Briefing Materials

Leon Panetta
January 31, 2003

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January, 2003
1966  Panetta serves as legislative assistant to Senator Thomas Kuchel (R-CA).

1968  Panetta works for Senator Edward Brooke (R-MA).


1970  Panetta leaves the Office of Civil Rights. He then takes a position as executive assistant to New York City Mayor John Lindsay and changes his political affiliation to the Democratic Party.

1971  Panetta becomes a partner in the law firm of Panetta, Thompson, and Panetta.

1977  California's 17th congressional district elects Panetta to the U.S. House of Representatives. He serves in the House through 1992 and holds several leadership positions, including Chairman of the House Budget Committee.

1992  December  Clinton nominates Panetta to be the Director of the Office of Management and Budget (OMB). Clinton's economic team will also include Lloyd Bentsen as Secretary of the Treasury and Robert Rubin as head of the new National Economic Council. (The New York Times, 12/11/1992)

Clinton holds a two-day conference in Arkansas to discuss the nation's current economic situation. The meeting's participants include Gore, Panetta, Bentsen, and over 300 representatives from corporate America, labor, small businesses, and academia. (The Los Angeles Times, 12/15/1992; The New York Times, 12/15/1992)

Clinton names Hillary Clinton to head the President's Task Force on Health Care Reform, and says a written plan will be completed by May. Members of the Task Force include Panetta, Health and Human Services Secretary (HHS) Donna Shalala, Labor Secretary Robert Reich, Treasury Secretary Lloyd Bentsen, Defense Secretary Les Aspin, Secretary of Veterans Affairs Jesse Brown, Commerce Secretary Ron Brown, White House domestic policy advisor Carol Rasco, and the president's Senior Advisor for Policy Development Ira Magaziner. (*The Washington Post*, 01/26/1993)

On the 29th, Clinton and his advisers begin a series of meetings to craft the Administration's economic program. Participants in the two and a half weeks of discussions include Clinton, Gore, Panetta, Rubin, Reich, Brown, George Stephanopoulos, Gene Sperling, Paul Begala, Chair of the Council of Economic Advisers Laura D'Andrea Tyson, Chief of Staff Mack McLarty, OMB Deputy Director Alice Rivlin, Deputy Secretary of the Treasury Robert Altman, Deputy Assistant for Economic Policy W. Bowman Cutter, and Council of Economic Advisers member Alan Blinder. (*Elizabeth Drew, On the Edge: The Clinton Presidency*, New York: Simon and Schuster, 1994, p. 65)

**February**

Clinton sends his budget to Congress and addresses the nation from the Oval Office to explain his economic proposals. (*Shirley Anne Warshaw, The Domestic Presidency: Policy Making in the White House*, Boston: Allyn and Bacon, 1997, p. 198)

When asked by the Senate Budget Committee about the financing of health care reform programs, Panetta says the Administration may request increased taxes on alcohol and cigarettes. In the same testimony he also says that the Administration will seek an extension of the 1990 budget agreement, which is due to expire in 1995. (*The Washington Post*, 02/20/1993)

Panetta warns that Congress must pass Clinton's economic stimulus bill in the next five weeks if the bill is to generate the 500,000 jobs promised by the Administration. (*The Wall Street Journal*, 03/01/1993)

**March**

Panetta sends a letter to fourteen Cabinet secretaries and three agency heads instructing them to review their contracts with outside businesses and organizations. He orders the review to make sure that the current contracts, which "amount to the staggering sum of $103 billion," can be justified and are cost effective. (*The Washington Post*, 03/17/1993)
April

In a discussion with reporters, Panetta says he is not confident about the Administration's ability to gain congressional approval for many of its initiatives, including Clinton's economic stimulus package. In the same conversation, he expresses doubt about the chances of the North Atlantic Free Trade Agreement (NAFTA) making it through Congress successfully. Mexican President Carlos Salinas dispatches senior officials to Washington, D.C. to calm the controversy created by the reporting of these remarks. *(The Wall Street Journal, 04/27/1993; The Washington Post, 04/28/1993, 05/6/1993)*

May

On the 19th, Press Secretary Dee Dee Myers announces that seven employees of the White House travel office have been fired due to "financial mismanagement" and "shoddy accounting procedures." *(Peter B. Levy, *Encyclopedia of the Clinton Presidency*, Westport: Greenwood Press, 2002, p.348)*

Stephanopoulos announces that Panetta and McLarty will head an internal review of the way the White House handled the dismissal of travel office employees. *(Newsday, 05/26/1993)*

