

usual. He said that even he got tired of reading all those news stories about his plans and negotiations.

"I found it at first wearying and frightening, and later it

See LETTERMAN, B4, Col. 5

■ Channel 9 not eager to pick up Letterman Page B6

Hillary Clinton Names Top Staffers

By Martha Sherrill
Washington Post Staff Writer

Hillary Clinton yesterday named two veterans of Washington advocacy groups to run her White House staff. Appointments for the First Lady-to-be were announced yesterday in Little Rock concurrent with those of her husband.

Margaret Williams, 38, was chosen as chief of staff, and Melanne Verveer, 48, was made her deputy. Both had been actively involved in the Clinton campaign. In other key positions in the First Lady's office, two campaign officials were given similar roles in the White House: Lisa Caputo as press secretary and Patty Solis as scheduler. Ann Stock, an executive with Bloomingdale's, was named social secretary.

Williams joined the press office of the Democratic National Committee after her graduation from Trinity College here. She later worked for the Children's Defense Fund, an organization headed by Mrs. Clinton's close friend Marian Wright Edelman. CDF is a nonprofit lobby that mostly presses Congress for funding on an assortment of child-care issues, including health care, welfare and education. She left a doctoral program in

See STAFF, B4, Col. 1

A First Look at The First Look

An artist's vision
of Hillary
Clinton's violet
inaugural gown by
Sarah Phillips, a
little-known New
York designer



First Lady's First Team

STAFF, From B1

communications at the University of Pennsylvania to join Mrs. Clinton's campaign staff last spring, and after the election, became Mrs. Clinton's transition director.

Verveer is a former policy director and executive vice president of People for the American Way, a citizen's lobby that advocates a variety of generally liberal causes. She has worked as a congressional aide and for several other Washington advocacy groups, including Common Cause and the U.S. Catholic Conference. She was a college classmate of Bill Clinton's at Georgetown and is a longtime friend of Hillary's. In an interview, Verveer said she has known Hillary so long she "can't even remember meeting her."

During the fall campaign, she coordinated issues in "HillaryLand," as the small bubble of Mrs. Clinton's campaign staff was called. Despite her lesser title, sources familiar with Mrs. Clinton's operation surmise that she may ultimately wield more influence with the First Lady. She is described by several friends as a tra-

ditional liberal—one called her "an old-fashioned leftie."

"Lisa and Patty and I all worked together on the campaign," said Verveer. "Maggie and I have known each other for years. We're all hoping to be highly effective."

Solis, 27, who handled scheduling for Mrs. Clinton on the campaign, will become chief of scheduling for the First Lady. Caputo, 28, was press secretary to outgoing Sen. Tim Wirth (D-Colo.) before joining the Clinton-Gore campaign in July, and later became transition press secretary to Mrs. Clinton. She graduated from Brown *magna cum laude*, and has a master's degree in journalism from Northwestern University.

The only real stranger to HillaryLand is Ann Stock, 46, who will become social secretary. Although a newcomer to the Clintons—and perhaps unfamiliar to isolated society matrons of Washington—Stock is well known in business and retail circles, and at fund-raising events in both Washington and New York. A colleague describes her as "bright and intense." She would seem per-

fectly qualified to plan any sort of unconventional yet tasteful event that the Clintons might want to throw, from formal state dinners to South Lawn barbecues. She has been an executive at Bloomingdale's since 1982, first in charge of public relations for the D.C. metropolitan area, overseeing all the department store events and charity fund-raisers.

She has maintained a residence and a marriage in Alexandria while commuting to Manhattan for the last several years following her promotion to vice president. She was a deputy press secretary for Walter Mondale's presidential campaign and, in keeping with one of Mrs. Clinton's primary obsessions, she is one of the founding members of the Capital Children's Museum.

But while the cast of characters surrounding Hillary Clinton has become clear, still at issue is the setting. Unlike previous First Ladies, her offices may not be located in either the East Wing or the residence. According to several White House sources, office space in the West Wing and the Old Executive Office Building has been looked at by representatives of Mrs. Clinton, and, as of yesterday, no final decision had been reached.

U.S. 29: Past & Future

ROUTE, From B1

Jefferson foresaw an agrarian utopia; to the town-house-clogged I-66 corridor, where Union and Confederate armies marched and died on their way to Bull Run—anomalies abound, and few things prove as simple as they seem.

"We've been here for 87 years," says Joe Bailey, 47, third-generation



Still Time To Join The New Administration

By Tracy Simpson

The inauguration may be just a week away, but there's still time to find a job on the Hill or to the new Administration. If you're a qualified candidate seeking a career in government or public service, says a spokeswoman for the House Placement Office, located in the Ford House Office Building. "Using a computer to sort qualifications, we provide 4,000 jobs are expected to be filled over the course of the transition, a period of time that is likely to last through the end of the year. Of these jobs, says Romash, most are sub-Cabinet and top level Agency jobs, although some are for positions in the White House itself.

"We're casting a very wide net for qualified people to work in the new Administration, including the White House and the various agencies," says Romash, who adds that as many as 100 jobs have been filled since the holiday season. "If anyone has an interest in serving the public, they should get their resumes to us, along with a letter describing their interests and the particular skills they bring, as soon as possible. In fact, the more they tell us about themselves, the better."

Although Romash says her office expects to receive up to 100,000 resumes, she says all are being entered into a computer that matches qualified applicants with specific jobs. "In addition to these local efforts," adds Romash, "we are continuing our historic outreach to locate qualified people from all parts of the country."

While the big change in the various federal agencies will be mostly in the political ranks, those who aspire to careers within a specific agency should knock on doors, according to Michael Orenstein, a spokesman for the Office of Personnel Management (OPM), the federal government's chief employment agency. "Be aggressive, pursue your contacts and make sure you're on the list of eligible candidates. To cut through red tape where possible, contact those individual agencies that have direct hiring authority."

On the Hill, job seekers can find assistance from a wide variety of sources, most notably the House and Senate Placement Offices. "We have resumes on file on the Hill, basically every type of position, from legislative staff assistant to legislative director," says a spokeswoman for the House Placement Office.

According to presidential transition spokeswoman Maria Romash, over 4,000 jobs are expected to be filled over the course of the transition, a period of time that is likely to last through the end of the year. Of these jobs, says Romash, most are sub-Cabinet and top level Agency jobs, although some are for positions in the White House itself.

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WHERE TO LOOK

branch and from around the country," says a spokeswoman, who adds that the new Congress and incoming administration promise a wide array of opportunities for women and minorities.

If it's congressional contacts or relevant experience you need in order to be considered for the next Congress, consider working on a political campaign. The Democratic Senatorial Campaign Committee (DSCC), for example, "accepts resumes from individuals interested in working on Democratic campaigns and serves as a liaison between candidates and the Democratic National Committee, which oversees Democratic campaigns across the country."

Getting campaign experience is a good idea, according to DSCC press secretary Jim Morant. "There's because, more often than not, a person who is appointed to a high level job will hire from within their own network."

For women and minorities, the Congressional Black Caucus is another resource for Hill employment. "We receive resumes as well as requests from the Hill, the executive branch and from around the country," says a spokeswoman, who adds that the new Congress and incoming administration promise a wide array of opportunities for women and minorities.

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WHERE TO LOOK

House Placement Office
 500 Capitol Mall, Room 500
 Washington, DC 20540

Senate Placement Office
 200 Capitol Mall, Room 200
 Washington, DC 20540

Democratic Senatorial Campaign Committee (DSCC)
 1000 Pennsylvania Avenue, N.W.
 Washington, DC 20004

Democratic National Committee
 1100 Pennsylvania Avenue, N.W.
 Washington, DC 20004

Congressional Black Caucus
 1000 Pennsylvania Avenue, N.W.
 Washington, DC 20004

Office of Personnel Management (OPM)
 1915 Constitution Avenue, N.W.
 Washington, DC 20415



First Lady's Chief of Staff

Margaret "Maggie" Williams never set weekly goals or pondered a long-range career plan. She rose to the top on sheer talent, leaning on the values, work ethics, and common sense passed on to her by family and the folks back home in Kansas City, Mo.

Williams, 38, is Hillary Rodham Clinton's chief of staff, advising the First Lady on a multitude of issues, from the type of message callers should hear to what interviews Mrs. Clinton should give. She is the first African American to serve in that position, though another, Anna Perez, preceded her in the First Lady's office as Barbara Bush's press secretary.

"I've moved from one place to another without having any long-range plans of my own," said Williams. "I have to believe there is something bigger than me, some plan for my life. 'Lucky' is too casual. 'Blessed' is the word."

Talk like that is Williams' home training shining through, according to her sister and best friend, Ermette Williams Purce. "There's a spiritual centeredness we were trained to believe we must have in our lives in order to make right decisions," said Purce, director of communications at the Center for Political Leadership and Participation at the University of Maryland. "My mother is deeply spiritual and believes that if you let God lead your life, He will lead you where your talents will be best used. You just do what you're supposed to do—get the

proper education and be prepared."

A deep spiritual foundation is something Williams and the First Lady share and one of the reasons they work well together. But talent has obviously played a role in shaping Williams' destiny.

"She's brilliant. She has one of the best strategic minds I've ever seen," said Marian Wright Edelman, founder and director of the Children's Defense Fund (CDF), the children's rights advocacy group based in Washington.

Williams worked for CDF for about six years, first developing the teenage pregnancy prevention media campaign and then as communications director. At CDF she also developed a friendship with Hillary Clinton, a board member.

"Maggie is a good manager of people. She kept morale high and she works like a dog," said Edelman. "She was the instrument for making the teenage pregnancy campaign visible nationwide. She conceptualized how to mobilize people and put teenage pregnancy on the national agenda and on the black and white agenda. She understood we needed to sell kids as effectively as Proctor & Gamble sells its products."

What Williams did was persuade ad agency Fallon McElligott of Minneapolis to create a campaign for CDF pro bono. The resulting campaign continues to win awards and most important, to educate the public by drawing notice to its clever television spots and public ads. The people at Fallon McElligott

By Patrice Gaines

were so impressed with Williams they're still hoping she'll work for them one day.

Williams moved to Washington to attend Trinity College, where she studied political science and was considered a remarkable student with a great political understanding. After school, her intelligence and congenial personality won her coveted jobs.

She's one of the best hires I ever made in my life," said Bob Neuman, former director of communications at the Democratic National Committee, where Williams was deputy director. "She manages to keep her cool, she works well under fire, she's tough as nails—and that's important."

After the DNC, Williams worked as press secretary for Rep. Robert Torricelli (D., N.J.) and then went to the Center for Budget and Policy Priorities. In 1984, she took a job at CDF which would have a profound effect on her personally and professionally. Edelman has served as a mentor to many young women and she would become a role model to Williams, as she already had to Hillary Clinton.

In 1985, Williams was running the adolescent pregnancy prevention campaign at CDF. Weary from battling Republican administrations, she decided to leave politics and take graduate courses at the University of Pennsylvania's Annenberg School. She studied media, planning to earn a Ph.D. and maybe go to Minneapolis to work for Fallon McElligott. At any rate, Williams was ready to exchange the whirlwind life of politics for the slower pace of life in the Midwest. "It's the closest I ever came to having a plan," she said, laughing. "And look at what happened."

A year before the presidential campaign started, she got a call at school from Hillary Clinton, who wanted Williams to work with her during the campaign. Williams was reluctant to jump back into politics, but other people from the campaign called and finally she relented.

Williams joined the Clinton campaign staff late, in August, after she had completed her classes, and she immediately found challenges. "My biggest concern was picking up a paper and reading something [about Mrs. Clinton] that was not true. It would have been laughable, except people were building this image that was totally bizarre. It got totally out of hand during the Republican convention when they tried to brand her as an off-the-wall person.

"This is someone who keeps the Scriptures in her purse and is a lot more conservative than some people think," said Williams, who hasn't worried as much about Clinton's image recently. "I find myself, at this point, in some ways less concerned. As she moves through Washington, people are genuinely impressed or charmed, or both."

In the Clinton administration Williams found, for the most part, a confirmation of her own values: "One

of the things I like about this administration is, it is based on the belief that government has a role, individuals have a role, families have a role, and you have to have a balance. These are old lessons. Old black people used to tell us, 'You grow up and do well, but you give back.' My older brother grew up and went to college, and part of what he did was give me spending money when I was in college."

Now Williams has two offices, one in the West Wing of the White House, wedged between Hillary Clinton's office and that of the president's domestic policy adviser, Carol Rasco; the other is in the Old Executive Office Building.

Her day starts at 7:45 A.M. with a senior staff meeting and talk about the day's schedule, as well as long-range plans for the First Lady. Next, she spends time with the First Lady and her schedule planner. And finally, she and the First Lady sit alone to discuss "all kinds of issues."

Some people say hiring Williams tells African Americans more about Hillary Clinton than perhaps any other single act the First Lady has performed. "I have enormous respect for Hillary Rodham Clinton; she has got to know who Maggie is," said Johnnetta B. Cole, president of Spelman College, who has worked with Williams on CDF projects. "Maggie did not leave any part of herself outside that gate. She has never lost a sense of who we are as

African Americans, of what our issues are, our concerns and needs."

David Thomas, Williams' childhood friend and a professor at the Harvard Graduate School of Business, explained: "What it says about Hillary Clinton is, she can take good and bad information uncensored, because that's what Margaret delivers. She's not one to work for someone who only wants good news. She's not a yes-person or someone impressed by trappings. When you hear Margaret talk to a secretary, it will be the same way she talks to a member of Congress."

That kind of civility is exactly what Williams said she found in the Clintons. "I think the people of this administration are hell-bent on changing the country," she said. "It took me a while to believe. If you are black and in this country, you have to be a terrible skeptic. But what I have seen on a day-to-day basis, how these people treat people day-to-day, has convinced me. They are not miracle workers, but I believe they try to be fair."

Of course, her new job is not the most secure one. But Williams, as usual, will land on her feet.

Edelman would love for her to return to CDF, but she accepts Williams' determination to continue growing. Williams left CDF to return to school, though Edelman tried to keep her, telling her no school could teach her what she already knew about media. "I miss her a lot," said Edelman. "But she's in the right place."

e

"She works well under fire, she's tough as nails—that's important."

FEDERAL PAGE

THE CLINTON WHITE HOUSE

White House staff appointments announced by President-elect Clinton:

OFFICE OF THE CHIEF OF STAFF

- Thomas F. "Mack" McLarty, White House chief of staff.
- Mark Gearan, assistant to the president and deputy chief of staff.
- David Watkins, assistant to the president for Office of Administration and Management.
- Christine Varney, deputy assistant to the president and Cabinet secretary.
- Bruce Lindsey, assistant to the president and senior adviser and director, Office of Personnel.
- John Podesta, assistant to the president and staff secretary.
- Nancy Hemreich, deputy assistant to the president for appointments and scheduling.
- Eli Segal, assistant to the president and director of the Office of National Service.

OFFICE OF THE COUNSEL

- Bernard Nussbaum, assistant to the president and counsel.
- Vince Foster, deputy assistant to the president and deputy counsel to the president.
- Ron Klain, associate counsel to the president.
- Cheryl Mills, associate counsel to the president.

OFFICE OF THE FIRST LADY

- Margaret Williams, assistant to the president and chief of staff for Hillary Clinton.
- Melanne Verwee, deputy assistant to the president and deputy chief of staff.
- Lisa Caputo, deputy assistant to the president and press secretary.
- Ann Stock, special assistant to the president and social secretary.
- Patti Sells, special assistant to the president and director of scheduling for Hillary Clinton.

DOMESTIC POLICY COUNCIL

- Carol Rasco, assistant to the president for domestic policy.
- Bruce Reed, deputy assistant to the president for domestic policy.
- William G. Egan, deputy assistant to the president for domestic policy.
- Shirley Spelman, special assistant to the president for domestic policy.

NATIONAL ECONOMIC COUNCIL

- Robert E. Rubin, assistant to the president for economic policy.
- Gene Sperling, deputy assistant to the president for economic policy.
- W. Bowman Cutler, deputy assistant to the president for economic policy.

