

Welfare Reform

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cc Ham
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TO: PRESIDENT CARTER
FROM: HAMILTON JORDAN H.J.
RE: WELFARE REFORM

I hope that you will be able to devise some way to fulfill your commitment for a May 1st announcement on welfare reform while maintaining the maximum amount of flexibility.

In devising your energy policy, you spent literally hundreds of hours reading, working personally with Schlesinger and debating the proposals with your key advisers. The result was a policy that you were familiar and comfortable with, that you could understand and defend, and was balanced and comprehensive.

As I sat in the welfare meeting today, several things were obvious to me:

- You don't have a clear idea yet of what kind of program you want. I don't know how you could when you have spent all of your time the past month on energy, the rebate decision, SALT and inflation. I would bet that you have not spent 5% as much time on welfare reform as you have on energy.
- HEW has provided - at best - very sketchy options which do not allow Bert Lance, Charlie and Mike to measure the economic and budget implications.
- The critical relationship between welfare reform and tax reform has not been well defined.
- On energy, Schlesinger moved quietly around the Hill for a couple of months spotting the problem areas and reaching a political consensus among some of the key committee chairmen and the leadership. Very little work has been done on welfare reform on the Hill. We have not had a plan to test on the Hill and the membership of Congress is generally cynical about the notion of welfare reform. Certain key members of Congress (Ullman, Long, etc.) will not only have to be consulted but will have to be supportive of the final plan if it is to pass.

The strength of the energy proposal is that you understand it intimately, have great trust in Schlesinger and his people and that the final program was the product of a long and deliberate process that identified weaknesses, contradictions and political and economic problems that had to be solved.

I don't believe that it is humanly possible to have
a good welfare reform program ready by May 1st that you
believe in and are comfortable with. You were asking
questions today about welfare reform that are probably
comparable to the questions you were asking Schlesinger
in January about energy.

Tell
Jody

An even more important consideration is your own health
and peace of mind. You badly need rest and the opport-
unity to rejuvenate. You have just been through two
weeks that were physically and mentally exhausting. You
don't look good and need to get away this weekend.

If you work all weekend on welfare reform, you will
begin the week tired, will have to spend a lot of time
in preparation for the summit and will arrive in London
exhausted. You don't do well in that condition. The
difference in your superb speech to the American people
on Monday night and your adequate speech to Congress on
Wednesday was your physical state.

I don't have a magic solution, but would ~~strong~~^{STRONGLY} urge you to do the bare minimum Monday in terms of a statement on welfare reform. Possibly a statement of the goals of welfare reform and a description of the framework by which these goals will be pursued. *This will allow Congressional Consultation.*

You should go on to Camp David. Take whatever information that you need on welfare reform to study. If you need it, have Stu, Joe, Charlie and others up for a couple of hours Saturday or Sunday.

The summit is important. Heads of state who are puzzled by the new American President will size you up. First impressions are usually lasting impressions. It is important that you be fresh and well briefed.

*Ham - I agree - but
Today apparently promised
we would attend the d--n
WH Press banquet - so
I'll have to get my rest
playing easy tennis with you -
J.*