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INTERVIEW OF THE FIRST LADY
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MRS. CLINTON: -- mentioned to me that this is very important. And it is the perfect opportunity because I know that he has done a lot of good work, especially in the about health care and introducing people to the issues, talking about it.

But now the country is really paying attention, (inaudible) Congress, I would anticipate that by the time we do the show we should be on the floor (inaudible) actually going through the debate on whatever the possible competing bill might be. I want to thank you for doing that, and certainly we will try to help in whatever way we can (inaudible).

I think that conversations have advanced but it got muddled. And I think that's partly our responsibility in the administration for not being as clear as we need to be. (Inaudible) is a very complicated issue, and we are trying to do something that is difficult to do as a country. And also because, I think, that there is a tendency to try to simplify issues to get them across.

Right now the primary simplification is coming from the opponents to health care who are claiming (inaudible) government control, you are not going to be able to do your job, and all of the things that are not true but which sound good, and if repeated enough will scare people.

And part of the reason I brought some disks with me is to give you a little bit of information that we are using in the speeches that we make and the conversations we have around the country, which is this bigger packet. And then this little one-pager we did for a member of Congress who called and said, "You know, I was asked the other day in a town meeting," I guess he had, "what will happen if we don't pass health care this year."

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And that's a very good question because in many ways from I, looking at the situation, the status quo may be the most dangerous alternative available. And here are some bullets about some of the things that will happen.

And then here is an article that I have just come across today and brought with me for you because it outlines what one wants to know what might be, which is some kind of incremental reform legislation passing that maybe does a little bit of insurance reform, maybe create voluntary co-ops for people to pool their purchasing power, and what's likely to happen if that's what we come up with, assuming the President would sign it, which if, it doesn't have universal coverage, he will not. But I think this kind of lays out what the possible scenario is.

And then I brought with me today, doing my mail on the plane, what I think is happening sort of below the surface of either our communication or your communication, which is a very well organized effective campaign against health care reform that is primarily run by the radio talk show people, who are ideologically opposed to health care, the religious broadcasting networks that also are opposed to health care, the Republican TV Cable, which gives time to opponents of health care, a lot of direct mail that's going out into the country.

And then a lot of ancillary organizations that are affiliated, some with the Republican Party, some with other right wing operation.

But this is an example of the kind of information that people are getting. This is a very official looking document from a group called The American Council for Health Care Reform. I have no idea who they are. It looks like it's a ballot on health care reform.

And on the back there is a very official notice which says, "Five thousand dollar reward for information leading to the conviction of anyone unlawfully interfering with the delivery of this voter ballot." And you open it up, and it's a very hard attack on the Health Care Plan. "How Mrs. Clinton's Health Care Reform Plan Will Affect You."

And everything that you can imagine that you are scared of, that I am scared of, is in here. And the reason that I got it, it was sent to me from a lady in Missouri who

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says, "Mrs. Clinton, this is what we received, that is very confusing. We believe you and our president, but please tell me how much of this is true. One of your supporters."

She signs her name, and she says, "P.S. Maybe I am getting too old to understand. I'll be 75 March 25th. I would appreciate a reply."

So we feel a special burden to try to get accurate information out, and to help people get through their confusion, and to answer their questions. That's one of the reasons why I wanted to be here today to have this conversation with all of you.

Q But how much of the problem that you have in getting your message across comes not from anonymous groups on the outside, but from the enormous amount of confusion that exists on the Hill, and of your strongest allies, Daniel Rostenkowski, saying we are not going to get this through without a broad-based tax increase.

MS. CLINTON: I think that there is -- there is the legislative process, and then there is sort of the public, education public opinion process.

We have tried to be helpful, but not directed to the legislative process. And I don't think you can draw many conclusions from what's going on right now. I don't think that Chairman Rostenkowski knows exactly where he is going to end up. But he is an expert sending out all kinds of signals to get certain kinds of responses that lead to whatever the consensus is going to be. So I don't know where he is on this.

But I think that my reading is that the Congress is getting up to speed on the issue. I don't think it was up to speed, because most members didn't have to pay any attention to it. And in the getting up to speed, they are for the first time hitting a lot of the hard issues. And so you'll hear a lot of talk that may or may not lead to action. I don't know.

But I think it's a natural part of what they have to do to kind of cool the decks, if you will, about how to deal with these hard issues.

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Chairman Rostenkowski has told me on numerous occasions that he wasn't a health man. That was his subcommittee. That wasn't his particular responsibility. And so I think he is feeling his way and trying to find out where the consensus in his committee is. And I don't know what it's going to lead to. But that doesn't bother me. I view that as part of the legislative give and take. They are sending out signals.

Q But don't you think that that, in fact, is a major contributor to the confusion out there because most of the health care debate is driven now by the dialogue that goes on within the beltway, either on a daily basis or on the Sunday talk shows, what we do, reflecting the ups and downs, various positions.

MS. CLINTON: This is why we try to take a hands-off. Because we don't want to declare victory or defeat at these sort of way stations in the process. It's much too soon to do that.

And so what we are anxiously awaiting is for them to report out bills that we can actually touch and feel, and then we can begin the debate. And until the committees do that, I think all of this is in flux.

I agree that there is a potential for confusion because people will say, well, you know, what does this mean, what am I hearing. But that's why I don't like to concentrate on process. Because I think that the process stuff has a life of its own that will play itself out.

And that's why I keep coming to talking about what has to be in a bill this president will sign. And there are a lot of ways of getting there. If Rostenkowski cannot come up with the way that is politically palatable to get there, let's see what it is before we pass judgment on it.

It is -- you are right, it is the potential that we are trying to accommodate because we understand what the legislative process has to do for them to get ownership. And we want them to.

Q It seems to me, Hilary, though, that there is all this wrangling going on inside the beltway that you all are losing the war when it come to public opinion.

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And what kind of things, what kind of measures are you going to take to try to reverse that trend? Because it seems to me everything that I have read lately says most Americans oppose health care reform, they think they'll have less choice under the Clinton Health Care Plan. And they seem to have an overall adverse feeling about health care reform in general.

MRS. CLINTON: That's not how I read it, Katy, but I -- here's how I read it: I think that there's been a growing confusion and uncertainty about the President's plan. You know, I mean, you get stuff like this, you are going to be confused, like this 75 year old lady in Missouri. But the underlying principles that the President is promoting still have majority support.

Q But is that getting lost in all the other stuff? And how are you going to change that?

MRS. CLINTON: We are doing as much as we can. The President, and other members of the administration, and I, we are speaking, we are travelling, we are trying to do events, we are trying to talk about the issues.

We are at a disadvantage in the sense that we don't have the organized ad campaigns and direct-mail campaigns. Maybe we can try to put some of that together. We'll never be able to compete with the folks who have this kind of money.

Our basic belief is that there comes a point when people still believe in health care reform, and they believe in the principle. And so we have to keep that alive in the Congress and in the public until we see what the bills are that are actually coming out of the committee.

It's very hard to muster public opinion in the abstract. We have always known that. And so we have been anxious to get to the point where we are now, where bills are actually being drafted and are going to be reported out. Then we can go on your programs and say the President favors Senate Bill X but not Senate Bill Y, and here's the reason for both of those.

Until we get to that point I think we are in a kind of state of flux. And that's why I think it's important that we, on our part, and you, on your part, continue to talk

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about what's really at stake and try to knock down the myth, like the choice myth, which is an absolute fallacious argument; that in fact the truth is that if we do nothing you are more likely to lose choice than if we ever (inaudible).

I think the more we can get facts out there, until we have hard bills to talk about, the better off we will be when we get to that debate. And that's what we are trying to set up to do.

