Mrs. Simon. Well, we agree with you, as far as Hillary's campaign is concerned, and we're all here to support her. And I wanted you to know also that George Hamilton flew in from L.A. especially to be with us tonight, so he's a little disappointed, too.

The President. I'm sorry I didn't get to see George. [*Laughter*] I kind of resent it. You know, when I came here, I was like George. I looked younger than I am, and now I look like I'm about half-dead. [*Laughter*] I still feel pretty good for a guy with a lot of miles on him. [*Laughter*] Thank you for coming, George.

Mrs. Simon. Mr. President, is it possible for Ian, our grandson, to say hello to you?

The President. Absolutely.

Mrs. Simon. Ian, say hello.

Ian Skjodt. Hello, Mr. President.

The President. Hello, Ian, how are you?

Ian. Good.

The President. How old are you?

Ian. Six.

The President. I think you're on your way to being a good public speaker. [*Laughter*]

Mrs. Simon. Would you like to say hello, Samantha? Come up here, Eric and Samantha. They're very, very disappointed you couldn't be here, but they're excited to say hello to you.

Samantha Skjodt. Hello?

The President. Hello, Samantha.

Samantha. Hello, Mr. President.

The President. How are you?

Samantha. Fine.

The President. And how old are you?

Samantha. Eleven.

The President. That's great. Well, I'm sorry I didn't get to meet you.

Mrs. Simon. Eric and Samantha are twins, so Eric is going to say hello to you now.

Eric Skjodt. Hello.

The President. Hi, Eric.

Eric. Hi. Hello, Mr. President.

The President. Good job. I think you ought to bring them to see me in the White House before I go.

Mrs. Simon. You know, we were excited to find out that we'll probably come in and see a movie or something in the near future with the children, if that's okay.

The President. Absolutely. We'll set it up.

Mrs. Simon. Okay, great.

The President. I'm so grateful to all of you who are there. And let me say just one little serious word. I'm also very grateful for the chance I've had to serve, and I'm glad our country is in such good shape. But this is a really important election, because the decisions we make will determine whether we stick with an economic policy that's working, build on a health care policy, stick with an education policy that's working, and continue to change in the right direction or do something entirely different that I think won't work nearly as well.

This is an election that's going to have real consequences for the American people, and sometimes I'm concerned that because times are good, people think it doesn't much matter. It matters a lot. I guess you know that, or you wouldn't be there tonight, even for Mel and Bren and Cindy and Paul. But I'm very grateful to you, and I thank you very, very much.

Mrs. Simon. Thank you very much. Thank you for calling.

The President. Thank you all, and good night.

Mrs. Simon. Good luck with everything.

The President. Thanks. Keep your fingers crossed. Thanks, Evan.

NOTE: The President spoke at 9:25 p.m. from the Residence at the White House to the reception at a private residence in Indianapolis, IN. In his remarks, he referred to reception hosts Bren and Melvin Simon; their daughter, Cindy Simon Skjodt, their son-in-law, Paul Skjodt, and their grandchildren Ian, Samantha, and Eric Skjodt; Senator Bayh's wife, Susan; and actor George Hamilton.

Interview With Joe Klein of the New Yorker in New York City

July 5, 2000

President's Historical Perspective

Mr. Klein. Do you essentially agree with my sense that you had—that the big issue has been moving from the industrial age to the information age, and that—I mean, the toughest thing——

The President. Yes. The short answer to that is yes.

Mr. Klein. ——to explain to people is, you take something like—how can being in favor of affirmative action and being in favor of welfare reform be part of the same vision? How can being in favor of free trade and being in favor of universal health insurance be part of the same vision? There are people on the right or the left who would say, "You can't do that." And yet, I think that they are part of the same vision. But my first question is, how would you describe that vision?

The President. I think my view—I saw my Presidency as a transformational period, and basically, America has gone through two before. Maybe it could start if we did it in historical times. There were basically—I look at American history in the following—we had the creation—how we got started and sort of filling out the elements of the National Government and defining what it meant. And that basically went from the Declaration of Independence to the Constitution, Washington's Presidency, and the appointment of John Marshall as Chief Justice—which is a very important thing—and then, ironically, through Jefferson's Presidency, with the purchase of Louisiana and the Lewis and Clark expedition, and then the next big challenge was, how would we adapt that to our growing industrialization? And how did we get rid of slavery, which was inconsistent with our principles? So obviously, that's what Lincoln and the Civil War and the constitutional amendments and everything that happened on civil rights after that was about slavery. But there was no single President that managed the process, if you will, or laid out a framework from the agricultural society to an industrial society. But that's part of what the railroads, the canals was all about, and it's part of what—and Lincoln was a part of that with the Morrill Land Grant Act, with the colleges.

