

Economics, 1978-79

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DATE 6/30/87

THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL

Good
J

MR. PRESIDENT-

ENCLOSED ARE LISTINGS
OF BRIEFINGS WE ARE CONDUCTING
ON OUR ECONOMIC/TAX PACKAGE.

THESE SHOULD BE HELPFUL.
YOU MIGHT GET SOME NEGATIVE
FEEDBACK FROM BLUMENTHAL WHO
RESENTS THE FACT WE ARE DOING
THIS HERE AT WHITE HOUSE.

-N.J.

"Electrostatic reproduction made for preservation
purposes."

AS OF 2/7/78

SCHEDULE FOR ECONOMIC BRIEFINGS

Wednesday, February 8, 1978

GROUP: (Small Business Leaders)
TIME: 2-4 PM
PLACE: Roosevelt Room
COORDINATOR: Steve Selig

- 2:00 PM - Greeting, Introduction of Hamilton Jordan
(Vernon Weaver)
- 2:01 PM - Welcome (Hamilton Jordan)
- 2:05 PM - Introduction & Overview; Jobs Programs; Q&A
(Stu Eizenstat)
- 2:30 PM - Tax Cut; Tax Reform Proposals; Q&A
(Secretary Blumenthal)
- 2:55 PM - Coffee Break
- 3:05 PM - Private Sector Incentives; Q&A
(Secretary Kreps)
- 3:30 PM - Anti-inflation; Wrap-up; Q&A (Charlie Schultze)
- 4:00 PM - Closing (Steve Selig)

SCHEDULE FOR ECONOMIC BRIEFINGS

Thursday, February 9, 1978

GROUP: Labor Leaders
TIME: 2-4 PM
PLACE: East Room
COORDINATOR: Landon Butler

- 2:00 PM - Greeting; Introduction of Hamilton Jordan
(Landon Butler)
- 2:01 PM - Welcome (Hamilton Jordan)
- 2:05 PM - Introduction; Budget Overview; Q&A
(~~Butler~~) *Jim McIntyre*
- 2:30 PM - Anti-Inflation; Q&A (Lyle Gramley)
- 2:55 PM - Coffee Break
- 3:05 PM - Jobs Program; Q&A (Secretary Marshall)
- 3:30 PM - Tax Cut; Tax Reform Proposals; Q&A
(Secretary Blumenthal)
- 3:55 PM - Wrap-Up; Q&A (Stu Eizenstat)
- 4:15 PM - Closing (Landon Butler)

AS OF 2/7/78

SCHEDULE FOR ECONOMIC BRIEFINGS

Friday, February 10, 1978

GROUP: Corporate Chief Executives
TIME: 2-4 PM
PLACE: State Dinning Room
COORDINATOR: Steve Selig

- 2:00 PM - Greeting; Introduction of Hamilton Jordan
(Steve Selig)
- 2:01 PM - Welcome (Hamilton Jordan)
- 2:05 PM - Introduction & Overview; Anti-inflation; Q&A
(Charlie Schultze)
- 2:30 PM - Tax Cut; Tax Reform Proposals; Q&A
(Secretary Blumenthal)
- 2:55 PM - Coffee Break
- 3:05 PM - Private Sector Incentives; Q&A
(Secretary Kreps)
- 3:30 PM - Budget Overview; Q&A (Jim McIntyre)
- 3:50 PM - Jobs Program; Wrap-up; Q&A (Stu Eizenstat)
- 4:15 PM - Closing (Steve Selig)

AS OF 2/7/78

SCHEDULE FOR ECONOMIC BRIEFINGS

Tuesday, February 14, 1978

GROUP: Administration; White House; DNC
TIME: ~~2-4 PM~~
PLACE: 45 EOB
COORDINATOR: Laurie Lucey

- 2:00 PM - Greeting (Hamilton Jordan)
- 2:05 PM - Introduction; Tax Cut; Tax Reform; Q&A
(Stu Eizenstat)
- 2:30 PM - Jobs Program; Q&A (Secretary Marshall)
- 2:55 PM - Coffee Break
- 3:05 PM - Budget Overview; Q&A (Jim McIntyre)
- 3:30 PM - Anti-Inflation Program; Wrap-up; Q&A
(Charlie Schultze)
- 4:00 PM - Closing (Landon Butler)

