William J. Clinton
Presidential History Project

Briefing Materials

Robert Rubin

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October, 2003
### ROBERT RUBIN TIMELINE

*Prepared by Duane Adamson and Jessica M. Steiner
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<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
<th>Source</th>
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<tr>
<td>1966</td>
<td>Rubin joins Goldman Sachs and works in their arbitrage department.</td>
<td>(Biography Resource Center)</td>
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<td>1972</td>
<td>Rubin is enlisted by Robert Strauss to raise money for the Democratic Party after its presidential candidate, George McGovern, is defeated.</td>
<td>(The Washington Post, 10/05/2003)</td>
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<td>1990</td>
<td>Rubin becomes Co-Chairman of Goldman Sachs.</td>
<td>(Biography Resource Center)</td>
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<td><strong>September</strong> On the 19th, it is reported that if elected, Clinton is likely to select Rubin as Treasury Secretary. Reports also circulate that Rubin supports stopping further sales of 30-year Treasury bonds. By not issuing new bonds, it is expected that the value of existing 30-year bonds would increase.</td>
<td>(The New York Times, 09/19/1992)</td>
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<td>On the 24th, Rubin and other Goldman Sachs partners raise $4.2 million at a fundraiser for Clinton.</td>
<td>(The Washington Post, 10/05/1992)</td>
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<td>On the 18th, Robert Reich, the head of President-elect Clinton’s economic transition team, appoints Rubin as an economic transition team advisor. Clinton’s economic team is responsible for developing the economic proposals announced during the campaign. The advisors speak to economists, government experts, and business executives about various proposals, with plans to present their ideas to the President-elect by mid-December. Other advisors include Roger Altman, Lawrence Summers, Laura D’Andrea Tyson, Ira Magaziner, Robert Shapiro, Derek Shearer, Letitia Chambers, and Barry Carter.</td>
<td>(The New York Times, 11/19/1992)</td>
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On the 2nd, it is reported that Senator Lloyd Bentsen (D-TX) is a top contender to serve as Clinton’s Treasury Secretary. Rubin is also mentioned as a possible choice for this position. *(The Wall Street Journal, 12/02/1992; The Washington Post, 12/03/1992)*

President-elect Clinton announces that he will nominate Bentsen to serve as Secretary of the Treasury. It is reported that Rubin is likely to head a new “Economic Security Council.” *(The Washington Post, 12/06/1992)*

On the 10th, President-elect Clinton nominates Rubin to be Director of the National Economic Council (NEC) and Assistant to the President for Economic Policy. Reportedly, Rubin prefers the NEC directorship to the position of Treasury Secretary due to the ceremonial duties of that position as well as the level of access to the President that will accompany the NEC post. The Council’s role is to coordinate both domestic and international economic policymaking. Members of the NEC include the Chair of the Council of Economic Advisors (CEA), Director of the Office of Management and Budget (OMB), the United States Trade Representative (USTR), and other Administration officials. The establishment of the NEC is criticized in some reports for its potential to supplant the Council of Economic Advisors, which has been in existence since 1946. *(The Boston Globe, 12/11/1992; The Washington Post, 12/10/1992, 05/09/1993)*

The media reports that W. Bowman Cutter and Gene Sperling have agreed to serve as deputies of the NEC under Rubin. Each will carry the title of Deputy Assistant to the President for Economic Policy. Cutter comes to the NEC from Coopers and Lybrand, where he was a senior partner. Sperling comes from the office of New York Governor Mario Cuomo. Sperling also served as an economic advisor during Clinton’s presidential campaign. *(The Christian Science Monitor, 10/22/1992; The Wall Street Journal, 12/24/1992; The Washington Post, 01/12/1993)*

On the 14th, more than 300 economists, business executives and labor leaders attend an economic summit held by President-elect Clinton in Little Rock. Discussing the purpose of the summit, Clinton states, “What we hope to do is to get the best advice we can about the condition of the economy and what we can do about it. I want it to be a positive, upbeat conference that is nonetheless soberly realistic about the challenges before us.” *(The Christian Science Monitor, 12/14/1992)*

Rubin: 1993


The Clinton Administration looks for ways to undo a secret last-minute decision by the Bush Administration to approve a Japanese corporation’s purchase of an American computer equipment manufacturer. The case involves a unit of Applied Magnetics Corporation of Goleta, CA. The NEC staff reopens the case immediately upon President Clinton’s inauguration, even before formal creation of the Council. (*The New York Times*, 01/26/1993)


The Administration announces it will impose tariffs on steel manufactured in countries it claims are selling at subsidized prices to the American market. The Administration also takes a hard line on other trade issues regarding the European Union (EU) and Japan. (*The Journal of Commerce*, 01/20/1993; *The New York Times*, 01/27/1993, 02/02/1993)

President Clinton enters office with a policy to use America’s economic leverage to promote democracy in China. He insists it is necessary to link most-favored-nation (MFN) trade status with specific improvements in human rights. During the presidential campaign, Clinton accused President Bush of “coddling” China’s leaders, and pledged a tougher policy. (“Timeline: US-China Relations,” BBC, http://news.bbc.co.uk/2/hi/1258054.stm, 10/07/2003)

*February*

The Administration’s economic advisors brief the Democratic congressional leadership on a $31 billion short-term economic stimulus bill. Attending the session from the Administration are Rubin, Treasury Secretary Lloyd Bentsen, OMB Director Leon Panetta, and Deputy OMB Director Alice Rivlin. (*Chicago Sun-Times*, 02/02/1993)

According to CIA Director-designate R. James Woolsey, the Administration plans to review whether economic intelligence gathered by U.S. spy agencies should for the first time be shared with private companies or individuals. Woolsey says that he decided to seek the review after consulting with Rubin and Assistant to the President for National Security Affairs Anthony Lake. According to media reports, the review is expected to fuel debate about the CIA’s potential role in helping American companies combat foreign competition. (*The Washington Post*, 02/03/1993; *The Christian Science Monitor*, 03/22/1993)
President Clinton names investment banker Kenneth Brody to head the U.S. Export-Import Bank. The media notes that Brody is a longtime Goldman Sachs colleague of Rubin. (*The Journal of Commerce*, 02/03/1993)

According to media reports, in a December letter to clients of his investment firm, Rubin urges them to continue doing business with the firm and to stay in touch with him after leaving for the White House. (*The New York Times*, 02/05/1993)

On the 14th, Rubin recommends that the Administration maintain its goal of reducing the deficit by $140 billion by 1997. Bentsen and Panetta are reported to agree with Rubin. Chair of the NEC Laura D’Andrea Tyson and Communications Director George Stephanopoulos are reported to favor less stringent targets in order to avoid potentially unpopular spending cuts. (*The New York Times*, 07/25/1993)

On the 17th, President Clinton unveils his four-year, $496 billion economic plan in a nationally televised speech to a joint session of Congress. Key components of the plan include a tax increase on wealthy individuals, a broad-based energy tax, investment tax credits for businesses, deficit-reduction, and a short-term stimulus package. The Administration acknowledges that the President’s economic program will ask Americans earning more than $30,000 to pay higher taxes and that the wealthy will pay more than previously suggested. President Clinton promises, however, that the middle class will be spared “raw pain.” (*1993 Congressional Quarterly Almanac*, Washington D.C.: Congressional Quarterly Inc., 1994, p. 108; *The Washington Post*, 02/17/1993, 02/18/1993)

