

Date: November 16, 1993

Processing Note

Re: Telephone Conversation between the President and Mr. Ted Sorensen, 11/25/63, 10:10 p.m.

While working on preservation of the dictabelts, the archives staff observed the following inaccuracies in the transcript:

On page 2, the transcript reads:

TS (Cont'd): "people are looking for an excuse to be getting the tax bill..if you...."

On page 4, the transcript reads:

LBJ: "...Doug Dillon says we've got to have a sentence on being frugal and thrifty...."

The archives staff heard:

On page 2:

TS (Cont'd): "people are looking for an excuse to be against the tax bill..if you...."

On page 4:

LBJ: "...Doug Dillon says we've got to have a sentence on Balance of Payments, being frugal and thrifty...."

Claudia Anderson
Archivist

November 25, 1963

10:10 p.m.

TELEPHONE CONVERSATION BETWEEN THE PRESIDENT
AND MR. TED SORENSON

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First part of conversation is between Bill Moyers and Ted Sorenson:

BM: Ted, just a minute, he'll be with you in just a minute....
Trying to get rid of some people...

TS: Who's this... Bill? How did the meeting go?

BM: I would sum it up by saying that he feels we ought to try a tactical move of talking about a budget of \$100-\$150...in exchange for the \$11 billion ...giving up at least \$1 billion now for \$11 billion...until we get the tax cut...I think he'll decide very shortly...but he wants the bill...he feels that there's a ...that the only way of getting the bill is to offer them a budget less than \$100-\$150 which Gordon has got it down to now.. and it's probably more important to get the bill and sacrificing in the next budget at least in the planning of it...one billion..but the clearance of the meeting is that he wants the tax bill and he wants it before the Januaryand to find the most honorable but expedient way to do it..secondly, he wants this civil rights bill, the first thing in the next Congress..he thinks if we go into the civil rights bill now you won't get the tax bill until three or four months from now...and these fellows all tell him that the tax bill now will mean...an immediate upsurge in the economy...which ought not to be delayed until next April, May, June...so he asked Gordon to go out and restudy \$101.5 ...through the use of gimmicks...or through an actual withholding of some plans and come back and see if he can't tell him "yes" he can get it down to \$100-\$200...something like that...and then see where we can go from there...what are your comments?

TS: Well it depends on how it's done..if it's done by cutting anything out of the budget..that's soured muscle..then I think that's a mistake...I think you can get the tax bill...and I know you can get the tax bill without doing that...but I know the President's thinking on this is far greater than mine..I think that a budget of \$101 ..can be described in such a way and accurately so ...that it's very clear that it is an economy type budget and is certainly enough to justify....you know, most of these

TS
(Cont'd) people are looking for an excuse to be getting the tax bill. .if you don't give them that excuse... they'll find some other excuse but the tax bill has majority of votes from the Finance Committee and has the majority of votes from the Senate floor...I wouldn't give away too much just in order to get that majority a little bit bigger...or even the action on it a little bit sooner...

BM: Well, he didn't commit himself...in fact, he said "I don't want to decide tonight..but this is my thinking at the moment and I really haven't heard the other side of it but I will...

TS: Well, as I say...I think I'd like to take a look and see what the needs are...cutting out of the budget...there are some gimmicks you can use... there are some ways you can hold things back or conceal them and so on...the budget after all is only a schedule of estimates...and estimates can vary by a billion dollars..one way or the other without much trouble...I don't mind the change in estimates but I don't want to see good programs knocked out...

BM: Right...I'll send you a copy of Gordon's budget...he only sent me one copy this afternoon...but I'll send you one first thing in the morning..

TS: O.K. fine

BM: I don't think we ought to say anything specific about the budget..in the address...do you? On Wednesday?

TS: No...

LBJ: Yes, Ted..

TS: Hello, Mr. President...

LBJ: I apologize for being late in calling you but I had this group...I just got Doug Dillen out of here that's on the budget

TS: Oh, I understand. As a matter of fact I'm sorry that I told Bill that I might come but.....

LBJ: Well, we've got more important problems than theirs...we can't resolve it...they're not going to give us the tax bill unless we get our budget down \$100 billion...it's a question of whether you take a billion and a half out of your budget or \$11 billion out of the taxes...that's the way they put it to us

LBJ
Contd

and I guess we'll have to sweat them and see what we can do...

TS: I don't think that really is the choice... I was just talking Bill....

LBJ: You don't?

TS: I think we can do better than that...

LBJ: All right...

TS: But it depends a little bit on how we can play with the budget... ^{are} there ways of presenting a budget which is, you know... satisfies any reasonable man that's willing to be satisfied and the unreasonable ones will find some excuse to vote against it on the tax bill, anyway...

