
Clinton Presidential Records Mandatory Declassification Review

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Documents from this Mandatory Declassification Review were released in full.

Exchange Mail

DATE-TIME 12/31/97 12:40:08 PM
 FROM Blinken, Antony J.
 CLASSIFICATION UNCLASSIFIED
 SUBJECT Asia Financial Problem/IMF-NAB-ESF Public Affairs [UNCLASSIFIED]
 TO Davies, Glyn T.
 Friedrich, Mary K.
 Helweg, M. Diana
 Kale, Dora A.
 Kerrick, Donald L.
 Malley, Robert
 Millison, Cathy L.
 Quinn, Mary E.
 Scott-Perez, Marilyn L.
 Storey, Sharon V.

CARBON_COPY Bendick, Gordon L.
 Burrell, Christina L.
 Rudman, Mara E.
 Benjamin, Daniel
 Blinken, Antony J.
 Gray, Wendy E.
 LaFleur, Vinca S.
 Leavy, David C.
 Naplan, Steven J.
 Widmer, Edward L.

TEXT_BODY

Jim -- Mara and I met today with Treasury (Boorstin), State (Prince and Goux) and NEC (Siewart) to discuss public affairs approach to Asia financial crisis and related funding issues (IMF/NAB/ESF).

As we understand it, in the immediate, the President has executive authority to use the ESF for Korea. The dangers we need to guard against are a few weeks away: (i) possible onslaught of legislation when Congress returns in late January. Republicans likely to push ESF conditionality requiring legislative approval for disbursements over X amount and/or to replenish. Democrats likely to push labor/environment conditions for NAB funding; (ii) problems securing overall funding for IMF/NAB/UN etc....

We should use the few weeks of relative grace before Congress returns to lay foundation for our side of the story and to try to

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[2014-0154-M 1.01]

get as many influential members as possible on the record on our side (especially Gingrich re. ESF. INDEED, MAYBE MOST IMPORTANT IMMEDIATE STEP WOULD BE POTUS CALL TO SPEAKER TO TRY TO GET HIM TO

KEEP HIS TROOPS IN LINE). As we see it, there are three broad arguments to be made: (i) national security, especially citing Korea e.g.; (ii) a positive economic argument -- this is about exports and jobs and realizing their full potential in emerging markets; (iii) a negative economic argument -- if we don't act, financial crisis could end up hurting people on Main Street, not Wall Street (e.g. pension funds). Some thoughts on how to get out each argument:

1. National Security.

Works with both Republicans and Democrats. Focus on Korea. We propose:

a.

Immediate op/ed by Secretary Cohen tracking talking points he has used for calls.

b. Outside op/ed. Good person would be Gallucci, given his Korea experience. Will you/SRB call? Do you want me to? Other good validators for national security argument for op/eds and to have on board in general would be former NSAs (especially Scowcroft, also Brzezinski) former SecStates (Baker ideal) and former SecDefs. Also think tank experts like Haas, Wolfowitz. We will put together a call list.

c. T.V. Treasury pulling together

list of everyone who's appeared on this issue in recent weeks. We will work on plugging in those favorable to us. Again, Gallucci would be good.

d. International validator. Best would be Margaret Thatcher. Treasury will sound her out.

e. Will explore getting

former SecStates & SecDefs to sign group letter.

2. Economic

Positive (Jobs and Exports).

a. Op/Ed with overall positive

economic argument. Need to find Jeff Sachs type on our side. Treasury to pursue. One possibility: David Rothkopf. Will call.

b.

Argument Roth and Bergstrom made in recent op/ed could have traction: crisis is in fact opportunity to pursue trade liberalization. IMF conditions best leverage we have. NEC/USTR will sound out Kantor and Carla Hills about op/ed explaining how conditionality is good

for us and imposes discipline on others (i.e. we're not giving countries that screw up a free ride).

c. We have weak spot with some former SecTreas. (Shultz on record as wanting to dismantle IMF). Need to inoculate.

