

BOB WOODWARD  
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THE WHITE HOUSE

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REMARKS BY THE FIRST LADY  
DURING INTERVIEW WITH BOB WOODWARD

Q What I wanted to do is I -- is I -- really look at things, the health care business in -- I hate this word. Macroeconomics is so important to what happens to government spending. It obviously is the issue that affects people on a broad scale the most.

And I'd like to go back to that time in January last year when you and your husband decided to make you head of the health care task force. If you could give me how that was decided, what your feelings were -- as I understand, at one point he thought of appointing Gore to that position or maybe even Senator Rockefeller.

MRS. CLINTON: I don't know that. I mean, I -- I don't think I have anything to add to what I said last time we talked. I mean, it was -- you know, it was really a decision that he made.

Q When? Do you remember?

MRS. CLINTON: I think it was January. But I don't remember. And the first time he ever talked to me about it was in -- we were still in Arkansas. So it was probably sometime in the first two -- two and a half, three weeks of (inaudible).

Q So after you got back from Renaissance.

MRS. CLINTON: I -- yeah. I mean, I just don't remember. I just know that it was sometime in that period. Originally, I thought it was December or January. But I think it was probably January.

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And I -- I think that one important point is, you know, the President has always been -- he started out and he remains, in my view -- and this is obviously biased in his favor, as I usually am -- the most knowledgeable person about health care reform in the entire administration. I mean, he understands the issue better. He understands the numbers better.

And his view about what needed to be done has remained remarkably consistent from the time he was a governor dealing with health care issues on the receiving end to the time that he shared the governor's task force through the campaign into the administration.

So, much of the conversation he had with me or with anyone else was really his description of what he thought would work and what he wanted all of us to explore, flesh out, analyze and come back to him with.

Q Could you set the scene for me of when he -- where you were and about when it was when he said, "Hey, dear, would you like to head the health care task force?"

MRS. CLINTON: I don't have any memory of that. I mean, it was a -- it was a rolling conversation (Laughter), like a lot of our conversations. They don't have any particular, you know, notice to beginning, middle or end. They just kind of roll along.

Q What was -- what did you think?

MRS. CLINTON: Well, I mean, I thought that it -- it was an incredible challenge for anybody. But I really thought it was so important. And I think he -- I think he really thought it would be a good thing for me to do. So it just kind of all fit together, really.

Q Did anyone advise against it?

MRS. CLINTON: I'm sure they did. But I don't know that. Nobody talked to me because he pretty much made up his mind. I mean, I don't think it was something he asked people's opinions about.

Q Someone said Vernon Jordan at one point came to you and said, "Don't take an office in the West Wing," and kind of argued against --

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MRS. CLINTON: I don't remember that.

Q -- a high profile position.

MRS. CLINTON: I don't remember that. I don't remember that, you know. But any -- I mean, when Bill asked me to chair the education standards committee back in 1983 -- and a lot of people thought it was a terrible idea. Our friends thought it was a terrible idea because no matter what I did, I'd make somebody mad. If I did nothing, I'd make people disappointed. And his enemies thought it was a terrible idea.

It's pretty much the same, you know. (Laughter) I mean, you know, it's -- that was one of those things that, you know, you just -- you just do what you think is right and let the chips fall.

Q Take me through what you did first, then and just -- I want to get -- there are a couple of moments where there're meetings where you and Ira Magaziner have said things. But I'd -- I'd love to get your sense of what -- okay. Now you've got -- in a way, if you think about it, one of the biggest jobs in government. Now tell me what, if you would, how you thought of the -- your strategic approach to it, if you will.

MRS. CLINTON: Well, I really thought not so much of it as a job in conventional terms, but as a responsibility to help facilitate a lot of people who knew a lot more about this than I did -- to get them to work toward creating the plan that the President wanted.

I mean, I never thought I would become an expert in any particular aspect of health care reform. But I did think that I could at least bring people into a process that would work. And so, you know, I talked with people about what had been tried before. I got some sense of other major legislation like social security or Medicare or, you know, Clean Air Act -- I mean, things that were very big pieces of legislation in the last 50 or 60 years.

But I -- I really viewed my role much as the way the President described it when he introduced me and announced this whole effort, that, you know, I could get people together. And there were going to be an immense range of diverse opinions. I mean, I have never seen an issue that

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brings out more concern, anxiety, insecurity because it is such a personal one.

So, it doesn't matter if you're talking to, you know, somebody that you meet on the street or your talking to somebody that runs a major medical school or whoever the person might be. Coloring their views of whatever professional or expert nature they bring to the task is this personal experience. So, what my hope was is that I could create a process that would lead to everything being looked at --

Q Yeah. I understand that.

MRS. CLINTON: Because I didn't want anybody saying, "Well, that would have been fine. But they didn't look at that," you know. So -- and then working to give the President options, which he then would decide among, and getting everybody to the table all the time, knowing full well that it was going to be a vigorous and difficult debate all the way through it.