A scaled back version of President Clinton’s short-term stimulus package is introduced in the House in late February. The $16.3 billion package offers extended unemployment benefits, highway funds, and monies for local economic development. (*1993 Congressional Quarterly Almanac*, pp. 706-709)

**March**

President Clinton’s stimulus package passes the House with little alteration. The Administration plans to introduce the measure in the Senate in late March. (*1993 Congressional Quarterly Almanac*, pp. 706-709)

The Administration begins talks with Mexico and Canada to resolve outstanding issues regarding the North American Free Trade Agreement (NAFTA). It is reported that one of the primary issues of concern for the President is compliance with agreed-upon environmental and labor laws. (*1993 Congressional Quarterly Almanac*, p. 173)

On the 25th, the Senate passes the President’s 1994 budget resolution by a 54-45 vote. Senate leadership announces that it will next address President Clinton’s short-term jobs/stimulus package. (*The Boston Globe*, 03/26/1993; *Los Angeles Times*, 03/27/1993)
April

On the 2nd, Senate Democrats fail on their initial attempt to break a Republican-led filibuster of the Administration’s economic stimulus bill. The vote, 55-43, is five short of the 60 needed for cloture. (The Washington Post, 04/06/1993)

General Agreement on Tariffs and Trade (GATT) Director General Arthur Dunkel criticizes the Clinton Administration for delaying progress on the GATT Uruguay Round Treaty by expending too much political capital on NAFTA. (The New York Times, 04/04/1993)

The White House renews its request for “fast-track authority” which expired on March 2nd. (The New York Times, 04/10/1993)

On the 21st, the White House gives up the fight for its economic stimulus package after failing for a fourth time in a month to break the Republican filibuster. After lengthy negotiations with Senate Republicans, everything except $4 billion in emergency unemployment benefits is stripped from the bill. (The New York Times, 04/22/1993)

The White House identifies trading partners that discriminate against American companies or allow U.S. products to be pirated. Japan, Brazil, India, and Thailand are listed as the worst violators of U.S. patents, copyrights, and trademarks. By naming those nations in an annual survey required by U.S. trade law, the government opens the way for imposition of trade sanctions against those nations. (The Los Angeles Times, 05/01/1993)

May

Press reports indicate a split within the Administration over the conduct of trade policy. On one side, Treasury Undersecretary for International Affairs Summers, Rubin, and Bentsen are seen as wanting an approach that seeks international support through existing international institutions to resolve conflicts. On the other side, U.S. Trade Representative Michael “Mickey” Kantor and Tyson call for greater U.S. activism on trade disputes. They are seen as wanting the U.S., wielding its market clout, to get trade partners to agree to trade concessions. (The New York Times, 05/03/1993)

Rubin and Tyson are reported to be among a group of top Administration economic officials who have approached the President with serious questions about the cost and scope of the ambitious health care plan being developed by First Lady Hillary Rodham Clinton. (The New York Times, 05/22/1993; The Boston Globe, 06/03/1993)

Reportedly, the White House and Democratic congressional leaders have decided to press for House passage of President Clinton’s budget and tax package without resolution of a dispute among Senate Democrats over the President’s proposed energy tax. Later, after extensive lobbying by the White House, the President’s budget passes the House 219-213. Thirty-eight Democrats join all 175 Republicans in opposition. The bill will reduce the deficit by $496 billion

**June**

The Administration abandons its controversial proposal to tax energy based on its heat content after Democratic Senators warn that the measure will likely be defeated. President Clinton asks Senate Democrats to provide an alternative for raising revenue that could gain congressional approval. (*The New York Times*, 06/09/1993; *The Washington Post*, 06/09/1993)

On the 25th, the U.S. Senate passes President Clinton’s budget/deficit reduction plan by a vote of 51-50, with Vice President Gore casting the deciding vote. Republicans vote unanimously against the plan and are joined by six Democrats. Senate Democrats win inclusion of a controversial fuels tax. (1993 Congressional Quarterly Almanac, pp. 115-117)

On the 30th, U.S. District Judge Charles R. Richey rules that the Administration must evaluate the environmental impact of NAFTA before sending it to Congress. The ruling is seen as threatening the passage of the legislation. The Administration appeals the ruling. (*The Washington Post*, 07/01/1993)

**July**


Rubin is asked by the President to name someone to fill the role of special liaison to Canada. The special liaison would function to head off trade disputes and other serious threats to relations between the two countries. Prime Minister Kim Campbell requested the special liaison in an earlier meeting with President Clinton. (*The Journal of Commerce*, 07/12/1993)

The Administration denies a report that it is considering a ten cents-per-gallon gasoline tax as an alternative to the BTU (British thermal unit) fuel tax. It is reported that Rubin outlined a proposal for a new gasoline tax in a staff paper. However, Deputy NEC Directory Gene Sperling denies the existence of the paper, stating simply, “It never happened.” (*The Washington Post*, 07/14/1993)

Rubin presses the Administration’s economic advisors to hold to Clinton’s goal of cutting the deficit by $140 billion by 1997. Rubin is quoted as saying, “What we do here will send a signal of how serious we are about fighting the deficit . . . . We’ve set this goal, and it’s important to stick with it to remain credible with the financial markets.” Later, the President announces his economic plan, which includes the $140 billion figure. (*The New York Times*, 07/25/1993)

**August**

In a nationally televised address from the Oval Office, President Clinton appeals to the American public to press Congress to pass his deficit-reduction plan. The
President argues that months of debate have resulted in a choice between “our plan or no plan.” Rubin warns that defeat of the plan “would put a chill on the economy” and drive interest rates back up. (The Boston Globe, 08/04/1993)

Responding to news that his decision to join the Administration resulted in a pay cut of $26 million over his previous job as Chairman of Goldman Sachs, Rubin notes, “I didn’t do this for financial reasons.” Press reports indicate that Rubin is one of the richest people ever to take a White House staff position. (The Atlanta Journal-Constitution, 08/05/1993)

On the 6th, Vice President Gore once again breaks a 50-50 tie vote in the Senate to pass the Administration’s compromise budget plan. Republicans vote unanimously against the plan and are joined by six Democrats. President Clinton signs the bill into law on the 10th. (Levy, p. 380; 1993 Congressional Quarterly Almanac, p. 108; The New York Times, 08/07/1993)

On the 13th, the U.S., Canada, and Mexico announce that they have reached agreement on NAFTA, clearing the way for ratification procedures to begin. (The Los Angeles Times, 08/14/1993)

On the 22nd, President Clinton formally unveils his health care reform plan in a nationally televised speech to a joint session of Congress. He argues that the health care system can be improved without major tax increases. (“Address to a Joint Session of Congress on Health Care Reform,” Public Papers of President William J. Clinton, 09/22/1993; Levy, p. 380)

On the 24th, a federal appeals court overturns a previous ruling and allows the Administration to submit the NAFTA agreement to Congress without an environmental impact statement. (The New York Times, 09/25/1993)

