33

MAY 15, 1968 - 3:04 p.m.

CABINET MEETING

The President
Secretary Rusk
Secretary Clifford
Attorney General Clark
Secretary Smith
Secretary Weaver
Secretary Freeman
Postmaster General Watson
Secretary Fowler
Secretary Udall

Secretary Cohen
Secretary Wirtz
Joe Califano
Arthur Okun
Director Zwick
Doug Cater
Walt Rostow
George Christian
Harry McPherson
George Reedy
Charles Maguire
Ernest Goldstein
Tom Johnson

MEMORANDUM

7:40 P
5/17/68

34

THE WHITE HOUSE

WASHINGTON

May 15, 1968

FOR THE PRESIDENT

FROM: Tom Johnson

Attached are the notes of your meeting with the Cabinet on May 14, 1968 in the Cabinet Room.

Those who attended the meeting were:

The President	Joe Califano
Secretary Rusk	Arthur Okun
Secretary Clifford	Director Zwick
Attorney General Clark	Doug Cater
Secretary Smith	Walt Rostow
Secretary Weaver	George Christian
Secretary Freeman	Harry McPherson
Postmaster General Watson	George Reedy
Secretary Fowler	Charles Maguire
Secretary Udall	Ernest Goldstein
Secretary Cohen	Tom Johnson
Secretary Wirtz	

The meeting began at 3:04 p. m. The meeting ended at 5 p. m.

MEETING NOTES
COPYRIGHTED

34a

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

NOTES OF THE PRESIDENT'S MEETING

WITH THE CABINET, MAY 14, 1968

CLIFFORD: There has been a change of tactics between the time of Tet and now. The wearing process is becoming too severe. They attacked 129 cities, following up only in Saigon. As Secretary Rusk said, that has not been successful. The status of our forces is good. We have superior forces in all four corps and sufficient strength in coastal areas to meet the enemy's threat. Effort in May may be the first step with another step in June and July. The enemy has been engaged in a plan to get men down. 113,000 are passing down to South Vietnam, Laos, and Cambodia. In April and May there were 66,000. We can expect the enemy will maintain a tough military posture during the time of negotiations.

RUSK: We took major step of de-escalation has been 70% of land and 90% of the population. They have done nothing.

RAMSEY CLARK: We hope they will be able to demonstrate some achievement with their march by appropriations bills coming through. The march is not organized physically. It is well designed and well built.

RUSK: I would hope the Cabinet members would not go to mass meetings to give answers to their questions. Let's do it in small groups.

CLARK: The groups would go to a department on a given day. A delegation will go in. The department will give them a release to use outside plus a more definitive document to study later.

FREEMAN: They will try to come in the building. We will have law enforcement personnel.

THE PRESIDENT: The Equal Housing law gives us problems.

McPHERSON: We are sending out a memo reminding you of Title VIII of the Civil Rights Act. It requires you to do all you can to get fair housing. It asks you to consult with Weaver and report to him.

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

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

WEAVER: We'll be in touch with you.

FOWLER: The balance of payments in the first quarter leads to one conclusion -- early enactment of the tax bill.

(1) There has been a decline in trade surplus. (4.2 billion to 1.3 billion.

There has been a rapid rise in imports due to excessive domestic demands.

(2) Some gains in the balance of payments program

(3) There would have been a surplus if it hadn't been for the rise.

The first quarter shows contribution through capital transaction measures. We must push ahead in other areas. We need decisive fiscal restraint. That's why issue is so vital before the Congress.

C.R. SMITH: Plans for travel will not have short-range benefits but will in long range.

THE PRESIDENT: I met with the Business Council last Saturday and will meet with the labor Council today to discuss tax conference report.

In this year's budget, 186 billion was the figure I said earlier I would recommend. I said I would go along with a decrease in the budget if that was the price of a tax bill.

The bill is a $10 - $8 - $6 formula. Please do not discuss this. My position was reflected in a press conference last week.

I do not think Congress will pass the $6 billion. If they did vote the $6 billion, I do not know what I would do.

