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**OA/ID Number:** 11102

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Appointments

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## **FED APPOINTMENTS**

**3/27/97**

**Q: Where is the Administration on the vacancies at the Fed?**

**A:** We are in the process of finding two outstanding individuals to serve on the Federal Reserve Board of Governors. The search process, headed up by NEC Director Gene Sperling, CEA Chair Janet Yellen, and Treasury Deputy Secretary Larry Summers, has been very thorough and, so far, very confidential. We'd like it to stay that way.

**Q: Are you getting close? We were led to believe that the appointments would come at the end of March.**

**A:** The search is on track. The economic team has narrowed the list of candidates and will make recommendations to the President in the not-too-distant future. That is all we are prepared to say at this point in time.

**Q: Are you going to make sure that one of the slots goes to a banker? An African-American?**

**A:** There are no preconditions or litmus tests for this search process. The economic team is looking for superbly qualified individuals who are willing to serve their country in this important role. Period.

Drafted by Jake Siewert

Cleared by Sperling

*Take note, fcd*

**Q: According to Senator Domenici, CBO has been more accurate than OMB in 16 out of 20 projections of the Federal budget deficit during this Administration.**

*we could show this if needed*

**A:** We have been more accurate than CBO in 70 percent of the projections made at the time the Administration's budget has been submitted -- the most obvious and straightforward grounds for comparing our current forecasts to CBO's. Senator Domenici's assertion is misleading for several reasons:

- **Comparison periods.** The comparison includes projections from the middle of the budget cycle, which are not relevant for comparing the current projections, and relies on inconsistent choices of exactly which forecast to use. In two instances (1993 and 1996), it uses CBO's revised baseline issued after the President's budget submission -- which is the baseline used for the Congressional budget resolution. But for 1994 and 1995, it uses the preliminary CBO estimates released earlier in the year.
- **Economic assumptions.** In 1993, OMB used CBO economic assumptions for purposes of the Congressional budget process. But the Administration also prepared its own forecast to price the President's policies. The Administration's out-year deficit projections were considerably lower -- and more accurate -- using Administration economics rather than CBO economics. It would seem particularly misleading to mark down the Administration's forecasting record relative to CBO because in one year the Administration used CBO's economic assumptions.
- **Current year vs. out-year forecasts.** On any consistent basis of comparison, the CBO's deficit projections tend to be more accurate for the then-current fiscal years. In such current-year forecasts, CBO has a built-in advantage: the Administration's economic assumptions must normally be completed in the late summer or early fall, so that the agencies can develop their budgets, whereas the CBO finalizes its economic assumptions two or three months later. For projections of the current fiscal year, an additional quarter of information can be extremely valuable. That advantage fades, however, for projections of future years. *And for such future years, OMB's forecasts are much more accurate (again using any fair comparison).* Since policy-makers are trying to balance the budget five years hence, the track record beyond the current year is probably the most relevant.

**Summary:** As in any comparison of this nature, no one is right all of the time. But by any consistent measure, OMB has outperformed CBO in projecting the deficit in the out-years. And even the CBO's figures show that the deficit has always been smaller than the Administration had predicted.

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**THE WHITE HOUSE**  
**Office of the Press Secretary**

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**For Immediate Release**

**February 24, 1997**

**PRESIDENT CLINTON NAMES RICHARD SOCARIDES AS SPECIAL ASSISTANT AND SENIOR ADVISOR FOR PUBLIC LIAISON**

The President today named Richard Socarides as Special Assistant to the President and Senior Advisor for Public Liaison.

Socarides was the liaison to the lesbian and gay communities for the White House in 1996, when he served as Special Assistant to the Deputy Chief of Staff for Policy and Political Affairs. He will continue to have that responsibility, among others, in his new post.

From 1993 to 1996, Socarides was White House Liaison for the Department of Labor, serving before that as political director for Senator Tom Harkin, D-IA. A native of New York, Socarides was a partner in the law firm of Squadron, Ellenoff, Plesent & Sheinfeld.

He has served on the Boards of Directors of the Lambda Legal Defense and Education Fund and the Gay and Lesbian Alliance Against Defamation (GLAAD.) He was one of the principal organizers in 1995 of the first-ever White House Conference on HIV/AIDS.

