



Paper Cuts

by Zelda Novak

In an attempt to soften up the American people for coming tax increases, President Bill Clinton announced a plan to share the nation's sacrifice by reducing his own White House staff by 25 percent, and cutting salaries 6 to 9 percent. "We in government can't ask the American people to change if we will not do the same," said the belt-tightening Clinton.

To fulfill his promise, Clinton engaged in some creative accounting: he first narrowed the pool of jobs subject to elimination by exempting the bloated Office of Management and Budget and the United States Trade Representative from cuts. This left a baseline of only 1,394 jobs, from which Clinton cut 350, or 25 percent. According to information acquired by Citizens for a Sound Economy through a Freedom of Information Act request to the Office of Personnel Management, even this figure is suspect. Of the 1,394 jobs under Bush, 275 were held by "detailees," i.e., those who are employed by other government agencies, but sent "on loan" to the White House. Many of Clinton's "reductions" are merely shifts of detailees to other agencies.

Clinton's 350 number, then, is more correctly seen as a number between 75 and 350, and more likely closer to the former—detailees are easier to cut, since many are not really being cut at all. If so, this would mean a cut in actual White House personnel of five percent. But White House Communications Director George Stephanopoulos

tried to turn even this inconsistency to political advantage. "We wanted to make sure we had a hard, straight count," he said at a February 9 press conference. "Had we not included the detailees in this calculation, it would have been fair to come back and say to us, well, you have more bodies there, you're just playing a mathematical game. We're not doing that."

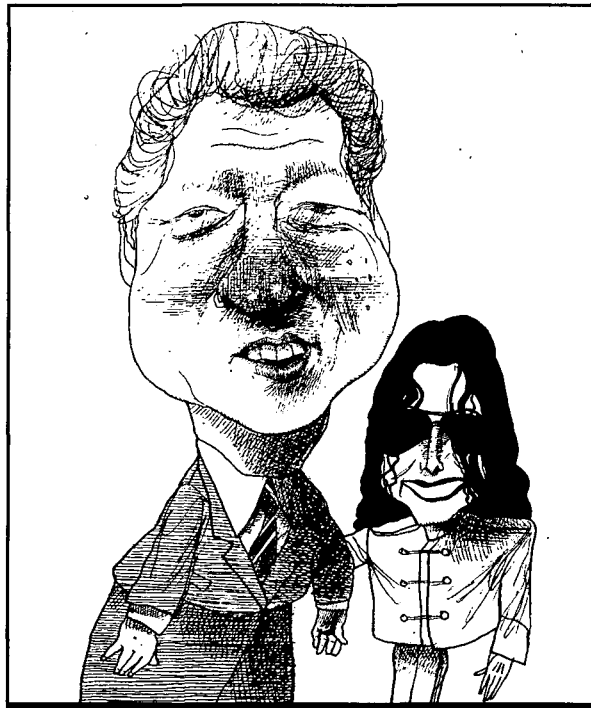
But this is a mathematical game: adding detailees to the equation doesn't mean increasing the scope of the cuts; it means *diluting* it, by adding jokers to the pack of discards. What it means is that the Clinton administration can take credit for making cuts without losing bureaucratic power—and perhaps even gaining it. For example, Bush's Office of the President employed 461, while only 392 were on the White

House payroll. Clinton plans to "reduce" this office to 419. Again, given that detailees are likely to be hit first, a *de facto increase* is possible.

The only real reductions were in offices with no clout—the Council on Environmental Quality, the National Space Council, the Office of Administration, and the Office of National Drug Control Policy. With Al Gore on hand, CEQ would have been eliminated under any circumstances, just as Vice President George Bush's Task Force on Regulatory Relief was replaced by Dan Quayle's Competitiveness Council. And with Dan Quayle out of the picture, who needs his Space Council?

The Office of National Drug Control Policy, which suffered a third of the staff reductions, had no "czar" to complain. Acting Director John Walters resigned in protest of the cuts, refusing to participate in the "hypocrisy" of emasculating the agency while claiming to strengthen it by giving it cabinet-table status. (The drug czar has *always* sat at the cabinet table when drug related issues were discussed.) "The obvious thing that happened is President Clinton doesn't care about the drug problem," said Walters.

