

*Robertas
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MEMORANDUM

*→ SS
→ FICA
→ 255-241
→ Se. Street
→ Control*

TO: THE PRESIDENT

FROM: BETTY CURRIE

RE: PHONE CALL FROM SENATOR HARKIN

DATE: AUGUST 3, 1993

PHOTOCOPY
WJC HANDWRITING

SENATOR HARKIN CALLED TODAY. HE WOULD LIKE FOR YOU TO RETURN HIS CALL.

HOWARD PASTER HAS BEEN INFORMED.

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Plan P -

Copy for
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94 FEB 8 AM 8:26



OCCIDENTAL COLLEGE
1600 CAMPUS ROAD
LOS ANGELES, CA 90041-3314

RUTH GOLDWAY
AND
DEREK SHEARER

655 ASHLAND AVE
SANTA MONICA, CA. 90405

FAX TRANSMITTAL

SENDER: Derek ShearerFAX NUMBER: (310) 452-7899

PLEASE DELIVER THIS FAX TO:

NAME: Nancy HernreichCOMPANY: Office of the PresidentDATE: Friday, Nov 12FAX NUMBER: 202-456-6703

NUMBER OF PAGES:

(INCL COVER PG)

4

ORIGINAL TO BE MAILED?

YES

NO ☒

REMARKS: Nancy! It was fun to see you + Bob. Ruth will be with me on my next trip - Dec. 2+3. Perhaps, we can have lunch.

Pls. pass attached on to the Pres. Thanks. Have a good time in Seattle. Try to see Pike Place market,

IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CONTACT THE
SENDER AT (310) 399-5924.

if you have a free moment.

Derek

PHOTOCOPY
PRESERVATION



OCCIDENTAL COLLEGE
LOS ANGELES, CALIFORNIA 90041

~~SECRET~~ THE PRESIDENT HAS SEEN 11/12/93

INTERNATIONAL AND
PUBLIC AFFAIRS CENTER
DIRECTOR, DEREK SHEARER
(213) 259-2539
FAX (213) 259-2724

To: President Clinton
From: Derek Shearer

Friday, Nov. 12

Dear Bill,

Thanks again for having my parents to the White House as overnight guests. It meant a lot to them, and they are still showing the photos to friends. It was also good of you to order Skip his staple food for dinner--the turkey sandwich.

A few nights later, Don Russell, the Australian ambassador, had a dinner for me and included my parents, so they had a full round of interesting dinners during their visit. Skip keeps saying, "It's my last trip," and then takes another. At the very least, I expect him to show up for my swearing in next year.

Regarding a replacement for Wharton at State, I'm sure that Chris has candidates--but I wanted to give you my take on a couple, because I think it's important that you have someone there whom you have confidence in. I think that you should interview a few of the finalists. Among the class of former State Department officials with experience, I think that two are especially interesting choices. My first choice would be Mort Abramowitz, head of the Carnegie Endowment, former head of the State Dept.'s Intelligence operation, and former Ambassador to Thailand and to Turkey. Strobe knows Mort well too, and can give you his opinion of him; Strobe helped to get him the job at Carnegie. I've now worked with Mort over the past year, off-and-on, as a member of Carnegie working groups on Japan and on the Pacific Community, and I've been impressed with his combination of intelligence, leadership skills, and good humor. He is not a former bureaucrat nor simply a manager--but a thinker as well. I don't agree with him on every issue, but I've found that he thinks about his positions carefully and bases them on his long experience. Mort would be loyal to you--a not unimportant consideration. He is a not a Republican ideologue like many Foreign Service officers from the previous era such as Eagleberger. At the very least, I think that you should have him in for a talk later this year and see how you like him.