On the 4th, the Federal Reserve reports that business conditions improved at a “slow to moderate” rate during September and October of 1993 but that the economy in the New York area and California are more sluggish than in other U.S. regions. Rubin responds that the Clinton Administration is helping California by lifting the export controls on high-tech goods and offering transition aid for military industries. (The New York Times, 11/04/1993)

Senate leadership announces that there will not be a vote on a proposed balanced budget amendment this year. Prior to the decision to postpone the vote, President Clinton sends a letter to congressional leaders arguing that the amendment would harm families and necessitate “huge tax increases, as well as force reductions in Social Security, Medicare, and Medicaid benefits.” (The Washington Post, 11/10/1993)

On the 17th, the U.S. House passes NAFTA by a vote of 234-200. The tripartite trade agreement provides for the elimination of all tariffs between the United...
Rubin: 1993-1994

States and Mexico over the next 15 years and for removing almost all other trade barriers. (*1993 Congressional Quarterly Almanac*, pp. 36, 171)

On the 20th, the U.S. Senate passes NAFTA by a vote of 61-38. Passage in both houses is due to support from Republicans and moderate-to-conservative Democrats. (*1993 Congressional Quarterly Almanac*, p. 171)

On the 22nd, Assistant to the President Bruce Lindsey, Rubin, and Stephanopoulos meet with representatives from American Airlines and its flight attendants’ union in order to head off a strike before the Thanksgiving travel season. Administration officials broker an agreement calling for binding arbitration between the two parties. (*The New York Times*, 11/23/1993)

The media reports that Rubin may be frustrated in his position as the Chair of the National Economic Council. (*The Boston Globe*, 11/24/1993)

On the 8th, President Clinton signs NAFTA into law. (Levy, p. 380)

1994

January

Rubin expresses concern that Congress will gut the Administration’s investment agenda by using savings from cuts proposed by the White House to reduce the deficit. He argues that a major challenge facing the Administration will be figuring out how to “prevent people from doing things untoward” to the budget. Rubin sees the Administration’s goals for the year to be “[filling] in the framework” on the existing economic agenda as opposed to undertaking any new initiatives. (*The Washington Post*, 01/02/1994)

Rubin states that the Administration continues to seek “measurable results” in reducing Japanese trade barriers in current trade negotiations. The comments are made as the Administration prepares for an upcoming meeting between Japanese Prime Minister Morihiro Hosokawa and President Clinton to discuss the trade crisis. (*The Journal of Commerce*, 01/31/1994)

Rubin tells reporters that the lack of jobs for young urban minorities is “a real problem.” He notes that the U.S. has “an economy that is [more and more] oriented to high-skill, high-value-added jobs. At the same time, you have a very large number of people who are low-skilled. You [also] have an awful lot of people who are not really part of the economic mainstream.” (*The Christian Science Monitor*, 01/31/1994)

At a press conference announcing the unsuccessful end of trade talks with Japan, President Clinton notes, “I think in every society, the permanent government is more change-averse than the changing government, in some societies, its more true than others.” In earlier comments, Rubin’s Deputy Director Bo Cutter referred to those in the Japanese bureaucracy as “stubborn mandarins whose
Rubin: 1994

attitudes change slowly.” Cutter’s reference to the rulers of ancient China
provokes irritation among many of the 70-member Japanese trade delegation.
“They think we are the forces of darkness,” says one Japanese representative,
wavering a transcript of Cutter’s remarks. (The Washington Post, 02/12/1994)

February

The Administration sends Congress a budget proposal that offers to combine
spending cuts with modest initiatives to promote technology, fight crime, and
expand educational opportunities. According to reports, a primary concern of the
White House is to avoid additional tax increases. (The New York Times,
02/08/1994; 1994 Congressional Quarterly Almanac, Washington D.C.:
Congressional Quarterly Inc., 1995, pp. 67-69)

Rubin notes that the U.S. would consider permanently extending MFN status for
China if the country makes sufficient progress on human rights. The statement
represents a new position for the Administration. The media reports that the
Administration may be divided on the issue, with Rubin and Bentsen in favor of a
softer line and Secretary of State Warren Christopher and other State Department
officials on the other side. (The Journal of Commerce, 02/09/1994; The
Washington Post, 03/13/1994)

March

The proposed balanced budget amendment falls four votes shy of the two-thirds
votes necessary to pass. Forty-one Republicans and twenty-two Democrats vote
for the measure. (The Christian Science Monitor, 03/03/1994)

President Clinton decides to reinstate the “Super 301” trade provision by
executive order, a move strongly opposed by Japan. According to an NEC
official, the move is part of an effort to ward off political pressure from Congress
for even tougher measures. The move allows President Clinton to keep the trade
dispute with Japan under White House control. (Kyodo News International,
03/07/1994)

Rubin argues that the U.S. does not want numerical quotas nor managed trade but
a fair chance of entry into the Japanese market. Later, Rubin tells reporters that
while the settlement of a cellular telephone trade dispute with Japan was
constructive, it does not resolve the broader differences between the two
countries. (The Daily Yomiuri, 03/15/1994)

White House officials reportedly struggle over the details of welfare reform. The
primary issue is how to fund the $15 billion expected cost of the plan over its first
five years. To the suggestion of cutting programs for immigrants, one NEC
official reportedly argues that such an idea would ignite a “political firestorm.”
(The New York Times, 03/21/1994)

President Clinton seeks to reassure investors concerned about recent declines in
the stock market. He urges investors not to “overreact” and expresses hope that
the market will “rebound quickly.” The President notes that he spent the morning
Rubin: 1994
discussing the state of the economy with Rubin. The meeting was to evaluate an “exhaustive review” conducted by the Administration since the market began to fall. The President states that the review pointed to continuing economic growth in the future. (*The New York Times*, 04/01/1994)

April The media reports that Rubin and Treasury Secretary Bentsen are quietly reassuring lawmakers they will intervene to prevent a severe break in U.S.-China trade relations. Because of those assurances, a bipartisan group of more than 50 Senators forgoes a planned public letter to the President asking that the link between trade and human rights end. (*The Journal of Commerce*, 04/14/1994)

May Senator Max Baucus (D-MT) calls for a full waiver of the Senate’s budget rules in order to implement the recently signed GATT treaty. In spite of support from both Republican and Democratic lawmakers, the media reports that Rubin and Panetta rule out the waiver. Rubin reportedly argues that a waiver for the trade agreement would rattle financial markets already jittery over possible inflation. Rubin is seen to have the last word on the subject in the Administration. (*The Journal of Commerce*, 05/20/1994)

June Commerce Secretary Ron Brown states that the U.S. will not rule out devaluing the dollar in order to gain a competitive trade advantage. In contradiction to the statement, an NEC official argues that the U.S. has “absolutely no intention” of devaluing the dollar. (*The Wall Street Journal*, 06/09/1994)

August Rubin states that a deal on funding the new GATT trade pact is “very close.” After a meeting with House leaders, he also expresses hope that the House will reauthorize the Administration’s trade negotiation authority. While hopeful for an agreement with House Republicans, Rubin admits that “it’s not clear yet whether we will [reach a compromise].” (*The Journal of Commerce*, 08/12/1994)