The forty-seven messengers, computer technicians, and accountants fired from the Office of Administration were easy marks, being similarly leaderless and having no one to protest on their behalf. They were not verifiable Clinton loyalists, having undergone no political "vetting" before being hired; and, furthermore, were subject to the Hatch Act, which prohibits certain government employees from campaigning and other political activities. These



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forty-seven mostly minority employees were thus of little use to Clinton. (It's an irony, of course, that Clinton, after numerous vague campaign promises about "healing" our racial conflicts, should have chosen the most ethnically diverse of the White House offices for some of his cruelest cuts.)

High on Clinton's hit list were nineteen "worker bee" employees of the White House Correspondence Office, mostly older women, some of whom have worked in the White House since the Nixon and Johnson administrations, and who worked for low wages "at the pleasure of the president," unprotected by the federal career civil service system. While several were hired during the Reagan and Bush administrations, they were considered non-political and did not have to be "vetted" before being hired. Their job was to sort the mail and send out letters following responses drafted by political appointees.

The last piece of White House stationery they handled was a letter from Marsha Scott, now the Clinton director of presidential correspondence, asking them to make way for the Clinton loyalists: "We are in the process of making significant reductions in personnel. At the same time, we are also bringing in people from our own team to work in each area. It is therefore with great sadness that I must terminate your employment."

What does it say about Clinton that the first people he fired are the very sort he says he was elected to help? These are the people who "work hard and play by the rules," who will lack the resources to get health care and job training once thrown out of their jobs. Since the "worker bees" were not protected by career civil service regulations, many were forced into early retirement only a few years or months before they would have been entitled to collect their pensions. One woman had only four more years until retirement, and will have a difficult time getting health insurance, given her recent cancer surgery. (She was rehired, after a petitioning campaign on her behalf by employees who escaped the axe. Whether this was due to heightened press interest in the plight of the "little old ladies" or to a twinge of conscience on the Clintonistas' part is

unclear. But the prospect of "unfirings" certainly had the effect of making some of the "worker bees" less willing to speak for attribution to this reporter.) Another had only one year before she was scheduled to retire, and now cannot support her unemployed husband. There is real fear among the worker bees of high-handed retaliation should any of them complain: one of them, younger and in less dire straits, spoke on the condition of anonymity, lest the Clinton people look up her maiden name on her 171

form, and get her father fired from his federal job.

The firing of the long-term career staff of the correspondence office came on the heels of a pep-talk from Marsha Scott, an interior decorator by profession. Scott asked the staff to make a wish list of new furniture they would like, and reassured them that "the department was going to expand, that we were going to work as a team, and that, by gosh, we're going to have fun doing it"—all this while the Clinton bean-counters were

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already licking their chops. The workers began to distrust their new supervisors when word spread that Acting Deputy Director of Presidential Correspondence Sandy Hudnall, unbeknownst to her, had been overheard in the ladies' room saying, "They think I'm being nice now, but just wait and see"—and, as she flushed the toilet—"There goes another Bush person."

Now that Clinton has demonstrated his willingness to share the pain of the American people, his aides are sending up trial balloons concerning a possible request for an additional \$3 million to beef up the

personnel office, and a possible application of the \$10 million they expect to save from staff cuts to go to new computer equipment to replace that which was purchased in Bush's mid-term. While these expenditures cannot be considered of the perk variety, real progress is being made on that front. White House cars, which are there to transport one to any "official" function at a moment's notice, will be reduced from 108 to 104, the posh White House mess will be open to everyone, and more employees will be able to sit in the Kennedy Center's presidential box. As we go to press, there is still no word about the tennis courts. □

puter company. Bentsen, who had previously represented Kosberg before federal regulators, bought \$100,000 worth of stock, which grew in value to between \$600,000 and \$1.2 million in three years. But the use of a collapsing S&L to create the company, later investigated by regulators, proved to be a violation of federal banking laws, and Kosberg was fined \$2.4 million. Bentsen escaped with an impressive profit.

