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SUBJECT: Congressional Leadership Breakfast
Tuesday, April 2, 1968

Meeting Convened: 8:42 a.m. in the Family Dining Room of the Mansion.

Meeting Adjourned: 10:05 a.m.

ATTENDING:

Vice President Humphrey	Congressman Hale Boggs
Senator Mike Mansfield	Postmaster General Larry O'Brien
Senator Russell Long	Barefoot Sanders
Senator Robert Byrd	Mike Manatos
Speaker McCormack	Jim Jones
Congressman Carl Albert	

The President opened the meeting and read from the agenda (a copy of which is attached) and asked why there is any opposition to the reorganization plans.

Barefoot Sanders replied that this is purely a political matter. Many Republicans oppose it because the Republican Task Force on Crime opposed the plan.

The President asked what will happen to the NASA authorization. Will the House cut it...

Carl Albert replied that this is very likely.

The President said he wanted the Senate to have some agreement on how much to cut. I'd like to tell George Miller how we are drifting on this.

Speaker McCormack said that Miller is off travelling again and not minding the bill.

Senator Russell Long said the excise tax could have been voted on Friday, but Secretary Fowler wanted it postponed.

Long said they will vote today. Unless the President's statement changes some votes, the Smathers-Williams amendment will not pass. The House won't take it even though what Williams was proposing is basically what Mills wants. Long said, however, it is something that could pass the Senate if the President really wanted it to.

Hale Boggs said that there are lots of votes for it in the House.

The President said we need a tax bill and we need to make expenditure cuts. The reason for the tax bill proposal as presented by the Administration is to exempt those poor families with an income of \$5,000 or less. The price increase has doubled in the last seven months over the seven months of last year. Of the \$50 billion military budget, pay increases and prices increases accounted for \$10 billion. What it looks like from our standpoint, is that we will need 10% surtax which will yield \$9 billion, reduction in appropriations of \$10 billion, which will produce reduction of expenditures of \$4 billion. Getting above the \$4 billion expenditure reduction will get into the Democratic vote areas such as schools, etc. If we did this, George Meany would go to the Capitol. We could go to \$5 billion and that would be resisted by Rivers and Russell.

Carl Albert asked what are we going to do with the boys who are saying that Mahon is going too far and they won't support a tax bill if he does this.

The President said Mahon is reasonable, but we've got to get Wilbur...

Russell Long said we raised taxes \$50 in Louisiana and that almost beat me. We could take a second step of the 1964 Tax Bill. We could go back to the 52-52% on corporations.

The President directed Long and Wilbur Mills to get together and work out something that won't wreck all Democratic programs. I'm not adamant as to how you do it, but it is basic that it must be done. Wilbur and Mahon will get together, but I'm afraid that they will over-do it. So what you get at is \$10 billion in tax, \$10 billion in appropriations reductions and \$4 billion in expenditure reductions. That gets us \$14 billion. The way to handle it is to quit the name-calling. If I were a dictator, I would say I've got to have \$15 of the \$24 billion in taxes we repealed back again. When we cut taxes, we didn't have a war and cities problem as we do now. Mills and Mahon won't take the Senate amendment. The Senate passing of the Williams-Smathers amendment would have a good effect on the House even though we say that we cannot live with the amendment as passed. The Williams amendment would be vetoed by me if it came down here.

Russell Long said, when you get in those Williams traps, it's hell to get out.

Hale Boggs said we could go to the conference and do what Russell wants. Boggs asked, don't you have time in the Senate to get a bill like you want it?

Senator Mike Mansfield replied, no. We've got to take the Smathers-Williams and then we'll do as the President says and fall back to another position if it fails.

The President said OK, we can go with the Williams-Smathers amendment; if we fail in that, we can get all on it that is possible to get \$5 billion. All you get out of this is a signal.

Carl Albert said that Civil Rights is the only other problem facing the House. We've got eight votes for reporting the bill. No Republican help has been given yet. Colmer is against it and our Members (the Democrats) don't want to take this away from him.

The group asked if they could discuss politics briefly.

The President replied that he is tired of begging anyone for anything. I had a partnership with Jack Kennedy and when he died I felt it was my duty to look after the family and stockholders and employees of my partner. I did not fire anyone. The divisions are so deep within the Party that I could not reconcile them. I'm not going to influence the Convention...probably won't even go. Much to everyone's disbelief, I never wanted to be President to begin with. I'm leaving without any bitterness. Ted Sorensen came to me and said his first demand was to fire Rusk. His second demand was to appoint a Commission which would take over all the President's prerogatives in foreign policy. I've listened to all the people both for and against our foreign policy, and have considered their suggestions carefully. The Postmaster General and the Vice President made some good suggestions last week. Last week we called 15 men together including Matthew Ridgeway, General Bradley, Maxwell Taylor, Arthur Dean, and Henry Cabot Lodge to hear their views and as a result made this speech proposal Sunday night.


