

20

~~12~~
1

NOTES OF THE LUNCHEON OF THE PRESIDENT
WITH BUSINESS LEADERS

In the Mansion
September 1, 1967
1:40 p. m.

The President told the group that the country now faces some great problems, including Vietnam "and a good many others which are fringe benefits that flow from Vietnam."

On Vietnam, the President said the question was out to achieve maximum effort for minimum cost.

He said there is a revolution in the cities, where 80% of the people live. We have undertaken a good many reforms, such as an increase from \$8 billion to \$25 billion in federal spending for both health and education during the past 3 1/2 years. Still, he said, there are numerous problems in the cities.

Despite all of this, "we have had a good many nice things happening to us lately." He noted the German troop situation, and pointed out that the poll in Germany showed 72% favored closer relations with the U. S. , compared with 40% in April. He said the Glassboro Conference and the tabling of the NPT agreement were also significant developments.

The President commended Secretary Fowler for the international monetary agreement, referring to it as "the best news since Bretton Woods."

On cities, the President said he is trying to take federal properties and lease them or give them to housing authorities, so that they can issue tax-exempt bonds and try to build private housing rapidly. He said the rent supplement program would also help, pointing out that this was a proposal of the U. S. Chamber of Commerce in 1937. Model cities was also cited as a step toward improvement of urban areas.

"We now have pending \$7 billion in city programs. This gives a little time until we can rebuild our cities."

Harding Lawrence of Braniff commented that the President's friends wanted him to be positive in his progressive programs, and wanted to help.

At the request of Mr. Wilson, Secretary Fowler explained the need for the monetary agreement just concluded. The Secretary said that all of us trade and buy as individuals if we have reserves in the bank to call on. Nations find that money supply is important to a steady growth of

goods and services. If nations fall into a balance of payments deficit, they must pay the bills out of reserves. Today there are reserves equal to five months of world trade. The availability of an increasing quantity of gold reserves is basic protection from events such as occurred in 1930. Fowler said the efforts for a monetary agreement began in the summer of 1965.

Mr. Gilbert asked the President what the position of the U. S. would be after the Vietnam elections.

The President said there would be no change in the U. S. policy, that it is still basically the determination to prevent the Communists from taking over that part of the world, and living up to the SEATO treaty. He discussed the program of the war, pointing out the charts show a gradual increase in population under government control, and other evidence that there is no stalemate.

Jay Wells questioned the President about Senator Clark's add-on to the Poverty Bill. The President agreed with Wells that it did make the bill more difficult to pass, and instead that the poverty program had been increased substantially in the last two Congresses.

Lester Avnet said that the President takes a lot of criticism, but many people have a deep appreciation for his accomplishments in foreign policy. He pointed out the Israeli situation, and the rescue of Indonesia from Communist take-over.

Arthur Krim requested information on the tax bill and the economy. The President explained that he thought it wise to pass a tax bill rather than try to borrow \$29 billion. On the economy, he said his economic advisors are fairly optimistic, and he hopes they are right. He said he did not feel as confident as many people are.

Business Leaders who attended the Luncheon at the
White House

September 1
1967

1:00 p.m.

Dwayne O. Andreas
Lester Avnet
Charles Bassine
John R. Beckett
Fred Bohen
Honorable Alan S. Boyd
Donald C. Burnham
Attorney General Ramsey Clark
Arthur Cohen
Nathan Cummings
Robert Dowling
Honorable Henry H. Fowler
Milton Gilbert
Harry Gould
John Harper
William B. Johnson
Arthur Krim
Harding Lawrence
Francis Levien
Irwin Miller
W. B. Murphy
Meshulam Riklis
Lyle C. Roll
John M. Seabrook
Herbert Singer
George A. Spater
Honorable Frank Stanton
Alfred Strelsin
Charles Tillinghast
Honorable Alexander B. Trowbridge
Jay Wells
Joseph Wilson