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THE PRESIDENT HAS SEEN...

THE WHITE HOUSE

WASHINGTON

MEETING WITH SENIOR ECONOMIC ADVISERS

Tuesday, August 20, 1974

2:00 p.m. (60 minutes)

Cabinet Room

FROM: KENNETH RUSH

K.R.

I. PURPOSE

To review the outlook for the U.S. economy.

To discuss monetary policy and its impact on the economy.

To discuss the substantive preparation necessary for the Summit Conference on Inflation.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background

Alternative economic policies need to be considered in the light of the present economic situation and the economic outlook. This meeting will initially focus on the economic outlook in an attempt to portray as clearly as possible the likely gravity of the economic situation. This discussion will also serve as a backdrop for the review of monetary policy and for consideration of the substantive preparation necessary for the Summit Conference.

B. Participants:

Kenneth, Rush, Secretary Simon, Roy Ash, Arthur Burns, Herbert Stein, Bill Seidman, and Governor Scranton.

C. Press Plan

White House photographer.

III. TALKING POINTS

*Housing*  
*Oil money*

A. Outlook for the Economy

There is a substantial degree of difference in the views of economists, businessmen and others as to the outlook for the economy. I would like to know your best estimates for GNP, unemployment, and inflation during the next four quarters. I would like Herbert Stein to start us off.

B. Monetary and Credit Conditions and Prospects

There is some concern in many parts of the economy over present monetary policy. In that this is such an important element in our overall economic policy, I would like to have Arthur Burns review present monetary and credit conditions and prospects. I would then like him to indicate what he considers to be the options for monetary policy and what he expects to be an appropriate monetary policy in the next few quarters in the light of the outlook for the U.S. economy.

C. The Summit Conference on Inflation

A significant amount of substantive preparation must be done for the Summit Conference. Also, plans must be made now to absorb the results of the meetings building up to the Summit and translating them into appropriate inputs for the Summit. Finally, mechanisms must be planned to quickly translate any appropriate Summit results into economic policy.

I would like Herbert Stein to talk about his plans for the CEA statement on the present economic situation and outlook and on economic policy. I would also like to have Roy Ash discuss his planned use of the budget materials at the meetings leading up to the Summit Conference.

I would then like Kenneth Rush and Bill Seidman to review their plans for structuring the meetings leading up to the Summit and for structuring the Summit itself. Specifically, what is proposed for an agenda?

① Conservation  
Tapes or  
② Project Independence  
③ Commonwealth  
Conf. material

Finally, I would like your opinions as to whether to use the Summit to try to attain some kind of labor-management consensus on the degree of restraint to be exercised in the future. If this is to be done, what can we do now to help bring about such a consensus?