Q With wisdom of hindsight, would you have been better off not to have set out such a specific plan, and just try to sell the principles, and let the Congress forge in? Because that's what's happening anyway.

MRS. CLINTON: No. And I tell you why I believe that. Obviously, historians, I am sure, will debate this. People will write Ph.D. theses about it at some point.

The Congress is basically working off our plan. They basically have to deal with every issue we have in there. Now, they may decide they don't like the way we dealt with it, but they have to deal with it.

If we had sent up just a framework piece of legislation or principles, I don't think we would be anywhere near where we are today. Because we have organized their thinking. We helped give them the specifics they needed to basically begin their work. I don't think you can really see how we could have gotten to this point in the absence of that.

Q Right now your plan looks like it's drowning because everyone else has a plan. Every few days there is a new version of a plan. Your plan is declared dead on television every other week (inaudible). How do you get out and find it again? You've lost it. But now it looks like it's buried.

Why can't you have an ad campaign? Why can't you go find some resources to go ahead? It's another campaign.

MRS. CLINTON: You've got two questions. Let me answer the first one about the plan. We always believed that we were better off presenting a comprehensive framework to the Congress that looked at everything. Because no matter how they cut it, it was going to be compared to what we

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presented. And they were going to have to answer the same type of questions we had to answer, which is what's happening now.

I mean, the CBO is going to come out with its report on Mr. Cooper's plan. He is going to talk about a huge deficit because it doesn't have the pieces put together in a way that controls spending. So everything eventually is going to be compared to our plan, which is basically the benchmark we wanted.

And you are right, I mean, it's declared dead one week and it's back the next week. Because the reason people keep trying to declare it dead is it presents all the tough choices. I mean, every member of Congress would love to avoid voting on the employer mandate. Who wants to vote on the employer mandate?

But our position is, then, come up with something else to get this universal coverage. And they scratch around, and it's very hard to figure out what that is.

I thought our obligation was to present every issue, and then throw that to the Congress and let them chew on it, which is what they are doing. And I feel good about that. I don't have any problem with it. They have to have ownership of it.

If the chairman of the House Ways and Means say "I have got a better way, we are going to raise taxes instead of an employer mandate," let him come up with the pieces, and let's see how politically feasible it is.

The second thing about the ad campaign, we are going to try to do some of that, but there's no way we can compete with the paid media in all of the various forms that's going to be on the other side. We have always known that.

I mean, if you go back and look at Truman's efforts in 1947, where he tried to get national health care, it's estimated that the opponents in 1947 spent $60 million to beat him. That was real money back then. So we have always known it was going to be a very concerted well-financed, organized opposition.

But we also believe that eventually people have to

deal with the facts. They can't keep promoting myth and falsehood. And the Congress has to vote on the basis of the facts. The Congressional Budget Office and the Finance Committee on Ways and Means, they have got to produce facts. They can't just sit there and spin (inaudible). And when that happens, we always move forward.

It's a very unusual kind of setting to be in because -- a member of Congress said to me the other day he doubted if Roosevelt could have ever passed Social Security in today's climate. Because, instead of being able to say what he said, which is, we are going to give you a new deal you pay under in your work lives, we'll take care of you when you are older, he'd have to lug around actuarial tables and prove to everybody how much they were going to get based on the number of quarters they worked. All of that.

The burden that you have, doing something like this, is so immense today that you just have to continue to hope that the facts, and the accuracy of the arguments, and the good faith of a majority of the members of Congress is what's going to put the deal together. And that's what I believe will happen.

Q So, I mean, put it out there expecting to have to be beaten up?

MRS. CLINTON: Absolutely. Absolutely. My experience last spring is that when the President sent up what was an absolutely well-thought-out, honest, responsible budget that had been worked on by very smart people, and said to the Congress, here is the first response of a budget you've had in 12 years, the Congress had to have some ownership.

We had to fight over the BTU tax and have these excruciating arguments about an energy tax instead of a BTU tax. Come up with a gas tax. You've got to expect that.

So, from our perspective with this plan, our attitude was, we know they are going to have to make their mark on it. We've got to make sure that when they make their mark they are comparing it against the most accurate, comprehensive job we could do, so there is no escape hatches.

There's been a lot of escape hatches in the health care debate up to now. People could say all kinds of

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irresponsible things, and are still saying irresponsible things, without being held accountable.

This piece of legislation we've drafted, whether they accept it or reject it, sets down a measure of accountability you've never had in the health care debate before. So that's why we've moved it as far as we have already.

And we have said from the beginning -- I have said it continually - we don't care about a lot of the details. I mean, there are better ideas out there. We are all for them. We care about the bottom line. We want quality, affordable health care for everybody. And that's what our bottom line is. That's what the President said in the State of the Union, that's where we still are. And that's where I hope we'll be when we get their legislation.

Q Mrs. Clinton, have you actually heard any better ideas? You put your own program out there, and you heard the debate and inspired, creative thinking among others. Have they come up with any better ideas?

MRS. CLINTON: I don't know if they have come up with better ideas, but they have come up with different ideas that could work. Pete Stark's idea of a Medicaid Part C with an employer requirement that either get your insurance at work, and you buy into the Medicaid system, if properly structured that could work. It's not my preference, but it could work. And I think the President has said he could sign something like that if it were properly structured and funded.

And there are a lot of little details that people are coming up with. For example, we think you've got to have some kind of budget. You can't just let the health care system continue to write a blank check. I mean, we will literally all go broke. I mean, this company in ten years will not be able to pay for your health care benefits if we don't have some kind of cost-containment strategy.

And there are some ideas floating around the Congress that are different than the ones we have proposed, which look like they could work. So we could support that.

Now, some of the big items that people are talking about, like an individual mandate instead of an employer-

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employee mandate, we don't think is workable. We have yet to see anybody come forward with a proposal that we think would work. If they can, we are open to it. We just haven't seen it yet.

So every one of these, people come to us -- both Democrats and Republicans -- and they say, what about this idea? And we have run so many computer runs, we have done the numbers on so many different approaches, we say, well, would you think about this? And they say no one ever thought about that. And we say, well, you better think about this because that impacts on what you are proposing.

And then they go back, and they come and say, well, how about this angle? And we talk some more. So we are doing that constantly. And I feel very good about the prospects. And better ideas, different ideas, very well could emerge. But they have to work. And that's what we keep going back to when we talk to people about what their ideas really mean. A lot of times they haven't flushed them out themselves.

Q Would you be happy if in the fall you had some form of acceptable universal coverage, some assurance of availability of coverage, and not much more than that passed this time as a kind of phase one?

Share with us your own thinking about when you raise the GE thing, for example. This is a company -- as I understand it, at least -- that's kind of on the cutting edge of the private sector reform. It is doing a lot in terms of managed competition, gatekeepers. It's organizing itself in terms of encouraging that kind of movement in the private sector.

MRS. CLINTON: That's a very good question because it has a lot of the tough issues in it. It would depend upon what would be in the legislation. If it has real universal coverage that is really financed with real dollars -- not smoke and mirrors -- then we would have to look at it seriously.

If it has the goal of universal coverage, without the guarantee of it, we couldn't look at it seriously because we will never get to universal coverage. That's what this very clever article points out, which is, the wrong kind of incremental reform could be popular in the short run. And by

short run, two to three years. Then the bottom starts falling out.

And I think the same thing could be said for even leading edge cost-containing strategies like GE's. GE, and companies like GE, are trying to carve out islands of safe haven in a system that doesn't work. And the way they are doing it, is, I would assume, by forcing you all into more managed care, limiting your choice of doctors and hospitals unless you are willing to pay out-of-pocket, increasing co-pays and deductibles. Maybe a longer period before probationary employees get on health care. I mean, all of the different tactics that are out there.