Q What did you say to Ira to get him to be kind of the executive officer of the effort?

MRS. CLINTON: Well, the President really wanted Ira to do that, I mean, because the President had worked with Ira on health care issues. And, see, Ira brought to this experience, you know, his management consulting background. But also, for a period of years in the late '80s, Ira conducted one of the very few actual time study motion reviews of what happened in the health care system. I mean, he sent -- you know, he supervised a crew of people.

Q He went out to hospitals and --

MRS. CLINTON: Oh, yeah. But -- and he had a whole team of people who literally followed nurses and doctors and social workers and other people so that you could get below all the abstract statistics.

And out of his experience working with major corporations on cutting costs and understanding better allocation of resources and his hands-on experience in the health care field, reviewing what went on, he had a kind of mix of experience that the President thought was, you know, right for what he wanted done.

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Q A number of people have said if you took all the development of health care and laid it out into stages, that there -- the first couple of months were kind of the idealistic phase. Is that a fair characteristic?

MRS. CLINTON: No. I don't think --

Q How would you characterize it?

MRS. CLINTON: There was never an idealist phase. (Laughter) There was -- there was an effort to try to marshall every -- every point of view. I was always very clear about what the President thought would be the outcome of this. And, in fact, we are where the President thought we would be when this whole process started.

But, in fairness to the President and in fairness to the process, we had to look at everything. And we did look at everything. I mean, we -- we did a very thorough vetting of, you know, cost figures for every particular approach. We talked to people who ranged the gamut about all different kinds of reform options. I mean, we collected millions of pieces of paper and on and on.

I never viewed it as idealistic. I viewed it as pragmatic problem-solving. I mean, we didn't want to be caught unawares. We didn't want the President to be in a position where you present an option, and somebody would say, "Yeah. But what about, you know, Professor So and So who says XY and Z?" So I viewed that as an imperative for us to get everything we could under the tent.

And so that meant we looked at a lot of stuff. Some might be considered idealistic. Some might be considered, you know, realistic. But I -- that was irrelevant to me.

Q What was the major turning point in the early phase up through May?

MRS. CLINTON: I don't think there -- I don't think there was a turning point. I think people -- and I know you, obviously, have talked to lots of people who have seen bits and pieces of this.

I view it as a -- as a -- kind of a straight line in a sense with information being loaded on and decisions

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being made as we moved through the process because the -- the President rejected a single-payer option unless we could prove that it could work better or do things that he didn't think it could do. And we couldn't prove that.

He also rejected the pure managed competition option which basically had no cost controls nor any real guarantee of universal coverage. And, you know, we spent a lot of time with those folks and gave them every opportunity to, you know, make their case.

So from my perspective, the President's view about what needed to be done -- we had to try to either disprove or validate as we went along. You know, there were pieces of it that didn't stand up to analysis. And we went at it a different way. But the -- the basic structure of what the President wanted is what is in the legislation.

Q Do -- do you remember talking to Rostenkowski about the tax question and -- because early on, it looked like you might need more than taxes -- more taxes -- not just the cigarette tax, but there was some consideration of the value-added tax and so forth.

MRS. CLINTON: Well, we considered everything. I mean, that -- we considered everything. I mean, you know --

Q Remember him, Rostenkowski, saying, "You just can't send another tax up here. It is just -- you know, it -- it --"

MRS. CLINTON: Oh, I'm sure he said that.

Q Yeah.

MRS. CLINTON: I don't have any particular memory of that. I'm sure he said that on more than one occasion, you know, as did other people.

Q Yes. Right.

MRS. CLINTON: There was nothing very new about that prospect.

Q Was -- was --

MRS. CLINTON: The President didn't want to send

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another tax up either.

Q He didn't?

MRS. CLINTON: Oh, no.

Q When did he --

MRS. CLINTON: Oh, he never wanted -- he never thought we needed it. He always believed that you -- you -- with proper structure of financing and delivery, you would get sufficient savings in the system. And you could get additional revenues by getting everybody in the system that you might need some, you know, tobacco tax or some other minor tax to kind of put -- put all of the pieces together until all of the savings kicked in.

But he never believed that we -- I mean, he must have said a million times to me personally and in meetings, "You know, I cannot believe these people don't understand there is more money in this system than we are using rationally. I want the money out of the system to be reallocated. And I want the savings realized." I mean, he always believed that.

Q And this is -- that's -- that's the key element.

A VOICE: He's very aggressive.

Q Yes. Right. That's right. Right. (Laughter)

MRS. CLINTON: Oh. I mean, that's what he believed -- I mean, you know, he believed it when he was a governor. He believed --

Q In fact, some people have said he hates the health care system as we have it now.

MRS. CLINTON: He doesn't hate -- no. He --

Q I -- I don't mean --

MRS. CLINTON: He hates the irrationality of the financing system. I mean, we have the best health care system. We have the finest doctors, hospitals, nurses. But we have the stupidest financing system in the world. And it bleeds billions of dollars out of patient care into

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extraneous costs that are in no way related to health care.

