

## WH6408-05-4670\_scroller

**Date:** 1964-08-04

**Participant:** Lyndon B. Johnson

**Participant:** Kermit Gordon

**Start Time:** 11:50

**Place:** Oval Office

SCROLLER TITLE: “Modernizing Urban Hospitals”

SCENE SETTER: Bureau of the Budget director Kermit Gordon updated President Johnson on changes to the Hospital Survey and Construction Act of 1946, better known as the Hill-Burton Act. The program it created had played a central role in expanding the nation’s hospital capacity in suburban and rural areas but would now focus on the modernization of existing hospitals, particularly in urban areas.

**Kermit Gordon:** The real need, I think . . . Secretary [Anthony J. “Tony”] Celebrezze [Sr.] would agree, that the urg—most urgent need is for remodeling and modernization of urban hospitals. We’ve done a great deal of community hospital construction in suburban and rural communities. A hundred million [dollars] is the amount we’ve asked for for the last three years. Seems to me the case is very weak for going up to 150 [million dollars].

Now, I know that that is what Senator [J. Lister] Hill [D–Alabama] wants to do, and he may very well put it in anyway, even if . . . even if we don’t ask for the—I mean, even if we ask just for 100 [million dollars], he may move it up to 150 [million dollars]. But in that case, he gets charged for it, not you.

**President Johnson:** How much do we have in our budget for it?

**Gordon:** Well, we had 100 [million dollars] for community hospitals and 50 [million dollars] for modernization and remodeling of urban hospitals. So we had 150 [million] all together. Now, if he puts a whole 150 [million] on the community hospitals and gives us nothing for remodeling, we come out even on the budget. But we have increased the community hospital program by 50 million [dollars]. You see, he would not give us the modernization authority this year. The legislation gives it to us for starting in 1966 and at a lower level than we requested.

**President Johnson:** So he wants to deny us the right to modernize, and take that money, [*Gordon attempts to interject*] put in community hospitals.

**Gordon:** That’s right. It’s really a question, Mr. President, of where the need is greatest, and I think everybody who’s studied it would agree that over the last ten years, we’ve done a great deal of construction in suburban and rural areas, and the great need now is in modernizing urban hospitals. That was the case that we made. The committee went along by authorizing a small beginning in 1966, but they authorized nothing in 1965, and they took the money we had in for modernization and put it into the old suburban and rural construction program.

*End of excerpt.*

CITATION: “Lyndon B. Johnson and Kermit Gordon on 4 August 1964,” Conversation WH6408-05-4670, *Presidential Recordings Digital Edition [Election of 1964]*, ed. Kent B. Germany, Guian A. McKee, and Marc J. Selverstone] (Charlottesville: University of Virginia Press, 2014–). URL: <http://prde.upress.virginia.edu/conversations/4006326>