Secretary of State Warren Christopher collected a salary of just under \$1 million as chairman of his Los Angeles law firm, O'Melveny and Myers, which represents numerous American and Japanese clients. His total assets, worth at least \$4.2 million, include retirement benefits from the firm and his directorships at the Lockheed Corporation and the First Interstate Bank. His deputy, Clifton R. Wharton, sits on the boards of the Ford Motor Company and the New York Stock Exchange. He earned over \$1 million last year as the chairman and CEO of TIAA-CREF, a pension fund that claims to be the largest in the world.

Rule by the Rich

by Sandy Hume

At first glance, President Clinton would seem to have kept his promise to appoint, as one transition official put it, "more than the usual white boys who run Washington." Indeed, he appointed four women, four blacks, and two Hispanics. But the cabinet that Clinton said repeatedly would "look like America" looks a great deal more like Washington. It includes fourteen lawyers and nine millionaires (more than either the Reagan or Bush cabinets had), many with Ivy League and Oxford credentials. Every member made over \$100,000 last year, a claim that only 1.8 percent of Americans can make. With no neoconservatives and a preponderance of Wall Street liberals and Washington lobbyists, his cabinet is hardly politically diverse. Clinton has replaced the cabinet he criticized as elitist and "out of touch" with Americans with an even wealthier Democratic elite.

Secretary of the Treasury Lloyd Bentsen is the patriarch of the group. An inheritance, a reign as head of an insurance company, and various investments have made him a millionaire many times over. (Financial disclosure forms, which

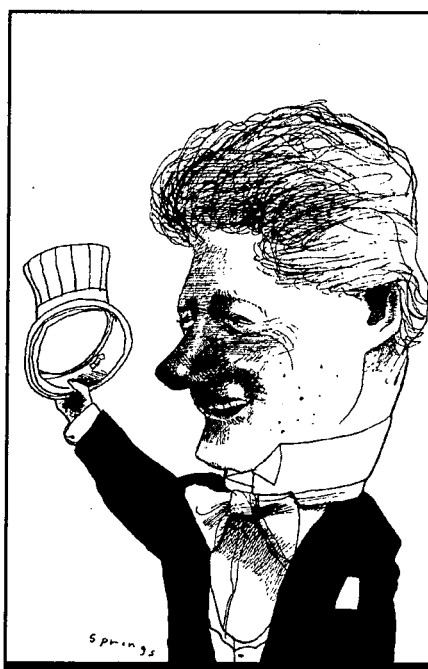
require the listing of assets only in broad categories, indicate Bentsen's assets to be worth at least \$5.9 million.)

One Bentsen investment, first reported by Jeff Gerth in the *New York Times*, illustrates the type of profit that Clinton condemned as a candidate. In 1988, J. Livingston Kosberg, a Texas savings-and-loan operator, asked Bentsen to join a small, select group investing in a com-

Secretary of Commerce Ron Brown has been one of the premier lawyer-lobbyists in Washington, a partner at the powerful firm of Patton, Boggs and Blow. He received a salary of roughly \$580,000 from the firm, in addition to a \$1 million buyout of his partnership interest and an \$89,000 salary as DNC chairman. Brown has represented several Japanese corporations and foreign governments, the most notorious of which was Haiti under the Duvalier regime.

Sony Music Entertainment was but one of the firms willing to put up \$10,000 for the "Friends of Ron Brown" inauguration gala, cancelled after the press caught wind of it and a major embarrassment loomed. Brown saw nothing objectionable about the event, despite the fact that the corporate sponsors would have issues before the Commerce Department. This cavalier approach to conflict of interest was the rule for Brown; it was only after Mississippi Sen. Trent Lott voiced objections that Brown agreed to break ties with former clients and not discuss Commerce matters with former colleagues.

Madeleine Albright, who will enjoy cabinet status as the ambassador to the United Nations, is also a millionaire. The



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