

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records
Subgroup/Office of Origin: Council on Environmental Quality
Series/Staff Member: Kathleen (Katie) McGinty
Subseries:

OA/ID Number: 2898
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Folder Title:
[Miscellaneous Environment Notes] [Loose]

Stack:	Row:	Section:	Shelf:	Position:
S	61	6	2	3

Dialer 4-2424
UP Office.
Retreat.

Sr. Wlt. My @ H.O.

Butch

262-5737

262-5146

→ Carl
→ Carter - staff of 60,
Reagan → 200-600

Bush - tried to
fulfill.

Transition
Report

1988-1992 → 4 yrs → (11-40)

CEQ → any transfer of responsibilities possible?
→ Report
- how much EPA already do?
→ EPA able to do RSPA reviews or conflict of interest?
→ mission over next 4 years.
→ how needs to be structured // how many
people.

how many career people have)

Tom Grunke

* end next week

CEQ → interagency disputes.
→ new initiatives
→ env't technologies.
→ new regulatory approaches
→ interagency coordination of policy.

* I able to sign Separately.

*? 2 ppts made yesterday

→ Karl #5
→ Shady / Larry
Brunner.

Separate memo.

directly support work of RSP

3900 Wisconsin @ 7! 15
Rennie Moore

* infrastructure projects

advertising price. we have to be govt. then can
get for by running ad.

→ ex. old only get 250. previously.
→ You paying a premium.

→ ~~if~~

This is Carter's ~~50~~. → just a handout.

→ regional disparities - some parts of country
can't run a cap like this cause
of weather.

→ TX, CA., etc. →

* why prefer over full-funding for eq sewage.

* who want as asst for multi-lateral

* Sandy Meyer - Eastman Kodak.

21.00 Jan. NCBK 5704
17th St No of PA me.

mtg w/ AII

*EPA regs.

Archer - will go when

more than just US initiative.
always a US effort.

only if put forward ~~small~~ known.

Strong (-h) 416-203-0389

Madeline Albright →

UNDP ??
ESSA ??

State Dept IO

names
Feb. mtg. to need process to
discuss our views.

→ Tom Greenly → OIRA mtg / AI reinforcement?

→ Tony Lake → getting mtgs. -

CEQ → Agenda 21 - not the conventions
CSD → push the envelope
*but State Dept

*Proker to integrate env't & development concerns.

Domestic interagency process
focus on bringing in business / NGO's

Other SAs there?

*Cabinet mtg. // Retreat
→ Meetings of other special assts

NEC → I should be part of Council. Currently not listed (needs
EPA, DOE, USDA). ; Senior Policy I should be advised &
at least mentioned at least as needed.

Hunter
Ross.

Not Working

- * KBC
- * Mexico City / Council in Context
- * Tony Gata.
- * Jessica Matthews @ State?

* city of Clinton??

① need clear inclusions on N&C
→ Draft PDM today → AI in loop?

② need own authority
→ press of business. decisions need to be made, but
my inability to give directions.

Tony Lake

① Jan 25 - E778 mtg. All Forests.

② Jan 26 - Desertification
 ? : when do circular
 175?
 → organizational
 → big issue is our objective
 → want to be global, but
 careful @ present due to US
 land use impact.

1-4

③ Biddi mtg → start on the Convention?
 Finance / IPR
 → reassert concerns?

Feb 2-5

④ ECOSOC mtg // CSD
 Tony.
 next week
 → NGO involvement
 → EC representation
 → what rights are they for?
 → US representative.

6-13 ⑤ IPCC mtg - our representation.

Greenman

Albion
Cutter #245

George Trest 63334

g

as palom
ad palom

John Spiv -> Seiz.

Richard Feinkeng -> ED ??

Nancy Bardsall - WB. DAS / develop 'Conduis'

ED UB
Att. to ED

DAS
Regional ED.

John

Ernie Stern

#2 @ IDB up on March. -> Joan

#2 @ ^{main} ADB - - - pub line

US is figure head
-> career @ Press.

envt infir

Nat'l Parks	}	- E
Wildlife Refs		- BMA
Public Lands		- A
Forest Service		-> A

Env't Technology - grants to industry
-> EPA -> private sector

→ Mtg / Al, me, Ray, Jane
Sat or Mon

1/22/93 Meeting w/ Al, Ray

Meeting w/ O'Leary ^{Appoints}
^{Energy bill}

Focus CEO in Wtsp to create dialogue
partnership.

engage bureaucracy - dialogue re:
different activities

Berne Hirschman & Jack M. E.O.s. } ^{talk to}
^{Ray}

Call Madeleine

Wt Mon, Calkins

Sally Katzen ?? (OMB)

* Bernick resume to Jane H.
Robert Calkins / Cynthia deLeon.

Interest on Summers' Asst being
at Treasury ??

Summers says Mayer is
not likely.

Jeff Long pulled out

Who is Mayer?

attorney at Eastman Kodak.