Panetta meets with Democratic congressional leaders to discuss the possibility of reviving Clinton's economic stimulus package, including a $3 billion jobs program. *(The Washington Post, 05/12/1993)*

June

Panetta says he expects Congress to pass NAFTA. *(The New York Times, 06/29/1993)*

July

Panetta and McLarty complete a management review of the Administration's firing of White House travel office employees. They also hold a news conference in which they acknowledge that the Administration made several mistakes, including improperly communicating with the FBI. *(The Los Angeles Times, 7/3/1993; The New York Times, 07/03/1993)*

On the 2nd, James Carville, Paul Begala, pollster Stan Greenberg, and media adviser Mandy Grunwald send a confidential memo to Clinton and top White House advisers. They warn that Clinton's popularity will continue to decrease if the economic plan before Congress includes new taxes on the middle class. Panetta then attends a meeting with Bill Clinton, Hillary Clinton, and top officials to discuss the economic plan. He reportedly argues that the "bold zero option" (which includes dropping the Btu and gas taxes) would decrease the deficit reduction promised in Clinton's economic plan by $20 billion. *(The Washington Post, 07/07/1994)*
After the Senate votes to increase taxes on gasoline and diesel fuel only, Panetta says the Administration will be "looking more at a gas tax than a Btu tax or utility tax of any kind." *(The Wall Street Journal, 07/19/1993)*

Panetta says that the $2.5 billion requested by Clinton for the flood-ravaged Midwest is only the first installment of aid for the region. *(The Wall Street Journal, 07/19/1993)*

Senator David Boren (D-OK) and Ross Perot both call for the Senate to set aside Clinton's economic package. Panetta labels their actions a "disservice to those who have made the tough decisions and cast the tough votes… to put this package together." *(The Washington Post, 07/28/1993)*

*August*

On the 6th, the Senate approves Clinton's deficit reduction package. No Republicans support the measure.

On the 10th, President Clinton signs into law the budget reconciliation bill/deficit reduction plan. The measure includes the Senate’s fuels tax. *(Levy p. 380; 1993 Congressional Quarterly Almanac, p. 108)*

*September*

On the 22, Clinton explains his health care plan to a joint session of Congress. *(1994 Congressional Quarterly Almanac, p. 321)*

*October*

After Gore releases the results of his Reinventing Government Initiative, Panetta stresses that most of the money saved by implementing Gore’s management reforms would be needed to meet existing deficit reduction goals, rather than to reduce the deficit beyond the goal. *(The Wall Street Journal, 10/15/1993)*

Panetta says the cost of universal health care coverage will be limited to federal spending, on subsidies for low-income workers, small businesses, and early retirees to avoid creating entitlement benefits that would impose open-ended costs on the federal government. *(The New York Times, 10/27/1993)*

*November*

The House and Senate pass NAFTA. Support comes from Republicans and moderate to conservative Democrats. *(1993 Congressional Quarterly Almanac, p. 171)*

*December*

On the 8th, President Clinton signs the NAFTA legislation. *(Levy p. 380)*
Panetta says that the program requests submitted by federal agencies for the fiscal 1995 budget exceed by $20 billion the spending limit set by the previous summer's deficit reduction law. *(The Wall Street Journal, 12/09/1993)*

Panetta estimates that the federal deficit will amount to only $150 billion by fiscal 1997, and could be further reduced, depending on the performance of the economy. The new estimate puts the deficit $30 billion below OMB's most recent forecast. *(The Washington Post, 12/10/1993)*

OMB Deputy Director for Management Philip Lader is moved to the position of White House Deputy Chief of Staff. *(The Washington Post, 12/12/1993)*

Harold Ickes agrees to join the White House staff as Deputy Chief of Staff responsible for coordinating the Administration's health care plan, as well as political and intergovernmental relations and public outreach.

Stephanopoulos and new congressional liaison Patrick Griffin are tasked with getting the health care plan through Congress. *(The Washington Post, 12/23/1993)*

Panetta announces that Clinton will ask Congress for $2.5 billion more in spending authority for the Pentagon in fiscal 1995. *(The Wall Street Journal, 12/27/1993)*

1994

**January**

Attorney General Janet Reno appoints Robert Fiske as independent counsel to investigate the Clintons' involvement in a failed land deal in Arkansas, and alleged attempts by the White House to cover up the deal. After Fiske's investigation, independent counsel Kenneth Starr and both houses of Congress will carry out their own investigations into the Whitewater Development Corporation. *(Levy, pp. 365-369)*