We would have a $4 billion net if they passed the $10 billion tax increase with the $6 billion cut. This is not black and white.

CALIFANO: The bill requires the following employment ceiling --

<u>June 30, 1966</u>

244,000 people will be cut
153,000 from DOD
55,000 from Post Office

For every four who leave, three can be hired.

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

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

We expect a reduction of $6 billion. The ceiling is $180.1 billion.

Appropriations for 1969 should be reduced $10 billion.

The President reported and recommended $8 billion in recisions from prior years.

The revenue side was approved. The excise taxes were extended and acceleration for corporations. The 10% surcharge was approved -- April for corporations and July 1 for individuals.

Import Quotas were knocked out.

The President is required to submit the Tax Reform bill by the end of the year.

THE PRESIDENT: There are two formulas -- 2 from DOD; 4 from other agencies or 3 from DOD; 3 from other agencies.

DOD's needs are great.

ZWICK: This is a ceiling -- not a reduction. Last year we used 2% - 10% formula. We would need to get $3 billion which is the 3% - 15% formula. To get the $4 billion would be the 4% - 20% formula.

The expenditure ceiling is serious. The Post Office Department will have an expenditure ceiling.

COHEN: You will have to cut NOA as well.

ZWICK: For every one billion of expenditure, you must reserve $2 billion of NOA.

4 billion Civilian -- 2 billion DOD

Post Office	$100	
Labor	25	
HEW	925	out of $14 billion
Interior	150	
Treasury	60	
State	10	
Justice	20	
Commerce	60	
HUD	130	
Agriculture	600	
DOD	$2 billion	

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

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

Corps of Engineers 250

200 of the 270 projects will close down that are not 50% complete and it will slow down those over 50% complete.

OKUN: Just from the economic standpoint, it is an overdose -- more than we need. We prefer $4 billion over $6 billion cutback. If we had a choice, the $6 billion economy is better off with that overdose than with no tax package at all.

Tight money will bring a famine in home building. The amount of tight money would mean a bust. A risk of calamity is there. It is a costly risk we would face and it could disrupt our rising prosperity at home and be a political disaster abroad. We must get a tax bill. The economic impact of the overdose is something you don't like. It could cause a sacrifice of 200,000 jobs. We value highly the growth but we must have fiscal restraint.

Therefore, I advise to accept the $6 billion cutback if it is a choice of $6 billion or no tax bill.

THE PRESIDENT: All of us know our needs. The Secretary of the Treasury has worked hard and long for a tax bill.

FOWLER: The facts of life are hard and disappointing.

We have 150 Democratic votes for the tax increase with the tax bill alone, perhaps 175 at the most if we push it.

There are 260-270 in the House who favor reduction in expenditures in terms of general ceiling.

Some go for above $6 billion but the general sentiment is for $6 billion. This will be reflected in appropriation measures. Without the tax bill we have to go for an increase in the debt ceiling.

THE PRESIDENT: We will have to raise the debt ceiling if we do not get the expenditure reduction.

FOWLER: To the extent we do not cut down on expenditures through expenditure cuts, we will get it cut on ceiling.

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

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

We will exceed the tax ceiling up to 23 - 25 deficit if we don't get the tax bill package.

The deficit figures under administrative budget concept are 29.4 for Fiscal 68 and 31.3 for Fiscal 69. Under the unified format it would be 25 for Fiscal 68 and 23 for Fiscal 69. With the tax bill the $23 goes down to $3.

What we are confronted with is a reduction of the deficit by $20 billion or not in a disagreement over only $2 billion.

It is a trade of a $10 billion tax increase for $6 billion reduction of expenditures.

THE PRESIDENT: The higher the deficit the stronger the urge to cut.

FOWLER: We do not know what the next five or six months will show. We can resolve specific questions following the passage of the bill. The appropriations process is flexible.

RUSK: Even if the bill contained a $6 billion cut, it is possible they would want to cut $6.

FOWLER: Yes.

THE PRESIDENT: They will put back a lot -- such as school funds.