→ gets bad reviews on
a personal level & especially
with respect to trade - ^{2nd reply} No Calkins
problems should be considered

CARTER - Was at
BURTON OMB

Message
to Paul & the

Put in

Word for

Grumbly at

OIRP. That's

a different position

Then Speth is going

for. Also -- if not

Speth then who?

42424 → Morken

[Large scribbled-out text]

1-25-93

Al's sched

9:15 addmt

10-11:15 Jan mty.

plum calls

1:00 Health Con - 2:30

4-5 T+. Chiefs of Staff.

3-4

family leave
date of mty
J → Feb 17

Com. Clerks mty

National Assoc

Baltimore Dem. Caucus

Challenger
em mty

Wkend - Comp Stand

Tues

Wed

Thurs

Fri

P & UP

P & (UP?)

UP

Tues/Wed @ 5:00 Ethics

6231
456-7044

my adg
income

Spend out rates
— what could be done by summer.

BTD tax will not help Nat'l gas.
oil import fee
GAAT ~~oil~~ Nat'l security

Jt
Tax
Center

Crude oil → 10.19%
Oil → 29.77%
A.G → 18.39%

Norm Bernstein

Hungarian Ambassador.

Japanese MITI funding → prelim studies to
scope out
* US co is biggest investor

56395

T. J. Glaukier

March 31 Climate mtg.

Merck & Genentech & ARI & EESI & WWF

Jeff Seabright - AID
Experts panel

US/Asia Coop
Partnership

David Roe - interviewed by Panetta
@ Oxford w/ Clinton.

* ~~Saudi~~ → will ~~raise~~ ^{offer} to level of
tax → keep them whole.
@ Arabian peninsula countries → GCC

* need some for Feb IPCC mtg.

* need someone for literature but generalist.

* shift work @ ODP too

* ~~ING~~ **ING**

Work. grp chaired by OES.

Wed 21.00 — all Climate
1406

May 10, 1989 -

TD of issues & budget & options

April - WMO. my
philosophy for Global Climate
program

focus on retail
raise cap on payroll tax applies to all dollars
x rate alt cut @ same time.
etc

Overall Sustainable Development - Vision document

Market vision. Each of the treaties would be discussed & formalized as part of that plan. Missions of the American Agencies could also be formalized as part of the plan. World Bank & other multilaterals also examined. This is present.

we alt. integration

programmatic initiatives
first term of

3 Councils + OSTP + CMB + CEQ

deep exclude in: CEO structure
vice " " on CEA

- not collegial body - but clear direction

Cabinet reports every week.

BKfst.

experts & analysis of staff.

Az, EPA, ME, State, NSC, WH Council, CEA, OSTP, CMB.

Cabinet
Affairs
Planning
Organization

& knows the issues & has can give good advice

PHOTOCOPY PRESERVATION

that make economic and envtl sense -- mass transit; high speed rail
emphasis; fiber optic network

--e.g. revenue raising side -- energy taxes

--need to be fully apprised of developments in all three
councils so that I can effectively serve President by making sure that
all environmental policy is coordinated and coherent and so I can help
the agencies to coordinate their efforts and work with rather than at
cross-purposes

o Structure:

Executive Assistant

- o correspondence
- o phone
- o schedule
- o office management; filing

Deputy for International Environmental Affairs
UNCED follow - up
NAFTA

Deputy for Natural resource management Affairs
water
grazing//land use
parks
FOREST (and summit)

Deputy for Domestic Environmental Affairs

Superfund
RCRA
Endangered Species Act
Clean Water Act
Implementation of Clean Air Act
TSCA
FIFRA

Deputy for Energy Policy

Implementation of Energy Act
--new technologies
Nuclear energy problems -- disposal
Auto fuel efficiency//Auto summit

o Relationship with CEQ

PHOTOCOPY PRESERVATION

-- staff me for Council proceedings

-- serve function of interagency coordination on domestic environmental issues (as originally intended by organic act)

-- begin to bridge the gap -- build coalition between industry and environmental community

--to move to market-based systems of regulation

--to ensure that we are on cutting edge with environmental technologies -- to promote that industry

-- NEPA reviews and yearly enviro report as req'd under statute

-- coordinate with OSTP on enviro technology initiatives; enviro education; coordinating policy implications of latest global change science

PHOTOCOPY PRESERVATION

Structure/Function -- Office of the Special Assistant to the President
for the Environment

Overall function: Ensure that the environmental activities of the various agencies are well coordinated; ensure that there is clear direction from the White House on the major thrusts of our environmental policy; ensure that there is a clear point of "appeal" in the White House for decisions that cannot effectively be made/resolved in the interagency process.

o Must be understood to be part of the Office of the President; not the Office of the Vice President

--ability to speak with authority on behalf of the President depends on this link being clear

--ability effectively to coordinate the environmental activities of the many agencies -- ensure coherence and act as honest broker for the President

--ability to direct policy and resolve disputes depends on a clear understanding that I speak for the President and not simply the agent of the Vice President with an agenda that may or may not be shared by the President.

o Need to be able to participate fully in the proceedings of the three councils.

