. The President made the point that if Connally isn't briefed ahead of time, he's wrong half the time on his decisions, just as the President is wrong half the time. He explained to John that there's going to be a problem in terms of the President's time in the future, because he's got three foreign meetings before China, and from February on, he's dead regarding time availability, because he's got to spend all the time planning for China.

This afternoon we had a Cabinet meeting that started while the President was still meeting with the Congressional group, so Rogers presided since the Vice President was in California. It was a total disaster since the principal agenda item was John Volpe first reporting on his Transpo '72, which is a transportation exposition at Dulles airport, and from there he went into a report on his recent trip to Europe. Each presentation went about 20 or 25 minutes and was incredibly dull. The President arrived before the second Volpe presentation. Then following that, he tried to ease into a farewell thing to Hardin, which was rather awkward, and Hardin walked into the middle of it with a display of marijuana poppies and a few extraneous matters. The President did finally get around to telling Cliff he was presenting him with his chair, and told a little story about Nebraska football and the fact that Hardin had recruited Bob Devaney which was what made Nebraska number one. Then Hardin gave a little speech about how things aren't as bad in the Corn Belt as everybody's saying. He came up with some recommendations on how the President could deal with the farm people, and on that rather straggly note, the Cabinet meeting ended.

End of November 15.