That can work in the short run because GE has enough buying power. And that's really what goes on in the marketplace today. If you are as big as GE, or you are state government, you can get the lowest available cost if you are willing to change the way your employees access the health care system.

The problem is that standing alone, that is not a long-term strategy. Because, in the face of the statistics that we see in the overall economy, you've got an increasing number of uninsureds; it is now close to 40 million.

You have an increasing number of what we call the under-insured, companies that are a notch below GE, that have gone to really extreme cost-containment programs: Yes, you can have insurance, but you have a $5,000 deductible. So, basically, you never get preventive care. Or you have a $50,000 lifetime limit. So you've got an increasing number of under-insured.

You also have the prospects, in the absence of reform, of more and more dollars being spent at the federal,

state and local level to shore up the Medicaid and Medicare program.

Now, how do you pay for the uninsured and for the Medicare and Medicaid shortfalls? You pay by increasing the premiums of the GEs and by increasing the taxes of those of us who pay taxes. So this system, even though GE is trying very hard to insulate itself, will not permit a long-term insulation.

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You will continue to have to adopt more and more drastic measurements which will take away your choice, unless you pay hugely out of your own pocket, in order for the employer-based insurance system to continue.

That's why what we have argued is that until everybody is in the system, so the cost-shifting stops, so the 40 million, 85 percent of whom work, pay something for their health care, so that the Medicaid program is eliminated as a separate program, people on welfare who work, they pay something. They maybe can only pay a dollar or two, but they pay something.

So that you've got preventive health care available to everybody. So that you get people in for their physical exams, for the sugar test to determine if they've got diabetes, before you cut their foot off, which is what I see.

I go to rehab centers of hospitals. I met this man in Kansas City. He just had his foot amputated. And I said, "Well, what's the matter?" He said, "Just found out I had diabetes." I said, "How did you find out?" He said, "Well, I couldn't walk." I said, "When was the last time you had an exam?" He said, "Oh, when I got out of the Navy, I guess, in about '50," meaning 1950. I said, "How come?" He said, "I just never had insurance." So the man is in the hospital. We are paying for his foot cut off, GE is paying for his foot cut off.

Until you get everybody in the system, and you change the incentive in the system, you cannot financially stabilize it. And I don't care how big and rich a company you are, you cannot on your own do that. And that's one of the dilemmas that we face when we try to put together a system where some people are happy, but the happiness is a relatively short-term phenomenon when you look at the whole system.

Q And what do the computer runs show about the islands becoming a land mass? Because there is so much of it going on, either at the state level or on the large corporate level where there is the managed computational reform in De Soto, Oregon, Hawaii. More and more states are doing it, more large corporations are doing it. I know it doesn't address the 40 million that are uninsured which, obviously, has to be taken care of from a political point of view (inaudible).

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But what does the computer run show about the flow, I guess, the projection on the private sector reform (inaudible)?

MRS. CLINTON: It's interesting, because it is not as widespread as it needs to be to make the landmark analogy.

Take the three examples you just gave. Hawaii is basically a universal health care system because it has an employer mandate. So all the employers share the burden, from the biggest to the smallest. And that's one of the reasons why their costs are so much lower than the rest of us.

It's not because it's an island, and they are healthier, because they are in the sun. They have some of the sickest people in America. Native Hawaiians have the highest rate of diabetes in the whole world, have one of the highest rates of heart disease. They have got a lot of very sick people, but they have a much more efficient system.

Oregon, all they did was try to ration services to Medicaid. They are already running into problems doing that

because you can't take any one sector of the health care economy and isolate it for any period of time. There is too much interaction.

The major corporations that are making progress are making progress by cutting deals with major providers. I think that's a very dangerous trend. We could end up, again, I would say five to seven years out, without any reform, with basically an oligopoly, if you will of very large for-profit providers. Large HMOs, large for-profit hospital chains, that would be in the short run in partnership with some major corporations. So the major corporations would get the best deals.

I think quality would suffer. I think that rationing would likely take place. I think that you would see choice disappear from the landscape. Every one of us, except the most highly paid, who could still go into the marketplace on their own, would be very limited as to what doctors we could see.

Now, if you take that, though -- let's assume that I am wrong about that. Let's assume that the GEs of the

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world can, not only have their islands, but begin to have bridges where they have networks. The problem with that is, that the number of the uninsured continues to grow because most companies don't have the purchasing power of the GE.

You have 100 million-plus people who are insured through employment. The vast majority of those are employed by small medium-sized companies. They are under the pressure

of the GEs cutting the deals with the health care providers, finding their rates going up all the time. They are going to start dropping people. They are going to start making it even higher for people to be insured.

So the uninsured pool grows bigger and bigger. Now, why should GE care about that? Maybe so there can be an island there, linkage of islands with other big corporations. As the numbers of the uninsured continue to grow, what you've got is increasing pressure on the existing system we all depend on.

You have hospitals with increasing unreimbursed care. After a certain point they can't continue to cut deals for GE because GE is (inaudible). GE, state governments, other big corporations. That cost-shifting doesn't end. You can stave it off for a while, but eventually it catches up to you.

So I just don't see how, with increasing uninsured, increasing costs among those who are less insured but in less effective bargaining units, I don't see how GE stays isolated from that over the long run.

Then you take the government, like state government. State governments are going to continue to pay out more and more in Medicaid if we don't do something about Medicaid. It is now eating up a huge percentage of state budgets. They will therefore be forced to bargain with their state employees for lesser deals.

The teachers and the state employees are going to have to take less or you are going to have lots of strikes, you are going to have all kinds of disruption in the system. So state employees, which have, along with GE-type employees, have always been beneficiaries, are going to find themselves under pressure because of the increasing deficit driven by the Medicaid and Medicare system.

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All of this is part of a whole, and that's what we keep trying to get people to look at in the big picture. You can't isolate any one piece of it.

Q You would be -- what you just said. (inaudible) how you feel about the single-payer plan initiative on the California ballot as to what, in your judgment, is wrong with the (inaudible).

MRS. CLINTON: A real good question. I am in favor of California voting on it because under the President's plan we had a single-pay option for states. We really want states that choose single-payer to be able to do that. And so I think it's going to be one of the great stories of the year for you to cover is what happens in California.

Because California will be a pretty fair fight. You will have a huge well-funded opposition campaign by insurance companies, largely, but other providers as well. And you will have, I think, a well-funded single-payer campaign. So it's going to be a real battle.

The reason we didn't go with a single-payer system is twofold. There were substantive reasons and political reasons. Substantively, there is so much to recommend the single-payer system. It gets to universal coverage, It eliminates the middle man.

Why should any of us pay a 20 to 26 percent administrative cost to insurance companies? That doesn't put a doctor or a nurse at my bedside. Single-payer eliminates that.

The problem with single-payer is that in every single-payer system we study, there is a lot of internal cost pressures just like there is in our system. People are getting older, they are living longer, they are demanding more health care.

And there is a lot of political will that has to be brought to bear to keep costs down in a single-payer system. We have got to be able to make those tough decisions about how much you are going to pay doctors, and how much you are going to reimburse hospitals.

Our problem in America right now is that in the only single-payer system we have, which is Medicare -- and a

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lot of people don't realize this, but it's a single-payer system. It's taxpayer, government financed. It doesn't take away your choice, it doesn't give you government doctors. We pay for it. Your payroll taxes support Medicare. And I am grateful we have got it. Because at least we have stabilized health are for older people.

But there are a lot of big disparities in how much it costs to get treated by Medicare in different parts of the country. You go to Miami. As an older person you can get the same procedure done as you do in Minneapolis. But your doctor gets reimbursed three times more in Miami than he does in Minneapolis. Because we haven't figured out how, politically, to reward efficiency and penalize inefficiency.