Q Administrative costs, bureaucracy --

MRS. CLINTON: Waste, fraud, unnecessary tests, etcetera.

Q May 20th -- this was the day that you did the pro-con discussion, I think, in the Roosevelt Room about whether -- what -- how much of a benefits package to have and there were people who argued for the smaller one and the larger one. I think Jean Sperling (phonetic) gave a rather impassioned political speech that you need to get political support for this. And you're going to have to deliver something that is visibly good to have that support.

Then at the end of that meeting, you said -- now it was a large meeting -- "Let's not anyone talk about it." And some of it leaked out in the press, in fact, quite inaccurately.

MRS. CLINTON: That -- that -- one thing that is marked about all the work we did in the health care reform process is how inaccurate the press accounts were. And it's because people were, you know, getting the tip end of the nose of the elephant or the tip of the tail and weren't seeing the whole picture.

So they'd get some leaked document. And they'd, you know, say, "Blah, blah, blah." Well, that leaked document was part of a whole series of option papers. Or it had been rejected the week before. It was never presented to the President. So there was so much inaccurate reporting going on.

Q And you and your husband decided to stop big health care meetings after --

MRS. CLINTON: Absolutely. Absolutely.

Q Remember what you and he said? And I know you were quite upset about it. He was quite upset about it. And I've looked. I know what happened at the meeting now, I think. And it was -- it was a pro-con debate. It was not a decision meeting. It was presented in the press as a decision meeting. It was presented -- what did you say and what did he say to each other? You remember?

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MRS. CLINTON: Oh, I don't -- I don't remember that. I mean, there were so many meetings. I'm not even sure that I remember the exact meeting that you're talking about. But it -- but at some point -- I mean, these were never meant to be decision meetings. These were meant to be internal discussions --

Q Briefings.

MRS. CLINTON: -- and briefings about what the various options were and for people to, you know, really go at each other, which I encouraged. I mean, I like that because I want people to have a forum to express their honest disagreement. But you can't -- you know, you can't do that if you're going to have to be responding to something that was or was not even a major issue, that was, you know, all of a sudden on the front page of the newspaper.

And they were never meant to be decision meetings. The only decision meetings were the ones that the President was going to make the decisions in. And so we just decided that we would continue the process and people would be engaged in arguing out options. But we weren't going to have such large meetings with so many people because apparently they weren't mature enough or responsible enough to understand the context of the meetings. And so --

Q And you asked Ira then to give you and the President those -- kind of a second track of briefings and meetings of here -- here is where we are, as the economic plan was going forward.

MRS. CLINTON: So the meetings continued. I mean, gosh. We had millions of meetings. But we also found that it was very difficult to organize a large meeting effectively for the President because he was in the midst of the budget stuff. And there was a lot of other things going on. And he didn't need to hear, you know, so and so debate somebody else over something. He needed to know what our consensus was.

So it was as much a process issue for me as a, you know, concern about getting thrown off track because we'd have to stop to respond. I didn't think that part of the process was working. I thought the disagreements and the discussions should continue to be carried out vigorously.

But then as the President's advisors, we ought to

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reach a consensus. And we ought to present -- if there was a very strong minority point of view, it ought to be presented. But rather than subjecting the President to 20 variations on the theme, subject him to two or three.

A VOICE: We learned that from the budget.

Q Yeah.

MRS. CLINTON: I mean, it just didn't work.

A VOICE: We got him right at that time of year. His days were insane. And they were going 14, 15 hours.

MRS. CLINTON: It was crazy.

A VOICE: It was horrible.

Q Yeah. And -- and didn't Secretary Bentsen go to him at one point and say, "You're not getting enough sleep. I've seen you -- you're nodding off in meetings. You are gone. You can't do that?"

MRS. CLINTON: I don't know that that happened. But, I mean, I told him that.

Q Did you ever tell him that?

MRS. CLINTON: Yeah. Because, I mean --

Q What'd you say to him?

MRS. CLINTON: Well, just that he needed more sleep. And we all did. I mean, it wasn't just the President. I mean, people came off the campaign. They went right into the transition. We had a mile-long agenda. And everybody had just been working as -- as -- beyond what anybody could expect. Plus, we had a 25 percent staff, you know, reduction.

So we were doing three, four, five times more than previous White Houses had done, pushing a huge agenda with 25 percent fewer people, most of whom were dead tired from the campaign. And we -- you know, we really did have to kind of get folks rested up. And that included the President.

Q The day -- fast-forwarding to August 5th, which

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was the day the House voted on the economic plan. And it was the final vote. And you were working out an arrangement with Martin Lancaster, the North Carolina Congressman.

