

REPUBLICAN LEADERSHIP MEETING

JUNE 17 - 8:30 a.m.

AGENDA

- | | |
|------------------|---|
| 8:30 - 9:00 a.m. | I. Surtax Status |
| 9:00 - 9:25 a.m. | II. Supplemental Appropriation - Senate |
| | a. Riders -
ABM and MIRV |
| | b. Expenditure Ceiling |
| 9:25 - 9:50 a.m. | III. Voting Rights Act |



DIARY OF WHITE HOUSE LEADERSHIP
MEETINGS -- 91st CONGRESS

June 17, 1969

Promptly upon entering at 8:40, the President asked Byrnes to discuss the status of the surtax extension. Byrnes said the President should give some thought of "going to the country" to force action. The situation has deteriorated since the bipartisan Leadership meeting. The Democrats have been procrastinating. The Committee may reach policy votes today.

Ford agreed about the situation in the Committee but said that on the Floor the situation has improved. We can count 130 Republican votes. Byrnes said that the major problem is that Mills has lost control in the Committee. Many of the new Democrats are revolting for different reasons, and Mills does not want to lead until he knows which way most of his troops are going.

Kennedy agreed that the liberals are solidifying. Mills approached him about a compromise wherein the tax would be extended at 10% until January and then allowed to expire. Psychologically, such a short extension would be useless in the fight against inflation. Democrats are also trying to bargain for exceptions to the 7% tax credit repeal. RMN inquired about the prospects in the Rules Committee. Smith said that it is difficult to predict. After being reported from the Ways and Means Committee, it must lay over one day. Thereafter, mischiefmakers could filibuster for a few days, but eventually, the Rules Committee could report a closed rule by a week from Wednesday. Byrnes expressed the fear that the Committee might report a much watered-down bill. Ford raised the possibility of bargaining with some of the Democratic members of the Committee who may be intensely interested in other legislation and cited Watts's interest in the tobacco bill as an example. He said some Republicans could be very flexible in deciding how to vote on this legislation.



RMN said that it would be better to wait on "going to the country" until the bill reaches the Floor. Summarizing the impact of the so-called "poverty exemptions," he said that 5 million taxpayers below the poverty income level would be exempted completely; 12 million altogether would be benefitted; and the total revenue loss would be in the neighborhood of \$700 million.

Williams said the Democrats are pursuing a two-fold political strategy. First, they plan to procrastinate until the Johnson surtax has expired and then allow the sentiment in the country to build up enough to require re-imposition, realizing that this would convert it into a Nixon surtax. Secondly, their plan is to please liberals by showing support for the 7% tax credit repeal while at the same time advocating individual exemptions from the repeal, thereby attracting the support of the individual industries concerned. He recommended to forget about a continuing resolution concerning the withholding tax tables because this will take too long. Instead, Secretary Kennedy should make a public announcement that employers should continue to withhold at the same rate. In this connection, he said that the President should not worry if the bill is defeated because the public reaction later will force the Congress to revive the surtax.

The President asked Attorney General Mitchell to discuss the testimony he plans to give on the Voting Rights Act. Mitchell said that his information is that no matter what position the Administration takes, the House Committee and the House itself likely will pass a simple 5-year extension of the Act. This is contrary to the position the President took in the campaign that all legislation should be universally applicable in the country at large and not targeted against any section of the country. In the shadow of the Gaston County case, the only viable alternative to the Committee bill and the only approach that will translate the President's campaign position into legislative action would be a repeal of the literacy test ban nationally. Formerly, the thought has been that the ban should be permanent. Since many Republicans favor a literacy test, the Justice Department is now proposing that ban be temporary only and that during the period of suspension, a commission be appointed to study the possibility of further electoral



reform. That commission would be able to act with the benefit of the new census data which will be available by the end of 1971.