--need to coordinate policy directives to the agencies with the heads of the appropriate councils

--e.g. wetlands -- need to send a policy directive to EPA, USDA, and Interior on this. issue has domestic policy and economic policy implications -- will need to be able to coordinate with rubin and rich on this

--follow up to UNCED -- will involve continued international negotiations (national security council); will involve financial commitments (economic council); will involve changes in domestic natural resource management (domestic)

--need to be fully apprised of the agenda of the councils so that environmental perspective can be brought to bear.

--e.g. stimulous package -- if doing transportation initiative, would argue for downpayments on investments

Reed

- 1) Wednesday meeting - Rob Leonard → (Party)
- data next week on spending
 - (imp tax staffers)
 - Q 1 - decide quickly -
stimulus done w/ dr
 - Q2 - health care saving →
w/ caps + rules -
will you use health
care for dr or for
expanded access

(- Darman on 12/20 w/)
do tech assumptions)

- When Darman get 12/20 -
(BO could get analysis w/;
2 weeks →

- (Reich keep saying can't do a
budget by 1/26 - certainly
a legal outline)

- By 12/15 → CL is ~~not~~ expecting
to get good numbers + realistic
baseline (seems reversal of day before)

- (LC tells Bob she want to spend \$ +
staff & get good #'s)

(Bob's meeting w/o substance)

(Bob ~~not~~ → Reed → Brief A69 on

this next week →

Dennis Constantino → Foley's guy -

they have own numbers with which
they are comfortable

John Angel - Budget
Fred Minton - Appropriations

Angel/Minton → check up stuff
Dir on all numbers

Foley's guy - vet those on the Hill

Reich - said Mike Wessel will call

Leonard → Rusty is having concerns that
cl understand certain budget
conventions need to be attended
to → scoring → JSC can't
pay for health itself. Just unhol
→ health care not can
not be used just to get revenue

Reich - close working relationship

Minton - Well, suppl '93 → 16 billion
below 92 caps - but lowering
the walls - 12.2 b.11

1.0 int

8 billion in domestic

Stuff
Directed {

Process

✓
✓

Wells { Can't use defense spending to reduce

Morton

→ ~~Party~~ Pres & Sec can decide - but will you go w/ existing or new

→ FY 94 - know we have joint hearings → right away before detailed budget

→ We will want fast
→ Markups late April
early May

2 weeks SOL → Fall

~~to~~

Attman → Is it possible ^{to} have credible linkage

~~to~~

Morton?

Answer → need \$ by Feb 28

We'll have plan for spending \$ 16 billion by 2/28

→ mostly investment in trans & may require wells down

→ But know if you're spending is paygo → stim most pay for itself → only possible option is increased gas tax

Process ->
waiver
emergency

Budget Guy -> Budget Com fell FS + DR
have to go to together - No deal
w/o the broccoli

Leonard - W + M want FS paid for
DR paid w/ -> not to leave
US deficit neutral

-> But it depends on the
assessment of the economy

-> How?

Waive PAYGO
^
declare emergency! ->
very political

Process

Leonard -> 90 expires in 95

-> debt ceiling expires
3/15 - 3/30

extension can be used under
Senate rules to postpone -
GOP will push
line item veto
balanced budget

-> You'll want an extension -
how long?

-> Foley's job - Sp is lieutenant in team - no
public disagreement

Harrison-Neel

↳ Senate Finance

hard-^{not}
interesting

→ every conceivable
revenue enhancement

→ laid out tortured history +
predict nightmarish future

→ least problematic →
carbon tax

Prop → (i) BC doesn't have
stuff capable of handling
these issues

(ii)

TC w/ Jra, Speth, Majumdar + Enviro

Jra - need options

RR - package will raise 40-~~45~~ 50 bill

cut ① poll tax

- fossil 20

- emissions 10-20

+ tri

- ~~not so~~
pesticides 1

Year

d. water pollutants - 2

e. Ozone depletion $\rightarrow \frac{1}{2}$

II Tax loop

A. En provided parking - 4

B. Other - 6

C. Logs exported.
from private
lands - 1

III Intra Uses

A. Truck axes 3

B. Inland water .5

C. Water treatment
taxes 2

D. User. pub lands 2

E. Gas guzzler tax 4

IV Market Pricing - Pub land 1

50 bill/
year

Jra → Reb America - linkages bet.
these + speed?

RR - linkage w/ recycling
Pom - don't link →

Jra - Carbon tax w/
Japan + Europe.
w/o them?

Roger Diner - alone (WRD report)

Jra - oil import fee?

Chupka - GATT; NE east

Jra - public land why?

RR - to save

Speth - Q?

Jra - Q doesn't like gas
hasn't thought about
others

RR - non-point; commodity
ultures; Farm bureau

Action plan - Trees $\rightarrow$ COB

option papers
go to GRA if they
have tax

Carol in meeting

~~11:30~~ - [JB to call]
~~11:00~~

11:00 $\rightarrow$

9:30 $\rightarrow$

A69 →

→ Goal 1 → Present Env Env.