So we have a huge amount of inefficient waste built into our health care system. And if we merely took the whole country and said we are going to layer a single-payer system on top of it right now, we would freeze in all of that excess cost. And I think we would blow the top off of the health care system.

We are already on a trend to spend 20 percent of our income. I think we would go up even higher because I don't know that we have figure out yet, politically, how to squeeze out a lot of the waste.

That's why we went for a hybrid. You have a lot of features of single-payer but we keep the public private marketplace incentive so that -- an HMO was a better idea. A network of doctors was a better idea. They will get rewarded and they won't have to get the government to tell them how much they can charge. That decision will be made at the local level. We thought it would be more efficient in the long run.

But we did want states, that chose to be single-payer, to do so because we wanted to see the experimentation. So that was the substantive reason.

Politically, with all the scare tactics about single-payer, we didn't think you could get a majority of the Congress. It is just outrageous how they paint the Canadian system. It is totally fallacious that you've got radio talk show hosts talking 24 hours a day about how, you know, people die from hang nails because they can't get in to see doctors in Canada. It's just total nonsense.

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And when you do surveys of Canadians, they are far more pleased with their health care system than Americans are. And, so, these people are not stupid, and they are right across the border, and they get American TV, and they know what the health care system in America is. But they really love their health care system up there.

So we didn't know how to take the opposition to government medicine and create a majority in the Congress. So, for those two reasons we came up with what we thought would work better for America.

Q What do you hear out in the country

from people in terms of their understanding of health care as it exists today in America? What are they most afraid of?

MRS. CLINTON: Well, to go back to Katy's point,

oftentimes I will talk about the President's approach. And they'll say, "I didn't know that's what he was proposing. Why didn't you tell me that?"

You all have had countless hours. I have made so many speeches, I am practically hoarse. But people are only now beginning to focus on it. It's now real because something is about to happen.

I think there is genuine desire for change, and for real change, in the health care system. But there is genuine concern that nobody wants to see any decrease in the quality of their health care. And they want to be reassured that what they have taken for granted will still be there.

Once you talk through with people, as I do all the time out in the country, there is a tremendous positive response to the individual pieces of the President's approach.

They like guaranteed private insurance. They are not yet ready for single-payer in most parts of the country. You might be able to pass it in California. You could never pass it in Texas. So there are some differences in attitude and experience.

They want the insurance abuses eliminated. They feel strongly about ending pre-existing conditions and

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lifetime limits. They want to preserve choice. I cannot tell you how many doctors and patients tell me how their relationships are being disrupted because their employers change plans and they are no longer able to go to their own doctors. And people hate that. They want their choice back. They don't have it now.

And most people believe we ought to give them health care at their workplace because that's what they are familiar with. There is a very squeaky wheel on the small business front which is largely funded and organized by the NSIB and the retailers and the Restaurant Association that most people think it's fair that everybody pay something.

So those are the kinds of questions and comments that I get.

And then what I feel good about is there seems to be a growing consensus that there is a lot of reasons to do this. There is economic reasons, and there is political and social reasons. But it just seems like the right thing to do if we can do it right. And I hear that a lot from people.

Q When we visited you at the White House a few months ago, I think, if I recall this correctly, the AMA was on your side that day.

MRS. CLINTON: Right.

Q I don't have the sense that they are anymore.

MRS. CLINTON: They are back. This is a classic example. The AMA has just reaffirmed its support for the employer mandate, and they are starting to lobby on the Hill for the employer mandate.

Here is what's happened to the AMA. They always were for an employer mandate. And then they had their meeting in New Orleans -- I guess around December sometime -- and they had some very right-wing ideologically opposed memberships that basically ambushed them and sid you are going to take us down the path of socialized medicine, and all that stuff.

So they got cold feet for internal political reasons, and they kind of backed off a little bit. And they said, well, we are still for the employer mandate, but we are

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for other things as well.

They then took some time and looked at the other things, which goes back to your point. They desperately wanted to figure out what they could support besides an employer mandate, at least as they had told me. So they looked at all these alternatives, eliminating tax preferences to pay for the uninsured, insurance reform, medical savings accounts. They looked at all of these little gimmicks that are out there.

They were intellectually honest, and they said unless everybody is in the system, and we pay for it, let's not do any of these things.

So I didn't know they were back until the other day when the new head of one of their state organizations stopped me when I was in his state, and he said, "I wanted to let you know that we just voted to reaffirm our support for the employer mandate. And we are going to be up on the Hill lobbying for it. We still have some problems on your budget, but we are for the employer mandate. And I said, "Great. We are glad to have you."

Well, I don't know how -- it's like the Chamber of commerce. They have been for us -- I mean, for our mandate. They have been against us. They have been for us. They fired somebody because he was for us.

The squeaky wheels in this debate are the negative folks who don't want change. And they can, on a temporary basis, overwhelm people. But if you step back from what they are saying, and analyze it, and make a good faith effort to figure out what's going on, really, in health care reform, people kind of come back to where we were when we came out with this big, comprehensive plan. They have to take an honest look about what it is they are really proposing.

So I am actually pretty optimistic that we've got a good support base again.

Q Don't you think that would be a commercial (inaudible)?

MRS. CLINTON: The problem is we have had six of the major physician organizations with us the whole time, whose membership is grated in the AMA, but who are not as

adept at promoting themselves.

So you may not even know that the internists and the pediatricians and the obstetricians and the College of Surgeons, the general practice family physician types -- they have been for us from the beginning. Their membership is greater than the AMA, but they are not a squeaky wheel. So they don't get the coverage.

You all don't go to their meetings, you don't talk to their leadership the way that everybody heads to the AMA. The AMA doesn't even represent as many people as they do combined.

That's another part of our problem. And the people who are good at positioning themselves, they get your attention. And a lot of these other folks, who labor in the vineyard, that are lousy at PR or self-promotion, they don't get anybody's attention.

Q Is there any corner of the insurance agencies that is in your corner?

MRS. CLINTON: Depends upon the issue. There are major insurance companies that support the employer mandate and are actively (inaudible). But they don't want the mandatory alliance, or they don't want the cost containment on premium costs. So they are for us on one hand and they are trying to beat us on another, which is again why you have to look at this comprehensively and see how the pieces work together.

But in this little handout there is a long list of companies that support the employer mandate. It's a pretty good cross-section of all different kinds of companies. And they have been very helpful to us on the Hill.

Q Didn't you reduce, though, the small business squeaky wheel by raising the quotient on the number of employees and joint (inaudible)?

MRS. CLINTON: Yes, yes.

Q I mean they backed off somewhere after that.

MRS. CLINTON: I think so. We can go as high. It depends on how the numbers work out. We are willing to go to

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50 if the numbers really can work out. I think the numbers can work out.

What a lot of the small business people are slowly recognizing is that --

Q Excuse me. You are talking about 50 percent or 50 employees?

MRS. CLINTON: Fifty employees.

Q Yes.

MRS. CLINTON: But that was my point. If you look at the discounts, that a lot of the small businesses get, under our plan they are already at 50. Some are even at

40 percent. Because between the combination of discounts for employer and subsidy for employee, a lot of the small businesses are never going to pay 80/20. They are already below that threshold.

Q Time and again you talk about the need for universal coverage. But if you look at the state experiments, as you well know, and the Oregon and Minnesota people are flocking, they are lining up for these plans that are partially subsidized. They are really bad insurance.

MRS. CLINTON: That's right.

Q They have high deductibles, they have minimum benefits. You have people who want it. And if push came to shove, and with large purchasing group, couldn't there be -- isn't there any feasibility of having a voluntary plan in the United States? Because costs are coming down, as The Wall Street Journal reports again and again.

