

JULY 31, 1967 - 5:46 p.m.

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DEMOCRATIC CONGRESSIONAL LEADERS

Sen. Mansfield
Sen. Long
Sen. Byrd
Sp. McCormack
Rep. Albert
Rep. Boggs

Mike Manatos
Barefoot Sanders
Geo. Christian
Joe Califano

85.1.47

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

July 31, 1967

9:00 p. m.

75

MEMORANDUM FOR THE PRESIDENT

FROM: ^{Tom} Tom Johnson

Attached are the notes of your meeting with the Democratic Congressional Leadership in the Cabinet Room on July 31, 1967

Those attending were:

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| Senator Mansfield | George Christian |
| Senator Long | Joe Califano |
| Senator Byrd | |
| Speaker McCormack | |
| Congressman Albert | |
| Congressman Boggs | |
| Mike Manatos | |
| Barefoot Sanders | |

The meeting started at 5:46 p. m. The meeting ended at 6:35 p. m.

Attachment

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Meeting began: 5:46 p.m.
Meeting ended: 6:35 p.m.

NOTES OF THE PRESIDENT'S MEETING
WITH THE
DEMOCRATIC CONGRESSIONAL LEADERSHIP

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IN THE CABINET ROOM
July 31, 1967

I. Taxes

The President said that since January 1 there have been changes in the budget which will result in an \$8.1 billion deficit. Without a tax bill, there would be an additional \$5 billion added to the deficit. There has been a decrease of \$7 billion in revenues. There has been an \$8 1/2 billion increase in expenditures, resulting in a total potential deficit of \$28 billion.

The President said his advisors suggest that \$7 1/2 billion should be raised in taxes. The President urged that Congress hold back on a pay bill to the budget request. The President said he would seek to cut \$2 to \$4 billion to appropriation measures once they are sent to the President. The President said that Congressman Burns supports the tax increase, and Congressman Mills doesn't know whether he is going to support one or not.

Congressman Boggs said there has never been a war when the Congress didn't raise taxes.

Congressman Albert asked if the Congress could completely hold the pay raise.

Congressman Boggs said the pay bill must be held in committee. If it gets out, he said that considerable difficulties would result.

Senator Mansfield said that the President should tell the Congress that it must face up to the situation. Senator Mansfield said he would support a 10 percent sur charge. He said the President then would have done his duty.

Congressman Boggs said that he had mentioned the full \$15 to \$18 billion as a deficit after the meetings with the President last year at the LBJ ranch. The President said that figure may be very accurate if we are able to sell the participation certificates, hold back a billion dollars from the pay bill, sell \$ one half billion from the stock piles, and get \$7 1/2 billion from a tax bill.

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Speaker McCormack said, "You do your duty and we'll do ours. If the Congress doesn't want to take the responsibility, it's up to them."

Senator Byrd suggested that the poverty program should be cut. "We are not getting 100 percent return for our dollars invested. I would not be satisfied until we make some cuts."

The President said that "I only have three appropriations bills which you have passed. You have the others at the Congress. You can cut them if you want."

The President said that only four or five businessmen out of 100 contacted oppose the tax increase. Most of the others advised going ahead. The President said he hopes that the administration also can cut departmental spending.

II. Crime Control

Congressman Albert said he saw no problems to passage of amendments to beef up the crime bill. Barefoot Sanders said the question is whether or not we should stay with the committee bill. Sanders recommended that we support the committee bill.

Congressman Albert said Congressman Cellar thinks we should go ahead with the committee bill. The President said he thought that it would be best to let nature take its course.

III. D. C. Reorganization

The President said he wanted to get a top man in to run the city. The President urged the leadership to get support for the D. C. Reorganization measure. Congressman Albert said he expects difficulties in Chairman McMillan. The President urged the leadership to talk with Republicans to get the bill passed and then assure the GOP that we would strongly consider any amendments to the measure that they care to make. The President said, "We are sitting on top of a powder keg here and I need one man to run the city."

IV. Export-Import Bill

Mike Manatos said that Senator Sparkman is ready to report the bill out next week. Senator Mansfield said that the measure would be taken up before the foreign aid issue.

V. Civil Rights Committee Extension

Senator Mansfield said he wants to get the extension out without changes. The President agreed to a suggestion by Senator Mansfield that the Senator talk to Senator Dirksen.

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