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**Press Guidance**  
**February 20, 1997**

**Fed Vacancies**

- A process is underway headed by the Director of the NEC and including the CEA and Department of Treasury. We are down to a short list and continuing to interview candidates.
- We started this process in order to fill one vacancy. We then had an unexpected vacancy and broadened our process to include the two positions.
- The economic team was focused heavily on the budget over the past few months. That announcement is now behind us and we have narrowed the list on these appointments. We are currently interviewing candidates (per Gene still looking at more than two but less than ten) and we nominate candidates as expeditiously as possible.

**FYI Only:** There was a conference call last week in which those involved narrowed down the list, but no recommendations have been given to the President.

April Mellody per Jake Siewert/Gene Sperling

appointments  
10-1-96

**Martin Kamarck**  
**October 1, 1996**

**Background**

Republican Senators, specifically Mitch McConnell, tried to drastically reduce Export-Import Bank Chairman Martin Kamarck's salary which is included in the just-passed spending bill. The Washington Post tried to report that the Vice President made several personal appeals to Senators to dissuade them against Senator McConnell's proposed legislative language. The salary dispute was resolved in the negotiations led by Leon Panetta over the weekend.

There is concern among some Republican members about Kamarck saying he's lost their confidence because of an alleged improper payment he made to 200 Ex-Im employees.

Kamarck was a recess appointment; his appointment runs out in July, 1997.

The Vice President supports Kamarck's appointment but he did not make personal pleas over the last couple months. That aside, the Administration went into the negotiations with the position that cutting a chairman's salary through this spending bill would be a bad precedent for future recess appointments.

**Points**

- o The legislative language proposed by Senator McConnell was resolved during the negotiations. The Administration went into the negotiations with a very firm position that this would set a bad precedent and undermine the President's ability to exercise his power under the Constitution to make recess appointments.
- o If pushed about the Vice President's role: The Vice President supports Kamarck's appointment but he did not make direct appeals on this issue at hand. That aside, the Administration went into the negotiations with the position that cutting a chairman's salary through this spending bill would be a bad precedent for future recess appointments.

TUESDAY, OCTOBER 1, 1996

## Conferees Urge Clinton to Get Rid of Ex-Im Head

By Paul Blustein  
Washington Post Staff Writer

The chairman of the U.S. Export-Import Bank, Martin A. Kamarck, has been strongly rebuked by Congress, which warned President Clinton not to reappoint him and sent legislation yesterday to the White House ordering the elimination of Kamarck's salary next summer.

Language approved by House and Senate conferees said Kamarck "has lost the confidence of the committees with oversight responsibility for the Export-Import Bank" and "should not continue in [his] position." The lawmakers were punishing the Ex-Im chief for the allegedly improper payment of as much as \$1

million in extra salary to about 200 of the agency's employees.

The overpayments, disclosed by the Office of Personnel Management early this year, averaged nearly \$5,000 a year for scores of workers whom the agency said it could not afford to lose.

The legislative language, though not legally binding, accompanies a massive spending bill, approved by the House on Saturday and the Senate yesterday, which includes a provision banning the use of federal funds to pay Kamarck's \$122,000-a-year salary. At White House insistence, the salary provision would not take effect until after July 21, 1997, when Kamarck's current recess appointment will run out.

Legislative experts said the last time they recall Congress taking such action against an individual federal employee was 1988, when appropriators abolished the job of an assistant agriculture secretary over a funding dispute.

The Ex-Im is facing a difficult fight next year to win reauthorization. The bank, which finances the export of U.S. goods and services, enjoys strong support from the business community but has come under attack from both left and right as an example of "corporate welfare."

Kamarck, 47, was widely blamed on Capitol Hill for both allowing the Ex-Im salary problems to occur and for failing to show sufficient remorse over them.

"It is unusual, but this fellow is dragging down the bank and destroying its reputation," said Sen. Mitch McConnell (R-Ky.), who led the attack on Kamarck as chairman of the Senate appropriations subcommittee that oversees Ex-Im. "What's amazing is that the administration hasn't canned him a long time ago."

