

FOR THE PRESIDENT

FROM: JIM JONES *J*

SUBJECT: Congressional Leadership meeting, Monday, October 2, 1967

Attending were: Speaker McCormack, Congressmen Carl Albert and Hale Boggs, Senators Mike Mansfield and Robert Byrd, Postmaster General Larry O'Brien, Mike Manatos, Barefoot Sanders, George Christian, Tom Johnson and Jim Jones.

The President opened the meeting at 5:55 p.m. by reading from Barefoot Sanders' memo concerning this week's Congressional program. (copy of memo attached)

The discussion then turned to the continuing resolution on appropriations. The President pointed out that basically the Democrats have got a problem trying to get the majority of the House and the Senate working together on the same goal. The President said the best goal he can give is the budget which he recommended. He pointed out that he has already cut \$27 billion from what was submitted to him by his various Cabinet and Administration officials.

The President said "counting what we did in Space and Defense where we cut about half a billion dollars each from the \$136.5 billion budget, the Congressional legislation will be within \$1 billion of that." The President pointed out some of the problems he faces, such as the poverty bill where the Senate reported out of Committee an addition of \$3 billion and the House voted to cut the poverty by \$5 billion. "Until I get these bills, I cannot tell where actual cuts can be made." The President noted that of the three bills he has received so far, he may be able to save \$100,000 by cutting out Internal Revenue agents, customs collectors and some mail deliveries.

The President added that of the \$21 billion he can cut, about \$8 billion are payroll, and that leaves \$13 billion that can be cut. The President added that he does not know who is running Congress, whether it's Wilbur Mills or George Mahon or whom. He then said he hates to impound funds because he had given President Eisenhower much static for impounding funds. Last year Wilbur Mills made the President do it. The President then got all the leadership together at the Ranch and showed them what he would cut. Everyone agreed, then later everyone of the 41 including Mills came to the President and asked that the funds be released. "I'll be cooperative with the Congress if the majority will just tell me what it wants," the President said.

Senator Mansfield said that the President cannot cut until he gets the appropriations bills, and he added "that is our fault - we've got several of these bills piled up in the Senate."

The President asked Hale Boggs to read a letter from George Mahon concerning expenditure reductions, and he also asked Boggs to read the proposed reply to the Mahon letter. The President also asked whether or not he should send this reply.

Boggs read the letters, copies of which are attached.

The President re-emphasized that he had already cut \$27 billion from the budget. He noted that the Cabinet officers were told to cut to the absolute minimum they can live with, and that figure was brought in to the President, and from that figure, he cut an additional \$27 billion. The President then asked for "your unvarnished and candid view of this letter."

Majority Leader Carl Albert said "one point that would be challenged by Laird (Congressman Mel Laird) who is the brightest and the meanest of the Republicans is this: He said in a one minute speech this morning that this is not a question of appropriations but a question of expenditures. He says you can't reach this by the appropriations process."

The President said "we think expenditures must follow the appropriations."

Albert replied, "I assume he refers to the hitherto appropriated funds."

The President said "we only have three. The legislative budget can be sent back to you; Treasury and Post Office we've got to cut the customs inspectors and mail deliveries and Interior, we'll cut out some dams."

Postmaster General O'Brien said "we could eliminate Saturday deliveries and not process mail on Sundays and cut business deliveries from two to one per day."

Albert pointed out that only 34 Democrats are voting with them on this.

The President asked what Mansfield thought the Senate will do with his recommendation of the \$136.5 billion budget.

Mansfield replied "I see an upward adjustment, not a downward adjustment."

Albert said "tomorrow we take up the ten day extension."

The President told Albert "we have to conclude at the Democratic caucus with the question, will we support the President's budget, cut it, or just what will be our policy. I think our policy should be to support the President's budget."

Albert agreed that we take this as basic. Albert said he wished he could forestall the pay increase but he can't see how to do it. He pointed out that if it comes up, it will surely pass.

The President asked what will happen to the poverty vote.

Senator Mansfield said he thinks the Byrd motion to recommit will carry. "That will still be \$198 million above the recommended figure."

Appropriations Committee Chairman George Mahon entered the meeting at 6:30 p.m. and read the proposed reply from the President concerning budget cuts. Mahon was asked about whether a ten day extension was sufficient, and he allowed that the Senate should make it a 20 or a 60 or a 50 day amendment thus giving room for compromise in conference.