Goal 2 → Tech

Goal 3 → Basic framework

Goal 4 → Env + Tech framework

15 → 25

Group → of Ec. Advisors will expand

→ BC + A69
Reich

Sec. Treas

OMB

EPA (?)

Energy (?)

USTR (?)

Sperting

Sommers

Laura Tyson

Bruce Lindsay

Sandy Berger

Al From / Bruce Reed

Judy Feder

Stephanakos

C of S

Hillary

Wall St (?)

Roy Neel

Christopher

WAL

[Michael Porter $\rightarrow$
Rudi $\rightarrow$] Diagnostic?

Diagnosis - very important

Regulative process $\rightarrow$ Against Bias

DR $\rightarrow$ L

JTC can be set at any level

Why bias to JTC?

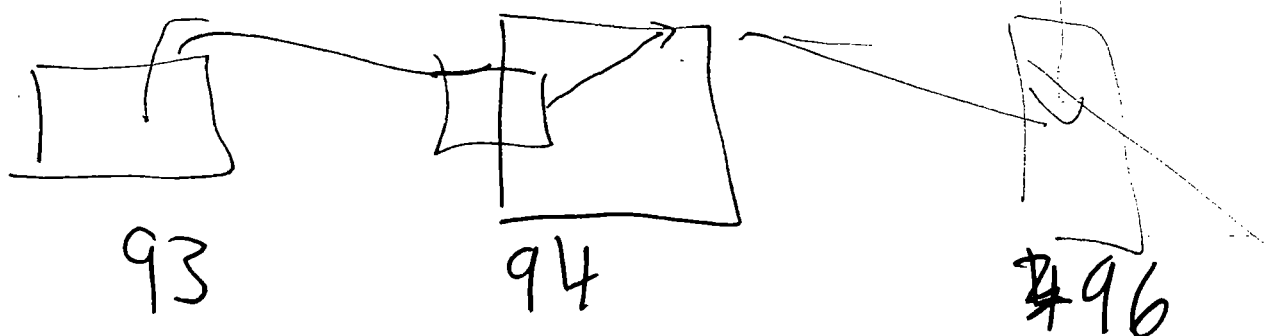
93-94 $\rightarrow$

$\rightarrow$ 94

Minimalist - 12 bill and/or JTC

Diagnosis has to be part-loaded $\rightarrow$

Consumer confidence spike? w/ w/o precedent



$$\begin{array}{r} \textcircled{40} \rightarrow 1 \\ 20 - \frac{1}{2} \end{array}$$

20//

$$\frac{M + T}{\quad}$$

- 1) Diagnosis
- 2) Reasons why less
stim +
more DR
- 3) If we talk about PPF, here's
what it looks like
- 4) Envi + Tech
- 5) PPF $\rightarrow$ Energy Tax

401-274-5670)))

Apl

2745670

Dawster

- ① Do we know that the adjustments will give us more, rather than less, \$ to spend?
- ② Counter-intuitive to Senators; inexplicable to me - cut health care costs - ~~how~~ what effect, if any, on revenues (?)
- ③ What does it mean that FY 93 ~~cost~~ included reserve fund provisions for the Senate under which the Senate Budget Committee may allocate additional spending amounts to Senate committees that report deficit-neutral legislative measures increasing spending for child nutrition & health, economic growth, health care & education?
(CRS - Budget Enforcement in '92 at 10)
- ④ What does it mean that the 60-vote majority to waive the firewall pt of order did not apply to floor amendments to the BR? Mayrhan episode? Id at 12

Pre Minarik

→ State Transp office → survey
ready next week
M or T
work from there
middle of next week

→ (if) fs package -
~~on good terms~~ =
highway -

① 3R - resurfacing
~~repave~~
rehab
repair

a figure will emerge from that
survey → prob \$2-4 bill →
if April 1 start date - spend
2-4 ; 50 in 93
50 in 94

start date is critical because of
weather

② - geographical distribution
of state funds → existing
form by state - back log of
repair project might not be
the same → so \$ on low
side - don't want accusations
of favoring some state
→ ~~state~~ & "rewarding
state" → can that be avoided?

States w/ big backlog might not
get enough

Same say what is unwanted?
Survey will tell

- (2) Full funding of ~~Is-Tea~~ Is-Tea
funding $\rightarrow$ ~~not~~ that bill will put
\$ in more generic programs - spending
rate slower
2. + billion - first year
(exact numbers to come)

Some of that bill transit -

- (a) capital - very low
- (b) operating - increased
on ground - subsidy /
rides each trip
geographically unfair

But almost full funding on transit +
w/ the wave $\rightarrow$

- (2) Construction + Maintenance $\rightarrow$ Bidding
repair, updating - mayor's list "Ready
to Go" $\rightarrow$ a lot of non-trans
construction projects $\rightarrow$ mayors will have
to be decreased $\rightarrow$

You could take the money equal to a fraction; appropriate
gradually $\rightarrow$ distribute widely + then have
a "state" date $\rightarrow$ w/ ex. date $\rightarrow$ the spend
wt rate will be increased

Screen - unknown (?)

for
Munk

Public Works $\Rightarrow$ 2 billion $\Rightarrow$ pipe laying
~~2 billion~~ (?)