Jim Jones

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

April 1, 1968
Monday

FOR THE PRESIDENT

FROM: Barefoot Sanders

LEADERSHIP AGENDA

Tuesday, April 2

1. This week's schedule:

House: Reorganization Plan No. 1
NASA Authorization
Ethics Committee
Foreign Air Travel Tax and Reduction of
Customs Exemption

Senate: Excise Tax Extension as amended

We made a late start on a count on the Reorganization Plan. The Republican Task Force on Crime opposes the Plan and is likely to carry most Republicans against the Plan. We need all the support we can get on the Democratic side and, in particular, we are trying to split the South and pick up Texas support. If the Republicans are solidly opposed, this vote will be very close.

The NASA Authorization is scheduled for House floor action Thursday. It will be an inviting target for the House economy bloc. The Administration recommended \$4.37 billion and the Committee approved \$4.21 billion.

The Transportation Tax - Exemption Reduction bill will come to the floor under the usual closed rule. It is important as a very partial answer to our balance of payments problem.

The Excise Tax Extension may reach a final vote in the Senate Tuesday. The bill has an amendment by Senator Hollings setting import quotas on textiles. You may wish to stress to the Leadership the Administration opposition to this and all other amendments which restrict trade (of the Leadership Russell Long and Hale Boggs will probably be on the conference).

2. Tax Increase - Expenditure Reductions.

If, as appears likely, Mills and his House conferees will not consider the Tax Surcharge and Expenditure Reduction amendments to the Excise Tax bill, we are back to trying to find a way to blast the Tax Increase out of Ways and Means.

Our judgment is that the House members are receptive now - more than ever before - to the Tax Increase. We simply must find some way to overcome Mills' opposition and get the bill to the floor. You may wish to ask the House Leadership to take another run at Mills in view of the more favorable climate for a Tax Increase created by your Sunday night speech.

3. Rules Committee.

We have the following Administration measures pending in the Rules Committee on which we would like to obtain early action.

1. Civil Rights concurrence. Committee will vote April 9 with House floor action probably April 10.
2. Federal Savings Banks
3. REA Telephone Bank.
4. AEC Authorization (subject to filing of report)
5. Maritime Administration authorization (subject to filing of report)
6. Supergrade Increase (subject to filing of report).
7. Veterans Job Priority (concurrent resolution)
8. D. C. Voting Delegate Constitutional Amendment.

We really would like to get action on this as soon as possible after the Rules Committee has acted on the Civil Rights bill.

9. Land and Water Conservation Fund (subject to filing of report)
10. Saline Water Authorization (subject to filing of report)

4. Senate Calendar.

The following Administration measures are on the Senate calendar and we hope that Senate action can be obtained soon after the Senate has completed work on the Excise Tax bill.

1. Automobile Insurance Study
2. D. C. Police - Firemen - Teachers Pay Increase
3. Food for Freedom Extension (P. L. 480)
4. Land and Water Conservation Fund.
5. National Foundation on Arts and Humanities (authorization)
6. Beryl and Magnesium Stockpile Disposal (both have passed the House)
7. School Lunch Program (we hope the Child Nutrition portion can be restored on the Senate floor)

5. Safe Streets and Crime Control.

The Senate Judiciary Committee considers this bill again this week and we hope that the Committee will be able to complete its work and report the bill to the Senate floor.

This remains the major item on the Administration's Crime Program.

6. Committee Action.

If the Congress is to come close to the much discussed August 1 adjournment date, we really need more and faster committee action on all measures.

The House Appropriations Committee is on schedule. A copy of its proposed reporting dates is attached.

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After the Easter recess there will be only a little over three months before Congress recesses for the national conventions.

So, it is very important that the Leadership urge Committee Chairman to expedite their legislation.

Committee on Appropriations

House of Representatives

February 27, 1968

Schedule of Reporting Dates

Bill	Whole Committee Report
Urgent Supplemental, 1968	Monday, February 19
Treasury - Post Office, 1969	Friday, April 5
(Easter is April 14; Good Friday - April 12)	
Interior, 1969	Friday, April 26
Agriculture, 1969	Tuesday, April 30
Ind. Off. - HUD, 1969	Friday, May 3
1968 Supplemental (pay, etc.)	Friday, May 10
Dist. of Col., 1969	Friday, May 17
Labor - H.M.W., 1969	Tuesday, May 21
S.J.C.J., 1969	Friday, May 24
Public Works, 1969	Friday, June 7
* Defense, 1969	Friday, June 14
* Foreign Assistance, 1969	Friday, June 21
Legislative, 1969	" "
Transportation, 1969	Tuesday, June 25
* Military Construction, 1969	Friday, June 28

Notes.--Friday dates may be advanced to Thursday.

* - Requires legislative authorization before reporting; nearly every bill requires some authorization but would not delay reporting to wait for it.

Supplemental for 1969, as end of session.