

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 29, 1973

Mr. President:

The attached talker from George Shultz provides no substance for this afternoon's economic meeting. I recommend that you:

-- Introduce the meeting by informing the group that you feel the need for an exchange of views on economic policies, with the view toward having the benefit of a broad assessment of current policies and possible modifications as may be appropriate.

-- Reaffirm your intention to do what is substantively correct and not what might on the surface appear to be politically expedient.

-- Inform the group that you are aware that they have been meeting intensely to consider possible modifications to our economic program and that you visualize today's meeting to represent no more than an exchange of views on possible new courses of action. In this regard, a decision to maintain status quo in itself constitutes a policy initiative.

-- Ask various members, starting with George Shultz, to comment on the present situation, emphasizing that today's meeting must necessarily be limited to 60 minutes.

Note: During today's meeting, it will be evident that there is a wide ranging set of views on what should be done in the economic area. In general, George Shultz and Herb Stein are strong advocates of status quo. John Connally is more conscious of current political needs and, though he would advocate continuation of status quo, would probably also recommend some steps designed to assert Presidential leadership and activity. Ash will be generally sympathetic with Connally's views. Arthur Burns will be in favor of more dramatic actions designed to harness what he considers to be a runaway boom that could be getting out of hand.

Attached is a separate memorandum from Herb Stein treating the same subject.

Al Haig

Attachments