Norm Mineta $\Rightarrow$ water $\Rightarrow$ focusing on
pipe project $\Rightarrow$ for spend at rate $\Rightarrow$
some amount

Water projects $\Rightarrow$ slow spend-out

"Somebody from out of town rediscovering the
~~whole~~ wheel" ?

③ Low-income housing repair $\Rightarrow$ that program
is normally slow spend

④ Other stimulus ideas

① Buy-outs
② Spending to Save

Eg - early retirement

- airport improvement program $\Rightarrow$
taking \$ + using it for zero
out in the future

buy or in long-term

- federal highway program $\Rightarrow$ sell
roads using \$

National Highway System
take long-distance travel $\Rightarrow$
feds maintain

but have feds back off local

split $\rightarrow$ ~~are~~ hard to wt down
in fed spending generally

Poss - take & shift distribution $\rightarrow$ greater
efficiency $\rightarrow$ S+I folks will not
be worried so much about repairs
that should be there $\rightarrow$

Initial slog of \$ could be full funding of
DS-Tea $\rightarrow$ level over 5 years was
flat $\rightarrow$ ~~so full funding increase~~
so holding now leads to effective
decrease rates

3R - money as part $\rightarrow$

If Infra $\rightarrow$ highway, transit, water $\rightarrow$ \$ 10 billion

Stories in financial press

$\rightarrow$ bonds believe 26-30

things #s - more press

30 billion $\rightarrow$ STC want 10b $\rightarrow$

3Q Q $\rightarrow$ some temporary because of est increase
in inventories, that will not be continued

$\rightarrow$ Other numbers emerging

$\rightarrow$ Think that 4th Q will be weaker

$\rightarrow$ Depends $\rightarrow$ on holiday $\rightarrow$

$\rightarrow$ next Blue Chip - December

$\rightarrow$ What data $\rightarrow$ ~~the~~ Take GDP as sum
of consumption spending; bus investment
(ind structures, equipment, commercial real estate
& mfg; ~~re~~ re-estate, gov't spending &

next exports
→ looking for strength in bus equipment
in the
consumer spending
re real estate

gov't + comm real
estate not focus → exports based
on foreign weakness

→ Engine?

Consumer

- retail sales Xmas

Housing

- starts
- permit
- existing sales

Trade sectors - how bad?

Business

- bus equipment

JTC → sold as productivity growth →
in short-term funk because
bus's are down-sizing →

why
downsizing?) { services downsizing } may not be
man downsizing } productivity

NSF $\rightarrow$ slower spending - 1.1

American industrial sector $\rightarrow$ if one believes
product growth okay by WW standards $\rightarrow$

1980's $\rightarrow$ then investment incentive $\rightarrow$

STC plus acc depreciation; auto
leasing etc

$\rightarrow$ a lot of silly things, wasted
money on hardware

$\rightarrow$
We have more solid base $\rightarrow$ capital used
on investments that make sense
STC $\rightarrow$ want tax break $\rightarrow$
 $\Rightarrow$ absolute advantage $\rightarrow$

~~STC $\rightarrow$ pay-go~~

Onpa $\rightarrow$ 10 billion

- (a) emergency $\rightarrow$ major vote
- (b) bill itself remove the
firewalls $\rightarrow$ then
you get \$11 billion to
spend

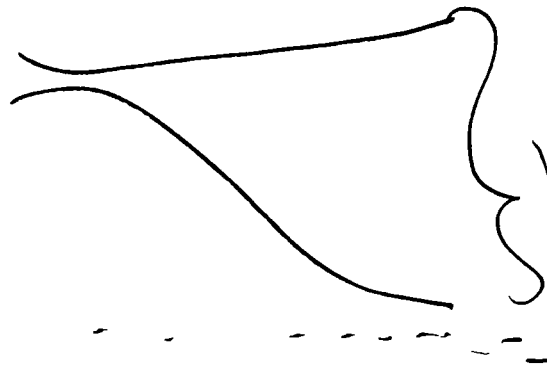
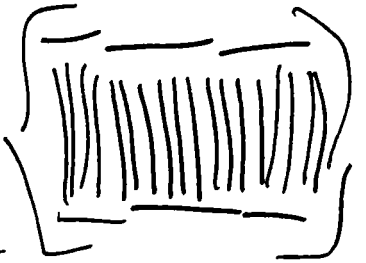
House procedure $\rightarrow$

Martha Foley $\rightarrow$

Reed -> Friday

-> Technology papers (?)

III ppt



150 b. line

Carol
Katie

Reed

Call list
Carol

Feder

Katie

From Reed

Grey
Sun

~~Peter~~

Peter

Reed - Xmas

404-222-9400

Larry Summers

215-664-
2929

Economic retreat

tomorrow night

Saturday night →

Monday arrival
midnight →

Peter Knight →
items

Env. options

Call

201

9/3

5/9/9

List Kreig

Bob Sussman →
understand the list

Gov Spett & From at 3 p.m.