Panetta reportedly agrees to Representative James Moran's (D-VA) request that he find a way to put military and civilian cost of living raises on the same delayed timetable. *(The Washington Post, 01/27/1994)*

**February**

Representative Jim Nussle (R-IA) and other members of Congress argue that the supplemental spending intended to provide disaster relief to recent flood victims should be offset by cuts elsewhere in the budget. Panetta argues against this move,
saying that the flood victims should not be "held hostage," and that Americans should show "the same sense of compassion and concern that we have applied to other disasters." (The Washington Post, 02/04/1994)

Clinton sends a $1.52 trillion budget to Congress. (The New York Times, 02/08/1994)

Panetta appears before the House Budget Committee to discuss the president's proposed budget. He assures House Democrats that the Administration's health plan would be budget neutral. "Every program that deals with health has to be paid for, and we intend to do that with our program." (The Washington Post, 02/09/1994, 2/10/1994)

Panetta appears before the Senate Appropriations Committee to discuss a balanced-budget constitutional amendment. (The Washington Post, 02/15/1994)

Panetta appears before the Senate Finance Committee to discuss the proposed budget. (The Washington Post, 02/23/1994)

March

Panetta discusses proposals to reform the congressional budget process in an appearance before the Legislative Process Subcommittee of the House Rules Committee. (The Washington Post, 03/02/1994)

April

In a letter to Panetta, Chairman of the House Energy and Commerce Committee John Dingell (D-MI) charges the Clinton Administration with "raiding programs within our jurisdiction in order to fund unrelated Administration initiatives." Dingell's letter refers to reported plans to fund a Department of Justice prison program with money from the Federal Communications Commission. (The Wall Street Journal, 04/29/1994; The Washington Post, 05/06/1994)

May

Panetta tells the National Council of the Arts, "You've got my heart; I don't know how much more I can give you." In his address to the group he offers advice on dealing with declining resources. Among other suggestions, he urges joint projects with federal agencies and partnerships with state and local governments and the private sector. (The Washington Post, 05/14/1994)

June

Panetta lowers the budget deficit estimate for fiscal 1994 from $235 billion to $225 billion and says it may even go "slightly lower." He also estimates that the deficit in fiscal 1995 will be $5 billion less than
the previously predicted $170 billion. (The Washington Post, 06/21/1994)

Clinton names Panetta his new Chief of Staff. Upon taking the job, Panetta announces that, in order to "serve the President in an effective and efficient manner...changes will be made in consultation with the President, but they will be made in the spirit of making the best use of the talent and abilities that are here." McLarty becomes senior counselor and Rivlin is picked to be Panetta's replacement at OMB. At the same time, Gergen's primary responsibilities are shifted from domestic to foreign policy, and he is given an office in the State Department. (The Washington Post, 06/28/1994)

In a television interview, Panetta reports that the Clinton Administration is "very encouraged" by the agreement between North and South Korea to hold the first summit between the two countries since the division of the peninsula. (The New York Times, 06/28/1994)

*July*

Panetta and U.S. Trade Representative Mickey Kantor meet with House Republican leaders and members of the Senate Finance Committee to press for approval of the General Agreement on Tariffs and Trade (GATT). (The Washington Post, 07/13/1994)

Panetta works with Secretary of State Warren Christopher and other senior officials to design a plan to pay off Jordan's $700 million debt over the course of three years. Clinton promised to forgive Jordan's debt to reward the country for its cooperation in the Middle East peace talks. (The New York Times, 07/27/1994)

In a television interview, Panetta warns Haitian military leaders that they must leave power soon in order to prevent a UN-sanctioned invasion. (The New York Times, 08/01/1994)

*August*

Panetta comments on the latest negotiated peace in Bosnia, saying that "if we don't get agreement by the Serbs and they continue to fight this issue, then ultimately we will seek a multilateral lifting of the embargo, and, if necessary, a unilateral lifting of the embargo." (The New York Times, 08/05/1994)

Panetta calls on Independent Counsel Kenneth Starr not to reopen the "Washington phase" of the Whitewater investigation, saying, "We have nothing to hide in this situation, but we would hope that there is a point at which enough is enough." (The Washington Post, 08/08/1994)

Panetta recruits former Representative Tony Coelho (D-CA) to be the chief fundraiser and strategist for the Democratic Party. *(The New York Times, 08/14/1994)*

Both houses of Congress adjourn without passing a health care reform bill. *(1994 Congressional Quarterly Almanac, p. 321)*

Panetta says that the recent drop off in the inflow of Cuban refugees is due, at least in part, to the new U.S. policy of preventing Cubans from coming ashore. *(The Washington Post, 08/27/1994)*