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

On the 30th, the Senate announces it will return after the election for a lame duck session to take up the GATT treaty. (*1994 Congressional Quarterly Almanac*, p. 6)

November Hillary Rodham Clinton and Senior Advisor to the President for Domestic Policy Ira Magaziner will no longer head the President’s health care reform team. In their places, Rubin and the President’s Assistant to the President for Domestic Policy Carol Rasco, are asked to handle future efforts. Rubin tells reporters that the Administration “wants to work with Congress [on health care reform], the question is what is the most effective way of doing that.” (*The Christian Science Monitor*, 11/04/1994; *USA Today*, 11/04/1994)
Rubin: 1994-1995

On the 8th, Republicans win control of both the U.S. House and Senate in midterm elections. (Levy, p. 380)

Meeting with Shoichiro Toyoda, Chairman of the Federation of Economic Organizations (Keidanren), Rubin and Cutter express dissatisfaction with Japanese business practices and the pace of deregulation. (The Daily Yomiuri, 11/11/1994)

December

The 103rd Congress ends on the 1st with the passage of the GATT treaty. (1994 Congressional Quarterly Almanac, p. 7)


On the 20th, the Mexican government devalues their currency, the peso. (The Wall Street Journal, 02/01/1995)

1995

January

On the 10th, Rubin is confirmed as Secretary of the Treasury by a voice vote, without debate. Earlier in the day, the Senate Finance Committee voted unanimously to recommend Rubin’s confirmation prior to asking questions. Senate Majority Leader Robert Dole (R-KS) states, “I believe the President made an excellent choice.” Rubin says, “I believe that differences can usually be resolved, not always, but usually, by being straightforward and focusing on substance.” Rubin cites passage of NAFTA and GATT as successful bipartisan efforts that pursued the nation’s long-term economic benefit. (USA Today, 01/11/1995; Financial Times, 01/11/1995)

Rubin argues on ABC’s This Week with David Brinkley that the U.S. is setting “strong” conditions in return for a planned $40 billion loan guarantee package to bail Mexico out of its economic crisis. However, Rubin does not elaborate on the conditions of the package. (Financial Times, 01/14/1995; The New York Times, 01/16/1995)

Rubin expresses support for the current federal income tax system and argues that it is not too cumbersome. He notes that Representative Dick Armey’s (R-TX) proposal for a 17 percent flat tax would generate less revenue for the federal government. (The Wall Street Journal, 01/16/1995)

Rubin testifies before the House Banking Committee in an attempt to build support for the Administration’s loan guarantee package for Mexico. According to reports, Congress remains divided along party lines. Rubin tells the Banking Committee, “We are facing an immediate crisis. We have to act quickly . . .
Rubin: 1995

we’re not talking weeks or months.” (The Journal of Commerce, 01/26/1995; Financial Times, 01/26/1995)

European Union (EU) Trade Commissioner Sir Leon Brittan arrives in Washington on the 25th for talks with Rubin and others in the Clinton Administration. The media reports that Brittan’s goal is to defuse trans-Atlantic trade disputes over a controversial EU banana import plan, quotas on American movies and television programs, and other outstanding trade issues. (The Journal of Commerce, 01/25/1995)

Rubin and Mexican Finance Minister Guillermo Ortiz announce the appointment of Alfredo Phillips Olmedo to head the North American Development Bank (NADBank). The bank, established by NAFTA, is charged with helping finance infrastructure and environmental improvement projects along the 2,000-mile U.S./Mexico border. There is speculation that the appointment may be put on hold due to Mexico’s economic crisis. (The Journal of Commerce, 01/31/1995)

On the 31st, President Clinton authorizes an executive order known as the 1995 Mexican Peso Stabilization Program. The plan replaces the previously announced $40 billion package dropped after it became apparent that Congress was unlikely to approve the legislation. The new program, which does not require congressional approval, grants Mexico $20 billion in credits from the Treasury Department’s Exchange Stabilization Fund. The program also includes $17.8 billion in credits from the International Monetary Fund (IMF) and $10 billion in credits from the Bank for International Settlements. Senator Daniel Patrick Moynihan (D-NY), tells reporters after a meeting with Rubin and Secretary of State Warren Christopher that Mexico might have been within two days of defaulting on its loans. (1995 Congressional Quarterly Almanac, Washington, DC: Congressional Quarterly, Inc, 1995, p. 10:27; Chicago Sun-Times, 01/31/1995)

February

Rubin argues that with U.S. and international assistance, Mexico’s financial crisis appears to be over. (The Journal of Commerce, 02/03/1995)

March

Critics claim that U.S. government officials are to blame for precipitating the Mexican financial crisis by “dither[ing] while Mexico printed pesos.” (The Wall Street Journal, 03/07/1995)

Rubin and Mexican Finance Minister Guillermo Ortiz sign an accord detailing the terms of the $20 billion U.S. finance package to Mexico. The agreement brings an end to negotiations between the two nations over the terms of the rescue package. The agreement gives Mexico $3 billion immediately and up to $10 billion before the end of June. The remaining funds will be available after July, provided Mexico meets set economic benchmarks. (Financial Times, 02/22/1995)
On the 1st, Rubin tells the House Banking Committee that the country’s banking laws are outdated and overly restrictive. He proposes amending the 1933 Glass-Steagall Act that prevents commercial banks from selling or underwriting securities. The proposal offered by Rubin would allow banks to own securities firms directly and allow them to ally with or be bought by insurance firms. The Administration proposal is seen as a middle ground between alternative proposals offered by Representative Jim Leach (R-IA) and Senator Alfonse D’Amato (R-NY). (The Christian Science Monitor, 03/01/1995; The Economist, 03/04/1995)

Rubin says he questions the economic efficacy of cutting the capital gains tax or restructuring the U.S. tax code to encourage savings. However, he does indicate support exists for narrow changes in the tax structure. (The Wall Street Journal, 03/03/1995)

Rubin is unwilling to comment extensively on the weak state of the U.S. dollar because of his perception that Wall Street will overreact to statements made by a Treasury Secretary. (The Wall Street Journal, 03/22/1995)

April

Efforts by U.S. and Japanese officials to halt the dollar’s recent decline fail to prevent the currency from falling to a record low against the yen. Actions to buoy the dollar include public statements supporting the dollar by Rubin and Japanese Finance Minister Masayoshi Takemura, as well as the purchase of dollars by the Federal Reserve and the Bank of Japan. (Financial Times, 04/04/1995)

In a move to hold up further financial assistance to Mexico, Congress requests that the Administration hand over documents on its dealings with the Mexican government. In a written statement, Rubin writes, “The action taken last night by House and Senate members, while cumbersome and unnecessary, will not on its own impair the progress of the aid program to Mexico.” (Financial Times, 04/07/1995)

Rubin responds to criticism by Japanese Finance Minister Masayoshi Takemura that the U.S. is not determined to defend the dollar. Rubin argues that the Administration’s policy is consistent, since a strong dollar is in the national interest of the U.S. Reportedly, Rubin implies that the Japanese government should do more to stimulate Japan’s economy. (The Daily Yomiuri, 04/13/1995; The Christian Science Monitor, 04/18/1995)