LBJ: Well... our problem seems Joe Fowler and Dillon and all of them in here is getting it out of the committee... and to get it out of the committee it's got to have some Republican votes... and Byrd told friend Dave Lawrence sometime ago and Byrd's been repeating since... now Morton picks it up... and in a way Ribicoff is kind of committed to it cause he's committed to Byrd on procedures... and Byrd is just not going to get any bill this year... not going to report any bill... unless somebody gives him assurance it's not going over \$100 billion... and he's still going to be against the tax bill... but he'll let the others like Carroll Midgea, Ribicoff and our beloved friend, Mr. Morton, vote reported if we get him that kind of assurance... you see, if we don't, he won't. Now what they have to do... they've got a \$1/2 billion gimmick so it gets down to \$101... pretty quick... under the Kennedy guideline... they THINK they can get that \$1/2 billion... but not sure, they've got to work on it another day or two... side drafts instead of sending the ^{made} that leaves \$101... they think McNamara can squeeze \$2 or \$300 million more out of his... so it gets it down to \$100 billion \$800 million... they think... without endangering any of the programs that are in there... they've got poverty and other things... and some little new things... doesn't have any new starts on reclamation... I told them it would cost them \$10 million to put them in... but... we're getting a good deal of static from Agriculture, Interior and the other departments... they think that \$100 billion budget is going to be awful bad... and I do too but I don't \$100 billion with the tax bill is bad as \$102 without one..

TS: Well, there's no doubt about that, if that's our choice... I'm not convinced that is the choice..

LBJ: Well, now, how do we get it going...we've been working on it since January...what can we do? That's what they tell us the choice is..

TS: Well, you have to bear in mind the fact that the fellows who told you that..happen to be giving you the fact which justifies the conclusion with which they sympathize...we'll have to check with Larry....

LBJ: I think that's right...I think Larry ought to check it out pretty well with the committee...I sure hope he's working on that "wheat" thing, too.. I talked to him about it this afternoon...I hope that gets murdered ...

TS: Yes, ...well its got to...

LBJ: And, they don't know how many votes...I've asked Mansfield personally and Humphrey, too, not to bring it up unless they've got it but they agreed to bring it up tomorrow or the next day...so I hope Larry's on that... How you coming along the stuff they sent you...any of it any good..

TS: Well, one of the reasons I called you earlier was to ask you if you'd had a chance to read it...

LBJ: Yes, I read Galbreast..and I rather liked it...I agree with everything he said..I think maybe that we ought to add two or three little things to it..and do just what he says "not do ~~T~~" ...HE says don't have a lot of patchwork but Doug Dillon says we've got to have a sentence on being frugal and thrifty and at least talk like we're going to watch expenditures...even if we have to make them \$101.5...I'd like to have a sentence or two along that line...I'd like to have a little more along the "hate" stuff...I don't think you got into that quite enough..I don't know whether we ought to ask for civil rights and taxes with any given date...I think we just ought to urge the Congress to pass them..I think if we have a given date, we're going to fall on our face ...I think if they'll say the Kennedy program was defeated and next Johnson is repudiated and then since we've repudiated him, let's don't take it up any more... don't you see what I mean? = ...

TS: Yes

LBJ:q I want to keep it alive..but Dillon says there's no way in the world

LBJ
Cont'd

they can get a tax bill...before January 10th. He said if they finished their hearing..then they have to write the report during Christmas and then if they can get back and get a report and debate it six or eight days after the first of the year...

TS: Well, you see, it is pretty tough to make these decisions..until we talk to Larry and to the Democratic leadership and get their judgment..

LBJ: Do you think we ought to try to talk to the leadership sometime tomorrow?

TS: Not a bad idea...well, I don't think for purposes of the speech you have to now...

LBJ: O.K...

TS: But I think before you decide on this budget, you should and before you decide on which comes first, taxation and civil rights, you should ...you were at the last leadership breakfast..before going to Texas...

LBJ: That's right...

TS: And, actually, we tentatively decided then to move civil rights before taxes..

LBJ: Well, Humphrey tells me that its got to be done...can't do anything else...well...if you do, you won't have a tax bill for four months my friend.

TS: I think...I think that's possible ...that's why I think you ought to...but I think that it would probably be a good idea to take the whole thing and hear what the reasons are...

LBJ: That's right...that's right...I think we'll just have to try to do that ...maybe Thanksgiving..if you haven't quit me completely by then... this is a mighty hard life.. you didn't tell me it was going to be this kind of life when you made me Vice President...

TS: It is a hard life...it is going to get harder. On the other hand, I think you ought to think about going away for Thanksgiving..

LBJ: I'm afraid to..I don't have enough breast of this, Ted. I just..I haven't read one third of the stuff I need to read and I read until 2 o'clock in the morning...all these Ambassadors...I bet I saw 20 of them this afternoon...I mean heads of state, DeGualle and Pearson and all this crowd...then they're running 15 more on me tomorrow...then I've got this speech.

TS: Well, if you go down to your ranch you'll get a lot more reading down there than you ever will here...

LBJ: Yes, that's right..

TS: Well, anyway, you liked Galbraith..

LBJ: Yes sir, I did...I didn't think it was any ball of fire..I thought it was something that you could improve on...bunch of general statements but I liked the compassion of it...I don't reject it as a philosophy.. No, I read it about three minutes while economic counselors were coming in here..but they got me in a debate and I had to quit it..but I think a much better speech could be written...I'm expecting you to write a better one.

TS: All right. I'll give you another one...and I'll give you Galbraith at the same time and you can take a look at the two of them..

LBJ: Well, I'll see you in the morning. Thank you, my friend.