

CONGRESSIONAL LEADERSHIP AGENDA

February 5, 1969

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| 8:30-8:45 a. m. | I. Advance Payments, Feed Grain Diversion Program |
| 8:45-9:30 a. m. | II. Congressional Advisory System, Postal Service |



OK - annual
assessments / not mandatory
to follow
BPA 9

DIARY OF WHITE HOUSE LEADERSHIP MEETINGS -- 91st CONGRESS

February 5, 1969

The President entered the Cabinet Room at 8:40 a.m. and suggested an agenda of two items, 1) the question of advance payments to farmers under the Feed Grains Program, and 2) the Congressional Advisory System of Postal Personnel Appointments.

RMN said that the FY69 budget presented by President Johnson was balanced only because it purposefully omitted a few items which must be restored. He introduced Mr. Hardin, who explained that in his last budget message, President Johnson had a paragraph which stated that the 50% advance payments scheduled to be made to farmers now for FY69 would be reduced to 25% and those for FY70 would be terminated altogether. Farmers planning for the crop season had no advance warning, and morality dictates that these payments be restored to the 50% level. A news release has been prepared in which RMN instructs Hardin to make the 50% advance payments under the FY69 budget but serve notice that they would not be made for FY70. This means that \$168 million will be added to the FY69 budget rather than to the FY70 budget. RMN said that he had also told Hardin to make an effort to save an equivalent amount elsewhere in the FY69 Department operations.

make payments on
unpaid

Ford suggested that the news release make no specific comment concerning 1970 but leave the President the flexibility, if circumstances at that time dictate, to continue advance payments at the 50% level.

Mayo asked if it would not be better to say in the news release that the FY70 payments would go to zero and then in the spring of 1970, restore payments to 25%.

RMN said he did not see the need to bite the 1970 bullet yet.

Hardin suggested that it might be feasible simply to postpone the Johnson schedule for one year so that advance payments would go back to the 25% level one year hence and zero two years hence.



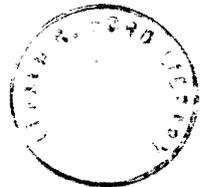
Senator Young said that this action will help the farmers who are borrowing money at twice the level of a year ago. Wilson said that he was anxious that the farmers know who was the hero and who was the villain. He suggested that as a matter of timing, we allow the awful impact to occur and then rush out to rescue the farmers.

Rhodes said that there was no yearly net savings effected by reducing advance payments.

RMN announced that he was sending a message to Congress recommending early consideration of the Nuclear Non-proliferation Treaty. With respect to missiles and armaments treaty negotiations, it would be healthy to require Russia to understand that such negotiations could not begin until they had made an effort to defuse the Mid East time bomb. Said differently, the Russians should understand that we feel that arms reduction cannot achieve peace unless there is first progress on the settlement of political disputes. Dirksen said he will support NPT with some reservations.

Tower, just returned from Germany, said that NPT is extremely unpopular in Germany. RMN said in response that the leaders should say at the news conference that the President was concerned that one of the troubles about the NPT was that it was negotiated without prior consultation with our allies, and that with respect to future bilateral negotiations with Russia on any subject, our allies will be advised in advance.

RMN introduced Blount, paid high tribute to his ability and his willingness to make the sacrifice inherent in the job he has undertaken. Blount said that Mr. Nixon as a candidate, the Republican Platform, the House Republican Policy Committee, and a number of Republican patrons of bills in Congress had put the Republican Party on record in favor of taking politics out of the Post Office. For that purpose, he will send legislation to Congress to abolish the requirement of Senate confirmation of Postmasters. The Congressional Advisory system, under which postmasters have been appointed by both parties, will be abolished, and postmasters will be appointed from a civil service register according to merit. In advance of that, 2,150 acting postmasters appointed under the old system will be removed and new acting postmasters will be



appointed on a merit basis. To determine merit, Blount will establish a Task Force headed by Niles Jackson.

Ford said that he will support legislative action but cautioned that strict adherence to the Blount proposal will frustrate rather than promote career appointments in some cases. He cited a specific example in his own Congressional District.