Rubin announces that the Administration will introduce a proposal to improve the global economic system at the upcoming IMF/World Bank meeting. The proposal provides a formal mechanism to mobilize large amounts of conditional financial assistance to address emergency economic situations similar to the recent crisis in Mexico. (The Journal of Commerce, 04/25/1995)

Senior European officials reject a proposal by Rubin to establish an international emergency financial fund. (The Journal of Commerce, 04/27/1995)
President Clinton notes that he would like to see a balanced budget within ten years. His comments reportedly catch aides off guard. *(The Wall Street Journal, 05/23/1995)*

Rubin’s speech in Washington, prior to the G7 summit in Canada, affirms that the U.S. cannot abandon its leading role in global economic policymaking. He warns, “There is a new isolationism afoot in the U.S. and it must be aggressively countered.” Rubin identifies four lines of action “to deal with the problems that may arise from the vast increase in the speed and size of the international financial markets.” The first calls for greater and timelier disclosure of financial data to markets along with the IMF developing a greater capacity for surveillance. The second action is a renewed call for mechanisms “to rapidly mobilize relatively large amounts of conditional financial assistance” to address emergencies. The third action is a “cautious exploration of orderly work-out mechanisms” to handle international issues. Lastly, Rubin calls for greater supervision of the financial markets themselves. *(Financial Times, 06/07/1995)*

Rubin argues that Japan presents “the single greatest threat to world trade” due to its closed markets. Rubin tells reporters that since Japan’s economy is the second largest in the world its trade barriers disrupt global trade. *(USA Today, 06/08/1995)*

After Deputy Treasury Secretary Frank Newman resigns, President Clinton nominates Treasury Undersecretary for International Affairs Lawrence Summers to replace him. *(The Wall Street Journal, 05/16/1995)*

Rubin meets with World Trade Organization (WTO) Director General Renato Ruggiero to discuss the current impasse on financial services negotiations. The meeting attempts to fulfill the June 30th deadline, set eighteen months earlier, to reach an agreement on financial services as a precursor to broader trade negotiations. Ruggiero warns that failure in negotiations will permanently damage international trade. *(Journal of Commerce, 06/14/1995)*

In a nationally televised address, President Clinton unveils his proposal for balancing the budget within ten years. The plan includes a modest tax cut for middle income Americans and spending reductions in Medicare and Medicaid. *(The Washington Post, 06/16/1995)*

Rubin urges Japanese Finance Minister Masayoshi Takemura to take further steps to bolster Japan’s sagging economy. The two meet in Halifax, Nova Scotia to address the contentious U.S./Japanese economic relationships. At a news conference following the meeting, Rubin reiterates the Clinton plan, announced on June 13th, to reduce the U.S. budget deficit to zero in ten years. *(The Daily Yomiuri, 06/17/1995)*
Rubin: 1995

In response to reports of a possible compromise with Japan on deadlocked car talks, Rubin states that a resolution is only possible if it is “totally consistent” with Washington’s position. Rubin argues, “I think one needs to understand this is part of a much larger issue. How do we maintain the benefits of free trade and political sustainability of free trade around the world? . . . And I think the only way you do it is by dealing with the access issue in Japan.” (The Toronto Star, 06/19/1995)

On the 29th, the U.S. surprises its trading partners by walking out of talks intended to reduce trade barriers in financial services. The talks were being held under the auspices of the WTO in Geneva. According to reports, the U.S. was disappointed with market access offers from a number of countries. The financial services talks had begun under the Uruguay Round of the GATT, the WTO’s predecessor, but had been extended due to lack of progress. (The Journal of Commerce, 07/18/1995)

July

In a letter to the media, Rubin expresses concern over the motives behind scheduled congressional hearings on the Bureau of Alcohol, Tobacco, and Firearms (ATF) confrontation with the Branch Davidians near Waco, TX. He notes that while the ATF welcomes the opportunity to “once again” answer questions about Waco, “I fear some may try to use these hearings to serve another agenda to erode public support for federal firearms laws . . . by undermining public confidence in the men and women who enforce those laws.” (The Washington Post, 07/10/1995; The Houston Chronicle, 07/17/1995)

Rubin tells the Senate Banking Committee that although Mexico’s economic recovery is coming faster than expected, the crisis still warrants more U.S. financial assistance. At issue is a planned $2.5 billion disbursement. Senate Banking Committee Chairman Alfonse D’Amato (R-N.Y.) tells Rubin that “I’d like to stop until you can show how it will benefit the U.S. economy.” He also argues that the additional disbursement “contradicts” earlier Administration statements that there would be no more disbursements beyond $10 billion except to deal with “contingencies.” Rubin responds, “It was our hope . . . that it would not be necessary to utilize the second $10 billion of the $20 billion support package. We regret any incorrect impression we might have left that the second $10 billion would be available only for an emergency.” (The Journal of Commerce, 07/17/1995)

ATF Director John Magaw admits that a number of active and retired ATF agents attended an annual whites-only gathering known as the “Good Ol’ Boys Roundup.” According to reports, the event is organized and coordinated by ATF agents and held every May for the benefit and enjoyment of white law enforcement officers from around the country. The media reports that the event included the display of a number of racial epithets. (The Washington Post, 07/17/1995)
Rubin tells reporters that “something extremely dramatic” would have to happen for the U.S. to rejoin global talks on freer trade in financial services. He argues that “the probability of this happening is low . . . . We stand where we have always stood on the issue.” According to reports, Rubin’s comments bring an end to any possibility for an agreement. (*The Journal of Commerce*, 07/18/1995)

On the 19th, Rubin announces a “comprehensive and independent investigation of the so-called ‘Good Ol’ Boys Roundup.’” He notes that an outside group of “eminent Americans” will oversee the inquiry. He states, “We condemn as totally abhorrent the participation of law enforcement officials in the ‘Good Ol’ Boys Roundup’ because it included abjectly racist and anti-Semitic behavior, totally inappropriate for law enforcement officers.” (*The Washington Post*, 07/19/1995)

On the 19th, the House begins hearings to investigate charges that federal law enforcement officials, along with the ATF and FBI, made serious mistakes during the 1993 standoff with the Branch Davidians at their compound near Waco, TX. Hearings will continue through August 1st and include more than 90 witnesses. (*1995 Congressional Quarterly Almanac*, p. 6-33)

Rubin urges the Bank of Japan to cut its official discount rate further in order to allow Japanese banks and financial institutions to dispose of bad debts early and prevent the Japanese economy from falling into deflation. His comment expresses U.S. concern that long-lasting confusion in the Japanese economy might have an adverse effect on the U.S. economy. (*The Daily Yomiuri*, 07/27/1995)

**August**

Rubin expresses his belief that the nation’s economy is in a golden era. He tells a group of business leaders, “We are enjoying the first investment-led, low-inflation recovery in the United States since John F. Kennedy was president.” Rubin acknowledges that economic problems may still arise, placing the blame for these potential problems on the Republican-led Congress. “Congressional budget proposals will do serious damage to public investment in education and training, which is counterproductive to the goal of raising living standards in a modern economy.” Rubin warns that Congress’ refusal to raise the federal debt ceiling fosters an environment where there is a “high probability” that the government will shutdown. (*Star Tribune*, 08/11/1995)