And I think -- I mean, he's -- I have talked to him about this and to a number of other people. And there was this whole question, "Is there going to be another tax other than the cigarette tax?" And you called him, I think from your car. And he had talked to the President. And he talked to some other people. And he wanted an assurance that there would be another tax. Do you remember that?

MRS. CLINTON: I think I remember talking to him. I don't know when it was. I don't have any idea of that.

Q It was right at that last day. And he feels that the inference was that the second tax is going to be an alcohol tax.

MRS. CLINTON: That was never said.

Q I -- I -- I think that's true.

MRS. CLINTON: That was never said to anybody.

Q What did you say to him? Do you remember?

MRS. CLINTON: I don't remember. But I told him that that was not the only way we were going to raise some money, that -- that we had at least one other way that we were looking at and a couple of other possibilities. But the tobacco would not be the only way.

A VOICE: Everybody was careful not to say that.

MRS. CLINTON: Yeah. That was never said.

A VOICE: That was a trap. He knew if alcohol was included, they would all get killed.

Q Yeah. You'd never get anything.

MRS. CLINTON: Well, yeah. But --

Q That's what he wanted. That's what he wanted.

MRS. CLINTON: Well, yeah. I mean, I -- but -- but

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it just -- it just -- I mean, I remember talking to him on several occasions, not just that one that you referred to. And, you know, from the very beginning, we all said -- and I think we were very straightforward in saying -- there was going to be a tobacco tax.

And, in fact, I had meetings with other members of tobacco-producing states where we talked about how much it was going to be. He just -- and apparently there was some miscommunication among the members of the House who were from the tobacco states because that was one of my early lessons that I dealt with only a few of the members. And they were supposed to be the ones to go and deal with the entire tobacco caucus.

And so we had what we thought was an agreement about what the level of tax was going to be, how it was going to be presented, etcetera. Then, as we get into the budget battle, folks are scrambling around, looking for cover or looking for whatever deal they can get. They start saying to us, "Well, so and so never told me that." Well, so and so tells me that they had a meeting where it was all discussed.

So there was a lot of political maneuvering going on. But we -- we always said there was going to be a tobacco tax. And we always said there was going to be something else but were never specific about it. So -- but people hear what they want to hear.

Q And, of course, it came out to be a one percent tax on those that are not in alliances. Correct?

MRS. CLINTON: Right. Yeah. The self-insured corporations.

Q Right. And he feels that he got lead down the garden path or whatever that's worked. What -- I -- let me ask you a really important question. And that -- this -- after the economic plan and even up into this day, there is this debate about the -- the kind of question of the presidency, whether you succeed by legislation, managing Congress.

I think the consultants have written some memos on this -- that the Congress is the new Soviet Union and that you manage it in the same way versus the idea of the presidency as a moral podium or where you get up and make

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larger purposeful statements.

Have you talked to your husband about where do we fall on that? What do we do? And how does it work? It's clearly a vital issue. And I want to -- I really would love to understand your discussions and thinking.

MRS. CLINTON: I don't think we think it's an either-or issue. I think that's another one of those false choices that people love to pose because it seems to define the universe, when in effect, you have to do both if you're going to have a successful presidency.

I mean, we had a very successful bully-pulpit rhetorical president with Reagan. And the infrastructure of the country in many ways was severely damaged by his -- his legislative policies. I mean, he could manage Congress. But he managed it for the wrong ends in my view. And he could do a great bully-pulpit speech. But it often wasn't connected to any action.

So, I mean, you -- you can -- you can even have both. But they can produce the kind of results you want. So I think that certainly from my perspective -- and I believe the President's idea is the same -- is you've got to try to do both.

I mean, you have to try to set out a vision and have a sense of values in where the country ought to be going and of individual's responsibility. But you also have to produce results. I mean, at the end all those words just flow into the air.

Q Was there a point where this became clear or clearer that that's -- that you have to do both? You can't define a presidency one way or the other because as you landed here in Washington, the promise of the economic plan -- no vacations, 14 hour days and longer -- there's -- there's, you know, that -- aren't those moments to take stock and say, "Wait a minute. What are we doing here? How does this fit?"

MRS. CLINTON: But see, I think -- I think that's -- I think that's a -- no. I don't think that's a fair characterization because I mean, what I -- what I think we did in an effort to try to get the agenda up and going and try to understand the Congress, which was an important part

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of the task, was for a while, for some months, to kind of forget about the importance of melding the -- the message and the bully-pulpit with the legislative agenda because we were just overwhelmed by the mechanics for the first six months.

I mean, you know, there was a lot of things we had to figure out. I mean, who in the Congress do you really look to for good guidance and advice. I mean -- I mean, you know, Senator Byrd -- he's pretty hard to argue with. He had a very different view about how to handle the stimulus package than others. We made a choice that in retrospect was not the right choice. Those are things you live and learn, you know.

And so we got -- we had to kind of figure out the mechanics and to kind of understand how to maneuver through the system. And I think that by July or so it was clear that we had lost the double focus that you always need to have. I mean, you've got to keep telling people what it is you're trying to do and how you're trying to get there while you do the mechanical part of trying to get the results through the Congress.