My other suggestion is for you to consider Bill Maynes, the editor of Foreign Policy magazine. Bill is a former Foreign Service officer who served as Assistant Sec. of State in Carter, and as a deputy to Andy Young at the UN. Bill was ill during your campaign, or else I would've gotten him involved in your foreign policy team. His magazine is, I think, more lively and diverse than Foreign Affairs. As with Mort, Bill would be loyal to you, and he is someone who has ideas and vision, as well as management skills. As with Mort, I think that it would be worth your time to have him over for a private talk. Both Mort and Bill have excellent reputations in the foreign policy community, yet they are not so Establishment as to be boring and unimaginative, which is often true of much of the Eastern foreign policy crowd.

PHOTOCOPY
WJC HANDWRITING



OCCIDENTAL COLLEGE

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LOS ANGELES, CA 90041-3314

Shearer 2

I've enclosed one clip from the LA Times that you might not have seen on Japan policy. As you know, I still think that you need a Strobe-like czar for Japan policy, as I suggested in my review piece in Foreign Policy that I sent you awhile ago. And I still don't understand why the NSC didn't hire Mike Mochizuki, the fellow who briefed you on Japan during the campaign.

Anyway, I hope that all goes well at APEC in Seattle. I expect to see Keating and some his staff next week. They'll be in LA for a day while Keating gives a speech on Australia's view of Asia.

I gather that you like my friend Richie Rothstein's piece about you from the American Prospect that I faxed you last month. If so, I know that he'd appreciate a short note about it. His address is: Richard Rothstein, 8036 Elden, Whittier, CA. 90602. As you know, Richie contributed some excellent memos on NAFTA and Mexico early in the campaign. After NAFTA passes next week, you might want to think about a post-NAFTA strategy for dealing with labor on international economic issues. Richie and I might send you a memo on the topic. Labor has certainly been stupid in how they've played this issue. Sid B. will rip them in his post-NAFTA piece in the New Yorker in a few weeks.

I hope that you enjoyed the Connolly mysteries, Black Echo and the other.

Ruth and I will be in town after Thanksgiving, around December 2 and 3, and we hope that we get a chance to see you and Hillary. Perhaps, we can take the two of you out to dinner on Friday, Dec. 3, which is close to my birthday (the 5th). How about Red Sage or Nora's? I'll check with Nancy about your schedule in a few weeks.

Good luck with NAFTA. I think that you will win it. Ruth sends her best to you both. Have a good Thanksgiving, and we hope to see you in December.

Regards,

PHOTOCOPY
WJC HANDWRITING

The World

Ties With Japan: The Ticking Time Bomb in Clinton's Foreign Policy

■ **Trade:** The President claims success in "rebalancing" relations with Tokyo, but the widening deficit brings closer the day of reckoning.

By Jim Mann

During the past few weeks, President Bill Clinton has taken to claiming success for his policy toward Japan. On Oct. 14, while defending his Administration's handling of the crises in Haiti and Somalia, the President said he has a good record on "the biggest issues affecting the future and security of the United States"—and prominent among those, he went on, was his work in forging a new relationship between Washington and Tokyo.

That assertion is questionable, at best. Indeed, by the one overriding priority Clinton set for his Administration—reducing the U.S. trade deficit with Japan—it is downright false.

In his summit meeting with former Prime Minister Kiichi Miyazawa in April, Clinton's first meeting with a Japanese leader, he said the United States was seeking a major "rebalancing" of the trade ties between the two countries. His Administration would focus less on the quality of discussions than on "results." Yet, late last month, on the day after the President praised his Japan policy, newly released trade figures showed that the trade imbalance between the two nations has grown worse since Clinton took office.

A more reliable indicator of the current state of relations between Washington and Tokyo is how the President and other White House officials have been offhandedly invoking Japan as America's enemy in their effort to sway American public opinion to support the North American Free Trade Agreement.

Last Monday, Clinton warned that if NAFTA doesn't survive a congressional

Jim Mann, a reporter in *The Times* Washington bureau, is the paper's former Beijing bureau chief.



