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THE CABINET MEETING
OF
DECEMBER 6, 1967

The White House

Determined to be an
administrative marking

By MDE On 2/12/80

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ATTENDANCE

At the Cabinet Meeting of December 6, 1967

MEMBERS OF THE CABINET

Vice President Humphrey	Secretary Udall
Under Secretary Katzenbach (State)	Secretary Freeman
Ambassador Goldberg	Secretary Trowbridge
Secretary Fowler	Under Secretary Reynolds (Labor)
Secretary McNamara	Secretary Gardner
Attorney General Clark-	Under Secretary Wood (HUD)
Postmaster General O'Brien	Secretary Boyd

OTHERS

Chairman John Macy
Director Richard Helms
Director Leonard Marks

STAFF MEMBERS

Chairman Ackley	John Roche
Ernest Goldstein	Walt Rostow
Harry McPherson	Barefoot Sanders
Charles Maguire	Charles Schultze
Mike Manatos	Larry Temple

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A G E N D A

Cabinet Meeting of December 6, 1967

I. LEGISLATIVE REPORT

O'Brien-Manatos-Sanders (10 min.)

II. SERVICE TO THE PUBLIC

Chairman Macy; progress report on 2nd Anniversary of Presidential directive to improve governmental services to public; status of Federal Information Centers.

(10 min.)

III. THE SOVIET BUDGET

Director Helms; emphasis on USSR domestic budget.

(10 min.)

IV. FOREIGN PRESS TREATMENT OF U. S. ISSUES

Director Marks; general review and specific case studies of faulty reporting.

(10 min.)

MINUTES OF CABINET MEETING

December 6, 1967

The President was delayed and the Postmaster General opened the meeting at 12:08 p.m. with a progress report on current legislation.

The President joined the meeting at 12:09, accompanied by Mr. David Lilienthal. The Postmaster General continued with his report.

POSTMASTER GENERAL O'BRIEN (12:08-12:18)

There has been "a good deal of discussion" on the Hill that Congress will adjourn December 15. "This may be our last Cabinet meeting before then and we have some work remaining."

Six bills are due for final House action this week or early next week:

1. Pay Raise-Postal Rates
Conferees may agree "today or Thursday."
2. Military Pay Raise
"Should be no problem."
3. Meat Inspection
Conferees have agreed.
4. Social Security
Conferees meeting again today; approximately 150 issues in dispute.
5. OEO Authorization
Conferees have agreed.
6. Continuing Resolution

"We will need help on three other bills in Conference:"

1. Federal Judicial Center
Senate has adopted; House may act Wednesday;
possible Republican opposition and House floor fight.

2. National Flood Insurance
Conferees have not met; agreement unlikely.
3. San Rafael Wilderness
Conference scheduled tomorrow; help needed in getting conferees together and a report out.
4. Subversive Activities Control Board
Conferees appointed; agreement may come this week.

House Legislative Record

Nineteen bills were targeted at Labor Day for passage before adjournment; four have been enacted; seven will be enacted; eight are left.

Senate Legislative Record

Twenty-one bills were scheduled at Labor Day for passage before adjournment; six have been enacted; nine will be enacted; three have been passed by Senate; three remain.

(NOTE: Specifics of House-Senate records attached at Tab A.)

THE PRESIDENT (12:18-12:24)

Congress may adjourn from December 5 through January 15. We can look forward to a busy period with "State of the Union Message, Economic Message and Budget Message."

"I would like to have a Cabinet meeting some time around the 20th of December."

O'Brien, Manatos and Sanders should prepare now for a presentation at that meeting. "We need to take a look at our legislative goals of this session and our achievements, department by department.... We are going into a political year and some of us at least will be under attack.... So we will need to be prepared."

- ✓ [O'Brien's group should make a comparative analysis of legislation passed by Congresses from 1933 to date. The analysis should "draw some general conclusions" as to the purpose and quality of social legislation enacted.
- ✓ ["We will want to use this kind of report with the Congressional leaders before they leave."

"I am proud of the fact and I think that we can all be proud that we have passed more health bills in the last four years than all 35 Presidents."

"The questions we want answered are what have we achieved in Education compared to other Congresses?.... In Conservation? What monuments have we left, if any? "

"We have tried to concentrate on Education and Conservation...but we have lost that emphasis because the Cabinet has failed to communicate it.... Vietnam gets all the talk.... But we won't retreat next year. We will speak out and we want to be prepared to do it."

The President summarized his requirements for a special Cabinet presentation on legislative achievements by making two points:

1. The presentation "should show us what we have done and what we have to do -- where we are hung up."
2. It should also show us "what we must do in the State of the Union Message.... There is a philosophy in the Congress, a Mansfield philosophy, that we have done enough.... that we should slow down and tighten up what we have done rather than undertake any new legislation.... I don't agree."

