

JULY 24, 1967 - 6:07 p.m.

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DEMOCRATIC CONGRESSIONAL  
LEADERSHIP

Vice President  
Speaker McCormack  
Congressman Albert  
Congressman Boggs  
Senator Mansfield  
Senator Russell Long

Senator Robert Byrd  
PostMast Gen.  
O'Brien  
Joe Califano  
Tom Johnson  
George Christian

MEMORANDUM

20  
THE WHITE HOUSE

WASHINGTON

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July 24, 1967  
9:00 p.m.

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MEMORANDUM TO THE PRESIDENT

FROM: <sup>Tom</sup> Tom Johnson

Attached are the notes taken at the President's meeting with the Congressional leadership today in the Cabinet Room.

The meeting began at 6:07 p.m. It ended at 6:50 p.m.

Attending the meeting:

The President  
Vice President  
Speaker McCormack  
Congressman Albert  
Congressman Boggs  
Senator Mansfield  
Senator Russell Long  
Senator Robert Byrd  
Postmaster General O'Brien  
Joseph Califano  
Tom Johnson  
George Christian

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BY DCH ON 12-11-81

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NOTES FROM THE PRESIDENT'S MEETING WITH THE CONGRESSIONAL  
LEADERSHIP, JULY 24, 1967, IN THE CABINET ROOM

The President opened the meeting by reading to the leadership a UPI ticker item. The article concerned a GOP policy stand. The ticker item follows:

"Republican Party leaders called big city rioting a national crisis today. They demanded a full investigation by Congress and more forceful action by President Johnson.

'We are rapidly approaching a state of anarchy and the President has totally failed to recognize the problem,' the Republican coordinating committee said in a statement unanimously approved by the members present, including Former President Eisenhower.

The Committee is made up of former Presidential nominees, GOP Congressional leaders, governors and other top party officials.

'Widespread rioting and violent civil disorders have grown to a national crisis since the present Administration took office,' they said in a three-page statement.

'The Principal victims to date have been the Negroes of America whose cause is betrayed by a few false leaders,' the Committee said.

It also claimed that police had uncovered 'factories for the manufacture of Molotov cocktails,' but the location of such places was not given.

At a news conference at which the statement was released, Senate GOP leader Everett Dirksen refused to identify the locations but said 'We shall sustain this charge.'

The Committee said there was mounting evidence to indicate that the riots 'may be the result of organized planning and execution on a national scale.'

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President Johnson was asked 'to withdraw his objection' and to throw his weight behind a Republican-sponsored anti-riot bill approved by the House to outlaw interstate travel to incite violence.

Another recommendation called on Congressional leaders to establish a joint committee immediately to investigate 'the planning, organization, method of operation and means to bring an end to rioting and civil disorder.'

'The nation is in crisis and this Administration has failed even to make a proposal to protect our people on the streets and in their homes from riots and violence,' the Committee said. 'The most basic of civil rights is being denied to the American people.'

Its statement pointed to Detroit's current riots as tragic proof of the national nature of the crisis because the President had sent federal forces to the area.

'How many millions of people must be made homeless, how many thousands wounded, maimed or killed over the years before the President will support or approve legislation to restore order and protect the people of this country?' the Committee asked.

House Republican leader Gerald R. Ford denied that the GOP was seeking to make a partisan issue of racial disturbances.

Asked if the statement was blaming the Johnson Administration for the disorders, Dirksen replied, 'I'm saying nothing of the kind.'

Ford expressed the belief that there was a pattern to the rioting. He quoted Stokely Carmichael, a Black Power Leader, as saying that the Negro black power movement was going to take over Washington, D. C. this year."

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The President then shifted to a discussion of the tax increase and his plans to send a bill to the Congress very soon. The President reviewed the expenditure and revenue figures. Highlights of that series of figures include:

\$8 billion original budget deficit

\$7 1/2 billion added expenditure over original estimate

\$7.1 billion decrease in revenues

Total \$22 billion deficit

The President said this could go as high as \$28 billion if the tax bill now before the Congress is not passed. The President said significant reductions could be made if the Federal pay bill were not passed, if the participation certificates could be approved, and if the current tax message were passed. These steps would cut back to approximately \$18 billion the total deficit.

The President urged leaders to hold civilian expenditures to the original budget request. The President said this means that we cannot add to education, health and poverty programs the way some would like.

The President said Secretary McNamara will try to reduce Defense expenditures back to the original budget figure. The President said that he has submitted his recommendations to the Congress and that they have been there for six months without any action on them. The President said he had talked with Labor leaders, Farm leaders and about 80 corporate executives, most of whom favored tax increase. The President said he met today with the Council of Economic Advisors, the Secretary of Treasury, the Secretary of Commerce, the Secretary of Labor, and the Secretary of Defense. The President said all agreed that a tax increase was necessary.

The President emphasized the absolute need to keep this information strictly confidential until further action is taken. The President indicated that his request may be for more than the original 6% surcharge on personal and corporate taxes and that the message may call for a surcharge as high as 10%.

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The President then reviewed with the leadership a bill before the House to support the Inter-American Development Bank. Barefoot Sanders outlined the expenses which would be incurred by U.S. participation in the Inter-American Development Bank. The President pointed out that the Latin American countries had helped us in the United Nations on the Middle East issue. The President pointed out it would be a loss for us and the hemisphere and our foreign policy were we not to support the Bank as proposed.

The President then discussed on a strictly confidential basis the fact that serious tensions are developing in the District of Columbia which may lead to "a very bad situation." The President said the Attorney General is keeping an eye on developments.

It was pointed out that the reorganization bill is now pending before the Congress, that the President wants to get the best municipal manager in the country in to deal with the District's problems, and that the President wants to make the District a "Model Government."

Returning to the riot situation, the President said that local order is a local proposition. The President said the FBI had found no evidence of outside intervention in the riots and "no shred of evidence" of Communist participation. The President said he had sought to alleviate some of the unrest through the model cities bill, the poverty bill, rent supplements and the rat control bill. The President said that Congress spends millions "worrying about little calves but not about little kids." The President also said that the Safe Streets Bill was designed to get to the root of some of the problems. The President then read a statement for use by the Speaker and by the Majority Leader.

Congressman Albert pointed out that the House is going to cut Foreign aid and the Poverty Program very severely, particularly in view of the fact that the President intends to send a tax message to the Congress. The President and the leadership agreed that the Congress would use the tax bill as an excuse to make cuts in their favorite areas.

Senator Mansfield said the President should send up a 10% tax increase instead of the 6%, pointing out that the President will have

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as much trouble with one as with the other.

Speaker McCormack concluded the meeting by saying that he thought a meeting with the House Committee Chairman would be beneficial. The President had advised the leadership that he intends to meet Tuesday night with the Senate Committee Chairmen.

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