Environmental
regulatory agenda - what is this?

→ where - transition team

Spett - making comments

↳ thoughtful guy →
(Simon - technology?)

Green taxes

Reed - great ideas - a lot of sense →

willing ideas (?)

(Reed Honda?)

Spett speed program options →

It's 2 weeks early ->

(Bob Peck -> infrastructure)

-> GC AB Architd.

-> Is - Tea big guy

-> fully paid fund

Craig Smith ->

~~Shapiro~~

Craig Smith - infrastructure

Sets of infrastructure proposal

Will there even be an env. chapter?

Good for Greens to keep
that cards direct the rest ->

Spelt -> good spirit

AB - capture

-> copy of list? - No

✓ Andy Kreis → ()

State of play → Spett

Leon → reinforced
violence →
w) Spett

"superarrogant"

- problem of list - micromanage
think he was to put
information

→ W/D ABG micromanage?

→ W/D ABG say no?

→ Tactics → put everything in it or
will not → do a lot of
willing not

↳ Reed prefers last

→ everyone has to make
same decision

Cancel

Tuesday

(1)

(11) En

(11) Tahr

Speltz - From $\Rightarrow$?

Katie $\Rightarrow$ said
10

~~Ed~~
Ansot - Peter

- Monday
Boise, Idaho

Call Virginia

Sommers $\Rightarrow$

Distinguish $\Rightarrow$ ① content of numbers

① positive strongly $\Rightarrow$ not all inventory, not all one-shot across the boards $\rightarrow$ take w/ inventory + defense its still 2.4

$\rightarrow$ 2.7 was low

$\rightarrow$ information content of that #

$\rightarrow$ positive - surprisingly so

$\rightarrow$ not demand

w/ retail preliminary, influences confidence et al

② $\rightarrow$ 2 false start so far

$\rightarrow$ expect post-election bang

$\rightarrow$ some of bang may be cyclical
of otim

$\rightarrow$ plenty of slack in economy $\rightarrow$

Of 4-5%, still most of it
left

Basic picture still there

Its almost all probability

③ Stimulus $\rightarrow$ ~~if~~ before $30 \pm$
now more confidently 60 is
wrong $\rightarrow 30 \rightarrow 20$ ~~ld~~
be possible

If next month is still the
same, will affect view of
'whether stim is needed'

Still some spending(?)

2/3 that next 6 weeks numbers
good $\rightarrow$

Effect on JTC $\rightarrow$ Remember
can't do more than 10

Equipment important for long run

Equipment - imputance
to productivity

Capital / labor

① When you phase in
next
piece - highest tax

To the extent you move it forward
investment incentive

② Answer is competitiveness $\Rightarrow$
higher productivity $\Rightarrow$

JK - targeting $\Rightarrow$ lunch not
furnishing; transportation

3

A695r $\rightarrow$ 1962 $\rightarrow$ ski lifts

Summer ->

4 scenarios

What news

How fed will play at
probability scenarios ->

Next week

① Friday - employment
report
most important

② numbers on Xmas

retail sales

gaging consumer confidence

③ mid Dec - trade # ->
exports / imports

④ purchasing managers number

Assuming 95/5 that
inflation numbers are
not surprise

Numbers on bank building-up
the last month is so ->

Get Larry Summers

Larry Summers - see Monkey

Green Tax

Budget - Harrison
Richard Keyser - House Budget
Sue Nelson - Senate Budget
Blair Cohen - Senate Finance

(went → mid-arrival)

Richard → Talking about what can be done
in 93

① something can be done
in 93 - W/K

② PPF - 30 b in domestic
discretionary

↳ ignore BEA →
w/ no stimulus → still BEA
need to be changed

so need BEA amendment in '93
tie as part of bigger package

big

↳ 93 SOPs
debt ceiling - perm
or
94 budget

(—) - Can't change BEA w/o ~~BR~~ DR
package

• need higher % of new votes

- new PAYGO
- new entitlement
- new discretionary

How will you pull in libs?
 w) 93 sopps.

Sweetness - EITC?

Sve → process is enforcement
 2 decisions

- (i) specific for this year?
- (ii) action-forcing mechanism
 w/o ref to sec 13 tech

Harrison - go w/ first
~~Sve~~ (Bob) - might more →
 members bdr (?)
 notes in 3-4 years - Dem
 bleed-taxes
 right before taxes

Sve - do positive early →

Alan → decide stimulus as late as possible
 So 2 scenarios →
 w) FS ← w/o FS

→ ~~if~~ Probably unrealistic to have
real by 3/7

Stage 1 - stimulus

(as little as extending unemployment →

- including existing BEA authority

- as much as 30-40

Richard - try to pay for it over time

- House passage of DR up
strengthened by Dems is
hard

See → DR - one chance in the Senate

Amison → ~~Started program~~

FS →

(i) rationale - \$ in 93
but

(ii) have to wrap it in
terms that make it hard

See - view FS diff from LT and

FS → be careful about tying DR

Bob - some soundings on bill - needed
↳ bigger it get - larger problem
easier to sell if over 5 years neutral
but need to work out what is
DR →