"Whatever else we do, we have got to have a price tag on everything we come up with.... We have a possible deficit of \$30-35 billion.... We have got to know what every new proposal costs and who will pay for it...."

"All of you have got to ask that question. We are all good at saying what we need but we don't know who will pay for it. If the President, Ackley, Schultze, Martin and Fowler can't get the taxes to pay for it...we had better know who will pay for it."

The President here introduced David Lilienthal, "a man I have the highest admiration for" and invited him to give a brief report of the "other side" of the war in Vietnam.

MR. DAVID LILIENTHAL (12:24-12:40 p.m.)

"When my Company was first given our assignment in Vietnam, we took it as a project in post-war planning. That emphasis has changed greatly in eight or nine months."

"It seems to us now that economic development can start on an everyday basis. I told Ambassador Bunker that we would have some actual programs for the new South Vietnamese government to consider. We have made those proposals now. Our group of Vietnamese and American experts gave their recommendations to the new government and cabinet on their first day in office. It was a 140-page report, a preliminary report, on what could be done now to improve the social and economic life."

Mr. Lilienthal gave his dominant impressions of the South Vietnamese people:

- The peasants, senior advisors and graduate students "are very able people. I don't know any people who are more alert, more responsive, more able to teach you. This is a strong and shared feeling in our company."
- The new cabinet is of a very high quality. It is young, but its four or five technical experts "are as able as any I know." The ministers of Agriculture and Information are two of the best.
- "The graduate students are talented and very alert. A team of 100 of them have gone in pairs to 670 villages. Their reports are the best sampling I know of how the people feel. They asked the people to name their priorities, their wants. Economic and social development were the top priorities, though they used different words. Peace was way down the line."

Comment by the President

"You have served a number of countries as counsel. How would you compare the potential of the South Vietnamese with others in the world?"

Mr. Lilienthal

"Starting with the peasants and the farmers, I would say they are among the hardest working people. They have ability, energy, intelligence and a great adaptability to industrial activity. We feel the same about the educated groups. They made a real contribution to our report and we feel that the fellow who lives there knows the score best. They also have political savy, a feeling for public affairs, they are alert and resourceful."

Comment by the President

You have a limited number of your own experts out there. What kind of work do they do?

Mr. Lilienthal

"Our specialists are mainly those who do the jobs that the South Vietnamese are not trained to do. For example, we have a water control man from Phoenix, one of the best in this country. He liked Phoenix and was reluctant to go to Vietnam, because he disliked all that buchery. But I got him out there and he learned after he had looked around -- now you can't keep him away from out there. Another example is a top class forestry man and a paper pulp man...."

The whole emphasis has changed from our original concept of the contribution we could make. "Now we feel that in three years we should be able to work ourselves out of a job." ✓

Comment by Secretary Fowler

Asked Mr. Lilienthal for a later report on the role of the Asian Development Bank in this process of development. Mr. Lilienthal agreed to provide it.

Comment by the President

How does the quality of the Saigon cabinet compare with other governments you have worked with?

Mr. Lilienthal

"I rate them very high. There are some weak sisters, but they have some key technical men who are very strong. The cabinet in Colombia is about the only one that I have seen to compare with it -- and they didn't last very long."

The American press criticizes or questions the South Vietnamese cabinet for lacking a political constituency. "But I don't think this is as relevant as they make it out to be. The cabinet will build their political constituencies."

Comment by Secretary Katzenbach

Agreed strongly with Mr. Lilienthal's conclusions. "Our people here just don't know the real capacities of the South Vietnamese. You see a road open up over there and then little businesses spring up along side of it -- and somebody starts Lambretta bus service.... Nobody tells them or pays them to do it, they just do it by themselves."

Comment by the President

Thanked Mr. Lilienthal for his report and stated that "we long for the day when the money that goes into war can go into your kind of work."

NOTE: Transcript of Mr. Lilienthal's press conference following Cabinet meeting at Tab B.

CHAIRMAN MACY (12:40-1:05)

Chairman Macy gave a progress report on the 2nd Anniversary of the Presidential Directive to improve governmental service to the public.

He notified the President that the success of the experimental one-stop information center on Federal programs in Atlanta and Kansas City will lead to the opening of similar centers in Chicago, Boston, Denver, San Francisco and Fort Worth during the coming year.

Chairman Macy characterized the past two-year effort as "an intensive action program to improve service to the public." He recalled a conversation with an AP reporter last week. The reporter had said: "You are working on this so hard that you'd think the Federal Government had competition."