Business lobbyists, too, voiced fears that Kamarck's enormous unpopularity on Capitol Hill could undermine Ex-Im's funding prospects next year. "Nobody knows anyone who's supportive of him, so you get to the point where it's a question of what's best for the bank," said one lobbyist who insisted on anonymity.

Kamarck blamed his troubles on

THE WHITE HOUSE  
Office of the Press Secretary

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Immediate Release

June 5, 1996

STATEMENT BY THE PRESIDENT

I am pleased to nominate Admiral Jay L. Johnson, U.S. Navy, to be Chief of Naval Operations.

Admiral Johnson currently serves as the Vice Chief of Naval Operations. He brings to the job of Chief of Naval Operations a dynamic vision of the Navy's future, a wealth of operational experience, a decisive leadership style and a deep regard for America's sailors.

During his distinguished career, Admiral Johnson completed two combat cruises in Vietnam and served as the Deputy Commander of Operation RESTORE DEMOCRACY and UPHOLD DEMOCRACY in Haiti. As Commander SECOND Fleet, he significantly improved the effectiveness of our forces in both multiservice and multinational operations. As Assistant Chief of Naval Personnel, he oversaw the career development of the officer and enlisted community during the challenging post-Cold War drawdown

Admiral Johnson assumes the post of Chief of Naval Operations with the full trust and confidence of the Navy community at a crucial time in its history. I will depend upon him to continue Admiral Mike Boorda's high standards and demanding goals for the Navy. With Admiral Johnson at the helm, I am confident that our Navy will continue to protect and advance our nation's freedom and security.

# # #

## QUESTIONS AND ANSWERS

Q: Why did you select Admiral Johnson?

A: Admiral Johnson has shown throughout his distinguished career the qualities to lead the Navy at this important time in its history: a dynamic vision in leading sailors, a decorated warrior with diplomatic skills, principled leadership and a deep regard for the men and women of the Navy.

Q: Why did you select him over more senior Admirals?

A: The senior leadership of the Navy had a number of excellent candidates. Jay Johnson has the unquestionable ability to meet the future challenges for the Navy, from a changed security environment to complex social issues. He has my complete trust and confidence.

Q: (If asked: If you are trying to get the Navy past Tailhook, why have you nominated someone who attended Tailhook?)

A: (I would not have chosen Admiral Johnson as the next Chief of Naval Operations if I did not have complete trust that he has the leadership required to lead the Navy as it absorbs the lessons of this difficult episode. His attendance at Tailhook has been carefully reviewed by the Navy, the Defense Department and the Senate on two previous occasions as he was promoted to three- and four-star rank. On those occasions, as in this case today, we have every confidence in his distinguished leadership skills.)

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**Brooksley Born to the CFTC**  
**March 21, 1996**

**BACKGROUND:** The Wall St. Journal reported today that we are about to name Brooksley Born, a Washington attorney, to head the Commodity Futures Trading Commission.

**FOR INTERNAL:** Ms. Born has been signed off on and is undergoing counsel review. We would not expect an announcement before the middle of next month. Discussions have been ongoing with the Hill regarding her potential nomination.

**Points:**

- The White House has no announcement for the CFTC today and we do not expect one in the very near future. We do not discuss potential candidates for positions until the President has made a decision and announcement.
- FYI: Bob Nash does not have a problem with us acknowledging off the record that she is under consideration. We do not want to indicate a decision has been made.

Drafted by Kathy McKiernan per Bob Nash, 6-6502

**Dellinger to Replace Drew Days**  
**February 29, 1996**

Background: There is a wire story running that the Administration will name Assistant Attorney General Walter Dellinger to be acting solicitor general to succeed Drew Days, but will not nominate him for a long-term basis. The story says we are naming a short-term acting solicitor general in order to avoid Senate confirmation.

Points:

- The President has not made a decision on the replacement of Solicitor General Drew Days, who has chosen to leave his post to return to the private sector at the end of the current Supreme Court term in July.
- As you know, Solicitor Days will continue serving through July and we are early in the process for finding a replacement. Moreover, we do not comment on candidates for a position until the President has made a decision and announcement.

Drafted: KMcKiernan

Cleared: Vanessa Weaver, WH Personnel 6-5285