3. Economic Negative -- It's Main Street, Not Wall Street. Need to show we're not intervening to bail out big business but to prevent problem from turning into crisis that could hurt middle America.

a. Reach out to head of Pension Fund Association and heads of individual funds. Treasury to pursue.

b. Reach out to Cliff Wharton who headed large fund before he came to State. Treasury to pursue.

c. Should consider outreach to small business (NFIB, others). Involve Erskine in outreach.

4. Generic Activities

a. Columnists/pundits session week on 1/5 with Berger/Albright - Rubin/Tarullo - other tbd. NEC to compile list of names.

b. Rubin speech on Asia financial problems before State of Union.

c. Use Albright speech on 1/13 to advance national security argument.

d. Radio outreach. State to explore getting Administration officials on talk radio in January.

e. Ed. board mailing to major national and regional papers. Need cover letter setting out three broad arguments, also compilation of favorable op-eds, relevant speeches. May need to wait until we generate more op-eds of our own.

f. Big events at White House/Treasury with POTUS should be keep on hold until February, used only ifal needed.

Exchange Mail

DATE-TIME 1/6/98 9:59:46 PM

FROM Blinken, Antony J.

CLASSIFICATION ~~CONFIDENTIAL~~

CLASSIFICATIONREASON 1.5(d)

DATECLASSIFIEDON 01/06/1998

DECLASSIFYON 01/06/2008

SUBJECT Asia Communications Memo [~~CONFIDENTIAL~~]

TO Davies, Glyn T.
 Friedrich, Mary K.
 Helweg, M. Diana
 Kale, Dora A.
 Kerrick, Donald L.
 Malley, Robert
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 Wozniak, Natalie S.
 Abercrombie-Winstanley, Gina K.
 Bendick, Gordon L.
 Burrell, Christina L.
 Rudman, Mara E.

DECLASSIFIED
PER E.O. 13526
 2014-0154-M (1.02)
 5/11/2018 KGH

CARBON_COPY

TEXT_BODY

Diana -- Here's a bootlegged copy of promised memo. Will try to clean up in the a.m., get additional comments from David and Mara. But wanted to deliver something tonight as promised.

TRANSLATED_ATTACHMENT AsiaFinanceCrisis.doc

January 6, 1997

ACTION

MEMORANDUM FOR JAMES STEINBERG

FROM: ANTONY BLINKEN
MARA RUDMAN
DAVID LEAVY

SUBJECT: U.S. Support for Asian Economies

I. PURPOSE

To develop a communications and legislative strategy to secure public support for and deter Congressional opposition to our efforts to stabilize Asia's economies.

II. DISCUSSION

We have been slow out of the box in making a strong public case for our efforts to stabilize Asia's economies. As a result, while newspaper editorials have been even-handed in their evaluations of our policy, we have been losing the opinion piece and pundit battles. Broadly, our critics fall into two categories -- those who argue that our support for Asia's economies serves no U.S. interest (but does serve Wall Street and foreign lenders) and those who claim we're right to act but wrong in our methods.

Thus far, our failure to make a strong public case has not had serious substantive repercussions because the President has executive authority to use the Economic Stabilization Fund for Korea. But our grace period is about to end. When Congress returns on January 27, we can anticipate an onslaught of problematic legislation: (i) bills that place conditionality on disbursements from the ESF; (ii) efforts to attach labor/environment/counternarcotics conditions on our New Authority to Borrow and/or IMF requests.

We should use the few weeks before Congress returns to lay a strong foundation for our efforts and deter negative legislation. At a very basic level, we need to explain: (i) what is happening to Asia's economies; (ii) what's at stake for America (in terms of our national security and economic interests); (iii) what we're doing about; and (iv) why the alternatives to our policy (do nothing or do something different) are misguided.

A. Short Term Legislative Strategy

Our most immediate and critical goal should be to get the Republican leadership on the public record in support of our assistance to South Korea. By locking them into supportive positions, we may be able to stop a number of negative bills before they get started. We propose:

1. POTUS calls to the leadership to request support (but with an emphasis on Lott and Gingrich); and/or
2. POTUS meeting with the four leaders. While more public and dramatic, this option has a serious downside: Gephardt is not supportive. He likely would use the opportunity to make a public argument against emergency assistance, which in turn could decrease our chances of securing Republican support.

