

Looking ahead, now that the relationships with Cabinet agencies and other White House policy councils and the political and communications people have been well developed, a major challenge is to maintain the effectiveness of these relationships. That, in large measure, is dependent on all concerned feeling that the NEC, though imperfect like all things in life, is a better model for conducting economic policy development than the other possible models, e.g., internal warfare, all agencies reporting directly to you, dominance by one agency, or coordination through one agency rather than the White House (often tried but never very successfully).

To provide a better process for our members and for decision-making, the NEC functions in accordance with the following principles:

- a) inclusion of all appropriate members with respect to each matter being considered;
- b) full and fair reflection of all views in decision-making and, when decisions are referred to you, in all memos and meetings;
- c) efficiency, to the extent possible, given the breadth of participation (thus, the NEC operates entirely through its relevant small core of most involved members or through groups relevant to the matter at hand, rather than as a committee of the whole, and generally operates with carefully developed meeting agendas); and
- d) creativity, both with respect to particular issues and more general brainstorming.

In addition to better process producing stronger decision-making through consideration of all relevant economic and political input, better process should result in all agencies supporting whatever is agreed upon and should result in proper weighting of economic considerations in what have traditionally been thought of as non-economic areas. Samples abound of Presidents who made poor decisions through unbalanced or one-sided input (Reagan's ignoring of the deficit, or Bush's blind optimism regarding the economy), and of Administrations where agencies went their separate ways, despite a policy decision.

Also, the NEC's effectiveness depends on both the perception and the reality of being the mechanism you use for dealing with economic issues, which has worked well during 1993.

To conclude, I believe it is critical that, in our public discussions with respect to economic matters, you and all of us continue to stress that you have had a broad, comprehensive economic strategy from the very beginning, directed at both the short-term and the long-term, and that all four years of your first term will be spent implementing the various components of that strategy. Your Seattle speech did this exceedingly well.

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Hopefully, with repetition, the message that you have a broad, many-faceted economic strategy will take hold in the media and in the public mind, with the following effects:

- 1) creating greater confidence about both the short-term and the long-term because people believe you understand the problems and have a plan for dealing with them;
- 2) for the same reasons, helping see us through whatever difficulties might arise; and
- 3) tying together various measures that might otherwise be viewed as unconnected, such as GATT, displaced worker programs and deficit reduction.

On a final note, the NEC will have ups and downs, like anything else, but we feel that it has worked well and grown in 1993 and recognize that continued effectiveness will require vigorous attention to the needs of the process, as well as to the substantive issues.

I agree w/ this. Only
weakness I see is that I don't think
we have a system to solicit & take
seriously new / different ideas for dealing
w/ intractable problems (eg black youth
unemployment, disinvestment in inner cities/
underclass) or to provide an arena to
meet w/ outside thinkers on a regular basis.
I think it's going
well

Stagnant
wage for
MC