

NOTES

Monday, Feb. 5, 1968

ACKLEY-SCHULTZE RECEPTION  
(8th floor State Dept.)

Gardner Ackley and Charlie Schultze, now that you are leaving us, I am telling all my friends that the nation is in your debt -- not ours.

I don't know whether the New Economics will prove as "dismal" as the old, but it is just as thankless.

This morning I asked a friend of mine in the Congress what he thought of Charlie Schultze. He said: "He just can't cut a budget. What's worse, he was against my rivers-and-harbors project."

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At lunch I asked a labor-leader friend about Gardner Ackley. He said: "He can take his guideposts...." Needless to say, I assured him, Gardner, that you had.

Now it was your job to please all of the people all of the time, and let me tell you frankly that you have both been dismal failures in that regard.

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More seriously, we are here tonight to thank and pay tribute to you both for trying to find the right answers, for finding a great many, and for not being afraid ~~to~~ say you didn't have them all.

Together you have helped give this country a new notion of prosperity, and new opportunities to meet its responsibilities at home and abroad.

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I know we can count on both of you for guidance in the future as we seek to apply that prosperity and seize those opportunities for the betterment of mankind.

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OFFICE OF THE VICE PRESIDENT  
WASHINGTON

February 5, 1968

TO: THE VICE PRESIDENT

FROM: NEAL PETERSON

RE: RECEPTION FOR GARDNER ACKLEY AND CHARLES SCHULTZE  
FEBRUARY 5, 1968

You have agreed to attend the reception for Gardner Ackley and Charles Schultze. Undoubtedly you will be asked to say a few words. In order to refresh your memory, the following are some facts about both.

GARDNER ACKLEY

Gardner is originally from Indiana but has spent most of his life in Michigan and Washington, D.C. His wife's name is Bonnie; he has two sons -- David, 27, and Donald, 22.

He has been in and out of Government since 1940 and has been with the following agencies:

- National Resources Planning Board
- Office of Price Administration
- Office of Strategic Services
- Office of Price Stabilization
- Council of Economic Advisers (Chairman since 1964)

He has done considerable economic work in Italy as a Fulbright research scholar and as a Ford Foundation research fellow. In fact, he has written a book called The Econometric Model of Italian Development in the Post War World which was published in 1963. Gardner will become the new Ambassador to Italy.

CHARLES SCHULTZE

Schultze is originally from Alexandria, Virginia. His wife's name is Rita. He has six children: Karen, 20; Kevin, 17; Lynn, 16; Kathleen, 15; Carol, 6; Mary Christine, 4. I think only the two oldest will be at the reception.

*Rita*  
*6-11-68*  
*St Thomas - College of St Thomas*  
*Supporter - H.H. + McCarthy*

*Brookings Institute*  
*many and CIA*  
*Budget - a tool of fiscal Policy*

Charlie taught Economics at the University of Maryland and, from 1949 to 1951, was an instructor in Economics at the College of St. Thomas in St. Paul, Minnesota.

(During this period he was politically active for both Gene McCarthy and you). He spent seven years as a staff economist on the Council of Economic Advisers and was a special assistant to Kermit Gordon while he was director of the Bureau of the Budget. (Charlie will become associated with Brookings Institute and will teach at the University of Maryland).

The new Chairman of the C.E.A. is Art Okun; the new Director of the Bureau of the Budget is Charles Zwick.

You might want to mention that Gardner is leaving for the Classical Palaces of Rome where he will be the Ambassador (you are thoroughly familiar with the Palace that the Ambassador lives in); while Charlie Schultze will be leaving for the Glass and Steel Palaces of Massachusetts Avenue.

Schultze will of course now be free to criticize the budget cutters while Gardner is going to have to be concerned with implementing the cut-back in personnel ordered for the U.S. Embassies.

With regard to Gardner Ackley, you might mention that he seems to have spent his economic career being concerned with holding prices down, and he has done a valiant job. He believes strongly in a free economy and continually rejects authoritative controls. He has steered our economy during a period where we must develop a course of action as we go along -- for John Maynard Keynes' theory only chartered a course for recovery. Gardner will go down in history as the first man to keep it going for so long a period without tipping it over. He has pioneered the active use of economic tools in anticipation of problems rather than merely responding to problems after they occur.

With regard to Charlie Schultze, he has left his mark not only on the Bureau of the Budget but the entire federal government. To the conservatives, he has an image of one who absolutely cannot cut the budget; to the liberals, he has an image of one who is the worst budget cutter -- bar none -- Republicans or Democrats.

The truth is he has had a deep understanding of using the budget as a tool for fiscal policy. In addition to this, he has completely reorganized the Bureau of the Budget so that it will eventually be more responsive to good government and to fit in with his program planning and budgeting system. This latter system of course will eventually make as wise use as possible of taxpayers' money to accomplish our overall national objectives.

ART OKUN. /

- Kermit Gordon

New Economy  
new Religion  
(Benediction -  
not so short)  
Growth + Expansion  
with respect for  
the Values

I'm Not Relinquishing

My  
own  
growth  
is  
not  
in  
question

To Resign or Not  
to Resign  
No doubt in me.

Invocations  
Benedictions (Short)

- Garfunkel Ackley -  
+ Bonnie - 2 Sons

Charles Schultz  
Rita

① Ben Franklin  
Hang together

② I'm not leaving  
voluntarily

③ Baroque <sup>Rodriguez</sup> ~~celebrate~~  
after President

④ I'm only one  
who knows  
after President

⑤ Your Grace under  
this Administration



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