

Memo From the President



*Office of the President
The White House
Washington*

TO: Special Task Force of the Council of Economic Advisors
FROM: President of the United States
RE: Policy Recommendations for Current Economic Crisis

As you know, the recent oil supply shocks and the rapid rise in oil prices have produced an economic crisis. As a result, we are facing:

- High level of unemployment (12.5%) affecting all sectors of the economy—middle managers are now losing jobs at increasing rates and homelessness is rising rapidly in urban areas
- High rate of inflation (9% annually)—people are concerned about being able to afford basic necessities, while businesses are contracting
- Dramatic slowing of economic growth in the past two quarters—real GDP has dropped by 13%

I am hearing a great deal of criticism from all sides about how we're not dealing strongly enough with this—my approval ratings have plummeted. We need to develop an economic policy that will ease the crisis. I have therefore convened this special task force of the Council of Economic Advisors. Of course, any policy we develop cannot increase our already-too-high national debt.

Once you have developed your policy, prepare a presentation, using visuals, that explains and justifies your policy. A written summary of your presentation must be on my desk before you make it. You will deliver the presentation to me and a panel of representatives of different constituencies. We need to get feedback on whether or not voters will find the policy acceptable, a critical necessity if I am to have a hope of being reelected this year and you have a hope of keeping your politically appointed jobs. The panel will ask you questions and expect you to defend your plan. If this group accepts your recommendations, I will use your ideas as the basis for a speech to the nation the following week.

Some people are saying this could be the worst economic crisis the nation has ever confronted. Before you get started on your policy recommendation, send me a memo ASAP with your analysis of how our current unemployment, inflation, and economic growth compare to leading economic indicators in the past.