Most Congressmen say they may increase appropriations.

97.7 billion was my first budget. My second was 147.4 billion. We've added 50 billion or 35%. The new budget concept is 118.7

The Senate passed the $6 billion. If they knew where it was coming from, they would not have passed it.

Eighty of one hundred would say if you have a choice of $10 tax with $6 cut, they would take it.

OKUN: I think that would be 90 out of a hundred.

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

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

RUSK: It would be grave if we had no tax bill. We need that tax increase.

CLIFFORD: We have a tight budget. McNamara called it the "tightest ever."

I have been doing everything differently

More migs
More choppers
More subs
More planes

There is a thrust of congressional desire in the other direction.

Nuclear superiority over Soviet Union is in question.

A thin line ABM system is questioned.

I appointed a group to study where this money could come from. We are looking at programs. We need to know what the figure is.

THE PRESIDENT: What about employment ceilings?

CLIFFORD: We have been getting the military out of civilian jobs.

Whatever has to be done must be done. That is the way I feel. The cost would be immeasurable.

WATSON: Personnel is a real problem.

The difficulty is that mail volume has increased to 8 billion.

The population is up 7 million.

Homes receiving mail is up to 4 million.

Rural mail is up 660,000.

Business mail is 388,000.

Postal rates are up 20%.

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

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

It would eliminate 32 days out of a year of postal service.

There was only $767 million in the President's budget included for the Post Office. This would cut $678 million of that or an 88.4% reduction.

There is a law which states the Post Office Department cannot produce a profit.

This would close the windows one day a week and eliminate all work on Saturday and Sunday. Therefore, I would like to talk to the Committee on this. I would sign the bill and I will work out the details on my department's problems.

FREEMAN: What would happen if we let the dollar find its own place.

FOWLER: I can't predict. We have got to protect our own economy. It would put trade through a long, dark tunnel and it would involve abandonment of our pattern of economic growth.

THE PRESIDENT: Many members of Congress are against a tax bill.

I don't know what's right now.

(1) We have got to have debt ceiling raised.

(2) How does our own bill come down here if they know there is not going to be a tax bill?

CLARK: All realities show we must go forward with our work in the cities. We are in May. I would have to have more sense of grave peril before I would deter what we are doing in DOD and in the cities. Consequences in the cities are grave.

THE PRESIDENT: All agree we need to do more.

C.R. Smith: I am 100% in favor of tax bill.

If it gets too tight, go up and ask for a supplemental.

We can do it. I recommend $10 - $6 enthusiastically.

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

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

WEAVER: The tax bill is a must. The problem of the cities is great. $130 million is too much. We will take on an immediate risk.

I'm ambilivant.

THE PRESIDENT: Will we do less with a tax bill or without a tax bill?

WIRTZ: I am very much against. I would not make $4 billion or $6 billion. I am completely against it. I would urge against across-the-board principle.

Let's make priority decisions.

What is at issue is the question of government function. The country hasn't the guts to tax itself when it is called upon to do so. Let's make it clear that the country must do this together at a time of affluence.

I would go through rigors

-- political
-- economic
-- dollar

Pay no price.

UDALL: I wo uld go most of the way with Wirtz.

Marvin should have a press conference.

I think $6 billion means a disaster.

The cold shower treatment is what is needed.

THE PRESIDENT: If we conclude we shouldn't go with the conference report, okay. I hate to throw the only chance I've got away.

I will do damn near anything to get a tax bill.

UDALL: If you feel you have to go with what you've got, let's play it straight.

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

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

COHEN: Education and health cuts will be serious. We should tell them it is tragic. Let's put it on. I would take the tax bill rather than no tax bill.

THE PRESIDENT: I intend to have them put it back.

COHEN: There would be no loans for higher education. I would cut Hill-Burton in half.