NATIONAL SECURITY COUNCIL

- Anthony Lake, assistant to the president for national security affairs.
- Samuel R. "Sandy" Berger, deputy assistant to the president for national security affairs.
- James S. G. Thompson, special assistant to the president for national security affairs and staff director, National Security Council.

OFFICE OF COMMUNICATIONS

- [Name obscured], assistant to the president and

- Dee Dee Myers, deputy assistant to the president and press secretary.

- Ricki Seidman, deputy assistant to the president and deputy director of communications.

- David Dreyer, deputy assistant to the president and director for planning.

- Jeff Eller, deputy assistant to the president and director for media affairs.

- Bob Boorstin, special assistant to the president for policy coordination.

- Michael Waldman, special assistant to the president for policy coordination.

- David Kuenet, special assistant to the president for speech writing.

- Anne Walker, special assistant to the president and director of research.

- Keith Boykin, special assistant to the president and director of news analysis.

SENIOR ADVISER FOR POLICY DEVELOPMENT

- Ira Magaziner, senior adviser for policy development.

LEGISLATIVE AFFAIRS

- Howard Paster, assistant to the president and director for legislative affairs.
- Susan Brophy, deputy assistant to the president and deputy director of legislative affairs.
- Steve Richetti, special assistant to the president for legislative affairs.

SCHEDULING AND ADVANCE

- Marcia Hale, assistant to the president and director of scheduling and advance.
- Isabelle Rodriguez Tapia, deputy assistant to the president and deputy director.

PUBLIC LIAISON

- Alexis Herman, assistant to the president and director of public liaison.
- Doris Matsul, deputy assistant to the president and deputy director of public liaison.
- Mike Lux, special assistant to the president for public liaison.

POLITICAL AFFAIRS

- Amy Zook, special assistant to the president for political affairs.
- Robert E. Egan, assistant to the president and director of political affairs.
- Anne Brophy, deputy assistant to the president and deputy director of political affairs.
- Elaine Weiss, special assistant to the president for political affairs.

INTERGOVERNMENTAL AFFAIRS

- Regina Montoya, assistant to the president and director for intergovernmental affairs.
- Jeff Watson, deputy assistant to the president and deputy director of intergovernmental affairs.

OFFICE OF THE VICE PRESIDENT

- Roy Neel, chief of staff.
- Thurgood Marshall Jr., legislative affairs coordinator.
- Greg Simon, domestic policy adviser to the vice president.
- [Name obscured], assistant to the vice president for national security affairs.
- [Name obscured], counsel to the vice president.
- [Name obscured], special assistant to the president for the

CHRISTOPHER C. JENNINGS

Health Care Congressional Liaison for Hillary Rodham Clinton

(Biography)

Chris Jennings currently serves as the First Lady's Health Care Reform Congressional Liaison. He is serving in this capacity on loan from his permanent duties under the Secretary of Health and Human Services. In his present position, Chris has been charged with developing and implementing a legislative and Congressional outreach strategy designed to successfully draft, introduce and pass a health reform proposal through the Congress.

Previously, Chris worked as the Presidential Health Care Transition's Co-Chair of Outreach. During his tenure in this position, he was responsible for communications and outreach to the Congress, to state and local governments, to aging advocates, to small business groups, and to pharmaceutical interests.

Before working for the Administration, Chris served as the Deputy Staff Director of the U.S. Special Committee on Aging. Senator David Pryor hired him for this position when he assumed the Chairmanship of the Aging Committee in 1989. Although new in this position, Chris had served on the Committee under two other Senators (John Glenn and John Melcher) since 1983.

As Deputy Staff Director, Chris served as the Committee's legislative director. In addition to his supervisory responsibilities, he served as Senator Pryor's chief health care reform advisor. Of particular note, he served as the Senator's staff representative to the U.S. Bipartisan Commission on Comprehensive Health Care (the Pepper Commission), and most recently coordinated Senator Pryor's ongoing legislative activities dealing with state-based comprehensive health reform, prescription drug cost containment, insurance market reform, rural health issues, and the special needs of small business.

Washington Post Feb 10, 1993



The First Lady's chief of staff, Maggie Williams, right, with White House press deputies Karen Finney and Neel Lattimore. Says Williams: "I'm a simple person. I'm not power hungry."

Hillary Clinton's Stealth Communicator

Chief of Staff Maggie Williams, Navigating the Corridors of Power

By Martha Sherrill
Washington Post Staff Writer

Some people don't speak in sound bites that look profound between quotation marks, or pose under the right lights so the camera lens opens up wide, soaks up their face, loves them. But there are many ways to play the game, and all that media stuff, well, it's just a game anyway, isn't it? Smoke and mirrors, ropes and tape recorders, public image and public smiling, repeatable snippets, TV cameras whirling.

Maggie Williams sees the game, knows the game, has a master's degree in the game, and is intent on helping her boss—Hillary Rodham Clinton—play the game, but that doesn't mean Williams is going to be turning up on

CNN anytime soon, debating Pat Buchanan or Sally Quinn.

"I was really reluctant to do this interview," she says, over and over, "because I just didn't see that it was important to do, and because, also, everything here is such a team effort."

Nothing a reporter hates to hear more than those two words together: *team effort*. It means you're interviewing a guarded megalomaniac or a truly modest person or somebody who might be using the word "inclusive" sometime soon. Williams clearly fits into the second and third categories. She is Hillary Rodham Clinton's chief of staff, and her high power/low profile is matched in the White House only by Thomas "Mack" McLarty, the president's childhood friend and now chief of staff.

Williams has a real gift for being impossible to trans-

late into cute, punchy lines. Several campaign strategists claim that, even at age 38, she's the most astute media adviser around. "She has a real sense of the media, how to do it, how it's done," says Bob Neuman, who was her communications boss at the Democratic National Committee. Rep. Bob Torricelli (D-N.J.) describes her "magnetic personality." The dean of the Annenberg School of Communications gushes when describing her teaching talents. Friends speak of Williams's common sense and articulate conversation. She's an expert at *communicating*—the former communications director at the Children's Defense Fund and press deputy at the DNC—and yet . . . it's almost a gift, being so media-savvy that you can be willfully dull, confidently understated. She wants nothing larger than a "40-inch" profile

See WILLIAMS, D2, Col. 1

Maggie Williams

WILLIAMS, From D1

(on the smallish side for Style), "below the fold" (on the bottom half of the page), and begs that it run on Saturday. "That way," she says with a smile, "nobody will read it."

When the photographer arrives to take her picture, she refuses to pose in front of the White House, then refuses to be photographed next to a column, because "I'm a simple person," she says. "I'm not power hungry." She also asks that some of the First Lady's staff be in the photograph too, like a class picture or a publicity shot for "Up With People."

Indeed, there is a rather cheerful team helping Mrs. Clinton navigate both the traditional duties of the First Lady and her more ambitious plans of reforming the health care system, for starters, and ultimately guiding the Clinton administration's domestic policy. The fact that Mrs. Clinton's entire senior staff qualify as "media experts"—Williams's assistant is Evelyn Lieberman, no less, the former press secretary to Sen. Joe Biden—should tell us something about how the First Lady views the weather conditions down in the press room and beyond the White House gates.

Wet finger to the wind, eyes set on the horizon, Williams is the office compass. "She's a calming force," says press deputy Neel Lattimore, 33. "When a difficult situation comes up," says Lisa Caputo, 28, the press secretary. "I ask myself: How would Maggie handle this?"

Meanwhile, the griping behind the ropes has been intense. Wary, the First Lady has given only two post-inauguration interviews so far—carefully choosing what could be discussed, carefully isolating subjects, carefully controlling every variable that might adversely affect her image: She agreed only to talk about food and White House entertaining to the New York Times, for an article that ran last week, and she sat still long enough for a Q & A specifically about welfare with Newsweek this week.

The press requests, the calls, the faxes, the mail, everything—it's been a deluge since day one. Questions range from clothing to "co-presidency." There are something like 25 book proposals for Hillary biographies already in. There even have been a couple of book requests to do "The Story of Socks."

"Amazed is probably too soft a word," Williams says. "But I am amazed at what the press is interested in. I am amazed. I think it's probably funny for a couple of seconds—a discussion about Socks the cat—and it's probably worth one laugh. But it also just strikes me that, well, especially in this country where people are so concerned with how they're going to live their lives, how they're going to take care of their kids, it just strikes me that

there are so many things that are important in this world—so many things that need to be communicated—that I'm surprised the focus is not different."

While the First Lady's social planners are located in the traditional warren of the East Wing, Williams has an office in the West Wing, where she's wedged between Mrs. Clinton and the president's domestic policy adviser, Carol Rasco. "No, it doesn't feel controversial being there," she says of the historic space. "It only seems controversial to you guys."

Williams spends lots of time with the First Lady, feels comfortable calling her "Hillary" and has no reluctance about telling her when she's messing up.

"Hillary encourages everyone to give their opinion," says Williams. "She doesn't like people tip-toeing around her. That is not her style."

Her other office is here, in the oppressively overheated Old Executive Office Building—somebody, please open a window—where the First Lady's staff has a suite. People come and go, hustle from meeting to meeting, and so many phones are going off at once it sounds like a telethon. The doors are kept wide open, all a deliberate effort to re-create the feeling of the campaign, according to Williams, when staff worked all together in the huge former newsroom of the Arkansas Gazette.

Unpacked boxes take up space on the carpet, unchanged pictures lean against the wall. The staff's array of proper White House attire—nice suits and tied scarves—is so new it smells like Bloomingdale's second floor. But Williams—wearing a sloppy-chic gray knit ensemble she bought in Paris last spring—is serene and settled-looking. She has a way of plopping down on a sofa with an almost unearthly smile on her face. She is, was on the campaign, and always will be the unruffled center of gravitas.

"The message we got as children," says her younger sister Ermette Purce, "was that if you're spiritually centered, the rest of your life will land in place. Margaret has always been centered."

Margaret wasn't called Maggie until college—at Trinity here in Washington—but that's what she prefers now. Like Hillary Clinton, she grew up in the Midwest and still carries that feeling of constancy, reliability and reason. The daughter of a Kansas City school teacher and a government worker, Williams was studious and sensitive—she wrote a book of poetry for her older brother when he graduated from college—and involved in the youth group at Paseo Baptist Church. "She was always concerned with causes," says the Rev. Charles J. Briscoe, her minister of 25 years. "Her life has been shaping up, leading her to do some kind of service."

"Mediocrity was just not acceptable



Maggie Williams: "I am amazed at what the press is interested in."

in our house," says Purce. "My mother felt we were all given good minds and they weren't to be wasted. My mother went to a white college—Baker University in Kansas—and it was rough for her, people would sometimes move to the other side of the room when a black student entered. It had been hard to get in, hard to get a scholarship, but she always kept her eyes on the prize. Compared to her education, we had it easy—so there was no excuse to not do well."

Maggie had a private education—Catholic all-girls' schools. At Trinity, she studied political science and is described as "remarkable" by her former professor Philip Brenner. He remembers one essay in which she described her mother's life, in its social context. "It was very personal," says Brenner, "but theoretical and philosophical and showed great political understanding. When I told her how wonderfully written it was, she was stunned. She said her other teachers had told her that she couldn't write, and then I thought about all those nuns at Trinity, stifling this absolutely magnificent voice."

She started her political career as a receptionist in Mo Udall's office, then lived in Paris for more than a year, working mostly as an au pair. She returned to Washington in 1980 and was hired by Neuman, as his assistant in the communications office at the DNC. "Maggie is a workhorse," Neuman says. "She's the sort of person who works so hard you worry about her."

After the DNC, Williams worked for one of the party's young political stars, Robert Torricelli—then moved on to the Center for Budget and Policy Priorities. Mature beyond her years, it was around this time that people started calling her—informally—for advice about the media and campaigns they were working on. "She doesn't elbow anybody out of the way," says Bill Lynch, now the campaign manager for

David Dinkins's reelection bid for New York City mayor. "She's not into being slick."

While for the past eight years Williams has been pretty loyal to the CDF agenda, nobody interviewed felt confident labeling her as an old-line liberal. "She's a pragmatist, not an ideologue," says her former professor Brenner, now at American University. "She really wants to do things. She's very Clintonian actually."

"She's a great believer in the power of the individual to transcend circumstances—and in that way is very American," continues Brenner, "but she isn't in that group of conservative black scholars—the Clarence Thomas group—because she believes that there are very real structures, more economic than racial, that prohibit individuals from succeeding."

"I just have a thing about injustice," says Williams. "Everybody hates the big injustices—I know. But I hate even the little injustices, even the way a salesclerk treats somebody who is shabbily dressed and happens to go in to a nice store."

If the Children's Defense Fund is now one of the most visible children's rights advocates—and if this newspaper has indeed profiled its founder, Marian Wright Edelman, six times already—then Maggie Williams probably had something to do with it. She began working there in 1984, and "brought CDF an understanding of the importance of the media," says Donna Jablonski, director of publications. "Before, we were geared to a semi-technical audience, and Maggie made us realize that our media campaigns... needed to be out there, in the world. For everybody."

It was there, at CDF, that she met Hillary Rodham Clinton, then a board member. What was her first impression?

"I doubt if Hillary even remembers

thus," says Williams, "but she was giving a speech somewhere in Arkansas and a friend of mine—somebody I had grown up with—was sitting in the audience . . . and afterwards walked up and said: 'I know you're a member of CDF and I hear that a friend of mine from many moons works for CDF. Could you give her this note?'"

When Williams got the note in the mail, written on a little program from wherever Hillary was speaking, she was "totally stunned," she says. "It was before Hillary knew me. There was nothing I could do for her, give her, and she did that."

It was just decency?

"Yes, it was just decency," says Williams, "and I was blown away."

Not to take anything away from Mrs. Clinton, but that story might say more about Washington, D.C.—why is the innocent, kind gesture so shocking here?—than about the First Lady. It shouldn't be too surprising that Williams, after six years toiling at CDF, running the adolescent pregnancy prevention campaign during the Reagan and Bush administrations, grew disillusioned with the frustrations inside the Beltway. In 1990 she decided to go to graduate school at the University of Pennsylvania's Annenberg School to study the media.

She had no intention of ever coming back. "It didn't make sense to me anymore," she says, "that I had to beg people to treat children right or to persuade people in government that prevention for children was important. . . . I got mostly tired at the end of CDF. I got tired and it seemed real obvious to me—it was kind of, just kind of seemed like—that nothing was going to change. It didn't look hopeful to me."

"When she went back to school," says Torricelli, "I think she had decided that there was a better way than politics to make a difference."

At Annenberg, she easily fit into academic life. Federal Judge Leon Higginbotham, a Penn professor for 25 years, calls Williams "one of the five best students I've ever taught." She finished up her master's degree last spring—her thesis is on the relationship between black reporters who work for mainstream news organizations and black public officials—and she planned to stay at Annenberg since she'd been accepted into its doctoral program. Watching the primaries from the sidelines, Williams grew disappointed by the media—and when Mrs. Clinton called regularly for advice, she gave it.

"We talked about what she was doing," says Williams, "what the media was doing, what it looked like from where I was sitting."

Once upon a time, Williams used to believe that the media served a pur-

pose, had a higher calling, promoted justice, explained the world to the world . . . now, after last year, she's not so sure. Things that were vehemently denied—such as whether Chelsea had a secret meeting with Amy Carter—still got printed in a news-magazine anyway. Reporters who promised they were "doing a real different take" on Hillary kept coming up with the same boring stuff . . . stolen ideas and stolen lead paragraphs.

"Do you know what it's like to pick up a newspaper or a national magazine and see things that aren't true about somebody you know?" says Williams.

By late August, Williams moved down to Little Rock "and gave some direction," she says, "to Hillary's media work." After the election she became Mrs. Clinton's "transition director" in Arkansas, and was persuaded, finally, to take the job as chief of staff. "She had to be begged to leave Penn," says Melanne Vermeer, Williams's deputy chief of staff in charge of issues, "and I was just one of many pleaders."