Mr. Klein. This happened too slowly for——

The President. But it happened over a long period of time. Then, there was the transformation from the—you know, it happened over a long period of time as we slowly became a balanced society. But then, when we burst onto the world scene as a major national industrial power, that process was basically defined by Theodore Roosevelt and Woodrow Wilson. And I sort of saw this period in parallel with that.

The rest of the 20th century was mostly about dealing with the rise of—first, the Great Depression; then the war and the need to defeat totalitarian systems, which was part of the war and the cold war; and dealing with the specific challenges at home, principally civil rights, the women's movement, and the growth of environmental movement in America.

So here, we are moving into, basically, from an industrial society—an industrial economy to an information economy, and at the same time moving into an ever more globalized economy, which also is more and more of a global society in that we share common challenges and common interests that go beyond economics. And the globalization of the media has accelerated that.

So I saw my challenges trying to, first of all, maximize America's presence in the information economy; second, to try to maximize our influence in the welfare of our country and like-minded people around the world in a globalized society. And then, the other—and I'll get to your questions—and then the third big thing for me was trying to make people have a broader and deeper vision of the American community and how to handle diversity and how we would finally get a chance to see, in ways we never had before, what it meant to make one out of many, what our national motto meant.

And I think the—and you ask me, well, how can you reconcile those things? It seems to me that the two operational strategies we had to pursue those three great goals were, one, the Third Way political and social philosophy. If you believe in opportunity and responsibility and community, then it's perfectly clear why you would be for affirmative action and a global trading system, you know, why you would be for health care for everybody and whatever else you said—what was the other thing?

Mr. Klein. Free trade. No, I said that.

The President. Welfare reform.

Mr. Klein. Welfare reform.

The President. Welfare reform, because first of all, work is the best social program. Secondly, it is imperative to have a basic

work ethic if you believe in individual responsibility and you believe it gives meaning and direction to life, and I do. But if you do, you also recognize that there is no society—no society has succeeded in providing access to health care to everybody without some governmental action.

Mr. Klein. But there have been people all along, as you know—I mean, you and I had this same conversation in 1991. People all along said, "This is just an electoral strategy. It isn't a Government strategy."

The President. It was never just an electoral strategy to me.

Mr. Klein. Well, me, neither, as you know. And the question—I guess my question is, do you feel that you were ever able to really communicate the depth and breadth of this to the public?

The President. Yes, but only—probably only at the State of the Union Addresses, because it's probably the only time I ever got to say it unfiltered. If I made an error in those, even though they always received very high public approval ratings, they said it always took me so much time to explain my specific ideas in education or whatever, I'm not sure I ever took full advantage of the opportunity to lay the coherent philosophy out—because I do think at those points, that people got it.

But what I was going to tell you, if I could go back—I think we had the transformation from the industrial economy to the information economy, from the idea of a national society to an idea of a more global society in which nation-states matter. I think the nation-state will matter more in some ways in the 21st century. We can talk about that some.

And thirdly, the whole idea of defining America where our diversity was something to be cherished and celebrated because—because our common humanity and common values were more important.

And then, operationally, I think, the two things I think that mattered, I made some—the whole Third Way political and social philosophy, one; and second is sort of a relentless focus on the future, making people always—trying to force people to always think about not only what we're doing, how does it affect today, but what's it going to be like 5 years from now, 10 years from now, 20 years from now? And I think that is often—that hasn't often been the business of the Government.

But if you go back to Roosevelt's focus on conservation or Wilson's struggle of—failed attempt at the League of Nations, I think what made them both great Presidents for the transformational period America was in is that they were not only successful in the moment, by and large, but they had this focus on the future; they kept trying to spark the public imagination with the future. And that's—I hope very much that the announcement of this genome project, although I think it fills people with foreboding as well as hope, will tend to spark future orientation on the part of the voters, so the issues that are plainly before us, but won't be felt for a few years will have more effect on the debate and also on people's voting rights.