**September**

Panetta agrees to drop a provision demanding fast track authority on trade agreements from the legislation to approve GATT. In exchange for the removal of the provision the Administration requires that congressional leaders take up the fast track issue in January. *(The New York Times, 08/13/1994)*

Panetta reportedly assures congressional Democrats that the potential U.S. invasion of Haiti will not hurt their reelection chances in the fall. *(The New York Times, 09/16/1994)*

Despite rumors that Panetta would offer the White House Press Secretary position to State Department spokesperson Mike McCurry, White House Press Secretary Dee Dee Myers retains her role as Press Secretary and is promoted from the position of Deputy Assistant to the President to Assistant to the President. *(The Washington Post, 09/24/1997)*

On the 26th, the health care reform plan officially dies when Senate Majority Leader George Mitchell (D-ME) informs Sen. John Chafee (R-RI) that there are not enough votes for a compromise measure. *(1994 Congressional Quarterly Almanac, p. 321)*

Over 300 Republican lawmakers and candidates pledge to follow the agenda set out in the Contract with America if Republicans win the House in the upcoming midterm elections. The Contract with America, drafted under the guidance of House Minority Whip Newt Gingrich (R-GA), includes calls for balanced budgets, tax cuts, and limits on congressional terms. *(The Washington Post, 09/28/1994)*

**October**

Shalala announces that the White House will take a "shrewder and more strategic" approach to health care reform, and will most likely
present proposals for more targeted reform in the budget going to Congress in February. Panetta, Rivlin and other senior officials are currently studying proposals for health care reform in 1995. *(The Washington Post, 10/21/1994)*

Rivlin sends a memo to Clinton in which she outlines a range of options available to the Administration as it plots its economic course for the next two years. Among the options included in the memo are cuts to Medicare and Social Security. Panetta joins other White House officials in publicly saying that the options in the memo are simply possible options, and that Clinton would reject any cuts to Social Security and would not cut Medicare except in the context of health care reform. *(The Washington Post, 10/23/1994)*

**November**

Republicans win a majority of seats in both houses of Congress in mid-term elections. Panetta says that Democrats now have "the opportunity to really paint a clearer picture of the president vis-a-vis a Republican Congress." *(The Washington Post, 11/14/1994)*

White House aides reportedly write an angry memo to Panetta, alleging that he did not revamp the White House staff sufficiently after replacing McLarty. *(The Washington Post, 11/14/1994)*

Panetta meets with Senator Robert Dole (R-KS) to discuss Dole's efforts to secure legislation allowing the U.S. to pull out of GATT if its interests become threatened. *(The New York Times, 11/14/1994)*

After Senator Jesse Helms (R-NC) questions Clinton's fitness to be commander in chief, Panetta says Helms' comments "are certainly reckless," and "send terrible signals abroad." *(The Washington Post, 12/06/1994)*

**December**

After Gingrich asserts that one-fourth of the White House staff has used drugs within four or five years of coming to the White House, Panetta responds, "He has to stop behaving like an out-of-control radio talk show host and begin behaving like the Speaker of the House of Representatives." *(The Washington Post, 12/06/1994)*

Panetta says the midterm elections demonstrated that working families still have economic anxieties, despite the economic recovery underway, and therefore the Administration is planning to propose a middle class tax cut. *(The Washington Post, 12/12/1994)*

Clinton signs the GATT legislation. *(1994 Congressional Quarterly Almanac 1994, p. 123)*
1995

January

As a professional baseball strike drags on, Panetta reports that Clinton "is very concerned that this is an issue that needs to be resolved, and resolved for the American people and those that are interested in the sport. And he's going to try to bring whatever kind of influence he can bring in order to see if we can't drive that in the right direction." (The Washington Post, 01/06/1995)

After Dole says he does not think Russian President Boris Yeltsin is still in charge of his country, Panetta tells reporters, "It's tough to arrive at the conclusion that Senator Dole did in the present situation because it's hard for us to see what all the facts are right now. But at least from all we know, Yeltsin is still in charge." (The New York Times, 01/10/1995)

After a New York Tittles reporter reportedly publishes off the record comments made by Hillary Clinton, the First Lady's spokesperson Lisa Caputo criticizes the paper. Executive editor Joseph Lelyveld responds with a letter to Panetta, who then replies, "I am disappointed that the Times apparently took a small off the record portion of this discussion and not only put it on the record but also made it appear as though it was the primary purpose of the occasion." (The Washington Post, 01/16/1995)