McCulloch disagreed. He said that the Administration should champion a simply extension of the Act. He said that it has been demonstrably successful in registering Negro voters in the south and making it possible for Negro candidates to be elected. He said that the leaders of the civil rights movements have taken a firm position in support of a straight extension and would oppose a national ban of literacy tests, whether it is permanent or temporary. He also said that vote fraud reform legislation should be considered separately. Scott agreed. He said that the "barons of the civil rights movement" would treat the commission proposal with contempt. He recommended that the Administration endorse a simple extension and then recommend separate legislation for a commission. Hruska agreed that the function of the Voting Rights Act should be maintained but that it was important to keep the pledge the President made in the campaign to extend its reach to the nation at large. The President recognized me (Poff), and I attempted to explain what is actually involved when we talk about extension of the Voting Rights Act. The Act has 19 sections. Seventeen of those sections are permanent legislation. Only two expire in August 1970. So, when we talk about extension of the Voting Rights Act, we are talking about extension of those two sections. The first of these, Section IV, contains the dual trigger mechanism. That mechanism is an artificial, mathematical formula geared to the 1964 election. If less than 50% of the voting-age population of a state is not registered or if less than 50% voted in the 1964 election, then the state is automatically covered and its literacy test is suspended. The second section, Section V, requires any state covered by the trigger to obtain prior approval from the Attorney General or a 3-judge court in the District of Columbia before it can implement any statute passed by its legislature which modifies in any part the state's voting laws. I then pointed out that the Voting Rights Act had indeed been effective, and southern states had made dramatic progress in eliminating the evil of racial discrimination in voting. By way of example, Mississippi registrations have increased from 6% of the voting age population to 60%. With the temporary national suspension of literacy tests, Mississippi and all southern states will improve materially in the next few years.



I suggested that the best policy would be rewarding southern states when they make progress in this important area and that a simply extension is not a reward but a further humiliating penalty. The President asked me if I accepted the idea of a Federal repeal of state literacy tests. I replied that instinctively, philosophically and conceptually, I rejected it. At the same time, I would be prepared to accept a temporary suspension if that were the only mechanism possible to make the application of the Act universal. (As an aside, the President asked me if "philosophically and conceptually" I disagreed with the Powell decision handed down yesterday. With a pause intended to convey the fact that I do not disagree with all parts of the Powell decision, I simply replied, "Mr. President, I believe that is a fair statement.") Dirksen said that he agreed with Dick Poff that the best policy is to reward states who show progress after the Congress has legislated. He favors a literacy test, but he feels that a temporary suspension nationwide is justified in light of the Gaston County decision and in keeping with the Presidential campaign statement. Mundt said that he agreed with Dick Poff about the inappropriate target date for the automatic trigger. He inquired why that date could not be adjusted from 1964 to 1968. I said, "Senator, this was the first suggestion I made when the subject first arose this year. However, I must be candid to add that this approach would have the effect of removing 6 of the 7 states now covered by the automatic trigger, and this would be resented by the civil rights leaders as much as any other change that might be made." The President asked if the Attorney General had received the guidance he needed. And with a smile, Mr. Mitchell withdrew.

RMN said that the lawyers around the table would be interested to know that Chief Justice Burger would be sworn in Monday morning about 10:00 a. m. at the Court and invited all to be present. The President will make a few comments following the ceremony.

Reporting on the riders to the Supplemental Appropriations bill now in the Senate, Mundt said that in light of Committee action so far, there is not likely to be a MIRV or an ABM rider. Mrs. Smith said that the Committee would begin marking up the bill today. Hughes explained the difference between the House and Senate



versions of the expenditure ceiling. The House ceiling is set at \$192.9 billion with no exceptions other than those written by the Congress. The Senate ceiling is set at \$187.9 billion but allows exceptions in certain uncontrollable items which will total about \$3 billion, leaving a net reduction of \$3 billion below the House version. Young said that he favors the House version. Williams agreed. Bow said that he believes Mahon would be adamant in support of the House version, but Bow believes the Administration needs some flexibility on uncontrollables. Otherwise, the Administration would be compelled to come to the Congress later this year and ask for specific exemptions, which will be a little embarrassing.