The President said we might make it 50 days and go to conference and settle for 30 days.

Albert said we might get beat but it would not hurt trying.

Returning to the proposed Presidential reply to the Mahon letter, Mahon said the question is whether the President should get into the controversy at all. "If yes, it's a good letter," Mahon said. Mahon said he particularly likes the part that nails Bow's provision concerning the Constitutional prerogatives of the Legislative and Executive branches.

The President asked what about making this letter a reply from Budget Director Charles Schultze. Mahon said "Schultze could not speak on policy matters like the President could."

Whip Hale Boggs asked Mahon what kind of an answer he gives "to those fellows who are holding a pistol to your head."

Mahon said "I point out to them that we can cut appropriations about \$5 billion but this would result in only about \$2 1/2 billion actual expenditure cuts. I tell them that it would be best if we could abandon until next year the pay increase, that way we can save \$1 billion."

Albert added that if we abandon the pay increase, we also lose the postal rate increase and the two balance off each other.

Mahon said "we've got to cut \$10 billion out of the appropriations in order to get a \$5 billion cut in expenditures."

The President said he believes that we should send the letter to George Mahon from the Budget Director. If the President sends it, it just heats up and solidifies the Republicans.

Albert said "how can you improve on perfection, when you talk about solidifying the Republicans." Albert said "Ford has 187 Republicans in his vest pocket, and add to the 25 or so Democrats from the south, and that's all they need to win."

O'Brien asked what will happen if we lose the continuing resolution.

Mahon said he believes the House will approve the ten day continuing resolution.

Albert asked "George, should we go to the caucus asking support for the ten day resolution or for something beyond that and if so, how far?"

Mahon said we should ask support for something going beyond that, but not specify how far.

Albert said "should we not say that we are asking for a ten day resolution but we will need additional time beyond that."

The President said he should tell the Congress that previous Presidents have asked for temporary, limited taxing powers. This was always denied. Now the question should be raised to the Democratic caucus "do you want the President or Budget Director to make all the cuts or do you want the Subcommittee Chairmen like Jamie Whitten who have been studying this for nine months to recommend these cuts. The President pointed out that Wilbur Mills was against the tax increase. The first reason was that the economy was too sluggish to stand it, and now that that's passed, he's picked up something else.

Mahon said Jamie Whitten thinks we might pass through the House an across the board 5% reduction in expenditures.

The President said "Budget says that is the worst thing that you can do."

Mahon said "the President might announce that he stands by his January appropriations budget, even in view of increasing war costs and inflationary pressures and the like. The President should say that he can make the following reductions and list some, and if necessary he could consider others."

The President replied that that would just put all the pressures on him and that he would be the terrible man with every group such as the farmers and city people, urban coalition, etc. He pointed out that Model Cities needs \$40 million, "and if you don't take my bill this year, you'll spend ten times that next year."

The President said I've decided now to let Schultze send you the letter and he can say everything that's in it. The President added that he thinks Mansfield should have a caucus in the Senate and point out the temper of the House Democrats.

Hale Boggs replied that the situation in the House is terrible. "It took all day just to pass the \$25 million Juvenile Delinquency Bill and there was much nitpicking over it."

The President asked about the future of the Poverty Bill in the House.

Carl Albert replied that "it's now very close as to whether or not the Poverty Bill will pass at all."

Barefoot Sanders replied that his best reading now is 150 to 160 votes for the Poverty Bill.

The President directed that Shriver be brought here tomorrow and begin working on this.

At 7:20 p.m. Senator Mansfield departed the meeting.

O'Brien asked what happens if we lose on the continuing resolution.

Albert said "we send it to the Senate with the Bow Amendment, and they'll have to strike it off and then come back to us."

The President closed the meeting by asking if he should raise the milk prices 2 cents per quart as Wilbur Mills, Carl Albert and others have asked. The general consensus was that he should not.

The meeting adjourned at 7:30 p.m.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

October 2, 1967
Monday, 3:45 p.m.

FOR THE PRESIDENT

FROM: Barefoot Sanders *BS*

I suggest the following topics for discussion at the
5:30 p.m. Leadership meeting:

1. This week's program:

House: Continuing Resolution on Appropriations
Obstruction of Investigations
Military Construction Authorization Conference Report

Senate: OEO Authorization (to complete)
Public Works Appropriation
State - Justice - Commerce Appropriation
Transportation Appropriation
NASA Appropriation
Military Construction Authorization Conference Report

The Continuing Resolution is for the ten day period, October 1 - 10. House Democrats will caucus on this at 10: a.m. Tuesday. Mills has told Mahon that he will vote for the resolution. Our best estimate is that with his switch and other switches we will win.

