AUGUST 8, 1967 - 9:02 a.m.

Democratic Congressmen

THE WHITE HOUSE

WASHINGTON
August 9, 1967
11:00 a.m.

CONFIDENTIAL

FOR THE PRESIDENT

Tom

FROM: Tom Johnson

Attached are the notes of your meeting with Democratic Congressman on August 8, 1967 in the State Dining Room.

The meeting began at 9:02 a.m. The meeting ended at 10:40 a.m.

Attachment.

CONFIDENTIAL

Meeting began: 9:02 am Meeting ended: 10:40 am

NOTES OF THE PRESIDENT'S MEETING WITH

DEMOCRATIC CONGRESSMEN

in the

State Dining Room

August 8, 1967

312

MEETING NOTES COPYRIGHTED
Publication Requires
Permission of Copyright
Holder: W. Thomas Johnson

The President summarized the calculations which showed a potential deficit of \$29 billion unless a tax bill is passed and other adjustments in income and expenses made.

The President showed how the deficit estimates during the past four years had been within 100 million of actual.

These figures were cited:

Year	Estimates	Actual
1964	11.9	8.2
1965	4.9	3.4
1966	5.3	2.3
1967	1.8	9.9
	23.9	23.8

The President made these points when questioned about Vietnam:

- -- There is no date or time on the Vietnam conflict.
- -- The military situation and pacification are improving.
- -- Intelligence shows that we are moving up and Vietcong and North Vietnamese are moving down.
- -- Westmoreland has turned defeat into what we believe will be a victory.
- -- It's only a matter now of will.
- -- We have made progress with a constitutiont assembly, with a constitution, and now our biggest problem is the election.

[1 of 2]

MEETING NOTES COPYRIGHTED
Publication Requires
Permission of Copyright
Holder: W. Thomas Johnson

- -

CONFIDENTIA

authority (ME) (PCT) 1 wild (CNA) 3-34

MEETING NOTES COPYRIGHTED

Publication Requires

Publication Requires

Permission of Copyright

Holder: W. Thomas Johnson

- 2 -

- -- South Vietnam has agreed to lower their draft age, to add 65,000 more troops, and to double their pacification effort.
- -- We hope to get more troops from the Australians, from the Koreans, and from the Thais.
- -- There is no stalemate. We are moving along. The kill ratio is 10 to 1.
- -- A Japanese businessman said that Hanoi is in bad shape. They are using 14-year old girls as part of their work force. They are preparing trucks under trees.
- -- We will halt the bombing if they halt infiltration.

Congressman Bob Jones said it will be necessary to cut expenditures if a tax increase will be passed. He pointed out that the public works program has been doubled from \$1 billion to \$2 billion. He suggested that cuts could be made in both the public works program and the poverty programs.

The President said cuts would be made as soon as the appropriations bills are sent to the White House, wherever cuts were possible.

The question of tax loopholes was raised. The President said that he plans to send a tax reform message to the Congress as soon as the Congress acts on the tax bill. He said that the Congress had expressed its hope that the measures would be considered separately.

The need to do something more for the cities was raised. It was pointed out that some administration spokesmen were talking of a vast new federal effort. Others in the administration are talking about cuts.

The President said he did not know anybody who was talking about a vast new plan who speaks for the administration. The President pointed out that \$400 million was spent in Detroit, but that did not keep if from exploding with riots. The President then listed the programs which had been slashed by the Congress which would have helped. He cited the model cities program, the rent supplement program and the poverty program.

An explanation followed by Secretary Fowler and Gardner Ackley as to why increases in taxes will produce more revenue than a tax cut and why an profit tax was not requested.

[2 of 2]

Publication Requires
Permission of Copyright
Holian Thomas Johnson

Authority (154 1647) 14 1-44 6-14 1-53.

By (14)