AS OF 2/7/78

SCHEDULE FOR ECONOMIC BRIEFINGS

Wednesday, February 15, 1978

GROUP: Corporate Lobbyists
TIME: 2-4 PM
PLACE: 450 EOB
COORDINATOR: Steve Selig

- 2:00 PM - Greeting; Introduction of Hamilton Jordan
(Steve Selig)
- 2:01 PM - Welcome (Hamilton Jordan)
- 2:05 PM - Introduction; Anti-inflation Program; Q&A
(Charlie Schultze)
- 2:30 PM - Tax Cut; Tax Reform Proposals; Q&A
(Donald Lubick)
- 2:55 PM - Coffee Break
- 3:05 PM - International Trade Strategy; Q&A
(Ambassador Strauss)
- 3:30 PM - Jobs Programs; Wrap-up; Q&A
(Stu Eizenstat)
- 4:00 PM - Closing (Steve Selig)

AS OF 2/7/78

SCHEDULE FOR ECONOMIC BRIEFINGS

Thursday, February 16, 1978

GROUP: Consumerists; Good Government; Seniors
TIME: 2-4 PM
PLACE: 474 EOB (Treaty Room)
COORDINATOR: Esther Peterson

2:00 PM - Greeting; Introduction of Hamilton Jordan
(Esther Peterson)

2:01 PM - Welcome (Hamilton Jordan)

2:05 PM - Introduction; Budget Overview; Q&A
(Jim McIntyre)

2:30 PM - Jobs Programs; Q&A (Secretary Marshall)

2:55 PM - Coffee Break

3:05 PM - Anti-inflation Program

3:30 PM - Tax Cut; Tax Reform; Wrap-up; Q&A
(Stu Eizenstat)

4:00 PM - Closing (Esther Peterson)

AS OF 2/7/78

SCHEDULE FOR ECONOMIC BRIEFINGS

Friday, February 17, 1978

GROUP: Black Leaders
TIME: ~~2-4 PM~~
PLACE: 450 EOB
COORDINATORY: Bunny Mitchell

2:00 PM - Greeting; Introduction of Hamilton Jordan
(Bunny Mitchell)

2:01 PM - Welcome (Hamilton Jordan)

2:05 PM - Introduction; Tax Cut; Tax Reform; Q&A
(Stu Eizenstat)

2:30 PM - Jobs Program; Q&A (Secretary Marshall)

2:55 PM - Coffee Break

3:05 PM - Budget Overview; Q&A (Jim McIntyre)

3:30 PM - Anti-Inflation Program; Wrap-up; Q&A
(Charlie Schultze)

4:00 PM - Closing (Bunny Mitchell)

AS OF 2/7/78

SCHEDULE FOR ECONOMIC BRIEFINGS

Tuesday, February 21, 1978

GROUP: Hispanic Leaders
TIME: 2-4 PM
PLACE: State Dinning Room
COORDINATOR: Joe Aragon

- 2:00 PM - Greeting; Introduction of Hamilton Jordan
(Joe Aragon)
- 2:01 PM - Welcome (Hamilton Jordan)
- 2:05 PM - Introduction; Tax Cut; Tax Reform; Q&A
(Stu Eizenstat)
- 2:30 PM - Jobs Program; Q&A (Secretary Marshall)
- 2:55 PM - Coffee Break
- 3:05 PM - Budget Overview; Q&A (Jim McIntyre)
- 3:30 PM - Anti-inflation Program; Wrap-up; Q&A
(Charlie Schultze)
- 4:00 PM - Closing (Joe Aragon)

3-16-79

EYES ONLY

TO: PRESIDENT CARTER

FROM: HAMILTON JORDAN *HJ*

Even before you had scheduled the meeting Monday at Camp David, Mike Blumenthal had made an appointment with Jerry Rafshoon and me to talk about our economic policy problems. He shared this memo with me which accurately reflects his own concerns and frustrations. I thought that you might want to have it in advance of your meeting.

I am sure that Mike will not object.



March 14, 1979

MEMORANDUM

SUBJECT: ECONOMIC DECISION MAKING

Every public opinion poll shows that we are not scoring well on economic policy making. This issue is likely to become much more critical in the months ahead. With energy problems multiplying, inflation accelerating, and economic slowdown almost certain some time this year, criticism of our economic stewardship will rise.

