Officials say Clinton will increase spending, jobs



WASHINGTON - President (AP) Clinton is eyeing \$31 billion in spending increases and tax breaks for

business to provide a short-term lift to the economy, top administration officials have told senators.

Clinton is considering a package con-taining \$16 billion in job-creating spending for the 1993 fiscal year, and a \$15 billion tax credit for businesses that invest in equipment, said two Democratic officials who spoke on condition of anonymity Tuesday. The 1993 fiscal year ends Oct. 1.

In a Monday evening meeting with senators, Clinton's top economic advisers said the \$16 billion in spending Clinton is considering will be for road-building, waste-water treatment facilities, summer jobs, hiring people for the Head Start program and hiring people to ad-minister childhood vaccinations.

Clinton's aides said the president is also considering a four-year plan to strengthen the economy that would grow from a \$10 billion federal investment next year to \$60 billion in fiscal 1997, one of the officials said. And Clinton still

contemplates trying to reduce the federal deficit by \$145 billion by 1997

The accounts are the most detailed description yet of Clinton's current thinking about his most crucial campaign promise - to fix an economy that has been battered by a recession and a sluggish recovery that has seen little job growth.

Despite persistent unemployment, the Commerce Department said Tuesday that its index of leading economic indicators - the government's gauge of conditions six to nine months off - jumped sharply in December, sending the most positive signal of future growth in nearly a decade

One of the officials said Clinton had decided on the size of the short-term stimulus, while the other said the figures were not final

Senate Majority Leader George Mitchell, D-Maine, in whose office the meeting was held, said a package of \$31 billion and other amounts - was discussed. But he said no final decisions have been made

White House spokesman George Stephanopoulos said Tuesday that "the president hasn't made any final decision on numbers" in the short-term stimulus.

'He wants to have investment in jobs, as he said during the campaign. At the same, time he wants to have some private sector incentives as well.'

> George Stephanopoulos, White House spokesman

But he acknowledged that it would contain spending on job-producing projects and investment-oriented tax breaks for businesses

"He wants to have investment in jobs, as he said during the campaign. At the same time, he wants to have some private sector incentives as well, Stephanopoulos said.

He said Clinton hoped the program could create from 200,000 to 500,000 jobs in a year.

To pay for the \$16 billion in spending. Clinton will probably declare a budget emergency, said the two Democratic offi-

Under budget law, such a declaration would allow spending that drives up the federal deficit. However, the \$16 billion in expenditures would not exceed this year's spending cap set by the 1990 budget agreement.

There were no details available about the business tax breaks, known as investment tax credits. Administration officials recently have spoken about designing them so the breaks would be used for purchases that businesses would not have made anyway

But the plan is to make the credit retroactive to December 1992. That would encourage businesses to continue purchasing such equipment, rather than waiting for the bill to be enacted, which could slow the economy.

Clinton's economic aides also spoke of imposing new taxes on the wealthy, although none were specified. Clinton and his advisers have talked about imposing a new 36 percent top income tax rate on the most well-to-do Americans and a surtax on millionaires. The current top rate is 31 percent.

In addition, Panetta spoke of the need for a "shared burden" in deficit reduction, one official said.

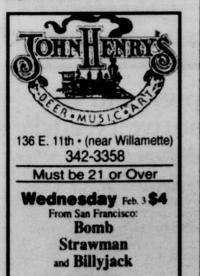
No smoking in Clintons' White House

WASHINGTON (AP) - The Clinton administration's fresh approach to governing includes fresher air: Smoking is now banned at the White House.

"If visitors to the White House want to smoke, they will probably have to go out of doors," Lisa Caputo, a spokeswoman for Hillary Clinton said Tuesday. "This is all part of the new and fresh approach to the White House.

Caputo confirmed the new policy after Mrs. Clinton told The New York Times in an interview that smoking was being banned, just as it was at the Governor's Mansion in Little Rock, Ark.

"The big issue about health is so paramount to me that I don't think we should permit smoking," she said.

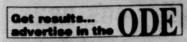


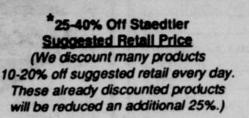


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Wednesday, February 3, 1993 Oregon Daily Emerald 7