

CONGRESSIONAL LEADERS MEETING

Tuesday, March 4, 1958 -- 9 A.M.

AGENDA

1. Housing
2. Highway Legislation
3. Accrual Accounting Legislation
4. Statehood for Alaska and Hawaii
5. Freedom Shrine
6. Senate Report
7. House Report



~~CONFIDENTIAL~~

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
E.O. 11652, Section 1

By JHC NLE, Date 6-25-74

LEGISLATIVE LEADERSHIP MEETING

March 4, 1958

SUPPLEMENTARY NOTES

Housing - Mr. Cole outlined the legislation submitted to the Congress by the Administration, and also gave a critique of the much more extensive Sparkman bill. Sen. Knowland thought the Democrats may have decided to make a package housing bill -- the first of their economic bills to be considered on the Floor. Mr. Cole said the difference between the two Parties in this field was merely one of degree rather than philosophy, that the Democrats were anxious to take drastic action to stimulate the economy whereas the Administration housing officials had taken only limited steps since they did not see the economy as being in a deep depression. Dr. Saulnier stressed the Administration policy of depending upon the private money market to supply housing funds rather than resorting to direct Federal mortgages.

There was further discussion of details and tactics.

Highway Program - Mr. Rothschild outlined a plan for getting the Interstate Program back on the original thirteen year schedule. The immediate problem was to secure authorization for increased apportionments to the States for 1960, 1961, and 1962. Per Mr. Rothschild's proposal, the Administration would support legislation that would authorize these larger apportionments and would express Congress' intent to increase the gasoline tax later on (perhaps by 1 - 1/2¢ per gallon) or adopt some other tax.

Sec. Anderson thought this would contribute to economic recovery for the States and would move their programs along quickly once assured of the larger apportionments. And the Bureau of Public Roads could submit some sort of user tax proposal in conjunction with the study it was already directed to make on who uses the roads the most.

The President thought the action might be accomplished by repealing the Byrd amendment so that the Trust Fund could get money from Treasury's general funds, and repay it later from the 3¢ gasoline tax receipts. Or, if there was a substantial increase of activity in the economy, it might be feasible in 1959 to get a tax increase.

Sen. Edward Martin was all in favor of doing this to help the economy, but Rep. Joseph Martin disliked the idea of a tax increase when the general sentiment of the country was for reducing taxes.

Sen. Knowland suggested getting the authorization, in effect, by repealing the Byrd amendment and stating that of course new taxes would become necessary if the program was to be kept on the "pay as you go" basis.

Rep. MacGregor wanted no part of a tax increase in the present situation, especially since construction costs might drop, thus removing the problem!

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E.O. 11652, Section 1

By RHC NLE, Date 6-25-76

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The President thought the first priority should go to getting the program done. He would prefer to have the tax increased if it were really necessary, but for the moment it would suffice to have the Byrd amendment lifted.

Hawaiian - Alaskan Statehood - The President said he would be extremely concerned over what he should do if the Congress approved statehood for Alaska and not for the other; it would be nothing but a political maneuver to take one and let the other die. He felt certain Hawaii had a claim to priority on the basis of economic development. He said he just didn't know if he would be able to concur in taking the poorer claim; certainly he would need lots of advice.

Sec. Seaton believed there would be a nation-wide protest if the Senate acted only on Alaska. He felt that should the Republicans insist on tying together the two measures, then they would also have to suffer the blame for the defeat which was inevitable. He stressed his feeling that, politically, Republicans are in a better situation currently in Alaska than in Hawaii.

The Vice President felt that admission of these two new states was bound to occur eventually, just as the St. Lawrence Seaway was bound to come. He felt that should the Congress vote to admit Alaska, the President would have no choice but to sign the bill. The President commented that he was still reserving judgment.


LAM
L. A. Minnich, Jr.

Copy to:

✓ Mrs. Whitman (2)
Mr. Minnich

March 4, 1956

PERSONAL AND CONFIDENTIAL

Dear Mr. Brundage:

The following notes on this morning's Legislative Meeting may be of use to you:

Housing - Appropriate Administration officials will meet with the Leadership and other interested Members of Congress to discuss further measures to stimulate residential construction.

Emphasis was placed on the desirability of fostering the flow of private funds to the residential mortgage market in preference to any great expansion of the use of Federal funds through FNMA.

Highway Legislation - The Administration will develop further and discuss again with the Leadership a proposal that would permit the Administration to apportion the funds necessary in the next few years for carrying on the Highway Program as originally scheduled.

Accrual Accounting Legislation - Efforts will be continued to secure approval of this legislation.

Freedom Shrine - The President recalled his long personal support of this project which he believes eminently desirable for the Nation's Capital and which would be constructed without cost to the government.

Presidential Disability Amendment - It is expected that the Judiciary Committee will soon report a proposed constitutional amendment to make permanent provision for meeting the possible situation of Presidential disability. It was particularly noted that the informal arrangement developed by President Eisenhower and Vice President Nixon was designed to apply only to themselves.

Hawaiian-Alaskan Statehood - Efforts will be continued to prevent the occurrence of any situation whereby approval of statehood for either territory would in effect foreclose the possibility of favorable action on the other.

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Center for
Transportation

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Postal Legislation - Emphasis was placed on the importance of securing from the Conference Committee a bill which would effectively provide postal salary increases reasonably consistent with the increased cost of living. It was noted that the retroactive provision and the so-called cost of living increases for postal workers approved by the Senate greatly increased the cost of the salary increase beyond the Administration's recommendation.

Sincerely,



L. A. Minnich, Jr.
Assistant Staff Secretary

The Honorable Percival F. Brundage
Director
Bureau of the Budget

Copies to:

Mrs. Whitman (2) ✓
Gen. Persons
Gen. Goodpaster
Mr. Morgan
Mr. Harlow
Mr. Jack Anderson
Dr. Hauge
Gov. Pyle
Mr. Rabb