**September**

Rubin urges Congress to act immediately to extend the debt limit, arguing that Congress should remove the issue from budget negotiations and “get it out of the market’s mind and out of the mind of the international markets.” The Treasury Department estimates that the government will reach its $4.9 trillion debt ceiling by the end of November. Rubin believes while it is “absolutely unthinkable” that the government would default on its debt for the first time, it is also irresponsible for Republicans in Congress to “create the appearance of a risk of default.” Republican leaders respond to Rubin’s comments by accusing him of using “scare
tactics” to press Republicans on hotly contested budget talks. *(Business Times, 09/09/1995)*

The dollar surpasses 100 yen in what is known as the “Rubin Rally.” The rally is sparked by a half-point cut in Japan’s discount rate and intervention from the Federal Reserve Bank of New York. Rubin earlier made supportive comments for a Japanese rate cut. *(The Journal of Commerce, 09/11/1995)*

The U.S. dollar takes its third largest one-day drop in history on the 21st, plunging 5.7 percent against the Japanese yen. The drop reverses a steady increase in the value of the dollar over the previous few months. Rubin reiterates the Administration’s support for a strong dollar and signals that the U.S. is ready to cooperate with the other members of the G-7 nations on foreign exchange rates. *(The Journal of Commerce, 09/25/1995)*

On the 27th, the U.S. Treasury announces that U.S. paper currency will be updated for the first time in 70 years. Rubin tells reporters at a news conference unveiling the currency that it “is being modernized to stay ahead of printing technology and the possibilities that technology will create for counterfeiting.” *(Chicago Sun-Times, 09/28/1995)*

On the 30th, the federal government’s fiscal year ends without a completed budget. A stopgap-spending bill is used to keep the government in operation as debate over the budget continues. *(1995 Congressional Quarterly Almanac, p. 11-13).*

**October**

The IMF agrees on a new set of procedures for handling emergencies such as Mexico’s financial crisis. Executive directors representing the IMF’s member countries adopt the procedures, which set out ways for the Fund management to consult them when faced with a sudden crisis, as a first step towards establishing an emergency financing mechanism. An IMF official acknowledges that the new mechanism does not include new funding. *(Financial Times, 10/02/1995)*

On the 5th, the Mexican government announces it will prepay $700 million of the $12.5 billion loan by the United States that kept the country from financial collapse. Rubin says in an interview that the early repayment is proof the Administration was right to help Mexico. Critics argue the $700 million payment is mainly a symbolic effort to shore up Mexican stocks, the value of the peso and help the Administration blunt Republican opposition to his bailout package. *(Houston Chronicle, 10/06/1995)*

Japanese Finance Minister Masayoshi Takemura apologizes to Rubin for failing to provide prompt information about Daiwa Bank’s large hidden losses in New York bond trading. The ministry admitted that it knew about the $1.1 billion trading loss incurred two months ago by one of the largest Japanese banks but did
Rubin: 1995-1996


The media reports that the redesign of U.S. currency is not due to potential future counterfeiting threats as announced by the U.S. Treasury but instead is a response to the discovery of billions of dollars worth of exceptionally high-quality counterfeit $100 bills coming from overseas. (The Times-Picayune, 10/16/1995; The New Yorker, 10/23/1995)

On the 17th, the Treasury Department announces that it will sharply cut its borrowing plans to avoid reaching the legal debt ceiling. Rubin notes that the current level of government debt stands at $4.885 trillion, dangerously close to the $4.9 trillion debt ceiling. In a letter to House Speaker Newt Gingrich (R-GA), Rubin warns Congress, “It is increasingly a matter of important national concern that Congress take prompt action. The failure of Congress to take action is now causing disruptions, for which Congress must take full responsibility.” (Financial Times, 10/18/1995)

November

After a presidential veto the previous day, the U.S. Government is shut down on the 14th due to a budgetary impasse between President Clinton and the Republican controlled Congress. It reopens a week later after the president signs a continuing resolution while negotiations continue. (Levy, p. 381; PBS, “The Clinton Years, Chronology,” (http://www.pbs.org/wgbh/pages/frontline/shows/clinton/cron/)

December

On the 16th, the federal government shuts down for a second time due to the budget impasse. President Clinton again vetoes a budget reconciliation bill. Welfare reform is a point of particular contention in this legislation. Among the issues in dispute are provisions for welfare reform. The government remains closed until January 5, 1996. (Levy, p. 381; PBS, “The Clinton Years, Chronology,” (http://www.pbs.org/wgbh/pages/frontline/shows/clinton/cron/)

1996

January


On the 22nd, Rubin states that he has run out of financial options and that if the budget debt ceiling is not raised, the U.S. will default on its loans on March 1st. (The Economist, 01/27/1996)

February

The U.S. threatens punitive tariffs on Chinese imports in response to Chinese companies’ violations of the intellectual property agreement with the U.S. (The Washington Post, 02/18/1996)

March

On the 7th, Congress passes a short-term increase in the federal debt limit. The move is similar to a temporary measure taken on February 1st to insure that Social
Security recipients and other beneficiaries of government programs receive their checks on time. However, Republicans in Congress continue their contentious debate with the Administration over a permanent increase in the federal debt ceiling. \textit{(1996 Congressional Quarterly Almanac, p. 2-25)}

Rubin tells reporters that the Japanese government has “crossed the bridge” by establishing measures to address problems in its financial system. The Administration’s concern about this issue arose over the potential impact of high levels of bad debt within Japan’s housing loan industry \textit{jusen} on its economy. The problem resembles the earlier savings and loan crisis in the U.S. Rubin’s remarks are seen as an indication of the level of U.S. interest and concern over “the \textit{jusen} controversy.” \textit{(The Daily Yomiuri, 03/15/1996)}

Rubin tells Hong Kong officials that members of Congress are likely to object to China’s MFN trading status. He cites China’s efforts to intimidate Taiwan during recent war games, its human rights record, and its alleged move to export atomic equipment to Pakistan as reasons for the opposition. He notes, “Our relationship with China is subject to a range of unresolved issues of great seriousness.” In spite of this opposition, Rubin reiterates the Administration’s commitment to “achieve its policy goals with China through a long-term strategy of engagement.” \textit{(The Wall Street Journal, 03/19/1996)}

On the 28\textsuperscript{th}, Congress passes legislation raising the statutory ceiling on the national debt. \textit{(1996 Congressional Quarterly Almanac, pp. 2-3)}

\textbf{April}

Rubin meets with President Clinton, Secretary of State Warren Christopher, Defense Secretary William Perry, and new Commerce Secretary Mickey Kantor, to discuss possible sanctions that may be applied against China. \textit{(The New York Times, 04/21/1996)}

\textbf{August}

Rubin recuses himself from further discussions about an IRS ruling that affects bond deals known as “advanced refunding.” At issue is whether Wall Street firms overcharged municipalities for their bond work and if these firms owe the IRS for these transactions. Treasury officials say that Rubin will no longer comment on the issue due to his history with Goldman Sachs. The investigation is left with the IRS and will be overseen by Summers as opposed to Rubin. \textit{(The Wall Street Journal, 08/08/1996)}