In an office of calm and chaos, Vermeer and Clinton and Williams are all known to be immensely spiritual women. "We believe deeply in public service, and some of that springs from that orientation," says Vermeer when asked about the religious commitment they share.

"She's a person of faith," says Williams about Mrs. Clinton, "and it makes her solid and confident. So, sometimes you may not agree with her, but you know that she's acting from that place, and it allows you to follow her leadership."

Meanwhile, the country is deciding on its own—about her leadership, her role, her influence and pretty much liking what it sees. The media may be complaining about lack of access, but Mrs. Clinton's approval ratings are up there with Barbara Bush's old ones. Williams feels "more confident," she says, "that people are going to come to know and accept and really understand who she is. There is so much cynicism that abounds about people who are public figures," she says. "No one is quite willing to believe that this person is really who she appears to be."

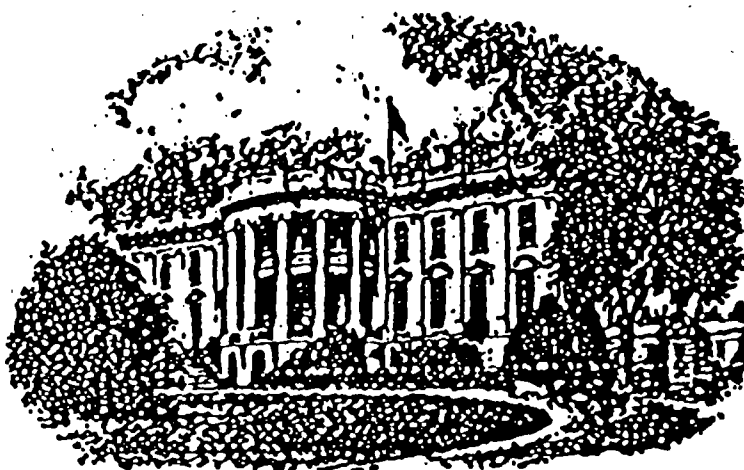
And what does it say about Mrs. Clinton that she hired Williams to be her chief of staff?

"Hillary, like a lot of smart people, needs a truth teller around," says documentary producer Henry Hampton, president of Blackside Inc. "Somebody who won't massage her and who'll tell her when things aren't going that well. I think Maggie is mature enough to do that."

"The best indication that Hillary Clinton will be playing a substantive role in the White House," says Torricelli, "is that she was able to attract Maggie Williams. Otherwise, I'm sure she wouldn't have been interested."

THE WHITE HOUSE
Office of the First Lady

DATE: August 5, 1994
TO: Warner Williams
FROM: Diane (for Maggie Williams)
RECEIVER FAX: 011 62 21 522 2510
RECEIVER PHONE: _____
NUMBER OF PAGES (INCLUDING COVER SHEET): 17



COMMENTS:

Warner
Attached are several
articles regarding
Maggie's testimony

Clinton Aide Offers Qualified Contradiction of Altman

By DAVID E. ROSENBAUM

Special to The New York Times

WASHINGTON, Aug. 4 — A top White House official today contradicted Deputy Treasury Secretary Roger C. Altman in testifying that Mr. Altman had given the White House inside intelligence about the status of an investigation into a failed savings and loan.

Any such disclosure by Mr. Altman, during a meeting at the White House last February, would have been improper, in the view of senators from both parties.

But Mr. Altman's version, that he provided only information that was already public, has been corroborated by everyone else with knowledge of the events who has testified during two weeks of Congressional hearings on the Whitewater case. And the official who contradicted him today, Harold M. Ickes, the deputy White House chief of staff, conceded under questioning that he might have misheard Mr. Altman at the February meeting.

Mr. Ickes's testimony broke the only new ground in another long day of Whitewater hearings on both sides of the Capitol.

More Testimony by Bentsen

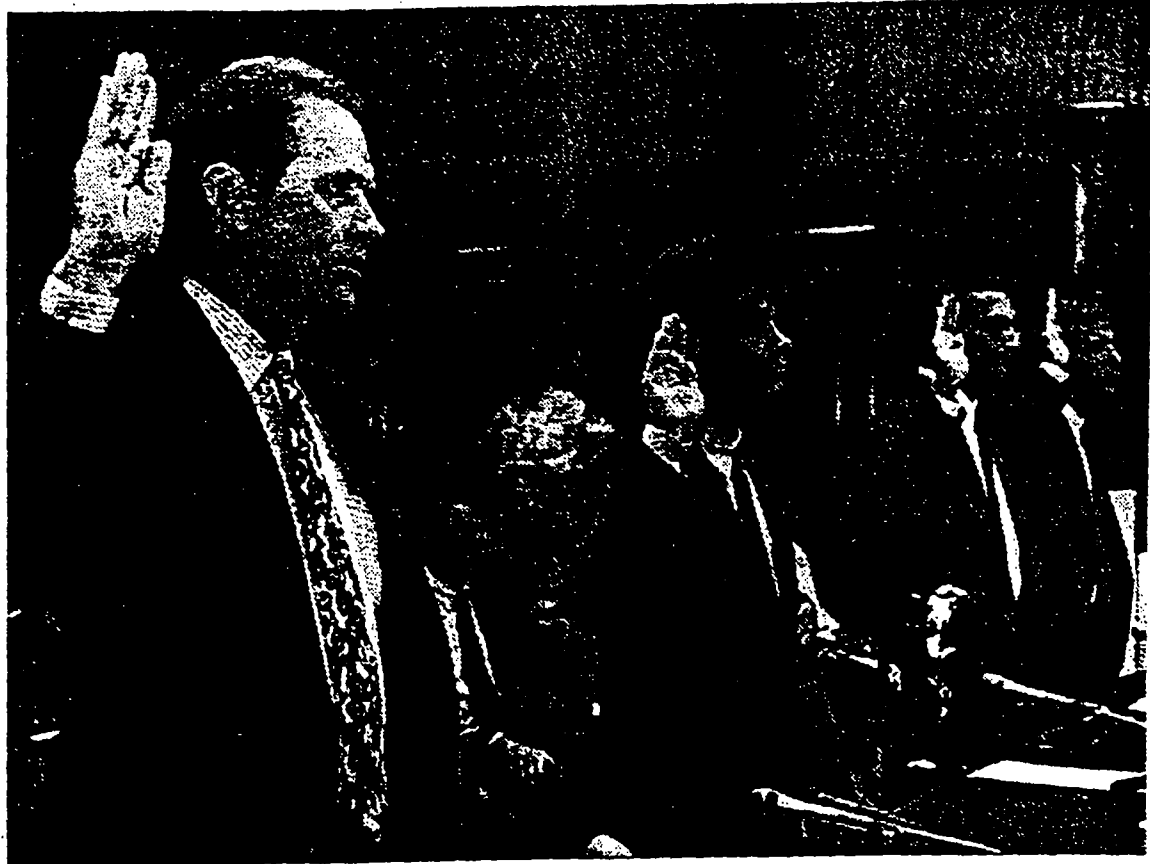
Treasury Secretary Lloyd Bentsen went before the House Banking Committee and repeated what he told the Senate Banking Committee on Wednesday: that he did not know until March about contacts that began last fall between Treasury Department and White House officials concerning investigations into the failure of Madison Guaranty Savings and Loan, an institution that had been run by a business associate of President Clinton. He also said that Mr. Altman was "a very intelligent, hard-working man, and I believe in his integrity."

The Senate committee heard testimony by six White House officials who also testified before the House committee last week: Mr. Ickes; Thomas F. McLarty 3d, a Presidential counselor; Margaret A. Williams, Hillary Rodham Clinton's chief of staff; George Stephanopoulos, a senior policy adviser; Bruce R. Lindsey, assistant to the President, and John D. Podesta, staff secretary.

So much familiar territory was covered today that even some of the senators and representatives, who generally relish time in the limelight, grew weary.

At one point just before lunch, Senator Jim Sasser, Democrat of Tennessee, observed, "Every question has been asked of this panel that needs to be asked, but I'm not sure everybody has asked it."

Later, Senator John F. Kerry, Democrat of Massachusetts, com-



Associated Press

Harold M. Ickes, left, the President's deputy chief of staff, appeared before a Senate panel yesterday and contradicted a Treasury official's account of a meet-

ing at the White House. Also testifying were three White House aides: from right, Bruce R. Lindsey, John D. Podesta and George Stephanopoulos.

A witness heard a disclosure, or at least he thinks he did.

plained about "a certain staleness to a certain number of questions."

The focus of the disagreement between Mr. Altman and Mr. Ickes was a meeting at the White House on Feb. 2. By all accounts, Mr. Altman, who was then also acting head of the Resolution Trust Corporation, the agency that manages the nation's savings and loan bailout, had asked for the meeting so that he could explain to the White House staff that the statute of limitations for filing a civil suit against Madison Guaranty would expire at the end of that month.

The Clintons have a special interest in the case because Madison's owner, James B. McDougal, was their business partner in the Whitewater real estate venture, because money from Madison may have been donated to one of Mr. Clinton's campaigns for Governor of Arkansas and because the Clintons are listed as potential witnesses in a possible criminal proceeding against Madison, whose collapse cost the Government about \$60 million.

The statute-of-limitations deadline was public knowledge, and the law permits regulators to relay to outside parties information that is in the public domain.

But Mr. Ickes testified in a sworn deposition he gave the Senate staff last month, and again to the committee today, that Mr. Altman had also said that the investigation into whether a civil claim should be brought against Madison could not be completed before the deadline. If Mr. Altman said that, then he improperly

divulged information that was not otherwise available.

Asked repeatedly today by Senator Alfonse M. D'Amato, the New York Republican, whether he was sure of his testimony, Mr. Ickes replied: "That's my testimony. I stand by it."

Senator Kerry noted that the Ickes account was at odds with those of all the other Treasury and White House aides who attended the Feb. 2 meeting. Mr. Ickes replied, "All I can do is say I've testified to the best of my memory."

Senator Kerry then asked whether Mr. Ickes might have misinterpreted what Mr. Altman had said.

Mr. Ickes replied that he was "completely deaf" in his right ear and that it was possible he might have misheard what was said.

Two weeks after the Feb. 2 meeting, Congress extended through 1995 the statute of limitations for filing suits, and the Resolution Trust Corporation is continuing to investigate the Madison case.

NEW YORK TIMES

AUG. 5, 1994

Williams Is Assistant to Both the Clintons

Power of First Lady's Chief of Staff Exceeds That of Her Predecessors

By Ruth Marcus

Washington Post Staff Writer

When then-White House Chief of Staff Thomas F. "Mack" McLarty decided it was time to set up a White-water damage control team in January, one person he turned to was Margaret A. Williams, First Lady Hillary Rodham Clinton's chief of staff.

When Comptroller of the Currency Eugene A. Ludwig wanted to pass a message to the White House about the best strategy for handling White-water, he called Williams.

And when Deputy Treasury Secretary Roger C. Altman decided to remain in charge of overseeing a White-water-related case, he telephoned Williams—who had advocated that course the day before—to deliver the news and arrange a meeting to inform others at the White House.

As Congress hears testimony from White House officials about their involvement in the administration's handling of Whitewater, the prominence of Williams's role in trying to manage the controversy has become evident.

Yesterday Williams told the Senate Banking, Housing and Urban Affairs Committee about her intense efforts last winter to keep the First Lady—and the White House—focused on health care reform as the tides of Whitewater threatened to swamp other business.

"I had been saying to anyone who would listen that I believed White-water was a distraction from the president's agenda, and I did not understand how 17 years of Arkansas history was related to feeding people, clothing people, giving people health care," Williams said. "I was outspoken; I said that; I said it over and over."

In a White House with a different and more powerful First Lady, Williams is a different and more powerful chief of staff. She holds the title of assistant to the president—on a par with other senior staffers and, in the title-conscious White House, a significant notch higher than her predecessors in the job.

Others in her role worked out of the East Wing of the White House, where the social functions are arranged; Williams's offices are in the West Wing—next to Hillary Clinton's—and the Old Executive Office Building.

"Her job is huge," said one official, pointing to Williams's three-part role as a major player on health reform, administrator of the First Lady's staff and overseer of White House social functions. "No First Lady's chief of staff has ever had this kind of job."

In her testimony yesterday, Williams, 39, offered a succinct example of her clout. When asked to explain why Altman would have gone through her to set up the meeting, Williams cited her "instant access" to top officials like deputy chief of staff Harold Ickes and senior adviser George Stephanopoulos.

One close observer of the White



Margaret A. Williams, assistant to the president and chief of staff for the First Lady, testifies about Whitewater matters on Capitol Hill.

House offered a different and equally illuminating explanation for Altman's decision to go through Williams: her proximity to the First Lady. "A lot of people try to curry favor with the First Lady through Maggie," this observer said.

While a sizable share of Williams's power derives from the importance of her boss, she also plays a wider role than the specific issues facing the First Lady because of what numerous White House officials describe as her overall good judgment, particularly on communications issues.

Williams, at McLarty's direction, was the principal author earlier this summer of a major memorandum on White House reorganization. McLarty said he and his successor as chief of staff, Leon E. Panetta, have asked Williams to prepare periodic reviews of the 30-, 60-, 90-day outlooks for the White House.

"The best way to describe her is her title," said communications director Mark Gearan. "She is both assistant to the president and chief of staff to the First Lady."

Williams, who was communications director for the Children's Defense Fund when Hillary Clinton headed it, has avoided the spotlight during 18 months at the White House. The Whitewater hearings have forced her reluctantly into public view.

"The First Family and specifically Hillary were really getting the brunt of a lot of these allegations," McLarty said. "It was natural for the First Lady's chief of staff to be involved in these meetings."

At the Feb. 2 meeting at which White House officials discussed with Altman whether he should recuse himself from the investigation of Madison Guaranty Savings & Loan, the

Arkansas thrift owned by the Clintons' business partner in Whitewater, Williams was firm that Altman should remain on the case.

Her view, she said, was that because Altman had said he would simply follow the recommendations of the Resolution Trust Corp. staff, there was no reason for him to step down.

In a request that concerned some RTC officials when it was relayed to them, Williams also asked whether the Clintons' personal lawyer could be given the same briefing the White House had received on the impending expiration of the statute of limitations in the case. Williams described that request as part of her effort to get Whitewater questions out of the White House and onto the turf of the private lawyers.

As her mother sat behind her in the committee hearing room yesterday, Williams denied telling Altman, as he related in a diary entry Jan. 4, that the First Lady was "paralyzed" over Whitewater. But the picture Williams drew of a White House on the verge of giving in to the congressional clamor for an independent counsel was vivid.

"It would be unusual for a person who, every day in the press, was getting beaten up about a specific subject, and a person who had to spend part of her time engaged in discussion with a private lawyer about things that happened 17 years ago, for this person not to be concerned," she said.

"Mrs. Clinton did not express that to me, but I would have to be a blind person not to look at what was going on in the media and not to look at the time that she was spending with her personal lawyer not to know that this matter held some real interest for her."

Wash Post Aug. 5, 1994

Senator Says Ex-Counsel Nussbaum 'Crossed the Line' in Whitewater

Riegle, Others Charge Pressure Swayed Altman's Recusal Decision

By Susan Schmidt
and Sharon LaFraniere
Washington Post Staff Writers

Nearly the entire Senate Banking, Housing and Urban Affairs Committee last night lambasted former White House counsel Bernard Nussbaum, saying he improperly pressured Deputy Treasury Secretary Roger C. Altman to keep his decision-making power over an investigation that involved President Clinton.

"You crossed the line," said an impassioned Sen. Donald W. Riegle Jr. (D-Mich.), chairman of the committee. "I think you had no right to inject yourself in Roger Altman's consideration of whether he should recuse himself. . . . This was one time when you should have bit your tongue if you had to bite it in half."

Senators of both parties said Nussbaum pushed Altman, a friend of President Clinton, to change his mind in February about whether to recuse himself from the highly sensitive case. At the time, Altman was acting head of Resolution Trust Corp., an independent agency created to clean up failed savings and loans.

