
Present:

Members: Senators Dirksen, Saltonstall, Kuchel Congressmen Halleck, Arends, Brown, Byrnes, Ford, Miller, Wilson

Absent: Senators Hickenlooper, Morton

Also Present:

Staff: Robert Humphreys, Robert Allett, Harry Brookshire, Mark Trice

The Presiding Officer called the meeting to order at 9:35 A.M. and announced the agenda for the meeting as follows:

Nuclear Test Ban Negotiations

Spending

Other Legislative Matters

Prior to statements in regard to the agenda, Senator Dirksen called attention to a newspaper headline, "Four Flyers Die in Cuba". He spoke briefly as to the source of his information and said immediate contact was made by CIA of that contact.

Congressman Brown told of a telephone call from a man he knew concerning the removal by paint of insignias on airplanes to be used and of the cancellation of the flights 20 minutes before takeoff.

Spending

The Chairman recognized Congressman Halleck who stated that Maurice H. Stans, former Director of the Budget, had agreed to serve as an advisor on budget matters and that associated with him but not for publicity were Ralph W. E. Reid and Robert Merriam. He stated that Mr. Stans and Congressman Jensen, ranking Minority member of the House
Mr. Halleck then read for the information of the Membership a previously-prepared statement in regard to spending which was unanimously approved. Senator Saltonstall raised a question making the statement stronger but it was agreed that subsequent press conferences would go into the matters suggested and that it had been agreed that at this time not too much detail should be given. A copy of the statement as agreed to is attached hereto.

Mr. Maurice Stans and Congressman Ben F. Jensen appeared before the group at 9:50 and Congressman Jensen stated that Mr. Stans was acting as advisor to the Republican Members of the House Committee on Appropriations. He stated that the Republican Leaders of all 13 subcommittees had pledged to reduce the budget where possible in line with Mr. Stans' recommendations and that the group had "bought" everything that he had recommended. Congressman Jensen stated that at a later time they would reach a conclusion as to how much to cut. He stated that the budget-cutting program was popular with the people and paid tribute to the Republican Leadership.

Congressman Brown moved that a resolution of appreciation be extended to Mr. Maurice Stans for the fine cooperation and service which he had contributed. The resolution was unanimously agreed to.

The Chairman then asked Mr. Stans to give his ideas on the subject. He stated that a "Director's" review had been given to the subject and that he had started with five points of principles or standards, namely, a limit of new personnel in 1964, absorption of the pay increase of last year, the postponement of non-emergency construction, a moratorium on
non-emergency new programs and a reappraisal of other programs. He stated he did not propose an austerity budget but one of additional cuts totaling $15.2 billion. He stated that cuts could be accomplished of between $10 to $15 billion. He suggested a leveling off of expenditures of $93 billion for fiscal years 1963, 1964 and 1965 and did not consider this figure austere and the criteria which has been used would produce a reasonable and safe budget.

He said that he had met with all of the House subcommittees and he proposed that he meet with some business groups tomorrow in order to generate general support for the program. He spoke of a luncheon he had had with General Eisenhower in regard to cuts in the military and space programs. He stated that General Eisenhower had said that he would do anything that was agreeable which was in accord with the Hill position. The President suggested that perhaps the former Budget Directors might be willing to meet and hold a press conference on this subject and that he would be willing to say something on the subject in an article which he was preparing for the Saturday Evening Post.

The Chairman suggested it might be better if after the General returns he might come to Washington and that another press conference might be held by him similar to the one which took place last year.

Because of the illness of Senator Dirksen it was decided to postpone the press conference until Thursday morning and the Members were requested not to release any figures given. A number of questions were asked by the Members present.

Nuclear Test Ban Negotiations

The Chairman recognized Senator Dirksen who read a previously-prepared press release in regard to Nuclear Test Ban Negotiations. As the statement
would not be released until Thursday, it was suggested that there be a beefing up on the matter of "policing ourselves".

It was decided that a press conference by Congressman Jensen would be held on Friday if possible.

There being no further business, the meeting adjourned at 10:48 A.M.

[Signature]
Acting Secretary