Our problem is as much one of perception as of reality. After all: Unemployment has come down. The economy has grown remarkably well. Distortion and shortages have been avoided. Income taxes have not been allowed to rise. The budget deficit is narrowing. The economic fortunes of poor and low income people have improved.

And, inflation - our main problem - quite probably is relatively impervious to anything we could reasonably have done over the short or medium run.

Nevertheless, we get little or no credit for any of the positive developments, while being loudly blamed for every conceivable economic problem in the land, real or imagined. The President is being portrayed as a weak and indecisive economic leader. He is being faulted for lacking a clear sense of direction, and for running an Administration where decisions are made too little and too late and with no one clearly in charge.

Like it or not, we have failed to convince the public that the President is a strong economic chief, leading and influencing events rather than reacting to them. That's why he gets little credit for the positives and more blame than he deserves for the problems.

What's the cause of this? What can we do about it?

To understand the reasons why, we first have to accept a few simple truths:

1. The development and implementation of economic policies, not unlike political decision making, is as importantly presentational as it is substantive. How we present what we do on the economy is quite as important as what we actually do.

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March 14, 1979

2. Our decisions have much less impact on the course of economic trends than is generally believed - and than we ourselves assume. That is certainly true in the short and medium run. Hence, the thrust and style with which we make decisions affects the perceptions and reactions of the private decision makers we must impress and influence fully as much as the actual content of what we do.

3. Economic affairs are characterized by much more uncertainty than any other kind of Government activity. Economists frequently simply "don't know". The numbers they work with are seductive because they look precise but are in fact highly conjectural. Cause and effect is not well understood and what works at one time often does not work at another. One reason is that mood and psychology is always important and rarely quantifiable.

4. For most economic problems, people can always think up several difficulties and risks for every solution. Economic policy more than anything else lends itself to endless debate and argument, much of it useless. There are more trade-offs between unknown causes and conjectural consequences than in any other field.

5. In the end, to decide and to move may be as important as to agonize excessively over what is the "best" move. In economics, as in politics, a decision 70% correct, arrived at crisply and presented decisively, is better than one 90% correct which emerges diffused, delayed and hedged.

If we recognize that this is what economic decision making for the President is all about, it is not hard to see why we have not been doing well:

We have not shown a clear direction to our policy.

We have tried to achieve too many simultaneous goals and to please too many constituencies at the same time, thus pleasing no one.

We have spent too much time debating options, when action was more important than precise substance.

Interminable and confused debates have invariably caused leaks which further undercut our position.

Note that when there has been decisive action without undue debate, the impact for the President then - in economics as in politics - has been generally positive:

Camp David, the recognition of China, and the President's recent Mid-East trip are examples on the political side.

The dollar stabilization program, instituting steel trigger prices, settlement of the China claims, and even eliminating the \$50 rebate, are analogous examples on the economic side.

~~CONFIDENTIAL~~

March 14, 1979

In each of these situations, the positive impact of decisive action was as or more important than the precise content of what was actually decided.

It follows, that to have the President emerge as an economic leader in the public's eye, we must act more quickly, more decisively, more pointedly, and more simply. To do this, two things are required:

One, a very few clear goals and priorities.

I recommend the following:

a. Give greatest priority to making economic decisions in a way which demonstrates the President's leadership qualities, his courage, his decisiveness, his steadfastness, his willingness to take risks.

b. Emphasize above all else the fight against inflation.

c. Take clear-cut, simple, dramatic action on energy: to reduce domestic consumption; and to free the economy of energy price controls once and for all.

d. Always tell the public the bad news before it happens.

Two, further improvement in our economic decision making process.

I recommend the following:

a. Further streamline the economic decision making apparatus at the top.

b. Further reduction in the number of senior people involved in developing key economic decisions.

c. Reduce the still-too-many opportunities for excessive bureaucratic delays through the "staffing out" of too many options; and finally,

d. Greater control and better clearance of Cabinet and sub-cabinet statements on the economy.

Exactly how this is achieved is clearly a matter for Presidential decision. The issue cannot be divorced from the President's preferences and preferred operating style. The key point is that achieving the desired effect is more important than the means by which he decides to do so.


W. Michael Blumenthal

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EYES ONLY

TO: PRESIDENT CARTER

FROM: HAMILTON JORDAN *HJ*

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