The health care system is changing no matter what you do.

MRS. CLINTON: Right. Well, I will say two things about that. I don't think a voluntary system will work in the medium term let alone the long term. You are right, people flock to these. But, oftentimes, after they have had the coverage for a year, they drop it because it's expensive for what they get.

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Everything that happens in a voluntary system, is that eventually the people who are high risk pay more and more and more. And you've got 81 million Americans with pre-existing conditions right now.

Q That insurance reform isn't (inaudible) through Congress right away.

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MRS. CLINTON: But here is the problem: How do you enforce affordable insurance that eliminates pre-existing conditions? There's only -- we can figure -- two ways to do it. And it can't be done voluntarily. Because human nature being what it is, insurance companies will try to cream and cherry-pick.

You either have everybody join the line -- they may not have to join the same line. There are ways of having mandatory membership, but in a variety of alliances. That's being looked at. But everybody has to be in a pool to buy insurance. That way the insurance company has to offer the same benefits to everybody. And they can only compete on price. Not on quality or coverage.

Or you have to have a huge regulatory structure that literally goes around checking on everybody's policy to make sure that you haven't been discriminated against. I don't want that big regulatory structure. I think that is cumbersome and costly. We don't need it.

But in the absence of some way to enforce community rating, here is what happens: You have more and more people flocking for these kind of high-priced poor insurance plan. The insurance companies continue --

(End tape 1, side 1.)

MRS. CLINTON: You have, then, a very shaky insurance pool because you have further segregated the poor and the unwell over here. That is not a self-financing pool. And basically it collapses, which is what this argument makes.

There is another point to it which is that in about five to seven years we are going to have a huge amount of information about the human gene system. We are going to find out most of us have a pre-existing condition. We are going to, in the absence of health care reform, on a slowly but steadily basis, be discriminated against based on our genetic makeup. That is already happening.

People who come from families where there is a genetic disease, where there now is a marker that can be diagnosed, are being told they cannot have insurance at the same rate they used to until they take the genetic test. And then they can be charged more. This is an increasing problem

that we've got to get ahead of because --

Q But isn't there the political muscle (inaudible) everything such as legislate insurance companies to behave in a certain way?

MRS. CLINTON: New York State tried to do it and it hasn't worked. You have in New York State a community rating system on the books. Nobody thinks it works. It doesn't. Because there is no way to get everybody into it so that you can compare apples to apples.

Part of the problem is GE goes out and makes the best bargain it can.

Q If you got rid of ERISA, couldn't you legislate?

MRS. CLINTON: No. You'll eliminate the way ERISA interferes with -- and which we are trying to do -- interferes with it.

GE goes out and gets the best deal it can. And it gets the best information it can. There is no way, even GE with its market power, knows it's getting the very best deal. GM may have gotten a better deal. They don't have any way of knowing because you don't compare apples to apples in the current insurance market.

Everybody has got a variation, which is why we have 1500 policies. So there is no way, given the way the insurance market has been created, for you to know whether you are getting a good deal or not.

How can New York State, with all the insurance policies that are sold here, possibly police whether you are getting disadvantaged compared to your neighbor? Until we have a standard benefits package that everybody gets, we can compare, then, apples to apples. So insurance company A is competing for your business based on the same services that insurance company B is.

And then those of us with money or inclination or a special health problem, we go into the market and we buy whatever else we need on top of it. And then we are kind of at the mercy of the market. But we have a much lower risk margin because we are only buying high-boutique insurance the way you do with Medigram, when you've got Medicare coverage.

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The problem you are pointing to is a very real one. That's why I brought this article because it's said better than I can say. There will be a great pressure to just settle for whatever we can get. Let's try to get some insurance reform, let's try to get as many people covered as we can, and let's declare victory and go home.

The problem with that is it would be very dishonest to do. I think my husband could get reelected by having said that, because by '96 everybody would be happy. Your rates would be going down a little bit, you would get come benefits. You've got a member of your family with a problem, they would now be covered. Within five years the whole system will collapse again in the absence of universal coverage. It cannot work.

Q That people perceive the health care system as broken, isn't it part of the problem for a lot of people that get really good health care? There are some things that they come into contact with that they may not like. But isn't that -- how do you convey to the people that (inaudible) that there is a fire burning and you need (inaudible)?

MRS. CLINTON: There is really a lot of things you can say to the currently insured who are happy, like I assume most of us, because we have insurance.

There is no way anybody around this table can tell me that we will have the same coverage at the same price this time next year. You could be fired, you could be laid off, you could have a new cost-cutting effort where you have to pay more for the same or less services. You have absolutely no security.

And every American knows that. Part of what we believe is that we have got the finest health care in the world, but we don't have any security that it will be there for us when we need it, at an affordable cost.

Q People don't see the oncoming train (inaudible).

MRS. CLINTON: I think many more people do than you would guess. Because, for several reasons: Many more people than just a few years ago have gone through changes in their own insurance plans similar to what you have done in GE, only much more drastically. And they have had benefits taken away from them.

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Many more people who thought they were secure, don't have any insurance at all anymore. Nearly all of us know somebody who falls into that category. And there but for the grace of God go I. You can see that.

Secondly, I guess, in addition to the big picture in security, and whatever personal insecurity we feel, it is just becoming less and less pleasant to use our health care system. Because even the doctors we care about are under greater and greater stress by factors outside their own control.

Every doctor I go to now complains to me about what's happening to him. It has nothing to do with reform because it is happening to them in the absence of reform. I mean, I haven't done anything that makes them have to call an insurance company to get permission before they can run a test on me. That's happening right now.

There's this general kind of unease about the whole system. And so, yes, I think all of us want to hold on to what we've got. But I think there is still a very big majority that recognizes if we don't change some of the things we are doing now, we may not have even that. And that's what we keep talking about.

Q You are wrestling with, I guess, an unprecedented situation, unprecedented fight in that you are fighting on about 1000 or maybe 10,000 fronts.

You have mentioned right-wing radio talk shows a couple times this afternoon. I heard one described in Florida, a couple days ago, as the right-wing dis-infotainers.

MRS. CLINTON: That's interesting.

Q This was by the one and only left-wing talk show host I have ever heard of. Maybe he wasn't very talented But, nonetheless, you are -- many of them are genuinely, sincerely, ideologically motivated. And others are dis-infotainers, and they have got a show to do.

But you are fighting an environment that I suspect is significantly more powerful than represented here in this room, multiplied times the other networks. Do you agree?

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MRS. CLINTON: I do agree.

Q Do you have a strategy?

MRS. CLINTON: Well, I don't know that I have got a good strategy. I think that -- I think you really pointed out one of our big problems because -- and it's not just on health care. It's on a range of issues. But let's take health care.

If you have a very well organized advocacy point of view being presented relentlessly, day in and day out, by a variety of media outlets and sources, and the legitimate media's obligation, in their view, is to present on the one hand this, on the other hand that, which kind of gets lost in the great mush of life, you know, and so people will watch a thoughtful program, and --

The Clintons are trying to promote choice. The Clintons are trying to take away choice. Thank you for tuning in. Then you go, "What does this mean?"

And then you turn on your radio, and it's the Clintons are taking away choice, the Clintons are taking away choice.

It's no wonder that people are confused. Because it's hard to combat that kind of advocacy perspective with what is the traditional means of conveying information that we have come to understand in the so-called main line or mainstream media.

I guess our obligation is to do everything we can to try to get the word out, to talk as much as we can, to try to create some opportunity for some ads, or whatever, if that's possible, and to help you answer questions the best we know how so that you can convey that information.