Comment by the President

"We do, John, we do." (Laughter)

The specifics of Chairman Macy's chart presentation are contained at Tab C.

-- Secretary Gardner queried the validity of data that ignored "consumer opinion"; i.e. measurements of effectiveness that failed "to go right to the public and ask them how they thought we were doing."

Secretary Gardner recommended "an outside survey.... We should ask the people, not the bureaus." Chairman Macy said that he is doing this and plans more of the same.

-- The President also asked each Cabinet member to review Departmental procedures for answering telephones and replying to mail received from "the public and the Congress."

Comment by Ambassador Goldberg

Suggested that Chairman Macy and the Administration give serious thought to the appointment of a Federal Ombudsman.

General discussion ensued. Chairman Macy regarded the idea as impractical, stating that "every Federal employee should be an Ombudsman.... We have given the idea careful and close study.... but the United States and its Government is so vast and unique that the Scandinavian model does not apply...."

Comment by the President

White House Special Assistants also serve as Ombudsmen. Men such as Douglass Cater screen complaints for the President.... They also adjudicate conflicts of authority.... "10,000 things come in here every week and if we don't handle them all we get all the serious ones."

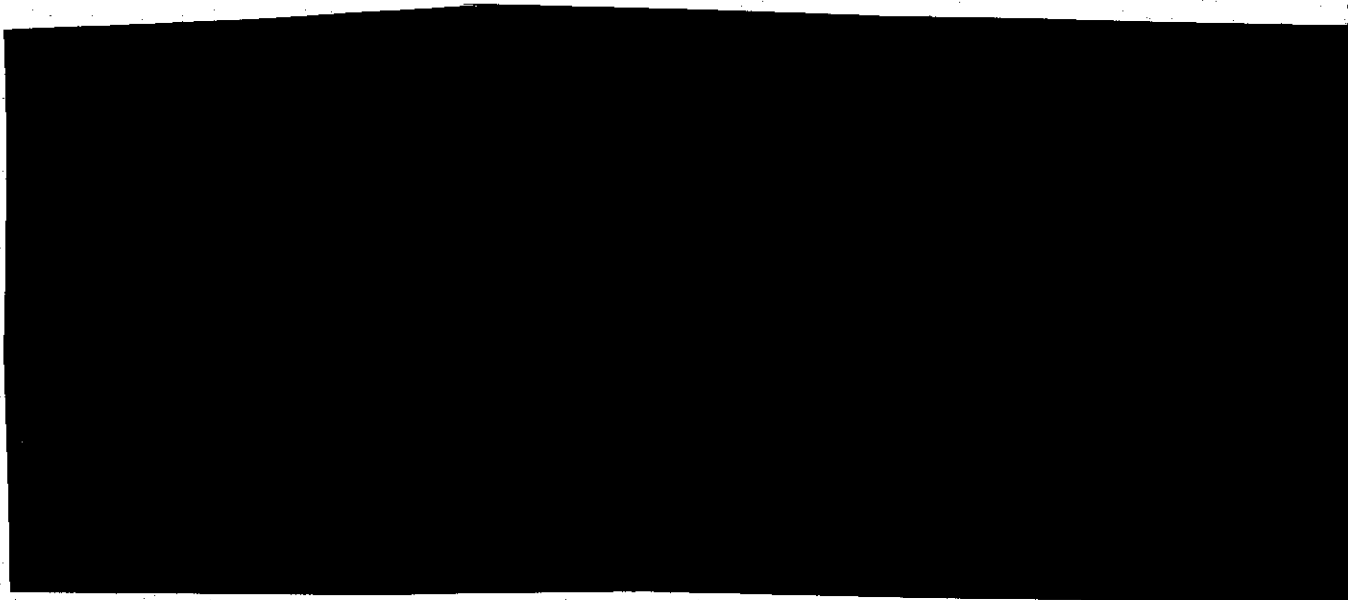
NOTE: A small press pool was invited into the Cabinet meeting by the President for Mr. Lilienthal's and Chairman Macy's presentation. Chairman Macy held a brief press conference following the Cabinet meeting. His remarks are attached at Tab C. The press pool left the Cabinet meeting before the next presentation by Director Helms.

DIRECTOR HELMS (1:05-1:15)

Director Helms gave a briefing on the Soviet defense spending and economic policies. The text of his classified presentation is attached at Tab D.

Closing Remarks by the President

Apologized that circumstances necessitated the postponement of the presentation by Director Marks of USIA. Mr. Marks' presentation will be scheduled for the next Cabinet meeting.



The meeting adjourned at 1:21 p.m.

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Minutes by C. Maguire