But, I mean, the results speak for themselves. If we hadn't gotten the budget through and it hadn't been the kind of budget that it was, we could make speeches from now until doomsday. And that wouldn't necessarily result in positive changes.

Q There -- there isn't a moment when the two of you talked about that issue of, "Hey, we need to do both. And we need to understand both of them and how they collide in the interaction and so --"

MRS. CLINTON: We talked about it constantly, constantly.

Q I'm looking for that moment that's really interesting.

MRS. CLINTON: (Laughter) I know.

Q I know. (Laughter)

MRS. CLINTON: I know, Bob. But, I mean, -- it just --

Q Okay. You --

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MRS. CLINTON: I just sort of rolls along.

Q Right.

MRS. CLINTON: I mean, it's, you know -- you know, sitting around the dinner table before I go to bed, picking up the phone in the middle of the day. I mean, it's just -- there's no -- you know, there's no dramatic moment that it occurs.

Q (Laughter)

MRS. CLINTON: It's just constant.

Q A book editor or a newspaper editor --

MRS. CLINTON: I know. I know.

Q -- reads that -- that sentence. And you know -- and I say, "The Clintons talked about this in a rolling, endless, you know -- "

MRS. CLINTON: They go, "Oh." (Laughter)

Q And it goes, "What happened?"

MRS. CLINTON: Yeah. I know. I know.

Q What happened and when? Is there -- okay. I mean, it -- it --

MRS. CLINTON: That's all I can tell you.

Q Let -- let me see if I can help locate some of those moments that may trigger the recollection. In doing the run up to the health care speech September 22nd -- as I understand it, the drafting was very interesting. And you and your husband looked at some of the early drafts and -- and were not happy with them. And I think they even -- he even declared one of the pedestrian, that it didn't soar. And then the NSC guy -- what's his name? Jeremy Rozner (phonetic) --

MRS. CLINTON: Oh, right. Right.

Q -- was brought in to give it some lift and in fact, did. Do you remember that process and --

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MRS. CLINTON: That sounds like every speech he's ever given. (Laughter) I mean, you know, he just -- he really has to get into his speeches, you know, before he --

Q That's right. But I -- I mean, I say this openly. That was a great speech.

MRS. CLINTON: It was a great speech.

Q There was something about the energy of it that

--

MRS. CLINTON: But that's because there was so much of him in it. I mean, he --

A VOICE: Talk about a journey.

MRS. CLINTON: That's right.

Q Yes. The famous journey. Exactly.

MRS. CLINTON: That's right. That's right.

Q Help me how you look -- you two looked at the early drafts of that and said, "Look. This is what we have to do in this."

MRS. CLINTON: Well, I think that was -- if you're looking for a moment, a moment when you knew you had to combine both the vision of where he wanted this journey to lead and the details about what would be at the end of it if we took it together. And so there was a sense in which the moment had come after a very tough first nine months and I think a remarkable accomplishment with the budget against a lot of odds to really lay down the marker about, you know, what it is we were going to do together.

So we spent a lot of time talking it through. And I -- you know, I'm sure that -- and I can't remember all the meetings we had and all the drafts that we looked at. But, you know, it finally began to take on the form that he wanted. And then he really spent countless hours going over it and, you know, giving it his own voice.

A VOICE: (Inaudible) wasn't in the teleprompter.

MRS. CLINTON: That's right. That's right.

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Q The -- the what?

MRS. CLINTON: It wasn't in the teleprompter.

Q Oh, yeah. This is the -- which was amazing, stunning.

MRS. CLINTON: I know. Well, see, I knew something

Q What did he say to you afterwards?

MRS. CLINTON: Well, I knew that -- I'm up there, sitting there. And I see him get up. And I -- I see him turn around and talk to Gore. And then I think Gore motions to you. And you shoot out. And then I see him standing there kind of looking at the crowd. And I knew something was wrong.

But I didn't know -- I mean, everything raced through my mind. I thought maybe he's seen somebody in the audience who looks threatening or something. And George is going to get the security. Or, you know -- I didn't know what was happening.

Q Sure.

MRS. CLINTON: Then when he started, you know, I knew that there was something happening. But I didn't know. He told me later that what was even more distracting than not having the speech was when they were racing through the speech to get to the next -- to the real speech, when they were running through the old speech.

So not only is he having to keep his concentration and keep his eye contact and move through the chamber to relate to the members, he has to block from his vision the running lines and remember his speech on two screens.

Q That's right.

MRS. CLINTON: It was -- but, you know, it's -- I mean, this is something that I said to him later. I said -- you know, I've always believed one of my -- my husband's problems with some people is that he makes things look easy. I mean, he does -- you know, he's not -- he doesn't talk about the personal struggle or the political struggle. So

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here he is doing something that -- I mean, I don't know what tiny percent of the people in politics or even in America could do and does it without breaking a sweat, delivers the speech beautifully, doesn't complain about it.