MATT MARLER / For The Times

test on Nov. 17, Japanese companies will rush into Mexico "like flies on a June bug." He added, "I would, if I were the prime minister of Japan, have the finance minister of my country in to see the president of Mexico on the 18th of November. ... to say, 'We've got more mon-

ey than they do. Make the deal with us.'"

Ironically Japan is nearly as nervous as the White House that NAFTA will be defeated, worrying that its downfall would represent a historic turn toward protectionism in the United States. Japanese officials in Washington are known to

have protested to the White House to stop using Japan as the bogymen in the NAFTA debate, but to no avail.

In 1992, the first year of the Bush Administration, the U.S. deficit with Japan was \$50 billion, more than 59% of the total U.S. trade deficit with the world. On Oct. 16, the Commerce Department reported that for the first eight months of this year, the deficit with Japan is about \$40 billion—a rate that would work out to about \$80 billion for the year. And while the situation fluctuates from month to month, it seems to be getting worse. The deficit in August was \$5.3 billion.

As an explanation, Administration officials might point out that Japan is in the midst of recession, making it much more difficult for the country to buy U.S. goods. That is true, so far as it goes. But if Clinton makes this argument, he will sound remarkably like the Bush Administration, which said the same thing in 1992 and was roundly denounced by the Clinton campaign for making excuses.

Even some members of Clinton's Administration privately concede that Washington is making little headway with Tokyo on reducing the trade deficit, and that a confrontation is looming. If relations between the United States and Japan seem tranquil at the moment, it is only because the President—distracted and preoccupied by the crises in Somalia and Haiti abroad and health care and NAFTA at home—is postponing the inevitable showdown.

As in the past, Japanese officials have been masterful at buying time and pleading for delay. Whatever the political situation happens to be in Tokyo, Japan finds reasons to argue that now is not the time for the United States to press too hard on trade issues. On the eve of the President's trip to Tokyo last July, the Japanese contended it was the wrong time for Clinton to push because Japan was in the midst of a political campaign to elect a new government.

Since then, they have suggested it is the wrong time to press trade issues, because doing so might upset the new government of Morihiro Hosokawa. Presumably, if Hosokawa's government grows weak, Japan would then argue that

it is the wrong time for the United States to push, because that could cause his fragile governing coalition to collapse. And if the coalition falls apart, the cycle would be complete: It will be time for new elections again and time for Japanese officials to urge the United States to hold off until a new government is elected.

One underlying assumption behind Japan's ploys for delay seems to be that the right time for Washington to press economic issues with Tokyo is when the Japanese government is in a position of strength and durability—a circumstance that would put American trade negotiators at a disadvantage and that, in any case, is rarely achieved under Japan's current political system. Another assumption seems to be that the United States has an obligation to shore up the Japanese government, even if Washington has to abstain from advancing U.S. interests and a sense of fairness in order to do so.

The Administration may have good reasons for postponing the confrontation with Japan over trade. Perhaps, Clinton wants to get a NAFTA victory first, which could strengthen America's position in the international economy. He may also want to enlist Japan's help in persuading France and other European countries to finish up the Uruguay Round of the General Agreement on Tariffs and Trade, which is supposed to be concluded next month. Clinton may be waiting to confront Japan until after he can shore up America's shaky relations with China.

If Clinton is delaying for these reasons, neither he nor his aides are acting out of kindness. They are pointing to Japan as one of the big successes of the President's foreign policy. But there is no sign yet of the "rebalancing" of trade relations the President originally demanded. One of the centerpieces of Clinton's campaign was its invocation of the embarrassment and humiliation of Bush's January, 1992, visit to Tokyo. Yet, if economic relations between Washington and Tokyo continue on their current course, the only change Clinton may have to show for himself in the 1996 campaign will be to claim that he had a stronger stomach and didn't get sick at the barbeques. □

THE WHITE HOUSE

WASHINGTON

January 3, 1994

THE PRESIDENT HAS SEEN
1-3-94

MEETING WITH CABINET AND TOP HEALTH CARE ADVISORS

DATE: January 3, 1994
LOCATION: Cabinet Room
TIME: 11:00 AM - Noon
FROM: MAGGIE WILLIAMS

I. PURPOSE

To focus the Cabinet on the President's lead domestic policy issue.