Trade

Mr. Klein. But it's a difficult thing. Charlene Barshefsky said to me that there are times that you've really been concerned, that the expression you used was that you hadn't found your voice on trade, which is the equivalent of——

The President. Well, one of the things—she, of course, has to deal with it. But the two things in trade that have frustrated me most, although I think we've got a great record—and you can go from NAFTA to the WTO, to the Africa/CBI, to launching the free trade of the Americas to—China.

Mr. Klein. The reason I raised it was because what you just said about the genome reminded me—I just read your remarks about NAFTA in October '93, and it was very similar, too.

The President. Yes. And then, of course, China, and then in between we had 270-odd agreements, and we had the Mexican financial crisis and the Asian financial crisis. But the thing that bothered me about trade—the two things that have bothered me about trade, I think, are: One, I have so far not created a consensus within my own party, at least among the elected officials, for the view of trade which I hold. And two—and I think it's genuine; that is, I don't think this is just politics. I think it's how people view the

world—the second thing, and closely related to that, is that—I went to Geneva twice, and I went to Davos once, and then I went out to Seattle to try to make the case that you can't have a global trading system apart from a global social conscience, anyway, where there is a legitimate place for the voices of those who care about the rights of workers, the condition of children in the workplace, the impact of economic development on the environment, both nationally and globally. I haven't yet, at least, been able to convince people that there is a synthesizing vision here that has to drive not only a global trading system but these other initiatives as well. And I suppose I shouldn't be surprised, because it's a fairly new debate.

And one of the great things that always struck me is, if you look at the people who were demonstrating in Seattle, while I think they were all sincere—that is, they believed in what they were demonstrating against—their sense of solidarity was truly ironic, because they had completely conflicting positions.

Mr. Klein. What?

The President. I mean, for example, a lot of the labor union people that demonstrated believe that even though—for example, they think that even though this China deal is a short-term benefit to American industry because China drops their barriers, that they're so big that there will be so much investment there that they will develop a great deal of industrial capacity and that wage levels will be so low that it will cost the developed world, and particularly America because our markets are more open than the Europeans, a lot of our industrial base within a fairly short term. And that's what they really believe. I don't believe that, but that's what they believe.

And then you have the people that are demonstrating on behalf of the Third World, and they believe our concern for labor and the environment is a protectionist ruse to protect American high-wage jobs.

But they're all out there in the streets in Seattle demonstrating together, because they're genuinely frustrated about the way the world is going and they kind of don't like this whole globalization thing. They think it's going to lead to further loss of control by ordinary people over the basic circumstances of their lives, and that bothers them.

Mr. Klein. I think that this is—to kind of put a cap on the first question—I mean, that's so much at the heart of what you've been trying to overcome. I was talked to Zoe Baird, who said that she always remembers the statistics that you used, I think in around '95, that more jobs had been created by companies owned by women than had been lost by Fortune 500 companies. You always tried to make the future less frightened for folks. And yet, I'm not sure you're convinced that you made the case.

The President. Well, I think I made the case to the people that were open to it, but I believe that—I think that it's hard. Everybody's for change in general, but normally against it in particular. You know, what's that Dick Riley used to say? "Let's all change. You go first." [*Laughter*] That's his sort of formulation of it. It shouldn't be surprising. But I still believe, first of all, I think that what I said to the American people is true and right. Secondly, I don't think there is any alternative to change. So I think the real question is, how do you bring your, basically, values that don't change—how do you translate them into specific approaches and policies that have the greatest chance of enhancing those values in the world you're going to live in? That's the way I look at this.

And I think that for the United States to have essentially turned away from this world, I think, would have been a terrible mistake. And in fact, I think the only mistake we've made in this whole thing is not accelerating the integration of the free trade area of the Americas more—more rapid.

Deficit Reduction

Mr. Klein. Let me ask you some specific questions. Let's take a walk; start in '93. The First Lady said to me the other day that she believed that deficit reduction was a predicate for doing all the rest of the stuff.

The President. Absolutely.

Mr. Klein. She compared it to education in Arkansas when you were reelected.

The President. The '93 economic plan made all the rest of this possible.

Mr. Klein. There were a fair number of people on your staff that were saying, you

know, it would throw the economy into recession. And you were dealing—it was a theory at that point that if you lowered the deficit, interest rates would come down, and you would achieve the kind of growth that you have achieved. I mean, what made you think that——

The President. First of all, let me back up a little bit. The people on the staff who favored somewhat—there was nobody on my staff that was against vigorous deficit reduction. There were some who were afraid that to make the decisions we would have to make to get the $500 billion, which is what Lloyd Bentsen and Bob Rubin felt was sort of the magic psychological threshold we had to cross to get the bond markets and the stock market to respond in an appropriate way, they were afraid that if we did that, we would have to shelve too much of our progressive commitments in the campaign.