He didn't tell me about it. I didn't know about it. I mean, I didn't -- I was just so happy about the speech. I thought it was a wonderful speech. I didn't know about it until later when somebody told me about it. He didn't say anything. It was like a non-event to him. I mean, it was something he had -- it was a challenge he had to deal with, so he did.

And sometimes I think he would be better served if he would convey a little bit more about the obstacles that he has to overcome so that people get a sense of how difficult what he's doing is. He really makes things look too easy. He then gets taken for granted. And then people hold him to continually higher and higher expectations which are totally --

A VOICE: And then they can round things off because he's making them smoother.

MRS. CLINTON: Yeah. And, you know --

(End of tape)

Q -- you're in.

MRS. CLINTON: That's right. And then you resent the people because they somehow made you think you could. It's a very -- it's a -- psychologically, it's very interesting.

Q: Okay. What did you say to him after the health care speech?

MRS. CLINTON: Oh, I was just thrilled. I thought it was wonderful. I thought it was one of the best speeches that he's ever given and I thought one of the most important speeches any president had ever given. I was -- I -- I was just incredibly proud of him.

A VOICE: He gave a -- you all came back to the house. Right? And had a -- there was a reception or whatever (inaudible).

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MRS. CLINTON: Oh, yeah. That's right. There -- we had a couple hundred people here. That's right.

A VOICE: He talked to the staff.

Q For the first time, right? (Laughter)

MRS. CLINTON: He talked to the staff about how -- why we were all here. It was really a moving -- we had (inaudible).

Q That night?

A VOICE: Yeah. Right after --

Q Do you remember what he said?

A VOICE: No. But it was very moving.

MRS. CLINTON: The gist is of what we -- you know, this is why we came here and what we are working for. And it was very -- yeah. That's right.

Q When he was drafting the State of the Union for this year and the -- the -- you know, "I will veto --"

MRS. CLINTON: Mm-hmm.

Q -- the veto threat. There was some -- Maggie, how are you?

A VOICE: How are you doing?

Q Good to see you.

MRS. CLINTON: Hi, Maggie.

Q Made it dodge the Wall Street Journal bullet.

MRS. CLINTON: You need me?

A VOICE: We're running -- yeah -- slightly behind schedule, as you might imagine.

MRS. CLINTON: Okay.

Q Let me finish (inaudible).

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MRS. CLINTON: Well, we'll be --

A VOICE: I'll be in the -- I don't know -- dip room (phonetic).

MRS. CLINTON: Dip room (phonetic).

A VOICE: Or (inaudible).

MRS. CLINTON: Okay. We'll find you.

A VOICE: We're ready.

Q Okay. In the veto threat -- and apparently, it was Gergen who thought that was a bad idea to threaten the veto. And there was some meeting with Mitchell and Foley. And he -- and Gore asked, "What do you two think?" And Mitchell said, "No. I think it's fine to threaten the veto." And Foley was silent. And then Foley had some reservations. And they brought Foley to you. Do you recall that? And he -- he voiced -- I don't want to get you in trouble. It's just that --

MRS. CLINTON: No. I don't -- I don't --

Q Yeah.

MRS. CLINTON: I just don't remember that. I don't -- when was that? When was that?

Q It was a couple of days before the speech.

A VOICE: A few days -- one or two days before we had a leadership meeting to go over the speech.

Q Yeah.

A VOICE: But I don't --

Q Yeah.

MRS. CLINTON: I don't remember that.

Q He voiced some -- he said I have some reservations. And --

MRS. CLINTON: I just don't remember.

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Q -- and whether it was effective to.

MRS. CLINTON: I just don't remember. I thought it was a good idea. But I -- I just don't remember.

Q You thought it was an essential idea.

MRS. CLINTON: Yeah.

Q Didn't you?

MRS. CLINTON: I did. Yeah. I think you had to lay down a marker. And I think it's worked. I mean, I think that, you know, universal coverage is sine qui non (phonetic) of health care reform. And --

A VOICE: We have a consensus for it either.

MRS. CLINTON: We wouldn't have a -- I mean, it -- we -- what -- you know, I love hearing reports about how, "Well, everybody knows now that the Congress is going to do something," you know. But that was totally unclear (Laughter) just a few months ago. And what they would do and whether it would cover everybody was certainly unclear. And so I think it was a very, very important statement.

Q The most interesting question about whether the best policy is the best politics. And there are some people -- I -- I think Panneta is one who frequently argues. The best -- let's come up with the best policy. And then the politics will follow to our advantage. And, obviously, sometimes that doesn't work. What do you -- how do you look at that, such a great, interesting, important governing question?

MRS. CLINTON: I -- I agree with Leon. If that's what Leon says, I agree with it. I mean, I think you've got to -- I think, first of all, you've got to decide what you think is the best policy. But then you have to temper it with what you think you can achieve of the best policy on what kind of a time table.

