INTERNATIONAL AND PUBLIC AFFAIRS CENTER DIRECTOR, DEREK SHEARER (213)259-2539 FAX (213)259-2734

August 26, 1993

Dear Hillary,

Thanks again for coming by to see Ruth while she was recuperating. Your visit meant a lot to her, and she welcomed the opportunity to discuss our feelings and situation with you. I'm sorry that I couldn't be here to talk with you.

As Ruth told you, we both feel disappointed that things have not worked out so that we could be part of the administration. I've enclosed a long memo that is meant only for you and Bill which explains how I think that I contributed to your campaign, and my efforts to be a team player and part of the administration after the victory in November. I always made it clear that I was willing to work in the White House as part of the economic policy team, but I was not wanted there. My second choice was an economics position at State, but I was not offered a post there. I ended up in Commerce, where I was treated badly by Ron and his staff—as was Sheila Anthony—and when Ruth got ill, it was not a difficult decision to put family first and go back to LAL

Given all that I did in the campaign (as described in detail in the memo), I've never understood why I wasn't offered a serious position in the government after you won. I was one of your longest standing supporter but I wasn't an FOB hanger on; I'm a smart and talented person who contributed to winning—and I was with you in the trenches in the darkest days.

Whatever the reasons—and it's not worth it to go over past history—Ruth and still want to find a way to be part of the administration. The best choice for us, at this stage of the game, is for me to be named an ambassador. There are countries still available—Sinapore, New Zealand, Finland—where I would like to go and where I could do a good job. It's what I call the Galbraith solution. When Ken Galbraith didn't quite fit in the Kennedy domestic operation, and because he'd been a loyal supporter, they made him ambassador to India. Being an ambassador would give me the requisite experience and credentials, so that later in the administration or in the second term, it would be easier for Bill to have me back in D.C. in the White House or State, if he so chose. And, in any case, it would be a much needed change for Ruth and for me. Casey is willing, and all of the above countries have good English speaking international schools (and he'd get some new experiences).

Wendy Sherman, Assistant Secretary of State for legislative affairs, who's a longtime friend, and who handles ambassadorial confirmations assures me that getting me approved for one of these small countries would not be a political problem. I will also be able to get many letters of support from former ambassadors and state department officials. For example I just served on a Carnegie Corporation study group on US-Japan Relations, and Mort Abramowitz, former ambassador to Thailand and Turkey, who heads Carnegie, will support me. There a many others, so I don't think that what I'm asking for will cause the administration political problems.

In addition to our long standing friendship with the two of you (and I know that you have a lot of friends, but we feel close to both of you), there's also a political debt. I frankly feel that given all that I

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did in the campaign, I deserved to be treated better and with a little more respect for my contributions and my abilities.

Anyway, I would greatly appreciate it it you'd support me with Bill and Chris in this matter. It means a lot to us--and as I've said, it's the way that we'd like still to contribute.

Good luck with the health care battle.

Perhaps, I'll get a chance to see you sometime in September, if I come east for a meeting and can arrange to come over to see you and Bill. If you're planning a state dinner for the Prime Minister of Australia, Paul Keating, I would like for me and Ruth to be invited. I recently was in Australia for two weeks, speaking at an economics conference sponsored by business groups, and while there I met most of the members of Keating's government, including the new ambassador to the U.S. Keating and most of his government are our age, and they've done a decent job of reforming the Australian economy and government while keeping their eyes on democratic values and questions of equity. I'll be sending Bill a memo on my trip, prior to his meeting with Keating around mid-September.

I hope that you got some rest and had some fun on the Vineyard. It looked as if you were enjoying your selves.

Best to Chelsea (Casey is now taller than I am!),

Derek

enclosure#s