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

MAY 14, 1968

CABINET MEETING

MEETING NOTES COPYRIGHTED

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

Clifford:

Change of tactics between time of Tet and now. Weaving Process becoming severe. They attacked 129 cities, following up only in Saigon. As Sec. Rusk said, that has not been successful. Status of our forces is good. We have superior forces in all four corps and sufficient strength in coastal areas to meet the enemy's threat. Effort in May may be 1st step with another step in June & July. Enemy has been engaged. Plan to get men down 113,000 are passing down to SVN, Laos, and Cambodia. 66,000 in April and May. We can expect enemy will maintain tough military posture during time of negotiations.

Rusk: We took major step of deescalation: 78% of land
90% of population
They have done nothing.

Ramsey Clark

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

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

We hope they will be able to demonstrate some achievement with their March by appropriations bills coming through. The March is not organized physically, it is well designed & well built.

RUSK: I would hope CABINET members would not go to MASS meetings. to give ANSWERS to their QUESTIONS. Let's do it in small groups.

CLARK: Groups would go to a department on a given day. A delegation will go in. The department will give them a release to use outside plus a more definitive document to study later.

FREEMAN: They will try to come in building. Will we have law enforcement personnel

PRES: EQUAL housing law gives problems.

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

McPHERSON: Sending out memo reminding you of Title 8 of C.R. Act. Requires you to do all you can to get fair housing. Asks you to consult with Weaver and report to him.

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

WEAVER: We'll be in touch with you.

FOWLER: Balance of Payments in 1st quarter lead to one conclusion— early enactment of ~~tax~~ bill

① → Decline in trade surplus

4.2 billion to 1.3 billion in Ann

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

→ Rapid rise in imports due to excessive domestic demand.

② → Some gains in B of P program

③ Would have surplus if had not been for rise

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

1st quarter shows contribution through capital transaction measures. We must push ahead in other areas. We need decisive fiscal restraint. That's why issue is so vital before Congress.

C. R. Smith

Plans for travel will not have short-range benefits. Will in long range.

Pres -

will meet with

I met with Business Council last Saturday and Labor Council today to discuss tax conferend report.

186 b in this years budget was the figure I said earlier I would recommend I said I would go along with a decrease in budget. If that was price of a tax bill.

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

[redacted]

Bill is a $10-$8-$6 formula. Please do not discuss this. My position was reflected in a press conference last week.

I do not think Congress will pass the $6 Billion. If they did vote the $6, I do not know what I would do.

We would have $4 Billion net. if passed $10 Billion tax increase with $6 Billion cut.

This is not black + white.

CALIFANO:

① Bills requires employment ceiling June 30, 1966

244,000 people will be cut
150,000 from DOD
55,000 from P.O.

For every 4 who leave, 3 can be hired

② Exp reduction of $6 Billion
180.1 billion ceiling

[redacted]

MATERIAL MAY BE PROTECTED BY COPYRIGHT LAW
Title 17 U.S. Code Requires
Notice of Copyright
Dolly W. Thomas Johnson

③ Appropriations for 1969 should be reduced $10 billion.

④ Pres. reports recommends $8 billion in recisions from prior years.

⑤ Revenue side was approved.

Excise taxes extended
Acceleration for Corporation
10% Surcharge Approved
April 1 for corporations
July 1 " individuals

⑥ Import Quotas knocked out.

⑦ Pres. required to submit Tax Reform Bill by end of year.

Pres—
2 formulas—
2 from DOD
4 from other Agencies
Or
3 from DOD
3 from other Agencies

MATERIAL MAY BE PROTECTED BY COPYRIGHT LAW
Title 17 U.S. Code Requires
Notice of Copyright
Dolly W. Thomas Johnson

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

DOD needs are great.

Zwick:

This is a ceiling — not a reduction. Last year we used 2%–10% formula

We would need to get $3 billion
3%–15%
To get $4 billion
4%–20%

- Expenditure ceiling is serious
- Post Office will have expenditure ceiling.

Cohen: You have to cut NOA as well.

Zwick — For every 1 billion of expenditures, you must reserve $2 billion of NOA.