But it's very hard to fight the way we have had to fight for the last year for policies that we did not think were good. I mean, if it was strictly a political policy, I don't think we could have sustained the effort that all of us have put in in the last, you know, 15 months.

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So I really believe that you -- you know, you go with what you think is the right thing. And you fight like crazy for it. And you know there's going to be compromises. I mean, that's inevitable. But if you've got a core set of beliefs that you don't compromise off of, you can peel back a lot of the other policy that's around it in order to get to that. And I -- I think that's what you should do.

Q But there is a lot of maddening politics that go -- when one senator or one congressman can essentially kill the BTU tax, for instance, what's your reaction to end that?

MRS. CLINTON: Mm-hmm. Well, that's just part of the process. I mean, I don't think there's anything new about that.

Q You ever have a conversation with the vice-president about -- because early on last year he was one of the ones, "We have to have a bold economic plan. We need to really cut the deficit." We -- the BTU tax was like a holy (inaudible) to them. And then it got sacrificed on the alter of politics.

MRS. CLINTON: Mm-hmm. But that happens. I mean, you know, I -- I -- yeah. I mean, I think everybody knows that. I mean, people fight. And -- and certainly he fought hard for what he thought was the right thing to do. But he's a very realistic political player in all of this. And I -- I think he understood what we had to do to get as close to what was the best policy in his view. So I don't think that bothered him.

Q Did anyone ever -- any of the cabinet members or of the staff ever talk to you about there's too much of a campaign mentality in the White House?

MRS. CLINTON: Nobody's ever talked to me about that personally. I've read that people have said that. But nobody's ever talked to me personally about it. See, I had a different take on it.

I mean, I think you have to run a campaign for policy just like you do for elections. I don't see any way to get around that. I mean, you don't go off onto some hilltop and come down with your policy and then throw it out and hope that the world receives it well. I mean, you have to convince people to vote for it. And that's what the

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campaign is.

So I -- I never understood the criticism of that. I think you -- there is a difference between campaigning in election mode and campaigning for legislation. And there needed to be a transition. You know, in a political campaign you're often on a very short timetable. You've got elections every week that you have to try to win or lose. And lots of times, when you're campaigning for legislation, you have to take a very long view. You have to kind of know what the end gain is.

And I think we've done a pretty good job on that with health care so that a lot of what we have seen is beginning to play out. I mean, we -- one of the things we learned -- thanks, George.

Q Bye, George.

MRS. CLINTON: One of the things we learned from the budget --

Q Now we can really talk.

MRS. CLINTON: One of the things we learned from the budget battle is that you couldn't just come up with what you thought was the best policy and dump it on the Congress and say, "Take it or leave it." And I think there was -- you know, there were a lot of lessons in that. And I certainly picked them up.

So, from my perspective I wanted a piece of health care legislation that would give a lot of room for Congress to put its stamp on it. I wanted a lot of ownership. So there were very few things in that 1,300 page bill that are sacrosanct, you know. There's a lot of moveable parts. And I'm not waving the bill around saying, you know, "Do this or, you know, you're betraying the future of America." That is not the way I think that has to be done.

Q And did -- did -- was it easy to come to that realization? Some people have said it was a bit of an awakening for you personally to --

MRS. CLINTON: No. I fight hard for what I believe is the best policy. But -- and I think some people confused my vigorous advocacy on behalf of certain points of view with

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some kind of inflexibility or even idealism. But my belief is you've got to subject everything to a very tough argument and then see where you are and then figure out how you explain it.

Q Help me with an ending to this book. And -- we talked about the decision when your husband was deciding to run for President and your -- your observation that if -- it wasn't going to be easy. It was going to be a big change in his life. And -- and the notion is you said -- about a pain threshold.

MRS. CLINTON: Mm-hmm.

Q That it's not easy to run. The Republicans run it in the tax machine. Other --

MRS. CLINTON: And -- and still do.

Q Still do. Still do. Say on your vacation, when you were out in California just recently or here, was there a time when you two talked about kind of here's where we've come, here's what that pain threshold -- they keep raising the bar on us all the time -- on what that is and an assessment of where you are, that you made and that he made? Is there such a moment?

MRS. CLINTON: There's no moment.

Q I hope so.

MRS. CLINTON: But it's -- it's a -- I'm sorry.

Q Okay. (Laughter)

MRS. CLINTON: But -- but -- no. But it -- but it obviously is something we talk about because we have been surprised at the continuing barrage of attacks that are politically motivated and are aimed at undermining what he's working for:

And it's -- it's done a couple of things that I think are kind of interesting. It's reinforced our belief that what we're trying to do is very important and that it really does undermine the status of a lot of entrenched interests to the extent that they feel compelled to constantly come after us.