The Republicans will try to attach the Bow amendment. In order to do this they will attempt to vote down the previous question on the Rule, opening the Rule to amendment. They would then amend the Rule to make the Bow amendment germane to the resolution and thereafter attach the Bow amendment.

So the key vote tomorrow will probably come on the previous question.

You may wish to discuss with the Leadership, both House and Senate, the options open if we win and if we lose tomorrow.

If we win, I recommend that we ask the Senate to pass the resolution without amendment.

Another resolution will have to be presented on or before October 10. The Leadership should be asked their plans with respect to that resolution - should it be for another ten days, for the balance of October or for 30 additional days.

If we lose tomorrow, and by that I mean if the Bow amendment is attached, what do we want the Senate to do? I recommend that we ask the Senate to delete the Bow amendment. As long as the Senate is doing that it may want to amend the ten day resolution to make it for 30 days.

The question would then become what would the House do in the face of such Senate action.

All of this bears on the Tax bill and Mills' attitude, too, so you may want to spend some time with the Leadership on this matter.

On Obstruction of Investigations Justice foresees no problems although there is some opposition from some Southerners on House Judiciary.

On Military Construction Defense anticipates no problems in the adoption of the Conference Report.

On OEO Authorization you may want to ask when the Senate plans to complete action.

The House Committee is moving very slowly on OEO. Carl Albert is a member of the Committee, as you know, and you may want to ask him about the situation.

We anticipate no major difficulty on the four Appropriations bills in the Senate. Passage of all four of these bills this week would certainly be helpful.

2. Postal Rates - Pay Raise bill. The Rules Committee is scheduled to meet at 10:30 a.m. Tuesday on this. This meeting time conflicts with the 10: a.m. Democratic caucus.

The House Leadership should see to it that Rules meets Tuesday afternoon if it is unable to meet Tuesday morning. A key member of the Rules Committee will not be here Wednesday so it is important that the Committee meet Tuesday.

You also may wish to stress once again to the House Leadership the importance of keeping the effective date October 1. Changing it to July 1 would cost \$350 million.

You may wish to confirm with the Leadership that this bill will be scheduled October 10.

3. I am attaching the Weekly Legislative Report, showing floor and committee action last week, anticipated floor and committee action this week and the current status of appropriations bills.

4. If there is time you may wish to go over the list of legislation targeted for significant action by adjournment. Five of these bills have been finally passed. Thirty-five have passed either the House or Senate.

We have the status of each of these bills as of September 26 and can distribute the current status report to the Leadership if you wish.

LEGISLATIVE REPORT
(HIGHLIGHTS LAST WEEK (9/25 - 9/29))

Senate Floor

Took up Economic Opportunity Amendments (S 2388)

Passed Military Construction (HR 11722)

Adopted Conference Report on Appalachian Regional Development (S 602), clearing for President.

Adopted Conference Report on Small Business Administration Amendments (S 1862), clearing for President.

House Floor

Passed Juvenile Delinquency Prevention (HR 12120), amended

Adopted Conference Report on Appalachian Regional Development (S 602)

Adopted Conference Report on Small Business Administration Amendments (S 1862)

Passed D. C. Board of Education Election (HR 13042)

Adopted Motion to Recommit Continuing Appropriations Resolution.

Senate Committee Action

Appropriations Committee reported Public Works Appropriations, (HR 11641), Transportation Appropriations (HR 11456), and State-Justice-Commerce-Judiciary Appropriations (HR 10345).

Appropriations Subcommittee completed hearings on NASA Appropriations (HR 12474)

Labor and Public Welfare Special Subcommittee on the Arts and Humanities approved Arts and Humanities Extension (S 2061).

HIGHLIGHTS LAST WEEK (9/25 - 9/29)

Senate Committee Action, continued

Judiciary Subcommittee concluded hearings on Protection against Interference (HR 2516).

Finance Committee concluded hearings on Social Security Amendments (HR 12080).

Labor and Public Welfare Subcommittee on Health concluded hearings on Partnership for Health (S 1131, HR 6418).

Government Operations Subcommittee held executive session on Intergovernmental Manpower Act (S 1485).