But, you know, for me this is a big issue that goes even beyond health care because I just think there is a lot of danger in the credibility of both a governing process and our information process, namely, I guess, political people and media people, in the face of well organized advocacy that sounds great, and is simplistic, and gets its point across.

And we all struggle with the complexities of it, and don't draw conclusions and kind of leave everything up in the air. And I think it does begin to affect people's

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ability to make good judgments about what they want in a democracy.

I think it's a big issue we are struggling with, and I don't have a strategy except to do as much as I can to try to get information on.

Q But I think you are hearing some of the frustration on your behalf, from people at this table, wondering why you aren't squeakier. Now, why aren't you doing things to compete with the so-called squeaky wheels? Why aren't you doing more television, for example?

I mean, you are a great advocate. And I am not doing a pitch for the Today show, which we would love you to be on at any point in time, if you would. But why aren't you there more? Why aren't you getting more administration people out there to answer these other questions, or getting the DNC to do a full-blown ad campaign?

And are you being naive to think that people will hear all the negatives, and then all of a sudden they will take a step back and then look at the full picture? I just don't know if that's true.

MRS. CLINTON: You are right. I mean, part of it is we have been relentlessly talking and travelling and doing all of that. But a lot of it doesn't rise to the level of conflict or interest, so it doesn't get covered. It isn't provocative enough. I mean, I make the same speech over and over again, and people act like they have never heard it before. And I feel like I have been saying it over and over again. And they come up to me and they say, "I finally understand." And I have been doing this for a year.

So I know how long it takes for information, even on the national shows like yours, to sink into people. We do need to do more. We have been doing a lot, we have put out a lot of people. We are going to, obviously, have to pick up the pace of it.

The other pieces -- we have run a few of the ads. We have tried to raise some money for it to do that. There is some independent groups like the Health Care Reform Project that is doing some of that. And we will continue to. We will never have the resources that the other side has. We just hope to be able to get a little bit to combat that.

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So we are trying to. That's one of the reasons why I am here today, to try to answer your questions and be as helpful as I can in helping you all talk about this issue. It is a huge national discussion that we are engaged in. And we can't make a good decision if we don't have accurate information.

So to that extent, I am not naive. But I don't quite know how to do it effectively on a sustained basis.

Q Do you agree you made a mistake in getting them launched as effectively as you did and then letting (inaudible)?

MRS. CLINTON: Well, I don't think, so, Tom. Because I think we had to get -- we've got so many different audiences. That's another one of our problems is that -- in some ways our primary audience is the Congress. And there is a very long time lag between introducing something and getting it acted on. We had to get it out there, and we had to start the conversation.

And we had to do all of the educational work we have tried to do with members of Congress. Because most of them have never had to pay attention to health care like this before. I think all of that was time very well spent.

We also have had to do a lot of work with groups that were supportive on 90 percent but didn't like 10 percent. We've had to do a lot of that work. And that's taken a lot of time.

And then we tried to get out, as much as we could, to the public. You know, there is a rhythm to a lot of this. We launched when we did so we could get into the congressional process. But, then, NAFTA basically swallowed up everything.

We know that we can't keep attention in a sustained way, but we think now the time is back for attention to be put. May, June and July will be the critical three months. So the work that you all did kind of covering the launch and educating people back in September and October, that work needs to be redone, for you to do what you need to do, and we have to be more aggressive and active in getting out there and talking to people, which we intend to do.

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Q How damaging do you think all the attention on Whitewater has been and will continue to be?

MRS. CLINTON: Well, I think it has helped block messages about health care and other things. And I think it's been used by some of the opponents of health care as

a way of diverting attention from health care.

But I don't worry about it being any kind of roadblock to health care because there is just not that much of a relationship to what we are trying to do on health care, and what people care about, and the whole Whitewater thing. So I don't really worry about that.

I do think, though, that it kind of interfered with our being able to communicate effectively as well as I would like for a period of time. And it was seized on by opponents of health care who just very unashamedly said, we are going to make this about health care because we don't want health care to happen. So, I am sure that was an obstacle.

Q What was it like -- just a press question, strictly cosmetic press question. I was curious what went into your decision to call that press conference when you did, in the manner that you did. There has been so much speculation about that happened and how it came down.

MRS. CLINTON: Well, I had been thinking for a while about doing something. I wasn't even sure what to do. Because I really -- this does sound naive. I really thought, since I was travelling crazily around the country, and I was doing all kinds of press --

(Interruption to tape.)

Q What you just said about the press conference?

MRS. CLINTON: I realized that I had not been as accessible to the Washington, the White House press, as they needed me to be. And I know that sounds kind of funny. But I had been travelling around the country. I never stopped travelling, I never stopped talking to the press. Lisa and I would be in Barnes in Oklahoma, or Overly Housing in St. Louis, and we have always answered any question that the press would have.

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I did endless one-on-one interviews with radio, TV, newspaper people. And I think I answered every question anybody ever asked me. But it didn't address the need that the Washington Press Corps had.

And Helen Thomas said to Lisa, she said to Lisa, "Why won't she answer any of my questions, or any of our questions?" Lisa said, "You know, we answer questions every day, Helen. We travel every day." And Helen said, "I can't travel with her, so it doesn't make any difference to me."

And Lisa told me that. I just realized that what I thought was being accessible and accountable was not sufficient. I don't want to be seen as somebody who doesn't answer questions or doesn't make herself accessible. Because that's never the way I was before. I don't want to be that way now.

So then after I was thinking -- when did I do that press conference, about two weeks ago?

Q I think it was a month ago.

MRS. CLINTON: Then I started thinking that week, how should I do this because -- a lot of people gave me a lot of advice. You gave me advice. A lot of people gave me advice. I wanted to figure out how to do it in the right way. Most people didn't think a press conference was a good idea.

But the more I thought about it, I thought, I can't think of any other way to make myself available to people who feel like I haven't, except doing it that one time. I would have had to travel around, seeing everybody individually. I didn't see how I could do that.

Then I started talking seriously to Lisa about it. By Wednesday I was thinking seriously about doing it, but I didn't know when to do it. I didn't know when I would feel ready to do it.

And a friend of mine gave me a copy of this paper on Eleanor Roosevelt where it talked about how she had (inaudible) press conferences. And I thought that was like a sign. So I began to think seriously about doing it Thursday or Friday. But we were travelling, and I couldn't get myself focused.

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And so Thursday night I talked to my husband. And I said, "What do you think about this idea?" He said, "If you think it's the best thing to do, you should do it." I went to bed not knowing whether I felt good about it or not.

And I woke up the next morning, and I called Lisa about 7:30 or 8:00 in the morning. And I said I want to do it, let's do it today, let's just get it behind us.

And then -- so Lisa posted that we were going to do it. And the President and NATO decide they were going to bomb Bosnia. All sorts of other things began to look like they were very important. And I worried that it wouldn't be appropriate to do it.

But Lisa talked to some of the members of the press. And they said, "You know, she posted it. She said she was going to do it. She should go ahead and do it." So I did it.

Q Do you wish you had done it earlier?

MRS. CLINTON: Well, now, I do, yes. I have gone through so many phases of this. I just feel like I am kind of learning how to do this the way that's right for me. I really didn't get it. I take responsibility for all of this.

Just didn't understand what a lot of people were trying to tell me. Because I felt like I was very accommodating, because I really was out there all the time. And when I wasn't out there I would be doing satellite feeds. I did nine stations yesterday. I do that every week. And they ask me whatever they want to ask. And they would ask me about everything.

I like local and regional newspapers and radio and TV because they get serious about issues and all of that. But it's not the same as doing it on a national level. It just isn't. I know now. I don't know why it took me a while to really. not just recognize it, but feel it.