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In a funny way that's a great compliment. I mean, so long as you don't take all of this personally, which on my good days I don't. But, you know, some days it's more difficult when you're being accused of things. But it's not personal. I mean, it really isn't. It is -- it is much a part of the transition that we talked about at the end about -- of our last conversation.

And because we are these transition figures living in a transition time, we are going to be the targets for all kinds of insecurities and anxieties and opposition. And so I think that our attitude now is that we are doing what we believe in.

We think it's right for the country. We think it's beginning to show results for the country economically, even in the health care field. Because of what we've done changes are beginning to happen that never would have without our impetus.

So it's kind of strengthened our resolve, if anything, that this is a very important moment in time for this country and for us and for his presidency. And we're just going to take advantage of it and do everything we can.

Q How does it feel, though, when some of the stuff about personal life comes in that I happen to know as a journalist is -- I don't mind saying -- shitty journalism, just doesn't meet the standard. You wouldn't -- you wouldn't -- it's just awful.

MRS. CLINTON: But, Bob --

Q And I -- I --

MRS. CLINTON: Yeah.

Q I admit I can analyze the journalism. I'm interested, really, in the core of your feeling about it when you pick up some of that.

MRS. CLINTON: Well, I mean, -- You've got to -- I mean, the think that has been frustrating for us is the fact that so many people are willing to play the game that is being played and be manipulated by it. But we -- we knew that this was likely to occur starting back in -- I think it was like the summer of '91, around the time Bill was getting

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seriously pumped for running for President.

He talked to somebody in the Bush White House who he had worked with as a governor -- called him and said, "I understand that people are talking about running for President and all that. You ought to wait until '96, you know. And you could walk in. It'll be a free shot, you know, open seed," etcetera.

Bill thought it was a very odd phone call. And he said, "What is it you're trying to tell me?" And the guy said, "Well, let's just cut the" -- fill in the blank. He said, "We've done a lot of looking at this race. And your profile's candidate is one and one of the very few that could cause us any trouble. And we just want you to know if you get into this race, we will do everything we can to destroy you personally."

And I remember when he told me about that. I thought, "My gosh. They must be really scared of you." And then we heard a lot of other sort of internal rumblings because Sununu had worked with Bill and knew him.

Q Is -- is it Sununu who called him?

MRS. CLINTON: No. I --

Q Can you tell me who?

MRS. CLINTON: No. I can't tell.

Q Can you tell me so I can pursue it independently?

MRS. CLINTON: No. No. I might later.

Q Okay.

MRS. CLINTON: Let's -- let's finish health care. And -- and -- I'd love somebody to pursue --

A VOICE: We've got to wrap.

MRS. CLINTON: Yeah. I know.

Q Yeah.

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MRS. CLINTON: I'd love somebody to pursue some of this stuff. But -- but I was telling you -- so -- so -- so -- that was -- that was like a shot across the bow.

Q Yeah.

MRS. CLINTON: And then lots of other things related to that. He gets to New Hampshire as a governor from the state of Arkansas. Nobody knows even where Arkansas is. This is the fall of '91. And these organizations start running ads against him in New Hampshire -- the same people that are part of this ongoing effort.

Now I don't think any -- either of us knew the extent to which they would carry this. But it said to us these people are very scared. And they can't be scared of us personally.

Q Mm-hmm.

MRS. CLINTON: And they can't be scared of my husband. They're scared of his ideas. They're scared of his ability to connect with Americans so that we can start getting our country back on the right track. That's how we saw it. And so in the last two years with all this stuff that's been dumped on us, that's basically how we still see it. And that's what kind of keeps us going. I mean, you know, being in public life today is a very burdensome experience.

Q Talk about pain threshold.

MRS. CLINTON: Yeah. But if you believe that -- once a generation you get a chance to do something important for the country. Like reversing what we saw as irresponsible economic policies or getting health care for Americans. Heck, I mean, we're not in a war.

Q What does he say to you at the worst moments of this.

MRS. CLINTON: He says, "We're going to keep on going. They're never going to stop us." And he never ever gives up. He has a resilience and an optimism and a conviction. And he understands what's going on in the country.

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And he gets a little bit, I think, put out with those who are comfortable, who are elitist, who have their health care, who are successful survivors of the economic transition we've been going through who don't understand what is going on in the middle class and the working class of America, the way that their futures have just been hollowed out and how we have to rebuild that.

I mean, it is a sense of hope that has to be returned. But it has to be accompanied with policies to support people again, to give them a chance to, you know, lead the kind of lives that if they work hard for they're entitled to. I mean, we really believe that. I mean, this is -- you know, go back and read the -- the -- the single thing that made the biggest impression on my husband during the time he ran for President was the Philadelphia Enquirer series on the middle class --

Q Yes. Right. Right.

MRS. CLINTON: -- because it absolutely confirmed his own personal observations and experience. That's what keeps him going. He keeps me going. He keeps everybody going.

A VOICE: We've got to go.

MRS. CLINTON: I've got to go.

Q Okay.

\* \* \* \* \*

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