\textbf{1997}

\textbf{January}

Mexico announces that it is paying off the remaining $3.5 billion loan to the U.S. three years ahead of schedule. \textit{(The Wall Street Journal, 01/16/1997)}

Rubin, Summers, and Federal Reserve Chairman Alan Greenspan advocate reforming Social Security so that the federal government can maximize the fund’s assets by investing in the market. \textit{(The Wall Street Journal, 01/20/1997)}
Rubin: 1997

On the 21st, the Treasury Department offers new ten-year government notes designed to guard against inflation. Summers hails the notes as “the most significant innovation in federal debt-management policy in the last generation.” It is expected that the new notes will reduce federal borrowing costs. (The Wall Street Journal, 01/21/1997)

Reports circulate that IRS Commissioner Margaret Milner Richardson’s resignation follows her falling out of favor with Summers. (The Wall Street Journal, 01/30/1997)

April

Senator Bob Kerrey (D-NE) and Representative Rob Portman (R-OH), Co-Chairmen of the National Commission on Restructuring the IRS, call for a more independent IRS. The Commission’s plan contradicts President Clinton’s proposal, which calls for stronger Treasury oversight of the IRS. (The Wall Street Journal, 04/16/1997)

Rubin announces a series of changes in the U.S. Savings Bond program that will attempt to make the bonds more competitive and attractive investments for Americans. He notes that the changes are part of a broader effort by the Administration to encourage greater savings. Rubin says, “Our savings rate is far too low in this country. This rate is equivalent to 4.2 percent of GDP, which is the lowest by far of the G-7 countries, and lower than many developing countries.” (Robert Rubin, “Treasury Secretary Robert E. Rubin Makes U.S. Savings Bond Announcement,” www.publicdebt.treas.gov/com/comnewee.htm, 04/30/1997)

May

On the 30th, President Clinton nominates David Lipton for Treasury Undersecretary for International Affairs. Lipton replaces Jeffrey Shafer.

June

Rubin predicts that despite growing congressional criticism of its policies, China will retain its MFN status renewed by President Clinton earlier this month. Rubin tells reporters that “in the final analysis, I think we’ll succeed,” although he admits that he does not have a “vote count” on the issue. (Journal of Commerce, 06/06/1997)

Rubin meets with Japanese Finance Minister Hiroshi Mitsuzuka prior to a scheduled G-7 meeting. In public statements, the two officials seek to downplay fears of renewed tension between the two countries. According to reports, Mitsuzuka assures Rubin that Japan remains committed to promoting domestic demand-led growth and will avoid increasing the nation’s large trade surplus. (Financial Times, 06/21/1997)

July

On the 2nd, Thailand devalues its currency, the baht, setting off a chain of financial crises in Asia. (The Wall Street Journal, 09/24/1997)
August  President Clinton signs legislation promising to balance the federal budget by 2002. The budget allows for $125 billion in tax cuts, an increase in the minimum wage, restoration of welfare benefits to legal immigrants, and health care coverage for uninsured children. (Levy, p. 382)

September  Rubin travels to China to discuss trade and economic issues. Prior to leaving, Rubin notes in a speech that while serious issues remain between the two countries, “A strong and steady relationship between the world’s biggest developed economy and largest emerging one is vital for the new global economy of the 21st century in the interests of both the United States and China.” While Rubin states that he will be discussing “big issues,” it is reported that he will also discuss the potential purchase of Boeing jets by China. In the same speech, Rubin also argues that Japan’s growing trade surplus is a risk to the world economy and free trade. (The Seattle Times, 09/18/1997; Journal of Commerce, 09/19/1997)

December  The IMF moves to create the Supplemental Reserve Facility program, which will assist countries in times of severe crisis. The proposal differs from previous IMF plans in that it shortens the duration of the loans and raises the interest rates to encourage a quick repayment of program funds. (The Wall Street Journal, 12/10/1997)

On the 18th, Rubin meets with Greenspan to discuss the Asian financial crisis. They reportedly agree that the U.S. will have to be more proactive in resolving the crisis. After receiving approval from President Clinton, Rubin announces on the 24th that the U.S. will offer accelerated loans to Korea and other nations in crisis. (William G. Hyland, Clinton’s World: Remaking American Foreign Policy, Westport: Praeger, 1999, p. 188)

1998

January  Economic officials brief the President on new Treasury Department figures that show FY 1997 revenues exceeded government spending, resulting in the first balanced budget and government surplus in thirty years. (The Washington Post, 01/07/1998)

In his State of the Union address, President Clinton calls for the use of the budget surplus to “save Social Security first.” The President also asks Congress for $7.9 billion in additional funds for the IMF to create a new credit line to assist nations before they fall into severe crisis. (Levy, p. 383; The Wall Street Journal, 10/06/1998, 10/14/1998)

February  The Administration releases its annual budget, which promises a budget surplus three years earlier than the balanced budget plan passed last year. The President reiterates his position that any surplus should be held in reserve until the future solvency of the Social Security system is preserved. (The Washington Post, 02/01/1998)
“The Trinity” (Greenspan, Rubin, and Summers), as dubbed by Goldman Sachs executive Robert Hormats, separately testify before Congress. Each press for increasing the allocation of an additional $8 billion to the IMF with the hope the funds will enable it to respond more rapidly to future financial crises. (The Wall Street Journal, 02/13/1998)

March

In a rare move, Treasury officials call on Japan to cut taxes and increase spending levels in an attempt to energize Japan’s sluggish economy. Other Asian and European nations support the U.S. effort. (The Wall Street Journal, 03/12/1998)

The media reports that while the White House staff remains occupied with presidential scandals, many cabinet officials, including Rubin, are taking a more direct role in dealing with Congress. (The Wall Street Journal, 03/30/1998)

April

On the 23rd, Speaker Gingrich refuses to go forward with the Administration’s request for additional funds for the IMF. (The Wall Street Journal, 10/14/1998)

May

On the 4th, the Indonesian government cuts fuel subsidies, inciting riots. The social unrest forces President Suharto to resign on the 21st after holding office since 1967. (The Wall Street Journal, 09/24/1998)

July

On the 22nd, President Clinton signs the Internal Revenue Service overhaul bill. (Levy, p. 383)

August

Treasury Undersecretary for International Affairs David Lipton announces his resignation. Timothy Geithner is nominated to replace him. (The Wall Street Journal, 08/17/1998)

September

On the 2nd, in the midst of the Russian financial crisis, the Senate approves $17 billion for the IMF. (The Wall Street Journal, 10/14/1998)

On the 7th, President Clinton convenes a meeting of his economic advisors to address the economic crises facing Asia. He proposes a global summit of world leaders to address the issue. According to reports, some economic officials advise against such a meeting. Clinton later gives a speech on the crisis, written by Treasury officials, to the Council of Foreign Relations. (Paul Blustein, The Chastening, New York: Public Affairs, 2001, pp. 287-288)