House Committee Action

Public Works Committee filed report on Highway Beautification Authorization (S 1467).

Commerce Committee ordered reported Air Quality (S 780).

Appropriations Committee reported H. J. Res. 853, making continuing appropriations for FY 68.

Rule granted on Obstruction of Criminal Investigations (S 676).

Housing Subcommittee approved Federal Flood Insurance (HR 11197).

Foreign Affairs Committee completed hearings on Peace Corps Authorization (S 1031).

Judiciary Subcommittee began consideration of Firearms Control. (HR 5384).

Conference

Military Construction Authorization (HR 11722) - Conferees agreed to file report.

Independent Offices Appropriations (HR 9960) - House conferees were appointed.

Public Broadcasting (S 1160) - Senate conferees were appointed.

ANTICIPATED NEXT WEEK

(10/2 - 10/6)

Senate Floor

Continue consideration of Economic Opportunity Amendments (S 2388)

Public Works Appropriations (HR 11641)

Transportation Appropriations (HR 11456)

State-Justice-Commerce-Judiciary Appropriations (HR 11456)

Military Construction Authorization Conference Report (HR 11722)

NASA Appropriations (HR 12474)

House Floor

Continuing Appropriations (H. J. Res. 853)

Obstruction of Criminal Investigations (Open rule, one hour of debate) (Tuesday)

Military Construction Authorization Conference Report (HR 11722)

Senate Committee Action

Appropriations Subcommittee will report NASA Appropriations. Full Committee may also report (HR 12474).

Housing Subcommittee may approve housing and urban development bill. Full Committee action possible.

Judiciary Subcommittee will hold executive session on Safe Streets and Crime Control (S 917)

Appropriations Subcommittee expected to complete markup of Military Construction Appropriations.

Finance Committee will begin markup of Social Security (HR 12080).

ANTICIPATED NEXT WEEK (10/2 - 10/6)

Senate Committee Action, continued

Post Office and Civil Service Committee will begin hearing on Federal pay legislation.

Foreign Relations Committee will begin hearings on Asian Development Bank (S 2479).

House Committee Action

Report will be filed and rule requested on Air Quality (S 780)

Report will be filed and rule requested on Age Discrimination (HR 13054)

Rules hearing on Continuing Appropriations.

Rules hearing on Postal Rates and Federal Salary bill (HR 7977)

Rules may schedule hearing on Meat Inspection (HR 12144)

Rule may be granted on Highway Beautification Authorization (S 1467)

Banking and Currency may report Federal Flood Insurance (HR 11197)

Armed Services may report Military Pay (HR 9069)

Judiciary Committee may report proposed Constitutional Amendment to provide voting representation in Congress for D. C.

Moss Subcommittee expected to approve Flammable Fabrics (S 1003)

Subcommittee on Consumer Affairs may report Truth-in-lending (S 5, HR 11601)

House Administration Committee will hold executive session on Election Reform (HR 11233)

Education and Labor Committee continues markup of Economic Opportunity Amendments (HR 8311)

Banking & Currency Committee plans a Democratic Caucus Tuesday to consider Export-Import Bank bill (HR 6649)

ANTICIPATED NEXT WEEK (10/2 - 10/6)

Conference

Labor-HEW Appropriations (HR 10196) - Conferees will meet Monday.

Foreign Aid (S 1872) - Conferees may meet this week, but this is uncertain at this time.

SERVICE SET

APPROPRIATIONS

October 2
1967

Action Completed

Second Supplemental, FY 67
Vietnam Supplemental, FY 67
Interior
Treasury-Post Office
Legislative
Defense

In Conference

Agriculture (HR 10509)
Labor-HEW (HR 10196)
Independent Offices-HUD (HR 9960)

Passed House, on Senate Floor

State-Justice-Commerce-Judiciary (HR 10345)
Public Works (including AEC) (HR 11641)
Transportation (HR 11456)

Passed House, Awaiting Senate Action

NASA (HR 12474) Subcommittee will report this week.
Full Committee action and Floor action possible.
D. C. (HR 8569) Senate hearings underway.

Other

Continuing Appropriations - On House Floor Oct. 3
Foreign Aid - House hearings completed. Markup awaiting
passage of authorization. Senate awaits House action.
Military Construction - Subcommittee markup in House this
week. Senate hearings substantially completed; awaiting
House action.
OEO - Awaiting authorization.

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