II. BACKGROUND

III. PARTICIPANTS

HRC
The Vice President
Mrs. Gore
Secretary Riley
Secretary Cisneros
Secretary Shalala
Secretary Bentsen
Secretary Ron Brown
Secretary Reich
Secretary Jesse Brown
Erskine Bowles
Laura Tyson
Mack McLarty
Harold Ickes
Pat Griffin
George Stephanopoulos
David Gergen
Ira Magaziner
Maggie Williams
Carol Rasco
Bob Rubin

IV. PRESS PLAN

Pool spray at the beginning of the meeting. No questions.

1 3 67:20

94 JAN 3 P4:59

V. SEQUENCE OF EVENTS

President makes opening remarks during pool spray.
After pool spray, President introduces Harold Ickes and Pat Griffin, each of whom will make brief remarks to the group.
Ickes and Griffin speak.
President makes brief remarks to group and turns meeting over to HRC.

VI. REMARKS

Attached.

President William Jefferson Clinton
Health Care Meeting Talking Points
January 3, 1994

- I am convinced that 1994 will be a year that stands out in history. We remember 1935 -- as the year that our nation guaranteed Social Security for the elderly. We remember 1965 -- as the year that our nation provided Medicare for older Americans. And I am convinced that, after decades of false starts, 1994 will go down in history as the year that our nation fulfilled its promise of guaranteed health security for every American.
- This will be the year when we fix a health care system that is badly broken. Make no mistake about it: our Administration is committed to working with Congress to pass the Health Security Act before this Congress goes home.
- By next year, we will have passed a law that will mean guaranteed private insurance for every American. Our plan is simple: we will build on the best of our current system but make two critical changes: first, we will guarantee comprehensive health benefits that can never be taken away; and second, we will give people and small businesses greater power to choose affordable, quality health insurance.
- To accomplish this goal, we've added to our already strong health care team, which has been ably led over the past year by the First Lady, Secretary Shalala and Ira Magaziner. I'm glad that Pat Griffin and Harold Ickes have signed on, and that George Stephanopoulos will be taking a more active role in the health care debate.
- As this debate proceeds, let's remember what's really at stake here: security for tens of millions of Americans who have good health insurance today but fear that this time next year or even next month, they'll lose it. And our nation's economic future -- because we must get exploding health care costs under control. Providing health security is not a Democratic or Republican challenge; it's an American challenge.
- In that spirit, let us all resolve not to let partisan fighting get in the way of accomplishing what the American people sent us here to do: protect their interests and their security. Let us work together, Democrats and Republicans, to produce the best bill that we can.
- As we begin the New Year, I am optimistic that it will be a year of great achievement, a year in which we continue to fulfill our promise of greater security for all Americans. Today we resolve to build on our record of providing greater job security, of improving personal security and of achieving health security for every American.
- None of these are easy challenges but the American people sent us here to take them on and I will continue to fight with every ounce of energy I have to meet these goals.

REMARKS TO GROUP/NO PRESS

After the Press Pool leaves.

Introduce Harold Ickes and Pat Griffin who will each make brief remarks to the group.

Then you should make the following points:

- *Thank the Cabinet for their participation to date.
 - All the months and months of hard work in formulating the plan.

- All the health care speeches and media appearances over the last few months.

- *Emphasize that the next 8 to 10 weeks will be crucial ones for organizing ourselves and building momentum for passage of health care legislation

- *The importance of speaking with one voice on the Hill and to the American people. We must be unified. Pat and Harold will be meeting this week with many of you to plot a process for moving ahead in Congress.

Then turn meeting over to HRC.