The House rejects President Clinton’s $17.9 billion request for the IMF and instead passes an alternative measure, which provides $3.4 billion in additional funding. (The Wall Street Journal, 09/18/1998)
October

On the 2nd, President Clinton proposes the creation of a Contingent Credit Line (CCL) which better enables the IMF to prevent future financial crises by “help[ing] countries ward off financial contagion.” (Blustein, pp. 332-334)

On the 8th, Rubin and Summers meet with Speaker Gingrich. After the meeting, the Administration and Republican House leaders reach a tentative agreement on funding levels for the IMF. (The Wall Street Journal, 10/14/1998)

November

Democrats make gains in the midterm elections, although Republicans maintain control of both houses of Congress. (Levy, p. 383)

December

The Administration holds a conference on Social Security reform. The conference generates pledges from dozens of congressional Republicans and Democrats to work with the White House toward a solution that will include some form of market investment. (The Washington Post, 12/10/1998)

1999

January

In his State of the Union address, President Clinton proposes an overhaul of the Social Security system that includes investing the fund’s current surpluses in stocks. (The Wall Street Journal, 01/25/1999)

February

On the 1st, the White House sends its $1.7 trillion budget proposal for FY 2000 to Congress. The budget projects a surplus of $393 billion in 2009 as opposed to the $209 billion deficit initially projected for that year when President Clinton took office in 1993. (The New York Times, 02/01/1999, 02/02/1999)

May

On the 12th, Rubin announces his resignation as Secretary of the Treasury. President Clinton nominates Summers as Rubin’s successor. Stuart Eizenstat, the current Treasury Undersecretary for Economic Affairs, is slated to become Deputy Secretary. (The New York Times, 5/13/1999; The Wall Street Journal, 05/13/1999)

July

Rubin leaves office on the 2nd. Later in the year, he will join Citigroup as Director and Chairman of the Executive Committee
Robert Rubin Suggested Topics
Prepared by Duane Adamson and Jessica M. Steiner
Miller Center, University of Virginia, 10/07/2003

The 1992 Clinton Campaign and Transition
• When did you first meet Bill Clinton? Describe your early impressions of him.
• How did you become involved in the campaign? Discuss your involvement in fundraising and other activities in the campaign.
• What was your involvement in the transition? Describe how the President-elect and his economic team approached economic issues during the transition. Discuss the Little Rock Economic Summit and how it fits into the overall transition.

National Economic Council
• How did you come to be Chairman of the NEC? Did you discuss other positions in the Administration with the president-elect or his presidential team?
• Describe the formation of the NEC. How was its eventual structure and purpose decided? What did you understand the President’s intentions to be in forming the NEC?
• How would you characterize your role as head of the NEC? Describe your working relationship with the President. In what ways was the President most reliant on you as an economic advisor?
• Comment on the process of staffing the NEC. Discuss your relationship with Cutter, Sperling and others in NEC.
• Explain the process by which the Administration coordinated economic policymaking. How did the various economic agencies, such as OMB, CEA, Treasury, and the Federal Reserve interact?
• Evaluate your relationship with Bentsen, Tyson, Panetta, Greenspan, Reich, Kantor, etc. Were there other key players on economic issues? Did you have a significant working relationship with the NSC or Office of Legislative Affairs?
• Discuss how the Administration decided on its top domestic priorities in the first year. How was the deficit reduction plan developed? What was your involvement in the 1993 budget package and the health care reform effort?
• Discuss the tension within the Administration between the so-called old and new Democrats on economic issues. How difficult was it to maintain fiscal responsibility in this White House? On which issues was the commitment most severely tested?
• Talk about the development of trade policy in the Clinton Administration. Who were the important players in setting trade policy?
• Discuss the interagency process. Discuss your role in key trade issues: Japanese trade policy, NAFTA, GATT Uruguay Round, China trade policy.

Department of the Treasury
• How did Bentsen’s departure affect the Administration? How did you come to be nominated as Treasury Secretary?
• Discuss your transition from NEC to Treasury. How did your role on policy issues change in moving from the NEC to Treasury? Were there continuities in your role as an economic advisor?

• Comment on the institutional relationship between the Treasury and the Federal Reserve including your working relationship with Greenspan.

• Evaluate your relationship with others at Treasury (Newman, Summers, Shafer, Lipton, Geithner, Eizenstat, Mathews, etc.).

• Talk about your involvement in the Mexican financial crisis and the U.S. response. How was the Administration’s plan to assist Mexico developed after Congress refused to act? Describe your interaction with Congress regarding the issue. How did the experience affect U.S. responses to later crises?

• Comment on the international financial crises in Asia and elsewhere. How were Administration proposals to assist individual countries and to restructure the IMF/WB developed? Describe the international political process during these crises and during attempts to restructure the international system.

• Talk about your role in the budget process during your tenure as Secretary of the Treasury.

• Discuss the politics of the debt ceiling crises. How were the temporary stop-gap measures taken by Treasury developed?

• Evaluate your relations with Congress during your tenure as Secretary.

• Why was a strong dollar policy important to U.S. policy? Describe efforts to maintain a strong dollar relative to the yen and other currencies.

• What other topics were important during your time in office (congressional hearings regarding WACO, budget surpluses, IRS reform, bank reform, Social Security, new currency and counterfeiting, “good-ole boy” roundup)?

The Clinton Presidency in Retrospect

• What do you consider your greatest accomplishment at NEC, as Treasury Secretary, and in economic policy?

• Evaluate the President’s grasp of economic issues.

• What were President Clinton’s most fundamental commitments on economic issues? Did these commitments change over time? What were the strengths and weaknesses of the Clinton Administration?

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

• Evaluate President Clinton as a public leader, an economic leader, a legislative leader, and a world leader. How should future historians view the Clinton Administration?
TIMELINES

• Robert Rubin Timeline, prepared by Duane Adamson and Jessica M. Steiner, Miller Center, University of Virginia, 10/07/2003.

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IMF/World Bank Reform

Foreign Counterfeiting – U.S. Currency

Mexico
Japan

China


• Duncan Hughes, “Rubin Says Strait Tests Risk MFN,” *South China Morning Post*, 03/19/1996.

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Japan

China

NAFTA

GATT
NATIONAL ECONOMIC COUNCIL DOMESTIC ISSUES

Budget/Taxes

Health Care
Budget


Debt Ceiling Crisis


Social Security


**IRS Reform**

• David Wessel and Jacob M. Schlesinger, “Rubin, Concerned for the IRS, Prompted Richardson to Quit as Agency’s Chief,” *The Wall Street Journal*, 01/30/1997.


**Bank Reform**


**Waco/ATF Hearings**

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- Financial Crises Timeline, prepared by Stacie Pettyjohn, Miller Center
- “Monetary Support for the IMF Hangs in Balance For Much of the Year,” *1998 Congressional Quarterly Almanac*, 16:38.

IMF/World Bank Reform

Counterfeiting – U.S. Currency

Domestic Issues:

IRS Reform

Social Security


POLITICS AND POLICYMAKING AT THE NATIONAL ECONOMIC COUNCIL


SELECTED WRITINGS AND PUBLIC STATEMENTS BY ROBERT RUBIN