The 2½-hour, late-night attack on Nussbaum was a dramatic highlight of five days of marathon testimony before the Senate committee. Both House and Senate banking committees are looking into how White House and Treasury officials responded to the RTC's investigation of Madison Guaranty Savings & Loan, owned by the Clintons' business partner in the Whitewater real estate venture.

Nussbaum, who resigned from the White House in March, defended himself by saying that Altman only considered recusing himself from the Madison case because "he didn't want to take the heat" for having to make a tough decision. For him to recuse himself, Nussbaum said, "was totally unprincipled."

While senators of both parties blasted Nussbaum, Sen. Alfonse M.

D'Amato (R-N.Y.) saved his most withering criticism for Altman. At least Nussbaum, he said, "came in here like a man. . . . Roger the dodger, what a gutless wonder, down to this day! Everybody else did it. Not responsible for anything, not Roger the dodger. This lawyer did it, that lawyer did it."

"Instead of being a strong man like you are, [Altman] backed down," Sen. Richard C. Shelby (D-Ala.) told Nussbaum. "I think he was afraid. I think you helped him make the wrong decision."

Nussbaum appeared jovial at the start of the tongue lashing but grew increasingly grim as senator after senator spoke against him.

Sen. John F. Kerry (D-Mass.) asked Nussbaum if he still believed Altman should not have recused himself. When Nussbaum said "yes," Kerry responded, "Then I'm very happy you are not serving as the president's counsel."

Only Sen. Barbara Boxer (D-Calif.) and Sen. Carol Mosley-Braun (D-Ill.) refrained from joining in the fray. "I don't want the American people to believe that White House brought intense pressure," said Boxer.

Much of the testimony over the past week has dealt with the issue of Altman's recusal. A number of Treasury and RTC officials told the committee that they advised Altman to get out of the case, if only for the sake of appearances.

Before he met with Nussbaum and other White House aides Feb. 2, Altman said he had decided to recuse himself. But after hearing Nussbaum's objections, Altman went the next day to the office of Margaret A. Williams, Hillary Rodham Clinton's chief of staff, to say he had changed his mind. Later that month, after public criticism, he reversed course again and recused himself.

Nussbaum was in a sense an easy target for the committee since he was forced out of the administration by the

controversy over White House-Treasury contacts on the Madison case. Earlier yesterday, a top White House aide gave the committee further ammunition against Altman, saying he "absolutely" expected Altman to do more than he did to correct his misleading testimony before the committee on Feb. 24.

White House staff secretary John Podesta testified that he told Altman he had "a legal duty" to fill in key facts he omitted when he answered the committee's February questions about a sensitive federal investigation involving the Clintons. Altman incorrectly testified then that Treasury officials had only one discussion with the White House about the case, concerning "generic" issues of procedure.

Podesta said he and other White House aides felt strongly that Altman had to disclose two fall meetings in which Treasury and White House aides discussed criminal referrals naming the Clintons as potential witnesses. Podesta said White House aides also were concerned about Altman's failure to tell the committee that he had discussed recusing himself from the case. But he said they left it up to Altman whether to set the record straight on that issue.

Senators from both parties are clearly up in arms over Altman's testimony and what many of them consider his feeble attempts to correct it. Sen. Richard H. Bryan (D-Nev.) complimented Podesta and other White House aides for urging Altman to go back to the committee.

"Short of hitting somebody between the eyes with a two-by-four, I don't know how much more clearly it can be imparted to an individual that there are problems with the testimony and something ought to be done," Bryan said.

The Senate resolution authorizing the committee's hearings, in their sixth day today, calls upon the senators to determine whether there was improper conduct. The committee is

TONY SNOW

Whitewaterborne epidemic

A series of dull hearings about Whitewatergate turned unexpectedly interesting when top Clinton administration officials barked out three lethal words: "I don't remember."

Joshua Steiner, chief of staff for Treasury Secretary Lloyd Bentsen, set the standard for creativity. He told senators that he lied to his diary when he wrote that senior policy adviser George Stephanopoulos wanted to "get rid" of Jay Stephens, a Republican hired to investigate the collapse of the Madison Guaranty Savings & Loan.

Mr. Steiner also hinted that his daily scribbles did not refresh his recollections, as journals normally do; they confused him.

Other people known for their acuity suffered similar blackouts when called before questioners. Mr. Stephanopoulos, Margaret Williams (Hillary Rodham Clinton's chief of staff), former White House Counsel Bernard Nussbaum, White House Counsel Lloyd Cutler, Treasury Secretary Lloyd Bentsen and others claimed to have lost more memory than a bum on a bender.

Deputy Treasury Secretary Roger Altman, for instance, told the Senate six months ago that Treasury Department officials on exactly one occasion contacted the White House about the Madison Guaranty case. Soon after, he amended his answer to two meetings, then three.

By the end of last week, the tally had grown to 42.

Lloyd Cutler offered extensive revisions to his testimony before the House Banking Committee — the day after he spoke.

Ethics watchdogs in the administration have fueled further public skepticism by taking a "see no evil" approach to possible malfeasance.

The Treasury Department con-



Human nature leads people to become skeptical whenever smart folks act senile.

cluded that its people did nothing wrong in giving the White House a "heads up" on possible legal actions against Madison. But the Clouseaus in charge of the inquiry spent a grand total of 21 minutes with George Stephanopoulos, during which time he delivered 28 answers protesting his ignorance ("I don't know") or lack of memory ("I don't remember").

When asked whether he had met with Secretary Bentsen at any time, he said: "No. Again, no." After his visitors showed him a calendar

mentioning a meeting with Mr. Bentsen, he said he had no "specific memory of the meeting" — as if a confidential talk with a Cabinet secretary were something one would forget. At that point, his interlocutors changed the subject.

Similarly, when Mr. Steiner fumbled over the crucial matter of whether the White House had pressured Mr. Altman to remain in charge of the agency that superintends failed savings and loans, an inquisitor interrupted: "Well, let's not go any further."

They even accepted without a giggle Margaret Williams' assertion that she had never heard of the Resolution Trust Corp., the agency at the center of the controversy, until she read about it in *The Washington Post*.

While stroking Generation X Clintonistas, the truth squads ignored the issue of whether the administration tried to intimidate field investigators assigned to the Madison Guaranty case. They did not talk with Jay Stephens. Nor did they take testimony from Jean Lewis, who was responsible for asking the Justice Department to investigate the thrift — an oversight akin to failing to interview somebody who has reported a burglary.

Amazingly, however, the Treas-

ury Department did turn full transcripts of its internal investigation over to White House Counsel Cutler — an act that former Commerce and State Department Inspector General Sherman Funk called "totally inappropriate."

Human nature leads people to become skeptical whenever smart folks act senile and gumshoes turn as cuddly as Cathy Lee Gifford. In controversy after controversy, administration aides have constructed baloney cocktails — one part improbable answer, one part slipshod inquiry. Sometimes, they just hide stuff.

Consider Ms. Williams' appearance in Vincent Foster's office the night of his suicide. Administration officials have maintained for months that she was attracted by a light in his office. Her stay, first timed at three minutes, was later revised to three hours, but aides and Mrs. Clinton maintained that Ms. Williams just hung around and removed nothing.

Now comes news that Hillary Rodham Clinton's chief of staff received a box of documents nabbed from Mr. Foster's office and placed them in a closet in the Clintons' living quarters. (The first family's then-lawyer says his clients, like good kids at Christmas, didn't peek.) When asked to clarify matters, the White House "pleaded the Flake" by claiming that it can't talk without jeopardizing the work of Independent Counsel Robert Fiske.

That dodge can't succeed. When Congress has finished probing Whitewater, from the contents of the Foster files to the trail of money back in Arkansas, it will return to obvious questions, which only these aides can answer: What did the Clintons know, and what did they do?

And next time around, "I don't remember" won't satisfy anybody.

Tony Snow is a Washington-based editorial page columnist for the Detroit News and is nationally syndicated.

Wash. Times
Aug. 8, 1994

P 2 of 2

Administration witnesses at yesterday's Senate Banking, Housing and Urban Affairs Committee hearing included, from left, White House aides Harold Ickes, George Stephanopoulos, John Podesta and Bruce Lindsey.

BY HARRY MALICHUK — THE WASHINGTON POST

carefully considering the behavior of Altman, in particular.

In morning testimony before the House Banking, Finance and Urban Affairs Committee, Treasury Secretary Lloyd Bentsen reiterated his support of Altman, Jean E. Hanson, the department's top lawyer, and Joshua L. Steiner, Treasury's chief of staff. "I think they are people of integrity and ability," he said.

Asked if he thinks any of them should resign, he said, "No, I do not."

As yesterday's session again stretched late into the night, some senators were by their own description "punchy." Others became testy.

Near 10 p.m. Sen. Robert F. Bennett (R-Utah), said he had a number of crucial questions, but "they have now gone stale, as have I." Sen. Boxer said she was ready to call Amnesty International if the committee did not release a panel of White House aides who had testified for six hours.

Another senator said the last panel would be "Letterman, Leno and Nussbaum." Nussbaum began his opening statement at 10:30 p.m.

Of the panel of four White House aides, Podesta perhaps fared best. The Republicans took after senior White House adviser George Stephanopoulos, who said he did not recall statements attributed to him in Steiner's diary.

They also expressed disbelief at deputy White House chief of staff Har-

old Ickes's claim that he did not remember telling a Treasury official it would "look bad" if her recommendation that Altman recuse himself became known.

As Podesta described it, the White House flew into action after Altman's Feb. 24 testimony. He said W. Neil Eggleston, a White House lawyer who listened to Altman testify in the hearing, called him from his cellular phone immediately afterwards to say that Altman had not mentioned the talks about his recusal.

Podesta said he and Altman "spurred" a little over what needed to be done when he called him four days after committee hearing. Podesta said he believed Altman when the deputy treasury secretary told him he did not testify about the other two meetings because he didn't know about them.

Most senators seemed to accept Podesta's explanation that he did not do more to follow up on Altman's corrections because of the ensuing uproar over Treasury-White House contacts on the Madison case.

The Republicans' most effective attacks came when they cited Steiner's diary. Steiner, who has described the diary as impressionistic shorthand, wrote that the White House exerted "intense pressure" on Altman not to recuse himself from the Madison case, despite his friendship with President Clinton.

He also wrote that the president

was "furious" when Altman did recuse himself. Another entry said "George suggested to me we needed to find a way to get rid of Jay B. Stephens, a lawyer who had been hired by the RTC to pursue civil claims against Madison."

Asked to read a passage aloud, Stephanopoulos said: "It's not my diary. I'm not going to read it."

He said he did not recall telling Steiner that Stephens should go, saying he began work that day at 6 a.m. and the conversation was just "a sliver of a 14-hour day."

Exchanges between Ickes and D'Amato also were tense. The two men have a long-term feud, stemming from Ickes's support of D'Amato's political rivals in New York.

Ickes accused GOP senators of mischaracterizing passages from a deposition he gave on the possibility of an RTC civil suit against Madison. He insisted he had neither asked for nor received inside information that could have aided the Clintons.

He also denied that Altman was under strong pressure from the White House not to recuse himself. Ickes said the White House left the decision up to Altman.

Staff writers Clay Chandler, Howard Schneider and researchers Lucy Shackelford and Margot Williams contributed to this report.

On Whitewater, Clinton Team Doesn't Inhale

In his Norman Vincent Peale-ish press conference this week, President Clinton tried the power of positive avoidance: "I've watched none of these hearings." That's a shame, because if he had tuned into the Whitewater proceedings, Mr. Clinton might better understand his credibility problem.

Last week's House farce mainly revealed Henry Gonzalez as a walking ad for term limits. But this week's Senate hearings revealed new information, exposed deceptions and altered reputations. It may not be O.J. and murder, but bearing false witness has its own drama. Donald Riegle, the Democratic banking chairman, has risen above his Keating Five past to conduct a fair, bipartisan probe.

For viewers seeking a plot amid the blame-shifting and half-truths, here's one: How a White House, far more preoccupied with Whitewater than it ever admitted, worked to keep Friends of Bill in key jobs that could monitor any investigation and blunt political embarrassment. And then tried to conceal that intent.

Roger Altman, the conflicted deputy Treasury secretary, has been the main target, but he is also a victim. His mortal mistake was to play the too eager courtier.

His Treasury advisers, and probably his conscience, told him to recuse himself from running the Resolution Trust Corp., which was looking into Whitewater. He'd even decided to do it.

But under "intense pressure" from the White House, according to Treasury Chief of Staff Josh Steiner's now-famous diary, Mr. Altman changed his mind the next day (Feb. 3). Then three weeks later Mr. Altman "gracefully ducked" telling the Senate about this and other White House contacts.

That may not rank as a lie in Washington, but it also wasn't the truth. It's a lot like "didn't inhale," or the First Lady's making a commodities fortune just by reading *The Wall Street Journal*.

Mr. Altman may be the only person in America who thinks his recusal had nothing

besides, something may have happened that we don't yet know about. Rep. Jim Leach has released (see nearby) evidence that suggests that someone at the RTC did try to interfere with Whitewater criminal referrals to the Justice Department. Given how much we've learned that the White House once dismissed as fanciful, one safe conclusion is that there's more to learn.

White House worry over Mr. Altman's recusal also makes more sense when you consider the other FOBs named to run key agencies that might deal with Whitewater. At the Comptroller of the Currency's office, Mr. Clinton placed his old Oxford chum Eugene Ludwig. Thanks to these hearings, we know the president asked him for Whitewater "advice" last New Year's weekend.

To run the Federal Deposit Insurance Corp., Mr. Clinton tried to appoint Ricki Tigert, a friend of Hillary Clinton, before the Senate put her nomination on hold. On Feb. 1, Ms. Tigert told the Senate she wouldn't recuse herself from Whitewater matters; we now know that was the same week the White House leaned on Mr. Altman not to recuse.

Meanwhile, Webb Hubbell was well positioned to monitor criminal referrals at Justice, while Paula Casey, another Arkansas crony, was named U.S. attorney in Little Rock. If there's nothing to hide on Whitewater, why the all-star FOB lineup?

Even now bobs and weaves continue, even at the top. On Wednesday, Mr. Clinton was asked about Josh Steiner's diary entry noting that he'd been "furious" when Mr. Altman finally did decide to recuse himself from the RTC.

"The only thing that upset me was I did not want to see him stampeded into it," Mr. Clinton replied. But the only stampede was at the White House, and the horses were asking Mr. Altman to do just the opposite—to refuse to recuse.

Mr. Steiner now claims he lied to his diary. Maggie Williams, Hillary Clinton's chief of staff, doesn't recall saying what Mr. Altman's diary claims she said. So many people can't recall so much that one wag says the young Clinton aides must be suffering from attention deficit disorder.

So while these hearings haven't revealed crimes, they have revealed a political mindset of conceal and evade, a pattern of behavior that goes to the heart of public confidence. White House officials say they desperately want Americans to believe that the Clinton presidency is "productive." But they might have better luck making their case if they understood that Americans also care if their leaders lie.



Roger Altman

Potomac Watch

By Paul A. Gigot

ing to do with Whitewater. His sincere evasions were too much even for nonpartisan New Mexico Republican, and Altman friend, Pete Domenici, who concluded that, "You were expected to stay there for some very special reason."

Mr. Clinton's defenders, trying to limit the damage, claim that "nothing happened" to the Whitewater probe because of this. But the point is that nothing had to happen. The White House knew that the statute of limitations on any Whitewater civil suit would expire on Feb. 28. If it could keep Mr. Altman in his chair through that date, he could ensure that nothing happened to extend the statute. (Under media pressure, Congress ex-

Whitewater d'd i' faze firs ac y, a de say

By Dennis Cauchon
USA TODAY

Hillary Rodham Clinton doesn't read newspapers.

She wasn't "paralyzed" by the Whitewater controversy.

In fact, the first lady didn't even talk about Whitewater to her staff, except to provide facts to answer press questions.

Those were the key points made in testimony Thursday by the first lady's chief of staff, Margaret Williams.

Williams insisted her version of how Hillary Clinton handled the Whitewater affair was the true behind-the-scenes view.

But the aide's testimony to the Senate banking committee contradicted other testimony and documents produced in

the first six days of hearings.