But, then, I also worried about what is the right thing to do, what is the appropriate thing to do. And learning about Eleanor Roosevelt's press conferences -- I have vaguely that she had press conferences with women reporters. But I had no idea she did them on such a regular basis.

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Q Do you think about doing that?

MRS. CLINTON: With just women reporters?

Q No, not just women reporters. But let's say every month you have a press conference?

MRS. CLINTON: I don't know. You think it's a good idea?

Q Yes, I do.

MRS. CLINTON: Do you, really?

Q Yes, I think it's a very good idea.

MRS. CLINTON: It was funny on Friday when I did it. And Maggie, my chief of staff, called me from the Vice President's Office, because she had been walking by, and they grabbed to tell her that NATO and the President had made this decision. And she called me. She said, "You know, my gosh, I don't know. Maybe you should change it."

I worried then that it would be viewed as inappropriate if I went forward. It would also prove that I didn't know what was going on in foreign policy. So, put that to the rest. I was sitting in meetings talking about what NATO was going to do.

I am still trying to figure out what is the appropriate thing to do. How do I do what I am trying to do, which is be honest with myself about my own contribution, and do what the President wants me to do, and work on health care, and do it in the right way? So I considered it. I just don't know.

Q Without seeming to usurp his authority?

MRS. CLINTON: Yes. I think they would get pretty bored with it, frankly, after a couple of times. People saying, "Who does she think she is, having press conferences?" I did that for a purpose. It was to kind of give people a chance to ask me whatever they wanted to ask me for a long time.

I don't know if doing it regularly would be a good idea. But I am thinking about it.

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Q I get this sense, looking at what you are doing now, that there is this (inaudible) sort of attaches, and that every time you are front and center there has got to be this shift where you have also got to be a (inaudible) thing, for lack of a better term.

You are real front and center, and then you push your shopping cart around the Safeway. You are real front and center, but you've got to be front and center in a pink sweater, and you've got to be sitting down and not standing behind a podium. I get this skitzy sense --

MRS. CLINTON: It's because I am doing so many things at one time. I am all those things. I don't feel skitzy because I am all those things because I am all those things. I feel very comfortable in all these different ways.

I have to tell you, I loved being in that Safeway yesterday. I mean, that was not any plan or anything. I don't know if I can convey to you what it's like living in the White House when you are our age, so little control over your own life. And you can't do something as simple as going to a store without it being a major production; as my father used to say, a federal case.

I felt great talking to this produce manager about jicama. I just missed it. Felt neat, too. I think I'll talk about health care, and make big speeches, but I also do like to kind of kick back and do things that I used to do when I had more time and space in my own life.

So it may appear that way. But I think any of our lives, if we looked at -- if somebody looked at it from the outside, they would say, this woman is talking to her kids, and then she is writing columns, and then she is running over to the Waldorf, and then she is picking up kids. Who is the real person? The answer is it's all of that and more.

Q You know, sometimes I feel like you are the one woman in America who hasn't given into the idea that you can't have it all.

MRS. CLINTON: Well, I don't even pretend to have it all. But I do have other things that I want. I want to be who I want to be. I don't want to be told I can or cannot do something that is natural and part of my life. I know that I will never be in the Olympics.

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I know that I'm never going to win the 15-minute mile. There are a lot of things I know I am never going to do. But what I care about, and how I think myself and my life, is very important to me. I have always tried to make the decisions that I felt were right for me.

That's why I made this press conference decision.

I mean, I didn't talk to a lot of people about it. I had to get it right with me and decide what was the right thing for me to do. So it wasn't some big White House conversation, running around asking everybody what they thought, what they thought, should I, should I. No. It was right for me, and I did it. That's kind of how I have to live my life.

Q Yes, but don't you have to also do what's right with the image, the requirements, the expectations, any --

MRS. CLINTON: I don't feel like I am doing anything that is at odds with who I am. I just don't feel that way. Part of the reason I wore the pink sweater outfit, I --

Q I like the pink sweater outfit.

MRS. CLINTON: I wanted to wear a long enough skirt so that if I sat in the chair, people wouldn't be taking awkward pictures of me. And I had that long black skirt, and I only had a few things to go with it. It's not some sort of calculated decision about putting myself in pink. I had a white sweater outfit, or a pink sweater outfit. And I like the pink better.

That's the kind of thing that I just -- I can't worry about a lot. In this position, I think no matter what you do, you are going to be criticized,

One of my happiest achievements for the past year is that we have carved out space for my daughter. I mean, I feel really, really good about that. I am criticized all the time, and I have a lot of people say, "We have never seen her daughter. she must not do anything with her. she must not spend time with her."

Well, I don't care what they say. It's not true. But I am not going to trot my daughter around and exhibit her like some prized possession so that other people can know how

much I care about her, and how much being a mother means to me.

I do what feels right for me. And I draw the lines where I think they should be drawn. And if I have drawn it wrong, like I obviously did on making myself available and accessible, I'll try to learn from it and go on.

Q I don't know whether you care or not, but all I have ever heard about how you have handled the situation with Chelsea, is the highest praise.

MRS. CLINTON: I appreciate that.

Q Everybody I know really feels like that's being --

MRS. CLINTON: But most of you are working mothers, so you can relate to it. But there is a school of opinion out there that is very questioning about it because they never see her. And I run into that all the time. "When are we going to see the little girl? When are you going to bring her out?" And I just can't do that. That is not something I will ever think is appropriate for me.

Q I went over the press conference today. And when I watched it on television, I finished up and thought, well, that was a tour de force. When I went over it, the thing that made me a little uncomfortable about it was that there was the slightest undertone of (inaudible) to it.

There is a kind of, well, you know, he handled the trades, and he knew how to do this, and he handled the real estate investment, and a little less take-chargeness than we are used to (inaudible).

MRS. CLINTON: But those are two things I didn't take charge of. I don't mind saying that. I have taken charge of most things in my life. But I didn't take charge of a commodities investment that I got into through the strong advice of a friend whom I trusted and knew what he was doing. I am not a commodities expert. If I represented you in a lawsuit, I would take charge. But that was not my expertise.

And the same thing with the real estate development. This is a man who had a track record in real

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estate, and he had been very successful, he knew about developing real estate. He had been a friend of my husband. We were passive investors.

I buy stock in companies. I don't take charge of the companies I buy stock in. I make the best decision I can. But then I basically ride with the market until I either get off, stay in, put more money in, or whatever the decision is that I have to make to be as active as is -- in line with what I am trying to accomplish.

So I didn't mean to convey that at all. But that was the facts. I was in that commodities investment because I got a great piece of advice. And we were in the real estate investment because a lot of our friends had been in real estate investments with Jim.

And we also had a very small one that had been successful with him the year before. Seemed like a good idea. We weren't active, and we didn't manage it. I don't think that's unusual.

Q Do you understand why some people find it hard to believe that you parlayed $1,000 into almost $100,000 without some preferential treatment?

MRS. CLINTON: Yes, I hear it all the time. But I don't hear it from people who know about the commodities market in 1978/79 when clerks in back offices were making more money than I made, apparently, now that they are all writing letters to the editor and getting credit for it.

There is a broker who wrote a letter to the editor of the Times a few weeks ago. He said, "I don't know what the fuss is about. I had a woman client who put $1,000 in, made $750,000."

I guess it has to do with the level of suspicion that is bred in the public about people in public life. And I regret that deeply. And of course if I thought anybody would have thought that something I did as pretty straightforward could be viewed a different way, I wouldn't have done it. I don't want anybody having doubts or questions about what I do.

But I can only tell you what happened as I know it. I can't speculate about what somebody thinks could have

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happened. I can only tell you that we have tried very hard, all of our married lives, to be careful about what we have done. And the reason that we invested at the advice of people like Jim Blair and Jim McDougall is because we knew them. They were friends. We didn't think they had any axes to grind.