COPYRIGHTED
Material Requires
Permission of Copyright
Holder: W. Thomas Johnson

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

4 Billion Civilian — 2 Billion DOD

P.O.	$100
LABOR	$25
HEW	$925 out of $14 Billion
INT	$150
Treas	60
State	10
Justice	20
Commerce	60
HUD	130
Ag	600
DOD	$2 Billion

* Corps of Engineers 250
200 of 270 projects
{Will close down + slow down
those not 50% complete} than over 50%

Okun:
Just from economic standpoint, it is an overdose — more than we need. We prefer $4 Billion over $6 Billion cutback. If had choice, of $6 Billion economy is both off with that overdose than with no tax package at all.

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

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

Tight money will bring famine in home building. And of tight money would mean a bust. Risk of calamity is there. It is a costly risk we would face. It could disrupt our rising prosperity at home and be a political disaster aboard. We must get a tax bill. Economic input of overdose is something you don't like. It could cause a sacrifice of 200,000 jobs. We value highly growth But we must have fiscal restraint.

Therefore, I advise to accept the $6 billion outback if it is a choice of $6 billion cut or no tax bill.

Pres- All of us know our needs. Sec. Treas has worked long and hard for tax bill

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

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

Fowler – Facts of life are hard + disappointing

We have 150 Dems votes for tax increase with tax bill alone, perhaps 175 at most if we push it.

There are 260-270 House who favor reduction in expenditures in terms of general ceiling.

Some go for above $6 billion but general sentiment is for $6 billion. This will be reflected in appropriation measures. Without tax bill we have to go for increase in debt ceiling.

Pres Have to raise debt ceiling if we do not get expenditure reduction.

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

Fowler: To extent we do not cut down on expenditures through 105
expenditure cuts we will get it cut on

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

ceilings.

We will exceed tax ceilings up to 23-25 deficit if don't get tax bill package.

Deficit figures, under administrative budget concept
29.4 for fiscal 68
31.3 for " 69

~~Unified format~~ gives:
25 for fiscal 68
23 " " 69

With tax bill, the $23 goes down to $3

What we are confront with is reduction of deficit by 20 billion or not in a disagreement over only $2 billion.

It is trade of $18 billion tax increase for $6 billion reduction of ~~ex~~ expenditures.

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

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

Pres- The higher the deficit
the stronger the urge to cut.

Fowler: We do not know what
next 5-6 months will
show. We can resolve
specific question follows
passage of bill.

Appropriations process
flexible.

Rush: Even if bill contained
$6 billion cut, it is
possible they want
cut $6.

Fowler: Yes

Pres: They will put back a lot—
such as impacted school
funds.

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

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

Pres- Most Congressmen say
they may increase appropriations

97.7 billion was my 1st budget
147.4 billion is my

We've added 50 billion
35%

Have Next budget tonight. new Pres.
118.7
186.1
67. [illegible]

The Senate passed $6 billion.
If they knew where it was
coming from, they would
not have passed.

80 of 100 would say if
you have choice of
10 tax cut with 6 cut
they would take it

Okun - 90 of 100

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

MEETING NOTES COPYRIGHTED
Property of Requires
Permission of Copyright
Holder: Thomas Johnson

Rusk: It would be grave if we had no tax bill.

We must start that we need tax increase

Clifford: • We have tight budget McNamara called it "tightest ever."

• I have been doing everything differently
More M16
More Choppers
More Subs
More Planes

• Thrust of Congressional desire is in other direction

• Nuclear superiority over Soviet Union is in question

• Thin line ABM system is questioned

MEETING NOTES COPYRIGHTED
Property of Requires
Permission of Copyright
Holder: Thomas Johnson

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

I appointed a group to study where this money could come from.. We are looking at programs. We need to know what the figure is.

Pres - what about employment ceiling

Clifford: We have been getting military out of civilian jobs.

153,000 jobs - I do not know where that would come from. Group sits & shakes its head over that

Whatever has to be done must be done. That is the way I feel

Cost would be immeasurable.