Williams denied saying the revealing remarks recorded in notes kept by Deputy Treasury Secretary Roger Altman.

Altman wrote on Jan. 4:

► "On Whitewater, Maggie told me that HRC was 'paralyzed' by it; if we don't solve this 'within the next two days' you don't have to worry about her schedule on health care."

► Williams gave him the "strong inference" that the White House was trying to limit the scope of the special counsel's investigation.

► "HRC 'doesn't want (the counsel) poking into 20 years of public life in Arkansas."

Altman testified Tuesday that his notes were accurate, an attempt to record important

moments in history.

But Williams said all three entries were wrong.

"His diary may say that," she said, "but my testimony is I don't have any recollection of saying any of that."

Williams said the notes couldn't be true because she never discusses her boss's moods: "It's not something I would share with close friends. It is not something I would share with anyone."

Hillary Clinton and President Clinton were partners with James McDougal in a real estate deal called Whitewater.

McDougal owned the failed Madison Guaranty Savings & Loan, now under investigation by the Resolution Trust Corp.

This week's hearings end to-

day with testimony from White House counsel Lloyd Cutler.

The hearings focus on whether the Clinton administration misled Congress about its contacts with regulators investigating Madison Guaranty.

Two more rounds of Whitewater hearings are planned:

► The next will look at handling of Whitewater documents taken from the office of White House lawyer Vincent Foster, who committed suicide.

► The last will probe whether the Clintons improperly benefited from money funneled from Madison Guaranty.

Those hearings begin after Whitewater special counsel Robert Fiske finishes looking into those issues.

The White House is ready to

breath easy after a rough week of Whitewater hearings.

"Relief? I guess that's not an unnatural feeling, but really we've been pressing forward," said senior adviser Thomas "Mack" McLarty.

Clinton is under pressure to fire Altman, a college friend, and two other Treasury officials. Both Democratic and Republican senators believe the trio didn't tell the truth when testifying about Whitewater.

Thursday, White House chief of staff Leon Panetta stood by Altman, grilled for 15½ hours this week. "He's obviously been through some rough weather here, but we think he's come out the other side and hopefully Congress feels the same way."



By H. Darr Belser, US

WILLIAMS: The chief of staff to Hillary Rodham Clinton that the first lady was 'paralyzed' by Whitewater.

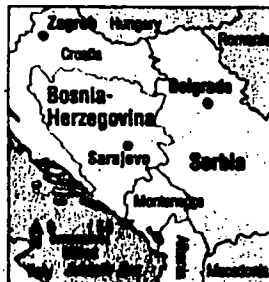
Crisis in Bosnia hits critical juncture

By Lee Michael Katz
USA TODAY

The civil war in Bosnia-Herzegovina appears at a new crossroads, after more than two years of largely empty U.S. and allied threats to stop the fighting in the former Yugoslav republic.

A final policy decision could come by next month, U.S. officials say, on whether to lift the U.N. arms embargo against an outgunned Bosnian Muslim-Croat federation, if Bosnian Serbs continue to reject a new peace plan.

U.S. officials, in consultations from Capitol Hill to Moscow, are acknowledging pressure from increasingly strident congressional voices



USA TODAY

that want the United States to unilaterally lift the arms embargo.

White House chief of staff Leon Panetta said in an interview Thursday night the administration might abandon its long-time taboo of only lift-

ing the arms embargo in concert with other nations.

"We maintain the option (of) ... unilateral withdrawal if that doesn't work." But having said that, Panetta and other administration officials seek to soften an amendment in the defense appropriations bill that could mandate lifting the arms embargo, after giving the United Nations a grace period of 45-90 days to find a solution.

They cautioned lawmakers that any unilateral language would be a mistake.

But administration critic Rep. Frank McCloskey, D-Ind., cites 700 recent sniper attacks in NATO-protected Sarajevo and heavy fighting elsewhere in Bosnia.

"Ultimately, I fear the Serbs could be just pounding the hell out of Sarajevo and elsewhere in a matter of weeks ... (and) the feckless West is going to let it happen."

Meanwhile, traditional Serb ally Russia is acting as a brake on those efforts, while still pressuring the Serbs.

France and Britain, which, like Russia, have veto powers at the United Nations, indicated they'd pull their U.N. troops out of Bosnia before the winter, if no peace plan is agreed upon.

U.S. officials say military planning is already under way to pull back or withdraw U.N. peacekeepers before new military action is taken.

This could involve expand-

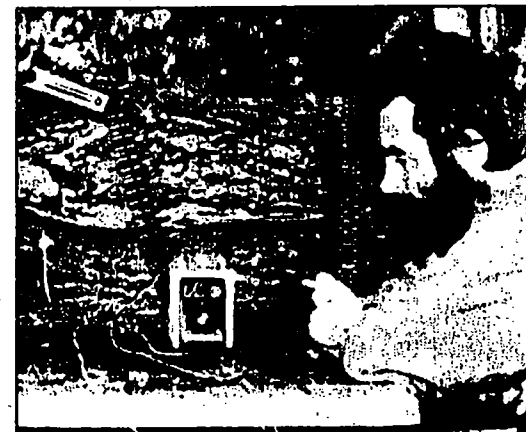
ing NATO airpower-enforced "exclusion" zones from two to four, by adding areas around Srebrenica and Zepa.

U.S. officials are following a two-fold strategy:

► The first step is a possible U.N. Security Council resolution next week cutting off the assets of Serbia-based businesses abroad.

► If that doesn't work, military action is next.

U.S. officials hope this will inspire Serbian leader Slobodan Milosevic to follow through on his threats this week to sever all ties to Bosnian Serb allies. Serbia, reeling from an economic embargo against it, is tired of the fighting and now publicly backs peace in Bosnia.



Agence France-P

NEWS BREAK: A Serb soldier listens to the latest news or self-proclaimed Bosnian Serb republic parliament meeting

But Washington knows Milosevic has made empty pledges before.

"Actions speak louder than

words," says White House press secretary Dee Dee

ers. Contributing: Judy Keen

USA TODAY
Aug. 5, 1994

FRIDAY, AUGUST 5, 1994

The Washington Times

MARGARET A. WILLIAMS

Hillary Rodham Clinton's chief of staff

Born: Dec. 25, 1954

Hometown: Kansas City, Mo.

Family: Single

Education: Bachelor's degree, Trinity College, 1977. Master's degree, University of Pennsylvania, 1990.

Career Highlights: Aide to Rep. Morris K. Udall, 1977-78. Press secretary, Democratic National Committee, 1979. Manager, Democratic National Convention, 1980. Campaign press secretary, Rep. Robert G. Torricelli, 1982. Director of media relations, Center on Budget and Policy Priorities, 1983. Staff member, Democratic National Convention, 1984. Communications director, Children's Defense Fund, 1984-90. Chief of staff, first lady Hillary Rodham Clinton, 1993-present.

Source: New York Times

Hearings shine light on top aide to Hillary

By Carol Innerst
THE WASHINGTON TIMES

"She's the most significant unknown staffer in the White House." That's how one Clinton administration image-maker describes Margaret Ann "Maggie" Williams, the low-profile but assertive chief of staff for Hillary Rodham Clinton.

"Unknown" may not be an apt description for very long, as Ms. Williams continues her testimony before congressional committees investigating Whitewater.

Her first appearance, with nine other officials before the House Banking Committee, produced fireworks.

When Rep. Peter T. King, New York Republican, challenged her veracity, she responded: "My honesty in this matter does not depend on whether or not you believe me."

Rep. Maxine Waters, California Democrat, jumped in, telling Mr. King: "You are out of order. Shut up." She eventually was gavelled to order.

Ms. Williams takes pains to keep a low public profile, but she displays an in-house assertiveness.

There were reports that early in the administration, she would arrive uninvited at presidential staff meetings, suggesting that her exclusion must have been an oversight.

Pushiness paid off, and Ms. Williams came to be included in now-disputed meetings that discussed ways of managing the Whitewater affair. She reportedly ran to Vincent W. Foster Jr.'s office when word of his death broke the night of July 20, 1993.

Reputed to be cool under fire, Ms. Williams, 39, hails from the Midwest. The daughter of a government worker and a school teacher, she attended private Roman Catholic girls' schools in Kansas City, Mo., and in 1977 graduated from Trinity College in the District.

As a student at predominantly white Trinity, Ms. Williams tried to raise the consciousness of classmates and faculty to the world of black Washington. With a friend, Peggy Lewis, who was editor of the student newspaper, she engineered an issue devoted solely to black concerns.

After working for several congressmen, as press secretary for the Democratic National Conven-



Photo by Associated Press for The Washington Times
Mrs. Williams listens to testimony of her daughter, Maggie Williams.

tion and as communications director for the Children's Defense Fund, she decided to go back to school and in 1990 earned a master's degree at the Annenberg School of Communications at the University of Pennsylvania.

She was working on her doctorate when Mrs. Clinton asked her to be her communications director and image-maker for the 1992 presidential campaign.

Ms. Williams got to know Mrs. Clinton through the Children's Defense Fund, where Mrs. Clinton was a board member.

Ms. Williams is the first black chief of staff for a first lady. Anna Perez, who is black, was Barbara Bush's press secretary. Ms. Williams also carries the title of "assistant to the president," with others having been called deputy assistant.

As the first lady's chief of staff, she manages 13 subordinates and has two offices — one in the West Wing of the White House, next door to the president's domestic policy adviser, and another in the Old Executive Office Building, which houses her staff.

Here is the role of "truth-teller" and adviser to Mrs. Clinton. She also helps decide who meets and interviews the first lady, and she writes or approves her speeches.

Mrs. Clinton has called her assistant "not only a superb chief of staff, but a great friend and adviser."

Funny money: TV cameras are a common sight outside the White House, but that wasn't a news crew down there yesterday. It was Comedy Central, there to present President Clinton with a check for \$6,000, to be added to his legal defense fund.

Go figure — they weren't allowed inside.

The cable comedy network held a telethon to raise the money on July 26. The fundraiser took place during breaks in the Jerry Lewis film, "The Bellboy."

You probably didn't see the show, since the network isn't available in Washington, alas.

"We're not necessarily pro-Clinton, but we are pro-president," says producer Arn Cohen. "We'd do the same for any commander in chief, Republican or Democrat — unless they were really, really rich."

She adds that the network will ask the Clintons to put any excess donations into escrow for the future legal defense needs of President Bob Dole.

Democrats push Medicaid extensor

By J. Jennings Moss
THE WASHINGTON TIMES

House Democratic leaders yesterday staged a counteroffensive on behalf of a key provision in their health reform bill that all Republicans and several Democrats say cannot pass — an expansion of Medicare to cover the uninsured.

"The big insurance companies have called it a 'government takeover,'" said House Democratic Leader Richard A. Gephardt of Missouri. "Some of my more politically ambitious Republican colleagues have even called it 'socialism.'"

"It's not big government. It's a way to bring more competition into the system," said Mr. Gephardt, the author of the leadership's health bill.

Between 95 million and 115 million Americans eventually could get their health insurance from Medicare, which now is the government's health program for the elderly, if the Democratic plan is adopted, according to various estimates. Nearly 36.3 million Americans are now in Medicare.

Going into the new program, called Medicare Part C, would be the poor who now are covered by Medicaid, the unemployed, the self-employed and those people who work for small businesses; the employers and the self-employed would contribute financially to the program. These people also could buy insurance outside the system, but most predict they would choose Medicare.

Recipients could buy a private health plan or visit private doctors under a traditional fee-for-service arrangement. Democrats say the program would help ensure that all Americans have health care.

Senate Democratic Leader George J. Mitchell of Maine did not include it in his health plan. Mr. Mitchell would help the uninsured and poor buy private insurance through a network of health-care purchasing cooperatives.

Outside of the traditional Democratic constituencies of organized labor and those who advocate a strong government role in health reform, Mr. Gephardt has gotten little support for the idea.

"This is 'Back to the Future'"

health care reform. In fact, I think it violates truth in labeling by even calling it reform at all," said Jim Klein, executive director of the Association of Private Pension and Welfare Plans.

Mr. Klein joined with officials from the Health Insurance Association of America and the National Association of Manufacturers to protest the proposal at a press conference yesterday. The officials said expanding Medicare would boost federal costs and would shift more costs onto private insurers.

Among others in opposition is the National Governors' Association, which sent a letter to Mr. Gephardt on Monday.

"We believe that America's health care system must remain responsive to market conditions and should operate only with selective regulation by both the federal and state governments," said the letter signed by two Democratic and two Republican governors. "Medicare, a government-run, price-controlled system, does not meet that goal."

Mr. Gephardt and three other House Democrats spoke to reporters to deflect such criticism. They said the program would improve competition among insurance companies and would actually lower costs because insurance companies would be forced to fight the government for the same customers.

"What we've got [today] is a class system in health care. ... That ultimately is the goal of this bill, to get us into one tier," said Rep. Ron Wyden, Oregon Democrat.

House Minority Whip Newt Gingrich countered that Medicare Part C would end up with taxes going up "every two years, and the pressure on every person will be to get out of the private system and to go over to the subsidized government system."

Moderate Democrats, such as Rep. Dave McCurdy of Oklahoma also are opposed, and said they will vote against the Gephardt plan. "Medicare Part C is a new entitlement. It is a first step to a single-payer system," Mr. McCurdy said.

Hillary's probe link

Senators focus on

Altman's call to first lady's aide verified

By Jerry Saper
THE WASHINGTON TIMES

AT

Marathon Whitewater hearings continued yesterday with Senate Republicans targeting first lady Hillary Rodham Clinton as more involved in monitoring a federal investigation of a failed Arkansas thrift than the White House had previously acknowledged.

Senate banking committee Republicans focused on Deputy Treasury Secretary Roger C. Altman's diary entry that said Mrs. Clinton was "paralyzed" by the Whitewater affair, and on a decision by Mr. Altman — after three weeks of "tortured" deliberation — to formally notify Mrs. Clinton's chief of staff that he was not going to recuse himself in the government investigation.

The concerns were raised during intense but polite questioning of Margaret A. Williams, Mrs. Clinton's chief of staff, and Thomas F. "Mac" McLarty, a senior White House adviser.

The intensity increased and the politeness diminished later in the day when the so-called White House "gang of four" — Deputy Chief of Staff Harold Ickes, advisers George Stephanopoulos and Bruce Lindsey, and assistant John Podesta — was grilled by Republicans on their involvement in the Altman recusal.

"Not since the St. Valentine's Massacre in Chicago have we seen a situation where something so dramatic happened and yet, as in the case of that massacre, nobody heard a shot fired," said Sen. Phil Gramm, Texas Republican.

"Roger Altman comes over to give you the message he's stepping aside, that he believes he ought to step out of an investigation that could in some way involve an old friend, the president, and he leaves having changed his mind," Mr. Gramm said. "And nowhere is there any evidence whatsoever that anybody suggested to him that he change his mind."

Senate Republicans have suggested the White House pressured Mr. Altman not to recuse himself from a Resolution Trust Corp. (RTC) inquiry involving nine criminal referrals mentioning President and Mrs. Clinton as "potential witnesses" to keep him on board as a friendly "decision-maker" in the case.

All four White House officials repeatedly denied the suggestion during several rounds of questioning in which they — and the senators — became increasingly annoyed.

At one point, Mr. Stephanopoulos refused a request by Sen. Orrin G. Hatch to read a diary entry by Treasury Chief of Staff Joshua Steiner saying Mr. Stephanopoulos wanted to "get rid" of Jay B. Stephens as an RTC contract attorney looking into Madison Guaranty Savings and Loan Association.

"It is not my diary. I am not going to read it," he said, staring defiantly at the Utah Republican.

Testimony by Treasury officials shows Mr. Altman decided Feb. 1 to recuse himself but changed his mind a day after a White House meeting headed by Counsel Bernard W. Nussbaum.

"He didn't have the courage and the guts to stand up to Bernie Nussbaum," said Sen. Alfonse M. D'Amato, New York Republican and ranking Republican on the banking committee. "He runs over to the White House ... to say, 'I'm on the team, boys. Don't worry, here I am. I'm part of the team.'"