Clinton consults with Panetta and Rubin about Mexico's pending financial crisis. The three decide to use $20 billion in Treasury funds to help Mexico avert a major financial disaster and to dispatch Undersecretary of the Treasury Lawrence Summers to solicit $17.8 billion more from the IMF. (The New York Times, 02/05/1995)

February

Panetta sends a letter to Defense Secretary William Peny to say that Clinton was disturbed by a report that the Department of Defense might not spend the $180 million in its budget slated for breast cancer and AIDS research. (The Washington Post, 02/11/1995)

As Clinton's nominee for Surgeon General, Henry Foster, Jr., comes under fire from conservative lawmakers and antiabortion groups, Panetta says that the Administration still supports Foster. "We will fight for this nomination." (The Washington Post, 02/13/1995)

March

Panetta issues a veto threat against a House vote to reduce spending in the Fiscal 1997 budget by $17 billion. (The New York Times, 03/17/1995)

Representative Robert Torrice (D-NJ) meets with Jennifer Harbury, wife of missing Guatemalan guerrilla Efrain Bamaca Velasquez, to
confirm that her husband is dead. The next day, Torricelli meets with Panetta, Stephanopoulos and National Security Advisor Anthony Lake to share an anonymous fax from the National Security Agency alleging that documents related to the Bamaca case are being shredded. *(The Washington Post, 04/17/1995)*

Panetta says Clinton will veto the welfare reform bill going through Congress if it removes the safety net for children. He also discusses the possibility of vetoing the Republican tax cut and crime bills, promising, "There are places where we are going to draw lines." *(The Washington Post, 03/27/1995)*

After Iraq arrests two US citizens and sentences them to eight years in prison for illegally entering the country, Panetta tells a television interviewer, "There is no justification for the sentences that were imposed on these two." *(The New York Times, 03/27/1995)*

**April**

After a review of affirmative action programs, Panetta says the President is unlikely to seek the abolition of specific affirmative action programs. Instead, it is more likely that individual programs will be reformed. *(The Wall Street Journal, 04/10/1995)*

As Clinton meets with Turkish Prime Minister Tansu Ciller on the 19th, Panetta hands him a note informing him that the FBI has been sent to Oklahoma City in response to the explosion of the Alfred P. Murrah Federal Building. At noon Clinton, Deputy Chief of Staff Erskine Bowles, Deputy Attorney General Jamie Gorelick, Federal Emergency Management director James Lee Witt, Deputy National Security Adviser Sandy Berger, Cabinet Secretary Kitty Higgins, Ickes, Stephanopoulos, Gearan, and McCurry meet in Panetta's office to assess the situation. *(Elizabeth Drew, Showdown: The Struggle Between the Gingrich Congress and the Clinton White House, New York: Simon and Schuster, 1996, p.195)*

**May**

Panetta sends House Speaker Newt Gingrich (R-GA) a letter rejecting GOP proposals to reform and shelter Medicare from the overall budget process.

After negotiations between U.S. Trade Representative Mickey Kantor and Japanese Trade Minister Ryutaro Hashimoto break down, Panetta says he hopes that negotiations over trade in autos and auto parts can resume. If they do not, Panetta warns of "strong steps" to be taken by the Clinton Administration. This announcement comes as the U.S. prepares a list of tentative sanctions to impose on Japan. *(The Washington Post, 05/08/1995)*
Panetta says the Administration will support efforts to balance the budget but will not be bound by the seven-year deadline being set by Republicans. (*The Washington Post*, 05/15/1995)

**June**

Panetta joins Clinton and his top foreign policy advisors for a one-hour meeting on Bosnia. (*The Washington Post*, 06/07/1995)

Panetta says that Clinton will soon present a budget plan designed to eliminate the deficit over ten years. Panetta reportedly had urged the president to delay going public with the measure in order to keep pressure on the congressional Republicans as they formulate a seven-year plan. (*The Wall Street Journal*, 06/12/1995)

When asked during a television interview if the Federal Reserve should raise interest rates, Panetta indicates that any help from the central bank in stopping a recession would be appreciated. Rubin later tells the press that Panetta's comments do not signal a shift in Administration policy not to comment on Federal Reserve policy. (*The Washington Post*, 06/12/1995)

Panetta and Rivlin meet with House and Senate GOP leaders to discuss the President's proposal for balancing the budget in ten years. (*The Washington Post*, 06/15/1995)

**July**

As the baseball strike continues, representatives from both sides of the dispute are summoned to the White House for meetings with Clinton, Gore, Panetta, Reich, and other officials. (*The Washington Post*, 07/11/1995)