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

SERVICE SET

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

Watson: — Personnel is problem.
86,942
— Difficulty is that mail volume has increased 8 billion
— Population up 7 mm
— Homes receiving mail 4 mm
— Rural mail up 660,000
— Business mail 358,000

Postal rates up 20%

It would Eliminate 32 days out of year of postal service

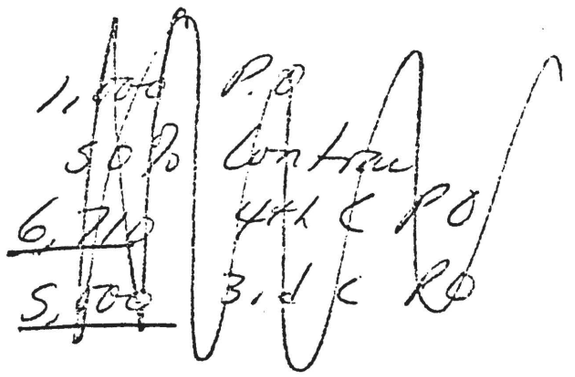
There was only 767 million in Pres budget included for Post Office.
This would cut $678 mm of that or

an **88.4% reduction**

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

MATERIAL NOTES COPYRIGHTED
Permission Requires
Registration of Copyright
Mrs. Thomas Johnson

There is a law which states P.O. Dept cannot produce a profit



Close windows 1 day / week.

Eliminate all work on Sat & Sun

Therefore I would like to talk to the Committee on this. I would sign it. I will work out the details on my problem.

MATERIAL NOTES COPYRIGHTED
Permission Requires
Registration of Copyright
Mrs. Thomas Johnson

SERVICE SET

MEETING NOTES COPYRIGHTED
Date Requires
Permission of Copyright
Holder Thomas Johnson

Freeman: What would happen if we let the dollar find its own place.

Fowler: I can't predict. Protecting our own economy.

But would lead through long dark tunnel.

It would involve abandonment of pattern of economic growth.

Pres— Many members of Congress are against a tax bill.

→ I don't know what's right now.

1- Got to have debt ceiling raised.

MEETING NOTES COPYRIGHTED
Date Requires
Permission of Copyright
Holder Thomas Johnson

-2- How does own bill come down here if they know there is not going to be a tax bill.

Clark: All realities show we must go forward with our work in the cities. We are in May. I would have to have more sense of grave peril before I would deter what we are doing in DOD and in Cities. Consequences in cities are grave.

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

Pres: All Agree we need to do more.

Smith: I AM 100% in FAVOR of TAX bill.

If it gets too tight, go up and ask ~~for~~. a supplemental.

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

We can do it.
I rec. 10-6 enthusiastically

Weaver TAX Bill is most. Problem of cities is great. $130 ~~mm~~ is too much. We will take on immediate risk.

111

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

I Am Ambivalent

P— Will we do less with tax bill or without.

Wirtz: I Am very much against

I would not make $4 billion or $6 billion.

I Am completely Against it.

I would urge against across-the-board principle.

Let's make priority decisions

What is at issue is question of government function. Country hasn't guts to tax self when it is called upon. Make it clear that country must do this together at a time of affluence

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

SERVICE SET

I would go through rejor
- political
- economic
- dollar.
Pay no price.

COPYRIGHTED
Wright
Thomson

Udall

→ I would go most of way with Wirtz.

→ Morrin should have press conference.

→ $6 billion means disaster

→ Cold shower treatment is what is needed.

Pres - If we conclude we shouldn't go w/ conference report, O.K. I hate to throw only chance I've got away
- housing

COPYRIGHTED
Wright
Thomson

COPYRIGHTED
Permission Requires
Permission of Copyright
Holder: W. Thomas Johnson

I will do damn near anything for a tax bill.

Udall - If you feel you have to go with what you've got, let's play it straight.

Cohen - Education & health cuts will be serious. We should tell them. It is tragic. Let's put it on

→ I would take tax bill rather than no tax bill

Pres - I intend to have them put it back.

Cohen - There would be no loans for higher education

I would cut Hill Burton

i/c

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

SERVICE SET