Now, what finally happened was, we came up with a plan that raised income taxes only on the top 1.2 percent of the people, which I had, after all, promised to do in the '92 campaign. It wasn't like I didn't tell upper income people who supported me I wouldn't try to raise their taxes. But we had to raise them at the very end. Bentsen came in with a plan that essentially lifted the income cap off the Medicare taxes, which closed the gap. And we stuck with the gas tax, which Charlie Stenholm and some of our conservatives who were big deficit hawks were worried about, because they were afraid it would make our guys vulnerable, and I think it did. It was the only thing that average people had to pay, except that there were, I think, 13 percent of the Social Security recipients paid more because we began to tax Social Security income more like regular pension income.

But it was the Republicans who believed that tax increases by definition were recessionary and that—so they unanimously opposed the plan.

You asked me what convinced me. What convinced me finally was that I believe fundamentally, unless we got interest rates down and investment flowing, that we would never be able to see a decline in unemployment and growth in new businesses, particularly in this high-tech sector which depended on vast flows of venture capital, confidence capital, if you will, that it seemed to me was just out there bursting, waiting to happen.

I think—and maybe it was my experience as a Governor that informed all this—but I really did believe there was this huge, vast, pent-up potential in the American economy that had been artificially repressed ever since the deficit spending recovery at the end of President Reagan's first term. Basically, what happened at the end of the first Reagan term is, interest rates weren't too high because we had such a terrible recession and so much inflation and such high interest rates at the end of President Carter's term, so when the interest rates came down, then inflation—naturally inflation around the world came down. Those huge deficits brought us back a little bit. But the long-term potential of the American economy, I was convinced, could never be unleashed until we got rid of the deficit.

So finally, I just decided that if I didn't get the economy going, nothing else would matter in the end, and I believed that the pent-up potential of the American economy was so great, that if we did get the interest rates down and we did get investment up, everything else would fall into place. And I thought that I ought to listen to Bentsen and Rubin because they knew a lot more about it than I did.

Earned-Income Tax Credit

Mr. Klein. But you didn't listen to Bentsen on the EITC. That was one place where you absolutely didn't bend at all.

The President. No, but we had promised that, and I believed in it. I thought—and again, I'm confident that not only what I saw in the campaign but my experience as Governor of a State that was always in the bottom two or three in per capita income had an impact on this. But I just believe that we had to use the tax system to dignify the work of low-wage workers and to make it possible for them to raise their children more successfully. I didn't think I could go out there and argue for a tough welfare reform bill and a tough deficit reduction package, and say I was going to have to slow down my increases in education spending and some other—social spending, housing, and all these other things that I would otherwise like to do—

if we weren't prepared to give lower income working people more income.

I also thought it was good economics, because they were going to spend it. They needed to spend it.

Congress and Taxes

Mr. Klein. Did you ever think that—was there any way that you could have gotten Republicans to go along with this?

The President. I don't know, and I'll tell you why. In retrospect, maybe there were some things I could have done.

Mr. Klein. What if you had invited Dole and Michel to that dinner in Little Rock?

The President. Yes, or invited them down even on their own it might have worked. The real problem I see with it—in retrospect, the reason I say I don't know—first of all I wish I had done that, because later on I started bending over backwards. I had Gingrich in and Armey in, and I met with them exhaustively, and I tried. Often it didn't work, but we did get some things done from time to time.

I think they had made a decision to oppose all tax increases because of the Gingrich position vis-a-vis President Bush. And he was pretty well in the ideological saddle, the political saddle in the House then. And I think because Senator Dole obviously hoped to run for President in '96, I think the Republicans in the Senate were going to be reluctant to break ranks once it was obvious that the House Republicans were going to oppose any kind of deficit reduction package that had any tax increases in it.

And I didn't believe—if we hadn't gone for some upper income tax increases, then number one, we would have had to adopt cuts that the Democratic majority in the House would not have supported, even under me. And number two, we could not have kept our commitments on the earned income tax credits on education, where we did have a substantial increase, or on the empowerment zones or a lot of the other things I did that I believed in.

Washington Politics

Mr. Klein. Did the atmosphere surprise you, the vitriol, the difficulty?

