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Sec. Mueller spoke of his Department's interest in packaging problems, and commented on the way in which the Delaney Amendment shifted to the producer the responsibility for proving the safety of any item.

Sec. Flemming said it was the law as a whole that was involved. With regard to requirements for proving safety of present practices, he said that he had authority for extending the deadline for a year under certain conditions, and he hoped that the people concerned would look to this possible relief and endeavor to qualify for it rather than merely be-laboring the law when they were not necessarily hurt.

Mr. Rogers cited the possible complication of situations where it was impossible to prove that a thing was perfectly safe, even while there was a complete absence of any indication that it might be unsafe -- in short, outside the realm of proof or disproof.

Mr. Larrick and Mr. Flemming recognized that some unique situations like this might develop but that generally there were means for complying with the law.

At Sec. Benson's request, Mr. Peterson amplified the problem involved where a practice has been cleared for use, but where more sensitive testing procedures have subsequently been developed and suddenly threaten to render worthless great expenditures of time, money, and effort under privately approved procedures.

The Vice President thought the most important thing to be that of insuring a rational approach to these things, avoiding the creation of hysteria, and insuring that any punishment meted out be fitting to the crime. Sec. Flemming noted the different degrees of difficulty in handling cases that result from intentional and unintentional procedures. The President thought that that anyone who deliberately misused these things should be prosecuted severely. Mr. Larrick stated that prosecution was being considered in a particular instance that had come to their attention.

Budget Policies - Director Stans enlisted the efforts of the Cabinet in insuring that Departmental personnel testifying on appropriations followed the guidelines set up last year. He stressed that personal opinions must be subordinated to the general need of the budget and the nation as a whole. He pointed out that there had been only three civilian departures from the guidelines last year, but that in the Department of Defense there had been twenty-three obvious ones and many more of a marginal nature.

Regarding Supplementals, Mr. Stans requested greater departmental attention to the BoB circular setting forth the conditions under which a Supplemental could properly be requested. This would obviate requests that could not possibly be approved. He noted the existence of many Congressional pressures for reducing the number of Supplemental requests.

Mr. Stans emphasized the importance of holding expenditures to existing estimates between now and June 30th, since there would be sharp



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of an advisory group of private bankers headed by Mr. John McCloy.

The President recalled again how important is the training of day by day planning, even though specific plans may have to be disregarded under the actual emergency conditions that may develop.

Mr. Merchant expressed Mr. Herter's assumption that the Secretary of the Treasury would consult with State Department on any actions having foreign implications, even though the basic responsibility for fiscal matters is his. Mr. Martin assured Mr. Merchant that all appropriate consultation would be accomplished with whatever departments were concerned.

FRB Payments - Sec. Anderson noted the opposition's jibes at the budgetary item of the Federal Reserve payment to the Treasury. He assured the Cabinet that there had been no arm twisting involved in this. Mr. Martin added that the Secretary of the Treasury was not even told about this until after the decision had been made with the full concurrence of the 12 Regional Boards. He stated that the discussion of this had begun last June, that Mr. Stans had been informed of the possibility, and that the decision had been made in December.

Mr. Stans commented that in any operation as large as an \$80 billion Federal budget, there would always be windfalls, as well as adverse contingencies. Needless to say, Budget welcomed the decision.

Chemicals and Food - Sec. Benson first read a statement which emphasized the long standing practice of using chemicals to prevent extensive damage to crops from insects and disease, the extensive laboratory and practical measures taken to protect against health damage, the Agriculture Department's responsibility for insuring wholesome food and meat and the day by day activity thereunder, the desirability of avoiding sudden actions as much as possible so as to allow time for adjustments, and finally the very difficult problem involved in "zero tolerance."

Sec. Flemming reviewed the situation regarding the Delaney Amendment, as also research within the government on cancer inducing agents. He stressed the absence of precise knowledge at this time as to correlating experiments on animals with effects on humans -- and quantitatively the amounts needed to induce cancer in humans. He stated that Dr. Kistiakowsky had arranged for a scientific panel to look further at this problem.

Dr. Flemming noted some further problems that may develop as regards other products, and particularly food packaging practices. HEW is quietly looking into a great number of these things, he said.

The President asked about the dissemination of information to amateur gardeners about the dangers of some of these products. Secretaries Benson and Flemming informed him that adequate warnings were disseminated with the products and through various publications.

MINUTES OF CABINET MEETING

January 22, 1960

9:04 a.m. -- 11:10 a.m.

The following were present:

President Eisenhower

Vice President Nixon

Mr. Livingston Merchant  
for Sec. Herter  
Sec. Anderson  
Mr. James H. Douglas  
for Sec. Gates  
AG Rogers  
PMG Summerfield  
Sec. Seaton  
Sec. Mueller  
Sec. Benson  
Mr. James O'Connell  
for Sec. Mitchell  
Sec. Flemming

Sen. Morton  
Mr. William McC. Martin, FRB (in part)  
Mr. George P. Larrick, Food & Drug Adm.  
Mr. Ervin L. Peterson, Agriculture  
Mr. Abbott Washburn, USIA (in part)  
Mr. John McCone, AEC

Amb. Lodge  
Mr. Stans, BoB  
Mr. Elmer Staats  
Mr. John Patterson, OCDM

Gen. Persons  
Gen. Goodpaster  
Mr. Gordon Gray  
Mr. Morgan  
Mr. Robert Gray  
Mr. Anderson  
Mr. Kendall  
Mr. McCabe  
Mr. Wallis  
Mr. Merriam  
Mr. Paarlberg  
Mrs. Wheaton  
Mr. Patterson  
Mr. Minnich



Mobilization Policy - Financial Operations - Mr. Martin, of the Federal Reserve Board, submitted a final report of the Study Group, commenting that it was obvious from this work that planning against an emergency must be an every day type of thing rather than a weekly exercise.

Mr. Martin focused on two points: (1) that the basic fiscal concept in an emergency situation is that the country must be a "going concern," thus requiring a sharing of war losses; (2) that it is important from a psychological viewpoint to leave responsibilities with the agencies that normally have them until the time of an attack, after which all responsibilities would rest with the Secretary of the Treasury who could in turn redelegate them as desired. He stressed, regarding the "going concern" concept, that even those areas not hit should be fitted into the perspective of a plan that would make best use of all the remaining resources of the Nation. He said that an appropriate committee would be created under Gov. Hoegh to work out a specific plan. Regarding the retention of normal responsibilities until time of attack, he stressed the concurrence