Panetta warns that the Clinton Administration and the Republican Congress are on a "collision course" over 1996 spending bills. He later says that the government is facing a "train wreck" on the budget because of the time Republicans are spending on hearings into Whitewater and the FBI raid on David Koresh's compound in Waco, Texas. (*The Washington Post*, 07/12/1995; *The New York Times*, 07/24/1995)

In a briefing for Cabinet officials, Panetta and Rivlin ask the agencies not to take individual action in the event of a government shutdown. Instead, they ask agencies to wait until a government-wide plan is in force. (*The Washington Post*, 07/29/1995)

**September**

After the National Reconnaissance Office is found to have hoarded $1 billion in unspent funds, CIA Director Robert Deutch orders an

The Administration reaches a deal with Congress to prevent a government shutdown. The agreement gives six-weeks reduced allowance to many of the federal agencies whose 1996 appropriations bills are either facing a presidential veto or are still being debated in Congress. *(The New York Times, 09/28/1995)*

**October**

Panetta expresses concern that Senator Daniel Patrick Moynihan's (D-NY) plan to reduce the consumer price index (CPI) by one percentage point a year could lead to manipulation of the CPI to meet budget shortfalls. *(The New York Times, 10/09/1995)*

Panetta says that Clinton will veto the District of Columbia's 1996 budget if it contains the deep spending cuts and strict ban on abortion sought by House Republicans. *(The Washington Post, 11/01/1995)*

**November**

Panetta rejects Republican talk of an increase in the debt ceiling, saying that he is trying to prevent Republicans from forcing large cuts in Medicare, education, and environmental programs. Freshman Republicans reportedly are trying to force GOP leadership to tie a debt extension, needed to prevent a government shutdown, to key items in the GOP agenda. *(The Washington Post, 11/03/1995)*

Panetta accompanies Clinton to the funeral of Israeli Prime Minister Yitzhak Rabin. *(The New York Times, 11/06/1995)*

Panetta says that Energy Secretary Hazel O'Leary must explain why her department paid a firm $43,000 to rate journalists and analyze news reports for unfavorable coverage. *(The New York Times, 11/10/1995)*

Panetta says that Clinton will veto the welfare bill making its way through Congress because, "they are cutting school lunches, they are cutting child care and that is unacceptable." *(The New York Times, 11/13/1995)*

Panetta rejects a Republican call for a seven year balanced budget. If no bill is passed, federal spending authority will expire at midnight on the thirteenth. *(The New York Times, 11/13/1995)*

The federal government shuts down on the 14th. The shutdown lasts through the 20th. *(Levy, p. 381; The Washington Post, 11/20/1995)*
Panetta and Rivlin begin meetings with Senate Budget Committee Chairman Senator Pete Domenici (R-NM), House Budget Committee Chairman John Kasich (R-OH), and the Democrats on the two committees to work out a deal to balance the budget. *(The Wall Street Journal, 11/28/1995)*

In an effort to avoid another government shutdown, the Clinton Administration proposes to sign all seven outstanding spending bills and to accept most GOP cuts in exchange for the restoration of $6.8 billion of the $22 billion requested in the spending bills. *(The Washington Post, 11/30/1995)*

**December**

Panetta announces that the White House will propose a new seven-year balanced budget plan. *(The Wall Street Journal, 12/06/1995)*

Panetta orders O'Leary to cooperate with the Energy Department inspector general's review of her travel expenses. *(The New York Times, 12/13/1995)*

The federal government shuts down again on the 16th. The shutdown lasts until January 5, 1996. *(Levy, p. 381)*

After a holiday break, budget negotiations resume. *(The Wall Street Journal, 12/26/1995)*

**1996**

**January**

Panetta says that the Republican congressional inquiry into the First Lady's role in the Whitewater affair is bordering on political harassment. *(The New York Times, 01/22/1996)*

**February**

After Felix Rohatyn tells Clinton that he will withdraw his name from consideration for the number two position at the Federal Reserve Board, Panetta asks him to hold off so the Administration can attempt to link his nomination to the re-nomination of Alan Greenspan. *(The New York Times, 02/13/1996)*

Panetta has a closed-door meeting with leaders of the House and Senate Appropriations Committees to discuss a plan to send F46 fighter jets to Jordan. *(The New York Times, 02/28/1996)*

**March**

As Taiwan prepares for its first presidential election, Panetta characterizes Chinese actions toward Taiwan as "reckless and frankly provocative," and calls for China to back down and seek a peaceful end to the tensions. *(The Washington Post, 03/18/1996)*
April