The President. Yes, it did, I think, basically, but I now know things I didn't know then.

Mr. Klein. What do you know now?

The President. Well, they really believed—first, I know now something I didn't know, which is that some of the people on the Republican side—actually, I did know this, but I didn't believe it when I got a call from the White House early—before I decided to run in the summer of 1990—from a guy I knew who worked there who was saying, "You know, you shouldn't run." Bush was at like 80 percent then or something. I couldn't believe—so I had this serious talk with him about how President Bush had used his popularity to try to deal with the economy.

And after about 5 minutes, the guy said, "Now, let's just cut the crap. We've looked at this crowd, and we can beat them all. All the guys in Congress have votes. We can beat them all. And we think Governor Cuomo's too liberal, but you're different. You might beat us, and so if you run, we're going to take you out early." Then I realized that they somehow thought it was serious.

Then, after I got up here and started dealing with them, what I realized is that they had been in for 12 years, but they basically had been in since President Nixon won, except for the Carter interregnum, which they thought was purely a function of Watergate, and therefore they saw it as an historical accident that they had quickly corrected, and that's the way they saw it. I actually think Jimmy Carter and, before him, Bobby Kennedy were the precursors of the sort of New Democrat, Third Way stuff I've tried to do here. And I think, therefore, it's not fair, but that—exactly to diminish—but that's the way they viewed it, anyway.

So I think they believed that there would never be another Democratic President. I really think a lot of them thought they could hold the White House forever, until a third party came along to basically offer a competing vision. And so, they just never saw me as a legitimate person. They just thought I was, in President Bush's words, "the Governor of a small Southern State." And as I often crack on the trail, I was so naive that

I actually thought that was a compliment. [*Laughter*] And I still do.

So anyway, it did surprise me. I mean, I knew it was there, and I'd seen the Democrats do things—in my view, I guess I've got a warped view, but I never thought it was nearly as bad as what they did to me. But from time to time, the Democrats did things I didn't approve of. I didn't like the nature of their arguments against John Tower or the fact that somebody checked out the movies that Bob Bork—and I knew there was some of this up here.

But I never thought I would see it in the kind of systematic way that I saw it unfold. But when I got to know Newt Gingrich and actually had a lot of candid conversations with him, I realized that that's just the way they thought politics worked.

Mr. Klein. War without blood.

The President. Yes, that's what they thought.

Mr. Klein. That's what Newt called it.

The President. I had a fascinating conversation with one Republican Senator in the middle of the D'Amato hearings when they were impugning Hillary. And I asked this guy who was pretty candid, I said, "Do you really think that my wife or I did anything wrong in this Whitewater thing? Not illegal, even wrong?" And he just started laughing. He said, "Oh, you've got to be kidding." He said, "Any fool who has read the record would know you didn't do anything wrong." He said, "How could you do anything wrong? You didn't borrow any money from the S&L which failed. It was a very small S&L failure. And you lost $40,000 or whatever you lost on the real estate deal." He said, "Of course, you didn't do anything wrong." He said, "That's not the point of this. The point of this is to make people think you did something wrong."

But so, it was funny. Yes, I was surprised by their vitriol, and yes, I was surprised, and I must say I was surprised that they believed—and they had an electoral—and they turned out to be right, but I made a mistake or two that helped them. They believed that they could win the Congress if they could just say no to everything, and they did. And I think it rested on basically three things. One is, we did the economy, the budget plan, which we had to do. And we had to expect some loss of midterm seats. And some of those seats we had for a long, long time were naturally Republican seats, anyway. So that was the first thing.

The second thing is—but the people hadn't felt the benefits of it. Then the second thing we did that cost us some seats, but I am absolutely convinced is the right thing to do, was the Brady bill and the crime bill, which had the assault weapons ban. But there again, we got that done in 1994. Had it happened in '93, I think it would not have hurt us so bad. But in '94 there wasn't enough time, between the time that bill passed and the time people voted to convince the world—people that voted, against our Congressmen on the Brady bill and the assault weapons ban that there wasn't anything going to happen to them and their hunting and sport shooting and all that.

By '96, the issue was working for us, because I could go to places like New Hampshire and say, "I want everybody that missed a day in the deer woods to vote against me. But if you didn't, they didn't tell you the truth, and you ought to get even." That's what I said. And our winning margin in New Hampshire went from one point to 13 points or something. But in '94 my party's Members bore the brunt of that.