Sen. Donald W. Riegle Jr., Michigan Democrat and banking committee chairman, also has suggested that diary entries by Mr. Steiner show there was White House pressure on Mr. Altman not to recuse himself.

"The bottom line is that Mr. Nussbaum particularly didn't like the sound of Mr. Altman's decision to recuse himself," Mr. Riegle said. "And so in some manner he exercised himself forcefully."

Mr. Riegle described the White House involvement and Mr. Altman's change of mind as "troubling."

WHITWATER WITNESSES

Witnesses scheduled to testify before the Senate and House banking committees today:

House

- April Breslow, Resolution Trust Corp. attorney
- Jean Lewis, Resolution Trust Corp. criminal investigator
- Other Resolution Trust Corp. and FDIC witnesses

Senate

- Lloyd Cutler, counsel to the president

The Washington Times

Deputy White House Counsel Joel Klein, in testimony before the Senate committee Wednesday, acknowledged Mr. Nussbaum had concerns about RTC General Counsel Ellen Kulka taking over the Madison referrals if Mr. Altman recused himself.

"He said Mrs. Kulka was someone he had known from a case he had done ... and he said, in words to this effect ... she was a difficult person to deal with, she was unreasonable, she could be unfair," Mr. Klein said.

In their effort to discover the first lady's role in the Whitewater affair, the senators questioned why Ms. Williams was involved in discussions by the White House counsel's office on the Altman recusal, and why she took part in efforts to address civil statute-of-limitation concerns in the Madison case.

"The question is, 'Did he [Mr. Altman] call you as her chief of staff because you can get things done and you can make it happen, or was there some special relevance about your position with the first lady?'" asked Mr. Gramm. "That obviously is the question."

Ms. Williams could not explain why Mr. Altman called her to announce his decision not to recuse himself or why he asked her to "get people together" at the White House so he could formally announce his decision.

"On this issue, on the recusal issue, which you say you weren't even interested in, and I don't doubt that, why you? Why did he

call you?" Mr. Gramm asked. "Why would Roger Altman call the chief of staff of the first lady and ask her to set up this meeting?"

Ms. Williams suggested Mr. Gramm "ask Mr. Altman why he called me." When pressed, however, she said she and Mr. Altman had talked frequently about health care.

"I am very uncomfortable speculating about why Mr. Altman called me, because it will only be speculation, but I will say I talked to Mr. Altman regularly in the course of health care," she said. "I will say that I am known to be a person who puts people together to facilitate meetings."

Asked by Mr. Gramm if she reported the recusal decision or the meeting to the first lady, Ms. Williams said: "To the best of my recollection, I did not."

Ms. Williams, with her mother seated behind her in the Senate hearing room, denied telling Mr. Altman the first lady was "paralyzed" by Whitewater. "I would never talk about Mrs. Clinton's state of mind to anyone, so I am surprised to see Mr. Altman has quoted in the diary saying so," she testified.

Also at issue yesterday was the length of the White House meeting during which Mr. Altman announced his recusal decision. Mr. Altman testified it lasted 10 seconds. Ms. Williams said it took 10 minutes.

"I talk pretty slowly. Mr. Altman's from New York. He talks real fast. And there's a little problem there," Mr. Gramm said.

Ms. Williams also could not answer questions by Republicans on why a copy of one of the first White House memos outlining the RTC investigation was sent to her if the Whitewater matter was not a priority to Mrs. Clinton. She said she was unsure why Mr. Lindsey sent the copy of an Oct. 20 memo concerning the RTC criminal referrals.

"No, I am not clear why I would have been," she replied to a question by Sen. Connie Mack, Florida Republican, on why the memo was sent to her.

Ms. Williams and Mr. McLarty were questioned by the committee for five hours. After their testimony, the two retired to a room near the hearing chamber, where they hugged.

During House banking commit-

tee hearings on Whitewater yesterday, Treasury Secretary Lloyd Bentsen described the embattled Mr. Altman as a "very intelligent, hard-working man" but did not give him a full endorsement.

Mr. Bentsen also refused, as he did Wednesday before the Senate committee, to take sides in what appears to be an irreconcilable difference between Mr. Altman and Treasury General Counsel Jean Hanson over who initiated White House-Treasury contacts about the RTC referrals.

Mr. Altman said she did. She agreed but said he told her to do so.

Mr. Altman, a longtime Clinton friend, was appointed by the president in March 1993 to the RTC. In September, he was told by William Roelle, then-RTC senior vice president, that the nine criminal referrals had been sent to the Justice Department and they named the Clintons as "potential witnesses."

In February, Mr. Altman ended over a three-week period if he should recuse himself, telling colleagues he thought he had a potential conflict of interest. He officially recused himself from the matter on Feb. 23, despite what Mr. Steiner described in his diary as "intense pressure" from the White House.

The RTC referrals described a suspected check-kiting scheme involving Madison and Whitewater Development Corp., a real estate partnership involving the Clintons and Madison's owner, B. McDougal. They also outline suspected financial irregularities involving Madison accounts and said some of the thrift's money may have been diverted illegally to Mr. Clinton's 1984 campaign.

Mr. Altman has denied any wrongdoing. He vowed not to resign despite calls by Republicans and at least one Democrat, Richard C. Shelby of Alabama, for him to quit because of misleading testimony to the Senate banking committee on Feb. 24 on the White House-Treasury contacts. He said there was only one contact, although 40 have since been documented.

His support among Democrats, however, waned yesterday. Several expressed concern about his February testimony and three correcting letters, all of which fell short of a full accounting of the White House-Treasury contacts.

THE WASHINGTON TIMES
FRIDAY, AUGUST 5, 1994

**Clinton Puts the Ad in Administration (Washn)
By Susan Page= (c) 1994, Newsday=**

WASHINGTON In an unprecedented \$1 million ad campaign financed by the Democratic National Committee, President Clinton Thursday night began a series of two-minute Oval Office addresses designed to mobilize public support for embattled health care legislation.

The ads, which the White House says are to appear nearly every night on CNN until Congress acts on health care, are part of a reconfigured campaign by the administration to win passage of Democratic health proposals before the House and Senate adjourn for their summer recess.

In the first ad, the president avoids a hard sales pitch and instead opens with a stately "Good evening," describing health care as "something Hillary and I both care deeply about."

"Many of you still have doubts about reform and I sure can understand why," he goes on. "I see the same TV ads you do. Never in the history of the republic has so much money been spent to defeat an idea." But he called on them to "make this historic decision based on facts and not fear."

While political committees sometimes have underwritten ad campaigns to bolster the White House on such issues as the North American Free Trade Agreement, Washington veterans could not recall another case in which the president himself had appeared in paid ads on behalf of a legislative initiative. Some questioned whether it was an appropriate use of his office.

"We were very careful about never having presidential involvement in advertising on any kind of issue because of the danger that federal funds might be involved in some way," said Marlin Fitzwater, press secretary to former Presidents Reagan and Bush. He called it inappropriate and unnecessary.

"The most disingenuous thing a president ever says is 'My message isn't getting out,'" Fitzwater said. "The publicity machine at a president's disposal is a Goliath compared with anyone else."

A spokesman said the Democratic National Committee agreed to place the ads at 7:50 EDT each evening on CNN after all four major commercial networks refused a White House request that they provide free coverage of one Oval Office address on health care. ABC, CBS and NBC refused to accept the two-minute paid ads as well, saying they already had sold all the time allotted for political advertising.

Members of Clinton's Cabinet also are stepping up their schedule of appearances on behalf of health care as the legislative debate enters its decisive weeks. After a Cabinet meeting, Commerce Secretary Ron Brown said the sales push was needed to "overcome the disinformation campaign that has been waged" by critics.

But Republican National Chairman Haley Barbour, in a telephone interview, accused Clinton of "deception" at his news conference Wednesday night when he challenged Republicans to produce an alternative health bill. Republicans have introduced their own health care legislation in both the House and Senate, Barbour noted. "Nobody is for doing nothing," he said, calling Clinton's challenge "a charade." The Republican plans include insurance reforms but no new taxes or mandates and do not achieve universal coverage.

(Optional add end)

Meanwhile, on Capitol Hill, the compromise bill drafted by Senate Majority Leader George Mitchell, D-Maine, was dealt a serious blow when leaders of organized labor,

perhaps the single most powerful proponent of changing the health care system, issued a statement criticizing it.

"Without positive change, the AFL-CIO and its affiliates cannot support a health care reform bill that is so detrimental to the interest of working families and the country at large," the statement said. Union officials said they were concerned about the lack of universal coverage and a backup employer mandate that would establish a minimum of a 50 percent employer contribution. Most union agreements require employers to pay 80 percent or more.

House Majority Leader Richard Gephardt, D-Mo., announced that the House debate would begin Aug. 15, with a final vote Aug. 19, pushing back members' scheduled summer vacation by a week. The Senate is expected to begin debate Tuesday, probably for at least two weeks.

Distributed by the Los Angeles Times-Washington Post News Service=

Treasury Official Altman Urged to Resign (Washn)

By Charles V. Zehren= (c) 1994, Newsday=

WASHINGTON Members of both major parties called Thursday for Deputy Treasury Secretary Roger Altman to resign as evidence mounted that he did not tell the full truth when he testified before the Senate Banking Committee Feb. 24 about Whitewater contacts between Treasury and White House officials.

In two days of congressional hearings this week, Altman admitted making some omissions and errors in judgment, but he steadfastly denied lying under oath. All this week, a slew of other administration officials joined Altman in repeatedly stating that neither President Clinton, his wife, Hillary Rodham Clinton, nor any other official in the Democratic administration took steps to squelch the Resolution Trust Corp.'s investigation into Whitewater.

But in articulate and finely crafted testimony before the Senate Banking Committee Thursday, Hillary Clinton's chief of staff, Margaret Williams, added to the contradictions and unanswered questions swirling around the case.

Like other administration officials, Williams repeatedly said she had dim or no recollection of key events detailed in prior sworn testimony and diaries offered by Altman and Treasury Secretary Lloyd Bentsen's chief of staff, Joshua Steiner.

Williams said she could not recall saying that Hillary Clinton was "paralyzed" by the Whitewater controversy or that the first lady was concerned with the scope of the independent counsel's investigation into the Clintons' business dealings.

Moreover, Williams said she could not recall receiving a memo in October 1993 from senior presidential adviser Bruce Lindsey concerning Resolution Trust Corp. criminal referrals that named the Clintons as potential witnesses. And Williams denied that White House officials put pressure on Altman then acting head of the RTC to step down or "recuse" himself from the Whitewater investigation.

Senate Republicans were incredulous when Williams confirmed Altman's earlier statement that she was the first person Altman called at the White House when he decided to recuse himself.

In House and Senate Banking Committee proceedings Thursday, some Democrats attacked the Republicans for indicting the Clintons by innuendo and trumpeted what they

said were the administration's economic and legislative achievements.

Nonetheless, a distinct undercurrent of dissatisfaction with Altman and the administration emerged among Democrats on Capitol Hill. For example, Sen. Richard Shelby of Alabama joined a number of Republicans in calling for Altman's resignation. And Sen. John Kerry, D-Mass., said, "I think some people have screwed up here and made some bad judgments."

The 40 contacts between administration officials and regulators from agencies probing Madison Guaranty Savings and Loan are at the heart of this phase of the hearings. The Arkansas thrift, which failed in March 1989 at a cost to taxpayers of at least \$47 million, is suspected of diverting funds to Clinton's gubernatorial campaign and to the controversial Whitewater real estate investment.

In February, Altman testified to only one contact. Then he amended his testimony in writing four times, mentioning a few more contacts, but he left out other critical information. It wasn't until March 11, for example, that Altman told the Senate that he had discussed whether or not he should step down or "recuse" himself from the Whitewater probe.

But White House counsel Neil Eggleston testified he was so concerned that Altman had failed to tell the Senate Feb. 24 about the recusal discussion that he called John Podesta, assistant to the president, on his cellular phone to inform him.

Thursday Podesta said he told Altman March 1 that his testimony needed correcting. But Podesta said he later learned that Altman delayed giving the Senate many key details concerning the contacts. Members of the committee said Altman never passed along the information. "I am deeply concerned about Altman's testimony," said Sen. Richard Bryan, D-Nev.

(Optional add end)

White House deputy chief of staff Harold Ickes also offered testimony that directly contradicted testimony by Altman and Steiner's diary.

Ickes disputed claims made in Steiner's diary that White House officials put pressure on Altman Feb. 2 to reverse his decision to recuse himself from the Whitewater investigation. "It was up to him to make the decision, and he did," Ickes said of Altman's eventual decision to delay his recusal.

While Altman asserted he only discussed procedural issues relating to the secret RTC probe with the White House, Ickes said Altman told him the RTC would not have a Whitewater case before the statute of limitations ran out. Then, in turn, Ickes said, he gave that information to the Clintons.

Ickes said, though, that White House officials never tried to impede the investigation. The statute of limitations has been extended, and special counsel Robert Fiske is looking into the matter.

Distributed by the Los Angeles Times-Washington Post News Service=

U.S. to Relax Asylum Barriers for Chinese Immigrants (Washn) (c) 1994, Newsday

WASHINGTON President Clinton has decided to alter U.S. policy and grant refuge in the United States to Chinese aliens who claim they will be punished for opposing abortion in their homeland, government officials said Thursday.

The new policy, which is expected to be announced Friday, would halt the deportation of many Chinese aliens, such as those who arrived in New York City last year aboard the freighter Golden Venture and claimed political asylum on grounds that they would be persecuted for resisting abortions or mandatory sterilization. An estimated 1,000 illegal Chinese aliens are currently in detention, awaiting deportation.

Under the Bush administration, Chinese merely had to indicate to immigration officials that they feared possible persecution for their birth-control views in order to qualify for political asylum. Immigration officials have said that many illegal Chinese aliens arrived with apparently rehearsed speeches about their desires for large families, and said the Bush policy was an invitation to massive immigration fraud.

Under current Clinton administration policy, Chinese aliens who merely said they were opposed to abortion would be deported.

The new policy would grant asylum only to individuals who can prove that they, in particular, fear punishment for refusing to undergo abortions or who face forced sterilization.

Some officials argued, however, that Clinton was signaling would-be immigrants in China that U.S. doors were once again open to them.

"We think that, in fact, this will be interpreted in China as an invitation for massive immigration fraud," one U.S. official said. "People are going to hear that we're granting asylum and work permits again, and they'll head for America with their horror stories."

The effort to grant asylum to abortion opponents has been led by Sen. Jesse Helms, R-N.C., who introduced legislation earlier this year that would allow in up to 2,000 such claimants per year. The Clinton policy has no numerical limit.

The problem in the past, according to former General Counsel Grover Rees of the Immigration and Naturalization Service, has been that even though the rules are not as liberal as Chinese think, thousands of them including many single men who claim they want large families try to enter the United States, only to be denied entry once they arrive. They are then punished upon their return to China.

Distributed by the Los Angeles Times-Washington Post News Service

Panel to Scan Skies for Comets That Could Threaten Earth By Robert Cooke= (c) 1994, Newsday=

The nation's space agency is considering ways to set up a special program to find and follow the 2,500 big space objects thought to come whizzing relatively close to Earth.

According to an announcement this week by the National Aeronautics and Space Administration, a special committee has been established, at the request of Congress, "to identify and catalog, to the extent practicable within 10 years, all comets and asteroids that may threaten Earth."

PAGE 4A Miami Herald
FOCUS ON FIRST LADY: Hillary Rodham Clinton.
Whitewater distracted first lady,
aide says

By DAVID HESS

Herald Washington Bureau

WASHINGTON Hillary Rodham Clinton spent a lot of time last winter worrying about Whitewater, but she wasn't "paralyzed" by the controversy, her chief of staff told the Senate Banking Committee Thursday.

The debate over just how worried the first lady was about Whitewater offered a measure of just how grim the political warfare over the controversy has become.

Republicans on the committee spent long hours attempting to cast shadows on the Clintons' Whitewater conduct, following paths of logic that appeared ever more obscure.