May
As talks over China's pirating of U.S. software, music, and movies break down, Panetta says, "They have not accepted any of the steps that we have recommended. Therefore I think the sanctions are going to be well targeted to get the message across." (The New York Times, 05/15/1996)

June
The Wall Street Journal reports a split between outside adviser Dick Morris, who is pushing for new tax cuts, and Panetta and other advisers who urge Clinton to stay within the parameters set by his budget proposals. (The Wall Street Journal, 06/14/1996)

Panetta issues an apology for the White House's 1993 inspection of FBI background reports on former White House pass holders. (The Washington Post, 06/10/1996)

July
Panetta meets with all the agencies involved in responding to the explosion of Trans World Airlines Flight 747. He then briefs Clinton on the agencies' responses. (The New York Times, 07/19/1996)

In a letter to House Speaker Newt Gingrich (R-GA), Panetta say that the passage of legislation to revive the Savings Association Insurance Fund (SAF) "remains one of this Administration's foremost and urgent priorities." The SAIF protects the deposits of thrift customers. (The Washington Post, 07/26/1996)

Panetta says Clinton opposes a bill giving tax breaks to residents of the District of Columbia because it unfairly singles out one city for special assistance. While the Administration would be willing to consider tax incentives for distressed cities, he says, "if you're going to address urban issues, it's got to be done on an across-the-board basis." (The Washington Post, 07/29/1996)

Panetta, Ickes, Rubin, Shalala, and Housing and Urban Development Secretary Henry Cisneros, participate in a two and a half hour meeting on the welfare reform bill making its way through Congress. (The Washington Post, 08/01/1996)

August  

Clinton signs the welfare reform bill. The bill requires adult welfare recipients to find employment within two years and limits recipients to five years of welfare (Levy, p. 362)

During the Democratic National Convention, Panetta and Ickes reportedly have several conversations with Jesse Jackson to ask for his help with efforts to quell criticism of Clinton's decision to sign the welfare reform bill. (Drew, Whatever It Takes, p.148)

September  

After Iraqi forces enter a Kurdish enclave in northern Iraq, Panetta warns that the U.S. will "respond accordingly." (The New York Times, 09/02/1996)

Panetta begins discussions with House and Senate leaders about defense and domestic spending priorities for the coming year. (The New York Times, 09/17/1996)

Republican leaders say they are willing to give Clinton most of the $6.5 billion he asked to be added to bills on education, job training, and other programs. (The New York Times, 09/20/1996)

October  

Panetta meets with Senator Frank Murkowski (R-AK) who is blocking legislation that affects parks and public lands nationwide in order to obtain an extension of timber sales to a company in Alaska. Murkowski finally allows the bill to go forward after he secures a pledge from the federal government to provide timber from the Tongass National Forest to the Ketchikan Paper Company. (The Los Angeles Times. 10/04/1996)

November  

Clinton is reelected.

On the 8th, Clinton announces that Panetta is resigning to return to California. Erskine Bowles is soon named the new Chief of Staff. (The New York Times, 11/09/1996)

December  

Panetta dismisses allegations that Clinton nominated Lake to be CIA director because of a desire to remove him from his post as National Security Adviser. (The Washington Post, 12/08/1996)

1998  

Panetta and his wife Sylvia establish the Leon and Sylvia Panetta Institute for Public Policy at California State University, Monterey Bay.

1999  

Panetta says the White House (but not Clinton) was told about China's apparent theft of U.S. nuclear weapons nearly a year earlier than the date originally disclosed by the Administration. The New York Times reports that O'Leary informed Panetta of the situation in July 1995. Panetta then called Deutch and instructed him to work with the NSC on the matter. (The New York Times, 06/27/1999)
2000  Panetta becomes Vice Chair of the Pew Oceans Commission. He later becomes the Commission's Chair.

2001  Panetta serves as a Commissioner for the National Commission on Federal Election Reform.
Joining the Clinton Administration

- How did you come to join the Clinton Administration? What features of the Office of Management and Budget attracted you to the Administration and away from Congress?
- The December 1992 economic conference in Arkansas.
- The nomination and confirmation process.