We are not people who went on junkets or took gifts or trips or special kinds of benefits from people in business. So we invest with two people whom we knew, knowing that these were people that we didn't believe would ever take advantage of us in any way. On one I made money, on one I lost money, and I got criticized for both.

So, I don't see -- in retrospect, I don't see any reason for my not having taken the advice I got. And I don't see any reason for anybody to think that Jim Blair, for example, would have given me -- everybody who has said that, have yet to point to any basis for their saying this. And if you analyze what they say, it doesn't make sense to me.

Yes, I was very lucky because I took Jim's advice, and I made money. And then I stopped trading at my own decision. He kept trading, and he lost money. So why would somebody have given me preferential treatment that he couldn't get for himself?

And, secondly, those people who say somehow this was a favor to me from Tyson Foods, a year after I did it, Tyson Foods was supporting my husband's opponent in the 1980 gubernatorial election, and giving money to him. Not to my husband.

I now know that anybody can say anything. But I don't see anything other than the assertion, and I don't see any basis for that. And I have tried to be as sensitive as I possibly could. And I can only say what I knew, and when I knew it, and what I did, and what decisions I made.

Q Do you get a sense that there are people who believe that there is a contradiction between a person who is trying to do well, and being a person who tries to do good?

MRS. CLINTON: I think some people are trying to promote that distinction. And I think that it's a bogus distinction. I have spent 25 years of my life on causes and issues that I care deeply about, whether it's child advocacy

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or legal services for the poor or education reform, and now health care reform. And I have worked as hard on doing that as anything I have ever done in my life, and feel very strongly about how important it is.

I don't see any reason to avoid your family responsibilities or avoid opportunities to try to provide security at a prudent and reasonable level for your family that could contradict what has been, in a large measure, my life's work over the last 25 years.

I know that some people promote that point of view, but it's a pretty long stretch, I think, compared to the totality of what I have done and two investments, one of which I made money, and the other of which I lost money. And it hardly ranks up there with the kind of excesses that we remember from the 1980s.

Q I have a point here that you made in your press conference, which was you talked about being a transitional figure, which I think kind of goes to this somewhat.

MRS. CLINTON: I think it gets back to your kind of skitzy point. Because I think some of it has to do with the failure that is part of the desire to stereotype me and stereotype women like me, us right now, because we don't fall into any easy category.

If you have been in the work world, and you tried to be successful, that raises one set of stereotypes. If you have also tried to balance family responsibility and care deeply about that, and about particularly your obligations as a parent, that raises a different set of stereotypes.

And then you add to it my belief that you should give something back to your community, and that service is a major part of how I define my life. That raises a third kind of stereotype.

If we continue to think about people, and particularly women, in those stereotypical terms, there is no merging. None of us is ever allowed to have an integrated full lie in which we give vent to all of our talents and interests and try to balance the different parts of our lives.

I think about my life as having four primary parts:

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my faith and my family and my work and my service. I try to constantly keep them as integrated as I can.

When I am working hard, as I used to do as a lawyer, that doesn't mean I stop being a mother or a volunteer or a Christian. When I am in church, thinking about my full life, like I did last week when I sat there listening to the sermon, it doesn't mean that I can't walk out the next day and give a talk about health care reform. Why should it mean that?

I believe that I have created a lot of kinds of dissidence maybe, in the minds of people who are comfortable with the stereotypes and think that I must either be schizoid, if I have all these different roles in my life that I try to keep in balance, or that I somehow must not be authentic; that I can't really be all these things because they are contradictory in the minds of some.

Q Does that mean that you agree with some of those who have said that the criticism of you for (inaudible) or for the cattle trading is basically sexist?

MRS. CLINTON: No. That may be a motivation on some people's part, but I think it has to do with changing standards that are required of public officials. I mean, no president has ever been subjected to what my husband has been subjected to. And nobody could have predicted it. I don't understand all the motivations behind it, but I think it's a very complicated point in history where we find ourselves.

I don't think you can pull out sexism or pull out youth in the 1960s or pull out a small southern provincial state or pull out all the things that people throw around as possible explanations. It's probably a combination of all.

Q Of all of them?

MRS. CLINTON: Yes.

Q You think so?

MRS. CLINTON: Yes.

Q Sometimes when I get a stack of mail that's critical of me, where I just read it and think -- I just think I'll go back to bed now for the rest of the day. I was

thinking about what it must be like for you, when it's not a stack of mail. It's every newspaper, it's every magazine. What do you do to that? How do you deal with it? Don't you ever just want to say to hell with all this?

MRS. CLINTON: Sure, yes, I do want to say that. But I don't say it for very long. You know, I never would have anticipated the virulence and relentlessness of the criticisms that we have been subjected to. The reasons, as I say, still escape me completely.

But I have always been aware of the criticism that you are going to get if you venture forth to do anything. So that's not been a surprise. I have to deal with it for many years.

And I have tried very hard to live by a saying that I have had, which is, you take criticism seriously but not personally. And that's what finally got through to me on this press conference thing. Sometimes I take it personally and I don't hear the legitimacy in the criticism. Sometimes I ignore it completely and just don't pay any attention to it. But I think the wiser course is to take it seriously, but not personally, and try to sort out.

Now, there are some people who, you consider the source. They have their own axes to grind, they are biased, they will never agree with what my husband is trying to do, so they try to tear me down in order to get to him. I basically don't pay any attention to that because even -- whatever they might say is not motivated out of any kind of good-faith observation.

But then there is everybody else who, I figure, I am either not communicating with effectively, or they disagree with me, which is fine. I don't mind that. Or somehow I am not picking up what they are seeing, and I should take a second look at what they are raising and try to figure it out. And that's what I keep trying to do.

So, I leave that for a while. But, then, I don't want to get embedded, I don't want to get angry, I don't want to be eaten up by this stuff. I want to live my life. And so the best way to do that, from my perspective, is, you have been allowed. And you say, wait a minute, what's going on here, how can I figure it out, how can these people see this when I see it so differently. What is going on here? And

then I try to work it through the best I can.

Q You felt like you were taking the criticism personally during the early weeks of Whitewater, and that is how you saw it?

MRS. CLINTON: For a long time I couldn't understand why anybody is making an issue out of it. I have to confess, I found it very hard to take seriously at all -- to go back to my serious but not personal.

Then I looked at it a little personally because I thought what is the motivation here. I just don't see this. And I really, honestly, didn't get -- and all of the conspiracy theory, and the speculation, none of it was true. And so I couldn't take it any other way but personally.

Because I kept thinking there is bound to be something here that is just an axe to grind that I don't figure out. Or it's commercial pressures, or everybody needs a scandal, whatever the explanation was.

And then I got myself to the point where I realized that for whatever reason, people who had legitimate questions needed for me to give them the best answers I could. And knowing that they may or may not fully agree with what I tell them, but I do the best I could. That was all I could do.

Q Who do -- when you unload and vent, who do you vent to?

MRS. CLINTON: Mostly my husband. Sometimes --

Q (Inaudible)?

MRS. CLINTON: That's why I try not to do it very often.

Q You both have a few other things?

MRS. CLINTON: Yes. I try not to do it very often.

Q What about your friends?

MRS. CLINTON: Yes, sometimes my friends. I got the greatest group of people around me that you could possibly have.

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Q Your staff, you mean?

MRS. CLINTON: Oh, yes. And we have a very mutually supportive relationship. And they are very honest with me. I could not bear to be around people who were "yes" women. So they are just as frank with me as I try to be with them, and the sort of stuff --

(End tape 1, side 2.)

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