Then the third problem we had, and this is where I think you were right, is I was trying so hard to keep all of my campaign commitments and the way I made them—I should have done welfare reform before health care. You were right about that.

Mr. Klein. I don't know that I took that position. In fact——

The President. I thought you were saying that.

Mr. Klein. Well, I might have said it, but——

The President. And it was right.

Welfare Reform

Mr. Klein. I'll tell you where I was wrong, is that when it came to doing welfare reform, I chickened out, and I wrote a column the week you signed it telling you not to sign it. I talked to Elwood last week, and he's turned around on it as well. We were both wrong.

The President. But the reason is, I think, if you go back, there's one thing that nobody in the press has picked up—and we ought to talk about this later—is why I vetoed the first two bills and signed the third one. We'll come back to that.

But if I hadn't done welfare reform first, that would have given the Democrats a chance to appeal to more conservative and moderate voters. And the system—one thing I've learned is, since I've been there, is actually the system is capable of great change, but it can only digest so much at once. So in '93, they did a big economic plan and NAFTA, and in '94 they did this big crime bill. And they might have been able to do welfare reform, but there's no way the system could digest the health care thing. Either that, or if we were going to do health care first, then the mistake I made was saying I would veto anything short of 100 percent coverage, because——

Mr. Klein. Why did you say that?

The President. ——it was one of those decisions we made practicing for the State of the Union, and I just shouldn't have done it. It was a mistake. I was trying to bring clarity to the debate, and I was afraid that they would try to run something bogus by.

Health Care Reform

Mr. Klein. You're saying that you think there is no way you could have gotten a health insurance deal in '94?

The President. No.

Mr. Klein. You don't think so?

The President. No.

Mr. Klein. What about——

The President. Let me tell you what happened.

Mr. Klein. What if you had gone and just dumped your bill and gone over to Chafee's press conference and said, "I'm with him"?

The President. Well, maybe, but——

Mr. Klein. He had universality. He had a tax increase to pay for it, and he had Bob Dole.

The President. Well, he sort of did, but let me tell you what happened. What happened was, I offered and Hillary offered not to submit a bill. We offered to do two different things. We offered to submit sort of a generic bill and let Congress fill in the blanks, and Rostenkowski asked us—this is a little more detail, but—then we offered not to submit our own bill at all but instead to submit a joint bill with Dole, which I thought was good politics for him, because then he couldn't lose anything——

Mr. Klein. What was the timeframe for this? When did you make that——

The President. Well, before we introduced a bill. I can't remember exactly when.

Mr. Klein. So this is while the task force was——

The President. Yes, before we introduced the bill. And Dole said to me—I'll never forget this, because we were at a leadership meeting in the Cabinet Room, and he said, "No." He said, "That's not the way we should do it." He said, "You introduce a bill. We'll introduce a bill. Then we'll get together. We'll put them together. We'll compromise and pass them."

Then after that, Dole got the memo from Bill Kristol, I think, which said—which basically took the Gingrich line. "The way you guys are going to win in the Congress and weaken them is to have nothing happen. If anything happens, the Democrats will get credit for it, so you guys have to make sure nothing happens." After that, I don't think we really had a chance, because Mitchell killed himself to try to figure out a way to get to Chafee, do something and—maybe if I had gone to Chafee's press conference, maybe that would have worked.

Mr. Klein. Or if the First Lady had.

The President. You know, I hadn't thought of that, but all I can tell you is that I really believed, because Dole—with that single exception, all my other dealings with Dole, whatever he said was the way we did it. In other words, not the way we did it, but I mean, if I made a deal with him, it always was honest.

Mr. Klein. He was as good as his word.

The President. Exactly. And in this case, I just think, you know, he saw a chance to win the majority, saw a chance to get elected President. Bill Kristol told them don't do it; they didn't do it. And that's what I think happened.

Mr. Klein. But this is the thing that people on the left point to, that would have been your big achievement, the big, New Deal

kind of achievement. And when you look back on it, do you regret the substance of what you did? Do you think that going with an employer mandate was the wrong thing? And also, do you regret the detail in which you did it, the fact that you did the 1,300 pages and——

The President. I think politically it was bad politics. On the substance, I think basically it was a privately financed plan that relied on managed care but had a Patients' Bill of Rights in it. And I think the two things that made it unpalatable to Republicans were the employer mandate and the Patients' Bill of Rights. I think the thing that made it unpalatable to Democrats, a few of them, was the employer mandate. But if you're not going to have an employer mandate, then you have to have a subsidy where people buy into either Medicare or Medicaid. And probably, that would have been simpler.