Office of Management and Budget

- The organization of the OMB staff
- Coordinating the management and budget factions of OMB.
- Crafting the Clinton Administration's first economic plan. What role did political advisers (Begala, Carville, McLarty, Stephanopoulos and others) play in devising economic policy? How much freedom did OMB have in drafting the budget?
- Your relationship with members of the Clinton economic team, including Alice Rivlin, Robert Rubin, Lloyd Bentsen, Robert Altman, and Gene Sperling.
- How did the President handle the tensions between fulfilling campaign promises and dealing with the budget deficit? Are there any instances that you see as exemplary of his way of addressing the problem?
- How did your experiences as Chairman of the House Budget Committee prepare you for your work as OMB Director? How did the relationships you forged in the House affect your dealings with Congress, both as OMB Director and White House Chief of Staff?
- Your participation in health care reform efforts.
- Your role in the management review of the Travelgate incident with McLarty. Did events like the Travelgate and the Whitewater investigations affect the Administration's ability to promote its agenda? Did they affect OMB's ability to perform its functions? How did they affect you later in your position as White House Chief of Staff?

Chief of Staff

- Describe the circumstances leading to your selection as Chief of Staff
- Discuss your role and responsibilities as Chief of Staff
- How did Clinton envision the role of chief of staff?
- Discuss your reorganization of the White House staff after becoming Chief of Staff. How was the reorganization earned out? What was Clinton's role in the reorganization?
- How did the White House staff react to the procedural and organizational changes you implemented? How did the White House staff react to the
personnel changes you made? How would you assess the success of the changes?

• Your relationship with members of the White House staff, including Harold Ickes, Mark Gearan, Dee Dee Myers, George Stephanopoulos, Erskine Bowles, and Rahm Emmanuel.

• The 1994 midterm elections and the Contract with America. How did the Republican victory affect the way the Clinton Administration operated? How did it alter the Clinton Administration's political agenda?

• 1995 budget negotiations and government shutdowns.

• Dick Morris and the role of polling in the Clinton Administration.

• Discuss Clinton's decision to sign the 1996 welfare reform bill.

• How did the 1996 campaign affect your job as Chief of Staff? Describe the relationship between the White House staff and the campaign team.

• What issues most occupied your time as chief of staff?

• What was your role in foreign policy, especially issues such as Bosnia, the Mexican financial crisis, returning Aristide to power in Haiti, and the election in Taiwan?

• In your capacity as OMB Director and Chief of Staff you witnessed the 1993 and 1997 transitions. What were the main differences in the way the Clinton Administration handled the transitions? What role did you play in the 1997 transition?

The Clinton Presidency in Retrospect

• What do you consider your greatest accomplishment as OMB director? As Chief of Staff?

• What were the strengths and weaknesses of the Clinton Administration?

• What features of the Clinton Administration were missed or misunderstood by the press?

• How should the Clinton Administration be viewed by future historians?
TIMELINES

• Leon Panetta Timeline, prepared by Kelli Coughlin Schoen, Miller Center, University of Virginia, 01/16/2003.

• Timeline of the Clinton Presidency, prepared by Robbie Robinson, Miller Center, University of Virginia.

OMB

OMB Background

Arrival at OMB
• "Confirmation Hearing by the Senate Governmental Affairs Committee of Representative Leon Panetta (D-CA) to be Director of the Office of Management and Budget," 103rd Congress, 1st Session, 01/11/1993.

• "Deficit Hawk Panetta is Named White House Budget Director," Congressional Quarterly Weekly, 12/12/1992.

Investigating Travelgate

OMB's Management Function
• Senate Committee on Governmental Affairs, "Making Government Work: OMB's Plan," 103rd Congress, 2nd Session, 02/03/1994.


Implementing the Clinton Economic Plan

• "Discussion with Leon Panetta Regarding President Clinton's Proposed Budget and Health-Care Reform," CBS News Transcripts, 05/16/1993.


• Senate Committee on Appropriations, "Balanced Budget Amendment," 103rd Congress, 2nd Session, 02/15/1994.

CHIEF OF STAFF

Organization of the Office of the Chief of Staff

Role of the Chief of Staff


Initial Changes


Midterm Elections


1995 Budget Process


• "Leon Panetta, White House Chief of Staff, Discusses the Shutdown of the Federal Government," Face the Nation, 01/19/1995.

Other Policy Initiatives

• "White House Chief of Staff Leon Panetta Discusses the President's Middle-Class Bill of Rights," CBS This Morning, 12/16/1994.

1996 Election and 1997 Transition
• "Interview with Leon Panetta, White House Chief of Staff," The News Hour with Jim Lehrer, 08/27/1996.

• John F. Harris and Michael Dobbs, "Clinton Mulled Every Option Until the End; Picks Reflect Comfort in Foreign Policy Role," The Washington Post, 12/07/1996.
SELECTED INTERVIEWS

• "Running the White House," The Heritage Foundation Mandate for Leadership Project, 11/18/1999.