Arends inquired if the Task Force would consider people outside the Post Office Department as eligible for appointment as acting postmaster pending the establishment of the new register. Blount replied in the affirmative. Scott wanted to know if Members of Congress would be consulted concerning those appointments of acting postmasters. Blount replied that PL89-554, Section 3303, permits the Postmaster General to accept recommendations from Members of Congress only as they pertain to the character or residence of the applicant. (Editor's Note: That statute does not apply to the appointment of acting postmasters but only to permanent postmasters and those covered by civil service.)

RMN suggested to Mr. Blount that it would be extremely helpful to get the Congressman's evaluation of a candidate before a final decision is made.

It was also agreed that Blount would consult with the Leadership concerning appointments to the Task Force. The Vice President suggested that the Blount system might cause a political backlash if, when the new register is finally established and the permanent Postmaster is appointed, the man appointed acting postmaster is replaced.

Cramer called attention to the fact that Democrats in the closing days of the last Administration placed a number of patronage positions under civil service. These include savings bonds directors, state directors of SBA and several others. Cramer asked who would make the appointment of permanent Postmasters after the register was established. Blount said, "The Department."

Blount named those he has named as top lieutenants. These include a deputy who was formerly president of American Can; for finance, the former senior vice president of a Texas corporation; and for personnel, a former official of Union Carbide.



Blount said that unless something is done to improve service and restore personnel morale, this Administration may be faced with the first general postal workers' strike. He also said that he plans to emphasize the importance of improved Congressional liaison.

RMN said that he was backing Blount in what he realized likely would be an unpleasant task and one that would cause some friction with Congress.

Taft inquired about the timing of the announcement. RMN said that the announcement would be made this afternoon. Blount said that it was not planned today to announce that the 2,130 acting postmasters would be removed. Wilson favored the term "review" rather than "remove."

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RMN said that he had decided to resubmit for Senate confirmation the nominations of hold-overs from the previous Administration.

RMN called attention to the need for prompt action on the Reorganization Act. He said that a number of reorganization plans have already been drafted.

RMN said that he hoped that his Secretary of Labor and the Head of the Conciliation Service would be able to settle the Longshoremans' Strike by the end of the week. If not, he would be obliged to send it to the Congress. Taft-Hartley has already been exhausted. RMN said that he would also make legislative recommendations on public emergency strikes.

RMN said that he planned to send a message to Congress concerning Electoral College reform; that he is opposed to abolishing the Electoral College; that he is opposed to a direct popular plan; and that he favors a proportionate plan. *PEK* He asked the President to leave himself more flexibility between the proportional and district plans. Republican Members of the House Judiciary Committee have not made any decision among themselves. Most Republican Members of the Senate who have introduced legislation have introduced the district plan. RMN responded that he could accept either the district or the proportional plan, and he asked Harlow to make certain that his message to Congress reflects that sentiment.

RMN said that he plans to submit legislative recommendations for tax reform in full detail.

He announced that he will be leaving for a visit abroad, possibly sometime during the week of the 17th, and that there will be a bipartisan meeting of the Leadership before and after the trip abroad. Following that, RMN will brief the Joint House-Senate Leadership.

RMN noted statistics showing the high intensity of narcotics dependents in the federal penitentiary population and said that he intended to underscore the need for action in the narcotics area. He inquired with a smile if [C] did not have such a program. [PM] said that [A] had a few random thoughts in the area. [RMN's] response was that [PM] had written all of his campaign speeches for him. [That was something of an over-statement. *per R.H.P.*]

We adjourned at approximately 10:45.

RICHARD H. POFF

THE WHITE HOUSE

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Feed Grain Program - Extension

50% advance payment

\$168 million - difference
between 25% & 50%

1969 - 25% ZBJ |
50% R.N.

1970 - 0 - ZBJ,
flexible - R.N.



THE WHITE HOUSE

(2)

Non proliferation Treaty

R.N. To ask Senate by
message for approval.
non illusions.
simple message
TODAY to Congress.

Do not discuss problems settle political
problems.

Better to move slowly + deliberately
Full consultation in advance with allies

Missile negotiations - held in abeyance
pending full preliminary consultations.



THE WHITE HOUSE

③

Post-Office -

Postmasters + rural carriers
MERIT

2/64 Temporary PM + R.C.
2/30 advisory system
removed + approved
by merit system.



THE WHITE HOUSE

(4)

Reorganization legislation -

Tapes - reform proposals -

Dock Strike -



Electoral Reform - message
no abolishment of electoral college.
proportional distribution
of electoral votes.