And White House staffers spent the same marathon hours attempting to prove that Whitewater was no big deal.

Margaret Ann Williams, Hillary Clinton's chief of staff, conceded that the first lady was "distracted" last winter by mounting press reports about Whitewater and spent time with her private lawyer reconstructing the record of her family's investment in Whitewater, an Ozark vacation-home development.

But Williams disputed a diary entry by Deputy Treasury Secretary Roger Altman quoting her as saying that the first lady was "paralyzed" with concern about the press' interest in Whitewater.

Williams said she did not recall having such a discussion with Altman and, in any case, would not have confided information about Mrs. Clinton's mood.

"I would not have said Mrs. Clinton was paralyzed," Williams said. "One, it wasn't true ... and secondly, I wouldn't discuss her frame of mind with anyone."

At the same time, Williams acknowledged that Mrs. Clinton was worried about the issue for good reason.

"It would be unusual for a person who was getting beaten up every day in the press and having to spend so much time with her lawyer trying to remember things that happened 17 years ago, for that person not to be concerned," Williams said.

Williams insisted under persistent questioning from Sens. Phil Gramm, R-Texas, and Alfonse D'Amato, R-N.Y., that she could not recall talking with Altman about Mrs. Clinton's state of mind. But she admitted she "had been saying to anyone who would listen that Whitewater was distracting ... and it's possible he could have heard that."

Gramm said he tended to "give credence to diaries because people write them from the heart and assume that nobody else will ever see them."

Just how Altman's diary entry or Mrs. Clinton's state of mind related to any Whitewater legal or ethical question was not clear.

What is clear is that Altman, the No. 2 man at the Treasury Department and a college friend of Bill Clinton, is in serious danger of losing his job for Whitewater missteps:

Many committee members, including some Democrats, believe Altman lied to them in testimony on Feb. 24 about his role in informing the White House about a Treasury Department criminal investigation related to Whitewater.

Altman testified that only one meeting about the case had occurred between White House and Treasury officials. Actually, there had been at least four formal meetings and a number of phone calls and conversations by the time of the February hearing.

In other testimony Thursday, high-ranking White House aides defended their efforts to limit the damage from leaks about the investigation and detailed efforts to correct Altman's testimony.

John Podesta, the White House staff secretary, said he was assigned to coordinate the effort and thought Altman had dealt with the errors in two letters to the committee.

But both Democratic and Republican committee members said Altman had not been responsive.

Sen. Richard Bryan, D-Nev., said the White House "dropped the ball" in following up with Altman to ensure that he corrected the record.

PAGE P1 Miami Herald
Abortion foes fear new wave of clinics
Abortion looms over
health care debate
By JODI A. ENDA
Herald Washington Bureau

WASHINGTON To foes of abortion, they're red alerts. To abortion-rights advocates, they're red herrings.

At issue: predictions by abortion opponents that health reform bills coming to the House and Senate floors this month could require abortion clinics to be established in towns that have none.

The Senate health reform plan unveiled Tuesday by Majority Leader George Mitchell of Maine includes abortion in the basic benefits package, while House Democratic leaders are searching for compromise language for their bill.

Discussions are under way in both chambers about exempting individuals and religious institutions from abortion coverage. Final decisions probably will be made on the House and Senate floors.

Abortion rights supporters and Clinton administration officials concede that the predictions by abortion opponents are complicating efforts to pass health care reform.

But, they add, health care reform neither would require the creation of abortion clinics nor force hospitals or physicians to perform surgery to which they morally object.

"They're resorting to histrionics," said James Wagoner, vice president of the National Abortion and Reproductive Rights Action League.

Champions of abortion rights contend that their opponents are "grasping at straws," as Wagoner put it, because they have suffered several recent setbacks in the courts and in Congress.

A far more desperate act came last Friday, when a doctor and a volunteer worker were shot and killed and a second volunteer was wounded outside an abortion clinic in Pensacola. The shootings were condemned by even the most fervent mainstream opponents of abortion.

The notion that including abortion in health care reform would spawn hundreds, if not thousands of new clinics, as abortion opponents suggest, is "absurd," said one administration official involved with the health care issue.

But anti-abortion activists counter that their adversaries are disingenuous. If abortion is considered a basic health benefit, it also would have to be available to women in every part of the nation, they argue.

"There's a mandate for the health plan to provide the services in the local service area. They have to be provided in facilities, they're not going to be provided in tents," said Douglas Johnson, legislative director of the National Right to Life Committee.

None of the health care bills proposed by President Clinton or passed by House and Senate committees explicitly states that each town or county must have an abortion

PM Whitewater Hearing, 3rd Ld-Writethru, a0564,950

Clinton Backs Altman; First Lady Chief of Staff Questioned

Eds: Leads with 15 grafs to UPDATE with McLarty-Riegle exchange, more Williams on Mrs. Clinton; Picks up 11th graf pvs, Sen. Connie....; Subs 20th graf pvs to delete first reference to Riegle, now redundant, Republicans, joined...., Minor editing to tighten

By LARRY MARGASAK= Associated Press Writer=

WASHINGTON (AP) With Hillary Rodham Clinton's chief of staff on the witness stand, Senate Republicans sought to show today that the first lady was far more interested in the Whitewater affair than the White House has acknowledged.

As the Senate's Whitewater hearings entered their fifth day, Margaret Williams testified that she doesn't recall telling Deputy Treasury Roger Altman that Mrs. Clinton "was paralyzed" by Whitewater.

In a diary subpoenaed by the panel, Altman quoted Williams as making such a statement.

Pressed by Sen. Alfonse D'Amato on the diary entry, Williams told him to look at Mrs. Clinton's schedule from December through February. "Paralyzed would be far from the word one would use to describe her."

She said the White House viewed the Whitewater affair as a distraction. "I made a conscious decision that we would not spend our time discussing Whitewater with Mrs. Clinton, unless we were responding to press inquiries," she said.

The Senate Banking Committee grilled Williams a day after President Clinton gave Altman only a limited show of support.

During a news conference Wednesday, Clinton dodged a direct answer to a question about whether Altman should resign, but said, "The secretary of the Treasury has confidence in him and so do I."

Altman, the No. 2 Treasury official, has emerged as the central figure in the hearings so far because his testimony is at odds with a number of other administration officials.

The Senate panel's chairman, Donald Riegle of Michigan, for a second day chastised the Clinton administration for failing to correct earlier Altman testimony that was incomplete.

Riegle noted that a top presidential aide was at a Feb. 24 committee hearing on Whitewater, and the White House was fully aware there were problems with Altman's testimony. "But no one came here and said to us, 'By the way, you didn't get full and accurate testimony,'" he said.

"That's not good practice and you know it," Riegle told former White House chief of staff Mack McLarty.

"I fully concur with your comments," McLarty replied.

Williams and McLarty, now White House counsel, had already testified before a House committee that is holding simultaneous meetings on Whitewater and the Resolution Trust Corp.'s investigation of a failed Arkansas savings and loan. Their testimony today echoed their earlier statements.

Republicans asked Williams why, if Whitewater was not a priority for her or the first lady, one of the earliest White House memos on Whitewater indicated she received a copy. She said she didn't know.

"I knew that in the newspapers every day, Mrs. Clinton and the president were being beaten up" on Whitewater, Williams said. But she added, "Mrs. Clinton does not normally read the newspapers."

Later, under repeated questioning about whether Mrs. Clinton was paralyzed by Whitewater, Williams acknowledged, "I would have to be a blind person not to look, not to know that this matter held some real interest for her."

Sen. Connie Mack, R-Fla., noted that White House witnesses have portrayed Whitewater meetings as brief and that they often couldn't remember the substance of the discussions.

"There's a theme that's kind of running through here no one has time to sit down, all conversations are brief conversations and nobody remembers anything," Mack said.

BC WHITEWATER 2NDLD (SCHEDULED)

ICKES DENIES ALTMAN URGED TO STAY ON MADISON PROBE

(Eds: Updates with later testimony)

By William Scally

WASHINGTON, Aug. 14 (Reuters) - A top White House aide denied Thursday that Deputy Treasury Secretary Roger Altman had been pressed to reverse a decision to separate himself from a government Whitewater investigation.

Deputy White House Chief of Staff Harold Ickes disputed diary entries by Treasury Chief of Staff Joshua Steiner saying that at a White House meeting February 2 it was made clear to Altman that stepping aside would be "unacceptable."

The issue of Altman's separation, or recusal, from the Resolution Trust Corporation's investigation of the Madison Guaranty savings and loan in Arkansas has been at the centre of the congressional Whitewater probe.

Critics have suggested that White House opposition to recusal indicated it wanted to contain the investigation of Madison, whose head was a partner of the Clintons in the money-losing Whitewater land development.

Senators have heard testimony that Altman had gone in to the meeting having decided to step aside. After the meeting he postponed a decision.

Diaries written at the time by both Steiner and Altman have figured prominently in testimony. The writers have sought to tone down their entries under questioning.

California Democrat Barbara Boxer worried that Steiner's diary had become "the holy book" of the hearings and noted that Steiner was not at the February 2 meeting.

Steiner had written that at a "fateful" White House meeting between Altman and Ickes, former White House Counsel Bernard Nussbaum and Hillary Rodham Clinton's chief of staff, Margaret Williams, "the White House staff told RA (Altman) that it (Altman's recusal) was unacceptable."

Ickes said he did not recall anyone urging Altman not to recuse himself. He said Altman had indicated he was thinking about such a step but "it was up to him to make the decision and he did."

He also said that he did not believe he had said Clinton was "furious" about Altman's eventual decision to recuse himself, as reported in another Steiner diary entry.

Ickes' testimony was similar to that earlier in the day by Williams and White House aide Thomas "Mack" McLarty.

Ickes' response prompted Texas Republican Phil Gramm to comment: "Not since the St Valentines massacre in Chicago have we seen a situation where something so dramatic happened and yet ... no one heard a shot fired."

Ickes appeared with Clinton advisers George Stephanopolous and Bruce Lindsey and presidential assistant John Podesta as the marathon Senate hearings continued.

Williams denied that she had indicated Mrs Clinton had been "paralyzed" by the Whitewater problem as Altman had said in his diary. She said she would never describe the First Lady's state of mind to anyone.

Williams said she had spoken out about Whitewater being a distraction and the need to focus on the president's agenda.

Meanwhile, Treasury Secretary Lloyd Bentsen, testifying to the House Banking Committee, praised Altman as intelligent and hardworking and said, "I believe in his integrity."

There has been speculation that Altman's days as number-two official at the Treasury might be numbered. Republicans have called for his resignation.

At a televised news conference Wednesday night, Clinton said of Altman: "The secretary of the Treasury has confidence in him and so do I."

Bentsen, asked if Treasury officials had lost his confidence or should step down because of contacts with White House staff over Madison, said: "No I do not. I think they're capable, intelligent people. Obviously, there have been some concerns and I think they share those concerns."

BC WHITEWATER 1STLD (SCHEDULED)

WHITEWATER MARATHON GOES ON WITH TOP CLINTON AIDES

By William Scally

WASHINGTON, Aug 4 (Reuter) - Top White House aides testified on Whitewater for the second time Thursday, as weary lawmakers ploughed on with marathon hearings on the affair that has embarrassed President Clinton.

Appearing before Senate Banking Committee, Hillary Rodham Clinton's chief of staff, Margaret Williams, and presidential aide Thomas "Mack" McLarty, the president's former chief of staff, were grilled about their knowledge of questionable contacts between Treasury and White House officials.

Both had appeared earlier in a late-night session of the House of Representatives Banking Committee, which Thursday was hearing testimony from Treasury Secretary Lloyd Bentsen.

The Senate panel this week has spent more than 40 hours listening daily to testimony on the contacts and on issues surrounding Deputy Treasury Secretary Roger Altman's separation of himself from an investigation into an Arkansas savings and loan institution involved in Whitewater.

Massachusetts Democrat John Kerry told the Senate panel: "We may well even be getting to the point of beating to death" the issues of Altman's controversial testimony and his recusal from the Madison investigation.

Democrat Ben Nighthorse Campbell of Colorado said he would describe the questioning during half of the hearings as "trolling, hoping somebody would run into a hook."

McLarty told senators that in hindsight it was obvious that the contacts between Treasury and White House officials on the Madison investigation were unwise.

But he said: "If there were errors they were made in good faith."

Williams denied that she had indicated Mrs Clinton had been "paralyzed" by the Whitewater problem as Altman had said in his diary. She said she would never describe the First Lady's state of mind to anyone.

Williams said she had spoken out about Whitewater being a distraction and the need to focus on the president's agenda.

Witnesses have portrayed Whitewater as occupying only a miniscule part of White House officials' attention as they dealt with important domestic and foreign issues.

Both McLarty and Williams said the Clintons had never asked them to press Altman not to recuse himself and to "go easy" on the Whitewater matter.

Florida Republican Connie Mack, commenting on testimony about White House meetings where Whitewater was discussed, said the theme running through accounts of the meetings was that "no one has time to sit down, all conversations are brief conversations and nobody remembers anything."

He said a suggestion for the future might be to "slow things down a little bit, have longer conversations, sit down and discuss things through, and maybe someone will remember things."

Four other top White House aides and former White House counsel Bernard Nussbaum were due to testify later to the committee in what promised to be another late-night session.

Meanwhile, Bentsen, testifying before the House panel, praised Altman as intelligent and hardworking and said, "I believe in his integrity."

There has been speculation that Altman's days as No. 2 official at the Treasury might be numbered. Republicans have called for his resignation.

At a televised news conference Wednesday night, Clinton said of Altman: "The secretary of the Treasury has confidence in him and so do I." REUTER

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**** printed by:WHPR(JEL) on 08/05/94 at 08:47EDT ****

AM Whitewater, Bjt, 630

First Lady's Aide Says Whitewater Was Distraction; Not Obsession

By MIKE FEINSILBER, Associated Press Writer

WASHINGTON (AP) Senate Republicans zeroed in on Hillary Rodham Clinton's interest in Whitewater Thursday, but her chief of staff testified the investigation has been a distraction, not an obsession.

Margaret Williams disputed a colleague's diary that said Mrs. Clinton was "paralyzed" by the Whitewater affair and otherwise played down her efforts to keep track of a savings and loan investigation that was potentially embarrassing to the first family.

"I made a conscious decision that we would not spend our time discussing Whitewater with Mrs. Clinton, unless we were responding to press inquiries," she told the Senate Banking Committee.

At a parallel hearing in the House, Treasury Secretary Lloyd Bentsen gave his embattled deputy, Roger Altman, a verbal embrace, warmer than the one he was willing to offer the day before.

"I find him a very intelligent, hard-working man and I believe in his integrity," Bentsen said, following President Clinton's lead.

But the secretary refused to take sides when asked whom he believed Altman or the department's top lawyer, Jean Hanson. They have given conflicting testimony.

"That is for them to state," Bentsen said.

Altman has emerged as the central figure in the hearings because his testimony is at odds with that of other administration officials.

As both the Senate and House investigations revisited old ground, some Democrats called the hearings a dry hole.

"We've been here four days now trolling, hoping someone would run into a hook," complained Sen. Ben Nighthorse Campbell, D-Colo.

With her mother sitting behind her, Williams sought to counter an impression that Mrs. Clinton was deeply concerned about the investigation into the failure of Madison Guaranty Savings and Loan.

Mrs. Clinton represented Madison as a lawyer in Arkansas, and the S&L's owner was a business partner with the Clintons in the ill-fated Whitewater land venture.

Altman's diary quoted Williams as saying Mrs. Clinton was "paralyzed" by the Resolution Trust Corp.'s Madison investigation.

But Williams said she didn't use that word, and would never try to characterize Mrs. Clinton's state of mind. She also denied saying what Altman's diary quoted her as saying that the first lady didn't want a special prosecutor "poking into 20 years of public life in Arkansas."

Sen. Phil Gramm, R-Texas, said he gave credence to the diary because it was "written from the heart" with no expectation it would be read aloud at a nationally televised hearing.

But Ms. Williams said Mrs. Clinton was not fixated on Whitewater.

