

THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: PETER FLANIGAN
SUBJECT: ECONOMIC SPOKESMAN

At a meeting with your Economic Advisors on June 28 and with the Cabinet on June 29 you named Secretary Connally as the Administration's chief economic spokesman. By this action you gave Connally the responsibility for "setting the line" on economic matters and for making major economic pronouncements.

The reason for this explicit assignment was not, as I understand it, that there were too many voices, but rather that there were too many different "lines". The desired result was not to be a diminished volume of Administration rhetoric in support of our economic policy, but rather an increased effectiveness by virtue of everyone "marching to the same drummer".

To some extent, however, the Connally assignment has been interpreted as meaning that Connally is to be the Administration's sole economic spokesman. As a result, there has been a recent reluctance among others in the Administration to speak out. Some recent ill-founded attacks on the Administration's economic policy have gone unanswered.

To assure a vocal and immediate defense of our economic policies, as well as an effective offensive as the economy gains strength, I recommend that, in addition to Secretary Connally being the Administration's chief economic spokesman with the responsibility for articulating its line, the following individuals have a general responsibility for public statements on the indicated subjects:

Dr. McCracken, Dr. Passer (Commerce) and Secretary Hodgson

To comment on statistics.

Dr. McCracken, Dr. Passer and Charls Walker

To respond to attacks by politically oriented economists.

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Secretary Stans, Peter Flanigan and members of Gideon's Army

To speak to, and respond to complaints from, the business community.

Secretary Hodgson

To counterattack politically inspired economic charges by union officials.

Senators and Congressmen selected by Clark MacGregor and Governors as selected by Harry Dent

To respond to attacks by Democratic members of Congress and Governors on the Administration's economic policies and actions.

The line followed by these spokesmen would conform to that laid down by Connally. By using other people, Connally's effectiveness for major pronouncements would not be diluted through the overexposure that would inevitably result if he carried the entire responsibility for all comments on the economy.

To implement the above, the named individuals would be informed of their respective areas of responsibility and told they are expected to speak out. Chuck Colson would continue to monitor the media watching for opportunities for either Administration initiatives or responses. These opportunities would be brought to my attention and Colson and I would work together to stimulate the appropriate individuals to speak out. Colson will see that we get maximum media treatment and that our spokesmen and the Congressional supporters are fully coordinated. Any straying from the Administration line would bring an immediate response from me.

This proposal does not limit flexibility of response. George Shultz is always available whenever another major spokesman is desired. Others, such as Peter Peterson and the Assistant Secretaries for Economic Affairs of Treasury and State are available when needed. But the proposal does provide for more automatic initiatives and responses in public discussions of economic matters than is currently the case.

Secretary Connally and Chuck Colson support this proposal.

Approve _____

Disapprove _____

See Me _____