B. Advancing the National Security Argument.

This is our strongest card -- it works with the public and resonates with members on both sides of the aisle, especially when we focus on Korea. We propose:

1. Lead role by Secretary Cohen. The Secretary should use his upcoming trip to Asia to highlight our strong national security interest in Asia's stability. He could:

- a. In advance of his trip, submit an op/ed to the Times or the Post

laying out
the stakes;

b. Make the case in his major public speeches, including remarks in Singapore which CSPAN plans to cover (1/20);

c. Emphasize the point in his press briefings and interviews;

d. Highlight the importance of our efforts during a post-trip swing to New York, where he will meet with editorial boards and speak at CFR.

2. Use Secretary Albright speech on Asia (1/13) as vehicle to advance the national security argument.

3. Seek Outside Validators. Principals and sub-principals should immediately make calls to key outside validators to whom the press will turn for comment and of whom we might request op/eds. We suggest calls to: Bob Gallucci (ideal given his Korea experience); former NSAs (especially Scowcroft, also Brzezinski); former Secretaries of State (James Baker would be ideal); former Secretaries of Defense (James Schlesinger); think tank experts (Richard Haas; Paul Wolfowitz. We will put together a call list.

4. Television. Treasury is pulling together list of everyone who's appeared on this issue in recent weeks. We will work on plugging in those favorable to us. Again, Gallucci would be ideal.

5. Find an International Validator. Best bet would be Margaret Thatcher. Treasury will sound her out.

C. Advancing the Economic Argument

We need to make clear the stakes and show we've got the right response. The key here is to illustrate that Asia's financial troubles are about Main Street as well as Wall Street. On the positive side, American companies and workers have a

tremendous stake in the long term health of Asia's economies -- these emerging markets can be magnets for our exports and support hundreds of thousands of jobs.

On the negative side, our failure to act would not simply impose an opportunity cost but, over time, real costs on average Americans (weaker stock market; possible impact on pension funds etc...). We propose:

1. Immediately seek outside validators for op/eds and television commentary.

Lipton/Treasury and Frankel/CEA are calling leading economists. Other possibilities include David Rothkopf; Mickey Kantor; Carla Hills.

2. Briefing by Treasury officials for economic columnists on Korea efforts (week of 1/12).

3. Columnists/pundits session week on with Berger/Albright - Rubin/Tarullo - other tbd. NEC to compile list of names (week of 1/12).

4. Secretary Rubin speech on the stakes and our response before the State of the Union (week of 1/19);

5. Strong section in the President's State of the Union speech (1/27);

D. Misc. Activities

1. Key Documents Treasury is drafting overall one-pager and Q&As - drafts to be circulated for comment on 1/7.

2. Coordination. We will begin a daily interagency conference call on 1/8 re. communications and press issues. Following the call, Treasury will draft and circulate updated guidance on a daily basis.

3. Editorial Board mailing to major national and regional papers. We propose to do this immediately, while members are still in their home districts. The package would include a cover letter signed by Secretaries Rubin and Albright along with relevant speeches and op/eds.

3

Exchange Mail

DATE-TIME 1/7/98 8:51:17 AM
 FROM Rudman, Mara E.
 CLASSIFICATION ~~CONFIDENTIAL~~
 CLASSIFICATIONREASON 1.5(d)
 DATECLASSIFIEDON 01/06/1998
 DECLASSIFYON 01/06/2008
 SUBJECT FW: Asia Communications Memo [~~CONFIDENTIAL~~]
 TO Blinken, Antony J.

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 2014-0154-M (1.03)
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TEXT_BODY

Tony, some small changes. I'm trying to fudge some on the ESF -- I think that's written to give the Sec of Treasury the discretion, rather than the President directly, but I'm not positive (and I don't have a copy of the statute here.)

-----Original Message-----

From: Blinken,

Antony J.

Sent: Tuesday, January 06, 1998 10:00 PM

To: @NSA -

Natl Security Advisor; @PLANNING - Strat Plan & Comm;

@PRESS - Public

Affairs; @LEGISLAT - Legislative Affairs

Subject: Asia Communications

Memo [~~CONFIDENTIAL~~]

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