Rumsfeld was invited to discuss OEO. He reviewed his testimony in support of a 2-year extension. An extension of this length is necessary in order to give him a fair opportunity to make an intelligent review of contracts and grants. He believes comprehensive changes can be made, but that they should not be attempted until the new officials know what the present structure is about. Toward that end, task forces have been established and investigations are in progress. Changes have already been made in the Job Corps and in the Head Start programs. Certain objectionable comments in the OEO newsletter have been discontinued. The purpose will be to move the states into a broader role in the operation of the program. Anderson inquired if the bloc grant approach has been considered. Rumsfeld replied that no governors are asking for bloc grants in this area. In this particular case, bloc grants would be like adding another faucet rather than replacing old faucets. Quie and Green want to abolish regional offices, but Rumsfeld cannot see why this should be done in his agency and not in all agencies. Bow told about riots in Alliance, Ohio, which he said were incited by pamphlets printed by VISTA employees using VISTA equipment. Tower said that in the last Presidential election,



VISTA people were registering voters in Houston, then carrying them to the polls on Election Day and helping to count the votes against Nixon that night. RMN said that he agreed to the 2-year extension only because Rumsfeld is the head of OEO. He paid high tribute to Rumsfeld's dedication and talents and offered him his full support. He said that Rumsfeld's job is more difficult than most because OEO has "perhaps the worst collection of creeps to be found anywhere in government."

The meeting adjourned at 10:25 a. m.

RICHARD H. POFF



HOUSE ACTION, PERIOD JUNE 3 THROUGH JUNE 16, 1969

Tuesday, June 3, 1969

CONSTRUCTION SAFETY

RULE (open)

H.Res.427 was adopted by voice vote, providing 1 hour debate open for amendment.

Wednesday, June 4, 1969

CONSTRUCTION SAFETY

PASSAGE

The House passed H.R.10946, to promote health and safety in the building trades and construction industry in all Federal and federally financed or federally assisted construction projects, by a voice vote.

The only amendments adopted were clarifying and technical amendments.

MEDICAL FACILITIES CONSTRUCTION (AMENDMENTS TO HILL-BURTON 1969)

RULE

H.Res.428 was adopted by voice vote, providing 2 hours debate under open rule.

PASSAGE

The House passed H.R.11102, relating to the construction and modernization of hospitals and other medical facilities, by a record vote of 351 yeas to 0 nays.

Prior to passage, the House rejected a motion to recommit (Edwards, Alabama) by voice vote.

Rejected the following amendments:

By a teller vote of 51 yeas to 75 nays, an amendment that sought to alter the Hill-Burton formula to bolster funds to urban States. Prior to the teller vote, the amendment was rejected by a division vote of 42 yeas to 57 nays.



By a division vote of 25 yeas to 64 nays, an amendment that sought to establish an emergency fund for hospitals in critical need.

By voice vote, an amendment that provided for a transposition of funding for "new construction" and "modernization".

By voice vote, an amendment that provided that applications for assistance under Hill-Burton programs would have to be consistent with areawide or Statewide programs.

By a division vote of 8 yeas to 68 nays, an amendment that sought to provide \$15 million to build diagnostic or treatment centers for depressed urban areas.

By voice vote, an amendment that would provide for Federal assistance for persons displaced by construction or expansion of Federal facilities.

Tuesday, June 10, 1969

NASA AUTHORIZATION

RULE (Open)

By voice vote, H.Res.413 was adopted, providing 2 hours debate.

PASSAGE

The House passed by a record vote of 328 yeas to 52 nays, H.R.11271, to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management.

Prior to passage, the House adopted by voice vote:

An amendment that cancels \$327 million authorized for fiscal years 1967, 1968, and 1969, for which appropriations have not been made.

An amendment that authorizes the implanting of the American flag on the surface of the moon as a symbolic gesture of national pride.



Wednesday, June 11, 1969

LIMITATIONS ON USE OF D. C. PUBLIC PROPERTY

RULE

H.Res.436 was adopted by voice vote, providing 2 hours of open debate.

PASSAGE

The House passed without amendment, H.R.1035 by a record vote of 327 yeas to 51 nays, limiting the use for demonstration purposes of any federally owned property in the District of Columbia, requiring the posting of a bond.