Don't decide until you know
what the options are for
5 years - ~~DR~~ neutral
↳ how do they affect LT package
later

Our view is that big expenditure
is big packages not FS

↳ If FS, then everyone agrees
that it's a single-shot emergency
bill

then sub-options

↳ pay for 5 years

there are a lot

★ → if you do FS, then do
unemployment

Repubs can't vote against
unempl benefit extension

Debt limit could be vehicle
for big package

Bob $\rightarrow$ Dem liberals have it backward $\rightarrow$
don't see L-T danger in
balanced budget, entitlement restraint
 $\rightarrow$ New Ad has to educate like that
best way to avoid poverty is responsibility
now

Richard $\rightarrow$ H W + M; Sen Budget $\rightarrow$
This is time for P-E to talk
by picture

Harrison - I'd like to have a set of options

Alan $\rightarrow$ 3-page option paper $\rightarrow$ best
decision

$\hookrightarrow$ Do we go 2 stage

- (1) FS + temp debt by 3/7 and
- (2) Big

on one grant package ?

Grant is hard →

Harrison - let's assume we want of FS

I'm expecting that by end of Dec, we'll know DR →

~~the~~ By time of St of U → it'll be together as one program w/ a number of implementing steps

Distinguish pol program from
leg vehicle from

Sue - Consider having a document that isn't formal budget

Bob → fire side chat important in any event

→ Potly even more big DR than ever

Sue - Mitchell supposedly want no tax increases

Bob - timing → reasons why options haven't been adopted → a lot of CBO is not possible

→ modification necessary, so don't come out too fast

→ Can't expect to have big picture by 1/21

Harrison - What can he say

Alan → I'll have package by 3/15
by W target

Joe - Look at RR process - series of documents

Harrison → FS has to be packaged

→ FS has to be there by
end of 1st week ~~in~~ Feb

→ need by 3/1

Bob - need document before 1st key
vote

Richard - Don't try to improve on JA the
budget process

Harrison → Pres bill to push back 1/21 + 2/1
dates

→ What's the process?

Richard

~~Ge~~ Gephardt bring up resolution

Harrison - We need to explore
this amendment

→ But let's finesse it

Bob → How to present big DR
remember how Bush used process.
Old Clinton use 1 or 2 process
innovations?

→ PAYGO - 5 year window →
so everything is backloaded
like IRA, other stuff in tax bill,

→ Go to 10-year numbers
over 5+10 year must PAYGO

Richard → new process → current
provisions shouldn't go beyond
97-98

Soc - Can't enforce 10 year estimates

Richard - device that doesn't
depend on anything except
whether it is in effect

Why? Sue - fundamental decision - if
you're going to breach
then you have to assume
amendment of BEA

Harrison - restructuring budget →
like DCC proposal?
~~Can't~~
Can we do it politically?

Bob - big mistake. Cosmic move w/o
regard to this → it will cost
a lot of political capital

Sue → only can help if you restructure
to make task easier
↳ so wld it help substantively?

Alan - markets will decide it → or
won't be persuaded

Harrison - But can make alternative
presentation

Bl - couldn't be packaged w/
budget moves

Bob - some of substantive effect of restructuring may be bad - on retirement

Richard - Also problems w/ investment makes it more difficult of cutting deficit in half

Soc - perhaps $\rightarrow$ m caps $\rightarrow$ but definition of "investment" would be hard $\rightarrow$

$\rightarrow$ investment revolving fund $\rightarrow$
so maybe Cl should set criteria for accounts $\rightarrow$ rather than huge restructuring $\rightarrow$ maybe special cap / n fee or discount

$\rightarrow$ Think about other ways of doing this

Bob $\rightarrow$ "Pork" - line items

Problem is investment = sunk

Sue → Appropriation loses capital

→ once you try to divide the budget
- it you won't be able to control

Bob → the vlt. d. r. - what sld it be

Harrison →

Bob → might be useful see some option
that don't
restructure the budget
but do other things →