"Every day Mrs. Clinton and the president were being beaten up about Whitewater," she said, and "it was a distraction."

"I would have to be a blind person not to look at what was going on in the media and not to look at the amount of time she spent with her personal lawyer not to know that," she said.

Under Republican questioning, Williams acknowledged that last February she encouraged Altman to reconsider a decision to withdraw from any involvement in the Madison investigation. When Altman took that advice, he notified her first, she also acknowledged.

Returning to a point he emphatically made Wednesday, Senate chairman Donald Riegle, D-Mich., chastised the administration for failing to correct misleading testimony that Altman gave in February.

Riegle noted that a White House lawyer attended that hearing and the White House knew of the problems with Altman's testimony, "But no one came here and said to us, 'By the way, you didn't get full and accurate testimony.'"

"That's not good practice and you know it," Riegle told former White

House chief of staff Mack McLarty. McLarty replied: "I fully concur."

END



First Lady's Chief of Staff

Margaret "Maggie" Williams never set weekly goals or pondered a long-range career plan. She rose to the top on sheer talent, leaning on the values, work ethics, and common sense passed on to her by family and the folks back home in Kansas City, Mo.

Williams, 38, is Hillary Rodham Clinton's chief of staff, advising the First Lady on a multitude of issues, from the type of message callers should hear to what interviews Mrs. Clinton should give. She is the first African American to serve in that position, though another, Anna Perez, preceded her in the First Lady's office as Barbara Bush's press secretary.

"I've moved from one place to another without having any long-range plans of my own," said Williams. "I have to believe there is something bigger than me, some plan for my life. 'Lucky' is too casual. 'Blessed' is the word."

Talk like that is Williams' home training shining through, according to her sister and best friend, Ermette Williams Purce. "There's a spiritual centeredness we were trained to believe we must have in our lives in order to make right decisions," said Purce, director of communications at the Center for Political Leadership and Participation at the University of Maryland. "My mother is deeply spiritual and believes that if you let God lead your life, He will lead you where your talents will be best used. You just do what you're supposed to do—get the

proper education and be prepared."

A deep spiritual foundation is something Williams and the First Lady share and one of the reasons they work well together. But talent has obviously played a role in shaping Williams' destiny.

"She's brilliant. She has one of the best strategic minds I've ever seen," said Marian Wright Edelman, founder and director of the Children's Defense Fund (CDF), the children's rights advocacy group based in Washington.

Williams worked for CDF for about six years, first developing the teenage pregnancy prevention media campaign and then as communications director. At CDF she also developed a friendship with Hillary Clinton, a board member.

"Maggie is a good manager of people. She kept morale high and she works like a dog," said Edelman. "She was the instrument for making the teenage pregnancy campaign visible nationwide. She conceptualized how to mobilize people and put teenage pregnancy on the national agenda and on the black and white agenda. She understood we needed to sell kids as effectively as Proctor & Gamble sells its products."

What Williams did was persuade ad agency Fallon McElligott of Minneapolis to create a campaign for CDF pro bono. The resulting campaign continues to win awards and most important, to educate the public by drawing notice to its clever television spots and public ads. The people at Fallon McElligott

By Patrice Gaines

were so impressed with Williams they're still hoping she'll work for them one day.

Williams moved to Washington to attend Trinity College, where she studied political science and was considered a remarkable student with a great political understanding. After school, her intelligence and congenial personality won her coveted jobs.

She's one of the best hires I ever made in my life," said Bob Neuman, former director of communications at the Democratic National Committee, where Williams was deputy director. "She manages to keep her cool, she works well under fire, she's tough as nails—and that's important."

After the DNC, Williams worked as press secretary for Rep. Robert Torricelli (D., N.J.) and then went to the Center for Budget and Policy Priorities. In 1984, she took a job at CDF which would have a profound effect on her personally and professionally. Edelman has served as a mentor to many young women and she would become a role model to Williams, as she already had to Hillary Clinton.

In 1985, Williams was running the adolescent pregnancy prevention campaign at CDF. Wearied from battling Republican administrations, she decided to leave politics and take graduate courses at the University of Pennsylvania's Annenberg School. She studied media, planning to earn a Ph.D. and maybe go to Minneapolis to work for Fallon McElligott. At any rate, Williams was ready to exchange the whirlwind life of politics for the slower pace of life in the Midwest. "It's the closest I ever came to having a plan," she said, laughing. "And look at what happened."

A year before the presidential campaign started, she got a call at school from Hillary Clinton, who wanted Williams to work with her during the campaign. Williams was reluctant to jump back into politics, but other people from the campaign called and finally she relented.

Williams joined the Clinton campaign staff late, in August, after she had completed her classes, and she immediately found challenges. "My biggest concern was picking up a paper and reading something [about Mrs. Clinton] that was not true. It would have been laughable, except people were building this image that was totally bizarre. It got totally out of hand during the Republican convention when they tried to brand her as an off-the-wall person."

"This is someone who keeps the Scriptures in her purse and is a lot more conservative than some people think," said Williams, who hasn't worried as much about Clinton's image recently. "I and myself, at this point, in some ways less concerned. As she moves through Washington, people are genuinely impressed or charmed, or both."

In the Clinton administration Williams found, for the most part, a confirmation of her own values: "One

of the things I like about this administration is, it is based on the belief that government has a role, individuals have a role, families have a role, and you have to have a balance. These are old lessons. Old black people used to tell us, 'You grow up and do well, but you give back.' My older brother grew up and went to college, and part of what he did was give me spending money when I was in college."

Now Williams has two offices, one in the West Wing of the White House, wedged between Hillary Clinton's office and that of the president's domestic policy adviser, Carol Rasco; the other is in the Old Executive Office Building.

Her day starts at 7:45 A.M. with a senior staff meeting and talk about the day's schedule, as well as long-range plans for the First Lady. Next, she spends time with the First Lady and her schedule planner. And finally, she and the First Lady sit alone to discuss "all kinds of issues."

Some people say hiring Williams tells African Americans more about Hillary Clinton than perhaps any other single act the First Lady has performed. "I have enormous respect for Hillary Rodham Clinton; she has got to know who Maggie is," said Johnnetta B. Cole, president of Spelman College, who has worked with Williams on CDF projects. "Maggie did not leave any part of herself outside that gate. She has never lost a sense of who we are as

African Americans, of what our issues are, our concerns and needs."

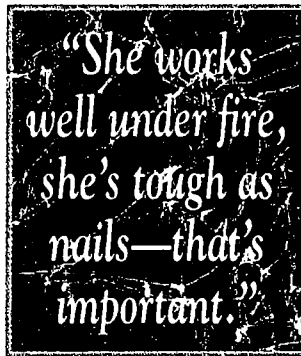
David Thomas, Williams' childhood friend and a professor at the Harvard Graduate School of Business, explained: "What it says about Hillary Clinton is, she can take good and bad information uncensored, because that's what Margaret delivers. She's not one to work for someone who only wants good news. She's not a yes-person or someone impressed by trappings. When you hear Margaret talk to a secretary, it will be the same way she talks to a member of Congress."

That kind of civility is exactly what Williams said she found in the Clintons. "I think the people of this administration are hell-bent on changing the country," she said. "It took me a while to believe. If you are black and in this country, you have to be a terrible skeptic. But what I have seen on a day-to-day basis, how these people treat people day-to-day, has convinced me. They are not miracle workers, but I believe they try to be fair."

Of course, her new job is not the most secure one. But Williams, as usual, will land on her feet.

Edelman would love for her to return to CDF, but she accepts Williams' determination to continue growing. Williams left CDF to return to school, though Edelman tried to keep her, telling her no school could teach her what she already knew about media. "I miss her a lot," said Edelman. "But she's in the right place."

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"She works well under fire, she's tough as nails—that's important."

year-old trainer Mac Miller
to Kentucky Derby win-
ner's circle. **Sports, 1C.**



AL DIAZ / Miami Herald Staff

HONORED: Jeffrey Watson, with
MDCC Wolfson Campus
President Eduardo Padron.

Clinton aide's climb started in Liberty City

By **PAUL ANDERSON**
Herald Washington Bureau

WASHINGTON — Jeffrey
Watson calls his close friends in
Miami from Air Force One and
giggles with glee over his new job.

The kid from Liberty City, son
of a bootblack and a domestic
worker, can't get over what great
good fortune his hard work has
brought him. At 35, Watson is
the highest-ranking Floridian on
Bill Clinton's White House staff
and one of the top African Amer-
icans.

"I never thought 20 years ago
that I would be sitting here,"
Watson said from his office in
the Old Executive Office Build-
ing, a postcard view of the Wash-
ington Monument over his left
shoulder.

Watson traces his route to the
White House in matter-of-fact
fashion, starting with a visit to
Washington as a high school stu-

PLEASE SEE WATSON, 27A



CAPITAL CLASH: Pro-C

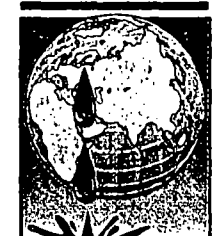
Mosco

Seeds of sprout in

Nationalism g

By **JUAN O. TAMAYO**
Herald Staff Writer

MOSCOW — Alex-
spoken, 22-year-old at-
who calls himself a "R-



EUROPE'S DEMON

**RISING
INTOLERANCE**
FIRST IN A SERIES

the party's newsletter, R-
coming, and we are pre-
authorities can no longer
A witches' brew of
right-wing extremism, t
Hitler to power in 1933.

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FROM LIBERTY CITY TO THE WHITE HOUSE: Jeffrey Watson, 35, a former aide to the mayor of Miami, got interested in government when he was in high school, during a trip to Washington.

Clinton aide's rise to top started out in Liberty City

WATSON, FROM 1A

dent in 1974. "That got me interested in how government is supposed to work for people," he said.

He held a series of political posts after graduating from Florida State University in 1980 and gave up an accounting career five years later. He was the first black president of Florida Young Democrats and a top aide to Miami Mayor Xavier Suarez.

He said he simply "got lucky" when he signed up to work for Al Gore in 1988 and for Bill Clinton in 1992. In the space of 10 months, Clinton's managers gave Watson a series of important campaign jobs, from Florida field director to convention transportation manager to national field director in the Little Rock headquarters.

So, Watson said, it seems only natural that he's now deputy director of the White House Office of Intergovernmental Affairs, dealing with governors and mayors across the country, pushing the president's agenda.

"I like to think we can help," he said modestly.

His friends don't buy the act. "He's thrilled and very excited, but he wears a mask," said Joe Geller, a Dade lawyer and Democratic organizer. "The truth is, he's a very sweet guy who takes this very, very seriously and feels a great sense of responsibility to his family, his friends and his community."

"In certain respects, Jeff is as complex a person as you'll find," said Todd Bernstein, a top aide to Pennsylvania Sen. Harris Wofford who once worked with Watson in South Florida politics. "While I'm sure he's enjoying some of the glamour of working in the White House, this is not about fun. He sees this as a rare opportunity to work really, really hard and make some things happen."

"He's done well because he takes challenges seriously," said Dade Circuit Judge Jeffrey Rosinek, who as Watson's civics teacher at Coral Gables High School found money to cover his expenses for that 1974 trip. "He's had to fight for everything, and he overcame a lot of things that a lesser person would not have overcome."

"He's very low-key and doesn't display a lot of emotion, but there's a real intensity inside Jeffrey," said Jeff Eller, White House director of media relations.

"In terms of Florida's interests, it's very, very valuable to have Jeffrey where he is," said Democrat

'He's a street fighter. He's just the kind of guy you want to have in your corner when things get tough.'

Sen. BOB GRAHAM,
Democrat of Florida

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For example, Watson has helped keep Clinton's attention focused on post-hurricane problems in South Dade. He recommended Liberty City redevelopment expert Otis Pitts, who was appointed the on-site federal relief coordinator.

No big deal, Watson suggested. He's known Pitts for years. "I know he's very capable, and it was easy to identify him as a candidate. That's kind of what happens around here."

In recognition of his accomplishments, Watson received an honorary degree Saturday from Miami-Dade Community College. To give the commencement ceremony some sparkle, he arranged for Secretary of Education Richard Riley to speak at Gusman Hall.

Watson's No. 1 hero missed the ceremony. His mother, Minnie, suffers from Alzheimer's, and often does not recognize her son. She doesn't know what he has achieved.

"Actually, we both made it," he said, his normally booming voice dropping to a whisper. "But she has no idea."

Watson tries to make it back to Miami every other weekend to visit his mother and his son, Alejandro Jeffrey, who was born two years ago to longtime girlfriend Carmen Ramos.

In Washington, he lives in a friend's basement apartment near Capitol Hill. He says he's looking for his own place, but hasn't had much time to search because of his 14- and 15-hour workdays.

He spends most of his time working the phone, fielding calls and complaints from state capitols and city halls, or lining up state and local officials to speak on behalf of the president's programs.

Two weeks ago, Watson coordinated a campaign that brought more than 100 state and local officials to Washington to back Clinton's proposed summer youth employment program. Despite their efforts, the summer

rest of the president's economic-stimulus package.

At Watson's urging, Mayor Suarez, an independent, attended one of the White House meetings on Clinton's budget plan. He found himself boasting about Watson. Suarez recalled standing with other mayors and with Housing and Urban Development Secretary Henry Cisneros, waiting to get into the room where they would see the president.

"All of a sudden, this big voice called out, 'May I have your attention?' It was Jeff telling us where to go, what to do. He was herding us around," Suarez said. "I proclaimed rather loudly and proudly, 'That's my former assistant.' The mayors around me all wanted to know about him. You could tell they wished they had somebody like that working in the White House."

In Miami, Watson "was really my most substantive aide because he understood tax-increment financing, the development schemes for major projects like the arena, fairly complex stuff," Suarez said.

Suarez said that he admires how easily Watson floats through Dade's divided power structure — black, Hispanic, Anglo — and that Watson's political skills have improved as he has matured.

Watson hasn't always supported winners. In 1990, he tried to help Barbara Carey hold on to her Dade County Commission seat, speaking on her behalf even as questions about her personal and campaign finances piled up.

His involvement in presidential campaigns included a small role in Jesse Jackson's 1984 race, then a bigger role, including travel, with Al Gore in 1988. Friendships he made proved invaluable in 1992, especially after Clinton named Gore his running mate.

Gore's favorite story about Watson: Gore invited him to jog in Central Park one morning before the 1988 New York primary. Watson, clearly eager to impress, said sure. But he couldn't keep up.

"I didn't know how long Central Park was — something like 6.2 miles," Watson recalled, letting rip his infectious laugh. "By the time we got halfway, I was dying. I had to get in the trail car and be carried to the end."

Even Republicans like Watson. Lincoln Diaz-Balart, the GOP congressman from Miami, calls Watson "a super nice guy." In the White House, Watson is

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CLINTON'S WEEK

■ **The big picture:** Yellow caution lights were flashing for the president all week. He was trying to do too much. He was doing too little. He had lost his focus. His first 100 days were a miserable failure. The next 100 days would make or break his presidency. Even the economy was sputtering. Everybody seemed to be on Clinton's case.

■ **What he said:** The president seemed to be taking the warnings to heart. "I do think that I may have overextended myself," he admitted in a Boston Globe interview. "I think that I have been pushing too hard trying to get everything done." Asked by reporters what he had learned in his first 100 days, Clinton replied: "I learned that things are not going to change quite as fast as I wanted them to."

■ **Foreign affairs:** The president dodged one bullet in Russia, but another is streaking his way in

service plan unveiled Friday in New Orleans carries out a campaign promise to help middle-class families pay for college by performing community service. Conservative Republicans and businessmen didn't take to Clinton's plan to give them a tax credit for new investments. Democrats don't like it, either, so the plan is all but dead.

■ **Stand by your man:** Once again, it was the women around Clinton who stood tall while he was struggling. New polls show that Hillary is more popular than her husband. Attorney General Janet Reno won fresh accolades from Congress for her willingness to take responsibility for the tragedy in Waco.

■ **Thrill of victory:** Maybe "thrill" is too strong a word for the little boost the House of Representa-