RECOMMIT

Prior to passage, the House rejected by voice vote a recommit motion of Mr. Frelinghuysen of New Jersey.

Monday, June 16, 1969

SUSPENSIONS (4 BILLS)

The House passed under suspension of the rules, by voice vote, the following Bills:

- H.R.11235 - Older Americans Act Amendments of 1969
- H.R.265 - To amend the Merchant Marine Act, 1936, relating to construction-differential subsidies
- H.R.11069 - To authorize the appropriation of funds for Padre Island National Seashore, Texas
- H.R.9946 - To authorize the Secretary of Agriculture to quit-claim certain land in Lee County, South Carolina

Tuesday and Balance of Week

- H.R.6543 - Public Health Cigarette Smoking Act of 1969 (Open Rule, 3 hours of debate)
- S.742 - To provide for the Construction, Operation, and Maintenance of the Kennewick Division Extension, Yakima Project, Washington (Subject to a Rule being granted)



JUNE 17, 1969

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE
OF
SENATOR EVERETT M. DIRKSEN
AND
CONGRESSMAN GERALD R. FORD
THE ROOSEVELT ROOM

AT 10:45 A.M. EDT

CONGRESSMAN FORD: Good morning.

We had a rather lengthy, as you know, discussion on three or four very important matters, the first of which I will comment on because it is on our agenda in the House of Representatives, the status of the surtax.

The President has had the firm assurance of the Democratic and the Republican Leadership in the House, and I believe in the Senate, that they would go sled-length in getting the extension of the surtax package which is right now, this morning, before the House Committee on Ways and Means.

It is a three-pronged package for the extension of the surtax through January 1 and the phase-out, the decision of the seven percent investment tax credit, and the inclusion of the President's proposal for removal of about 5 million taxpayers from the Federal Income Tax rolls.

We certainly hope, in light of the support given by the Speaker, by the Democratic Majority Leader, and by the Democratic Whip, and the full support of Wilbur Mills, Chairman of the Committee, that that legislation will come out of the committee and be approved, and I think it will be approved in the House of Representatives, certainly with overwhelming Republican support.

It would be catastrophic, in my opinion, if this tax bill was not approved. The economic consequences at home and abroad are almost unbelievable. And when the chips are down, in my judgment, the Congress will approve the legislation.

SENATOR DIRKSEN: I might add to what Jerry had to say, that I was tremendously impressed with the statement made by Arthur Burns some weeks ago to the Leadership. He tried to sketch out the impact it would have in Europe on the bankers over there who are in the world scheme of things and who might finally conclude that we refused to face up to the fiscal problem that we have here in the country. That was implemented, of course, by Secretary Kennedy.

So this is a must. This is highly important. And I point out, also, that for those who are always interested in projects and in spending that if this revenue is not generated, obviously, you are just going to have to curtail the expenditure budget by that much and sometimes that becomes rather painful. So this is a very, very important matter and I am pretty sure that when the time comes that both branches of the Congress will rise to the occasion and they will meet the challenge.

MORE

((VER))



Perhaps I should add that one other item that we discussed this morning was the supplemental appropriation bill which is presently before the Senate.

There was a good deal of rumor and speculation as to what kind of riders and amendments might be offered. In fact, there was broad speculation as to whether something relating to ABM might be offered in the form of a limitation that none of the funds provided in the second supplemental could be used for that purpose.

I prefer not to mention the names of any Senators, but one Senator who had in mind just such a thing has decided not to offer it. As for the so-called MIRV amendment, which was first contemplated by another Senator, he stated very categorically yesterday that that would not be offered either.

So insofar as I can tell there are two and possibly three amendments to the bill. One will deal with an exemption for the Veterans Administration; one will try to hike the amount that has been appropriated or authorized for the Peace Corps by 55 million; and then it remains to be seen whether or not someone will want to amend the so-called expenditure ceiling in order to make it more effective.

The enactment of the bill may not take too long. I thought we would be on it for some days, but it is conceivable that it could be finished today.