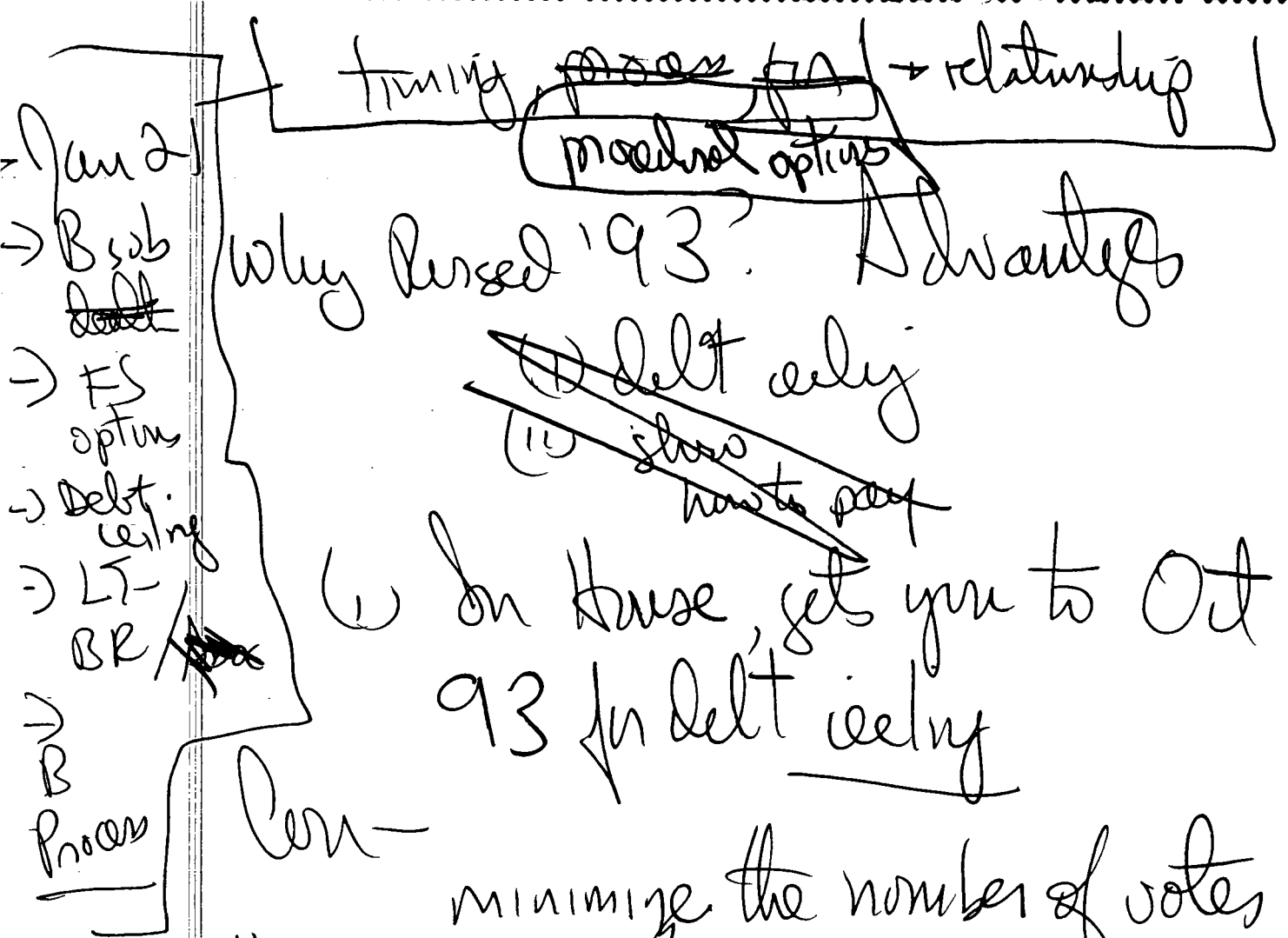
Sue - Derman will do a chapter on this

Bob - Reich - Derman Spetaler →
PPD - Shapiro } Invest
budget

Harrison →

Revised 93 -

Bob →



Harrison → (1) If we assume real stimulus
 20-40b, timing; when do we have
 to do it; packaging; (assuming quick
 passage)

(2) → Assuming - associated
 sense DR → how can it be
 associated

Include
 process reform

(3) What do you do w/ B, E;
 when + how

Home

- [Long discussion of ~~DR~~ DR goal
[① ~~CBO estimates~~
OMB est of 97 would change
② then growth $\rightarrow$]]

Real PPF $\rightarrow$ 100 new
Spending in 97

~~244~~
 Rodi $\rightarrow$ 2.5 is right number $\rightarrow$

Plausible $\rightarrow$ economy is moving beyond 2%
 hard pressed to believe we're at 3 $\rightarrow$

2.5 is needed - that's zero

So it's not clear we're above

(When are there reversals)

Mayhew

Very skeptical we have shifted to a lot

$\rightarrow$ If its inventory building? then we won't
 see modern 40b $\rightarrow$

If you want 3.5 $\rightarrow$ if we were 3.5-4 nothing
 If we're at 2.5 $\rightarrow$ still need stimulus
 $\hookrightarrow$ still at 40b

A lot of evidence that anticipation of ΔTC has
stopped $\rightarrow$ need retroactive

Consumer confidence rise is real $\rightarrow$ essential piece of
 consumer - 70%

Growth rate estimates are good →

Going to 15-40 - a month
DTC never killed anyone

DTC → 1 year - 4½ w/dn't tell you
↳ target

Will need to demonstrate its a one-year
program →

~~letter~~ - Friday

Carol Brunner

- Economic Staffing

Michay Kantor →

Tell in
Poster

money

Rudi Dornbusch

2020
1952
68

Program authorized under CWA
formula favors small states -> still
fide step & focus on projects that are
funded -

plants, new pipes or renovating
not just large - but also small
communities (& private)

Program receives 2.4 billion; up to
\$1 billion in FY 84 would be care of it.

* remember figures only look @ federal
investment. so at state contribution
total job project greater.