CONGRESSMAN FORD: There was one other item on the agenda. The Attorney General was at the meeting and we discussed the proposed extension of the Voting Rights Act. It will be recommended for extension by the Attorney General in an appearance before the House Committee on the Judiciary tomorrow, a minimum of three years and the possible extension to five years. There may be some proposals involved in the substance of the Act, but I think the Attorney General is the man who ought to speak to those.

SENATOR DIRKSEN: Probably one other fact might be noted and that is, actually, the Act does not expire until late 1970, so there is ample time in order to give that matter full consideration.

We had Don Rumsfeld, the Director of the Office of Economic Opportunity, to give us a kind of a rundown and report on what he has accomplished thus far.

He was sworn in only three weeks ago, but already he has moved in like a regular professional. His touch is deft; it is very good. He has brought in some advisers and some accountants and some engineering talent that will stand him in very good stead. There is a lot of re-vamping, I am sure, that has to be done in that agency, but I think, all in all, he has made a very, very promising start.

MORE



CONGRESSMAN FORD: I would certainly like to supplement or endorse fully what the Senator said about Don Rumsfeld. We miss him up in the House, but I don't envy his job. I am confident he will do a first-class job and we will try to get a first-class extension of the poverty program through the House.

We may have to have a 90-day continuing resolution because I doubt if we can get the bill for a two-year extension through both the House and the Senate by June 30. I think there is a great deal of renewed or additional faith in the program because of Don's first-class job as the new administrator.

SENATOR DIRKSEN: One other thing was alluded to -- and I say alluded, not discussed, because I brought it up. The Majority Leader is interested in following the supplemental appropriation bill with Senate Resolution 85, which is a sense of the Senate resolution dealing with the so-called subject of national commitments.

I have done some work on it. I have conferred at length at the State Department and with staffers and others and today when we have our policy luncheon I will take some time to discuss it because I think there is a residue of mischief in that resolution that has to be brought to the attention of the members.

So, this will be rather preliminary today and then, when we get to the Floor, if it is called up, and I fancy it will be, then, of course, there will be a full discussion.

Q Congressman, considering the importance of the tax bill which you outlined to us earlier, could you profile for us the President's attitude on suggesting that an interim extension be granted rather than the one he has asked for?

CONGRESSMAN FORD: The President feels there should be no compromise beyond the three-pronged bill that we proposed. He is very, very, deeply concerned about any temporary extension. I think the Secretary of the Treasury feels, and he is joined by all others who know the facts that a temporary extension or a limited extension would just add fire to the situation now in the area of inflation.

We have got to get the bill through by June 30th if we possibly can in order to meet the challenge of inflation at home and the economic consequences world-wide.

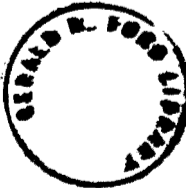
Q Did you tell the President you were absolutely certain that you could get that bill through by June 30th?

CONGRESSMAN FORD: I said that we can get a bill through the House of Representatives and will get an overwhelming Republican support, and I hope it will come up in the House next week so that we can get it over to the other Body in time for them to pass it by June 30th.

Q Congressman, just to avoid any confusion, I am sure it is not just semantics, you said "a" bill and we are asking about "the" bill, the one that has been proposed by the President. You say there can't be any further compromise. Have you assured him that you can get his program as it is outlined now through the Congress?

MORE

(OVER)



CONGRESSMAN FORD: If the Committee on Ways and Means, which is controlled by the Democrats 15 to 10, reports out the President's bill, we can get it through the House of Representatives. There will be all ten Republicans voting for the bill that was agreed on between the Democratic Leadership and the Republican Leadership and if there is any compromise it will come from the other side.

We think the agreed-upon proposal between the Democratic and the Republican Leadership is the bill that ought to pass the Congress and if it gets out of the Committee there will be votes in the House.

Q Then you are not sure of your voting strength in that Committee. You have an agreement with the Leadership and an understanding but not a count of votes?

CONGRESSMAN FORD: I am firm on what the ten Republicans will do. I just hope we can get a sufficient number of Democrats so that the bill agreed upon by the Leadership will be approved by the Committee so we can get it on the floor and get it over to the other Body.

THE PRESS: Thank you.

END

AT 10:55 A.M. EDT