Mr. Klein. That's what you're going to have eventually.

The President. That's what you're going to have eventually. And if I could do it now, that's what I would offer. But the problem is, I couldn't do it in '94, with the deficits the way they were, without a tax increase. And I didn't feel that I could ask the Congress to vote for another tax increase, even if it was a dedicated thing, after we had just had that big one in '93.

Mr. Klein. Plus the reporting was way out of whack at that point, because you weren't getting credit for the savings, the managed care——

The President. We were getting killed by the scoring. The scoring was all wrong, and we knew it was wrong, but I was stuck with the scoring. So if you look at it, the position I was in is, I was stuck with the scoring. I didn't want to ask for another tax increase; I didn't think that was right. So I had to try stay with the private insurance system.

And I would have thought that the insurers would actually have liked that, because they were going to get a lot more customers. But basically, they didn't like it because we couldn't just let them have all those mandated customers and have no Patients' Bill of Rights and no restrictions on managed care, so they then developed this whole argument that it's a Rube Goldberg machine, it's a Government takeover of health care, and all this stuff. And that sort of stuck because they had all that money to put behind it.

But the truth is, in defense of what we offered, if you go back and look at all the early soundings from all the experts when we first laid it out there, everybody said, "This is a moderate plan. This is not too far left. They've tried to keep their private insurance system. They've certainly left the private health care delivery system intact." Because nobody said it was some big Government takeover until all the people spent whatever they spent, $100 million, $200 million, whatever they spent in there later, to try to perform reverse plastic surgery on it.

But I think that in the context you ask the questions, to go back, I think that the combined impact of the economic plan, with people not fully feeling the benefits in '94; the gun deal, where people had their fears fully allayed; and the health care thing, where the people that wanted it didn't get it and the people that didn't like it knew what they didn't like about it. That tended to depress the Democratic voters. And the three things together produced—plus the fact that the Republicans had this contract on America, and people didn't really know what it was; they just knew they had a plan—gave them the big win they got.

Mr. Klein. Just to stay with health insurance for a minute, do you regret structurally the way you went about doing it? If you had to do it all over again, would you give it to the First Lady? Was that a mistake?

The President. I don't think it was a mistake to give it to her. I think the mistake I made was, I either should have insisted on having her say, "Okay, here's all of our work. Look at it. Here are the basic principles we want. You guys draft the bill," or I would have insisted that we had a joint bill. If we were going to draft the bill, I would have made the Republicans draft it with me. That was the mistake I made.

Neither one of those things was her doing. She gets a total bum rap on this. The plan she came up with, which was—she was told, "We ain't going to have a tax increase, right, and therefore it's not going to be a total Government program, but you have to try to get 100 percent coverage," so there was no other

way to do it except with an employer mandate. And she was also told that "managed care is going to happen, and we favor it," which she did favor it, "but we've got to have some protections in there for people."

I don't know how many doctors I've had come up to me since then, tell me that we were right and that basically it was a good plan. So in a way, I think she really got a bum rap on that deal, because she was operating within constraints that were, we now know, impossible.

What I should have done is to let her do all the work, publish all the findings, say, "Here are our principles. You guys write the bill." Or I should have said, "If you want me to do a bill, I will only do it if we have a bipartisan agreement on the bill." That would have produced something less than 100 percent of coverage, but at least it would have produced something that would have passed and gotten us up to 90 or maybe above 90 percent. That was the mistake I made.

But it was my mistake, not hers. She, I think, has gotten a totally bum rap on this deal. All she did was what she was asked to do.

Mr. Klein. I asked Ira about it, and he pointed to his E-commerce protocols, and he said, "What I did was, I decided to do everything the exact opposite of what we did with health insurance, and it worked."

The President. But the interesting thing there was, it worked because number one, we didn't have to pass a big bill because of the Telecommunications Act, which was a great success—which we ought to talk about later—was a big part of the economic program, was operating on a parallel track. And all we had to do there was to basically invite them to help us make Government policy that would maximize economic growth. It was a much simpler problem.

There was absolutely no way to get to 100 percent of coverage, to have universal health coverage, unless you had an employer mandate or the Government filled in the difference. If we were doing it today, we could do it. And the next administration could do it, because now we have the money to do it. But then, we didn't.

Mr. Klein. You're going to come down closer to get what you want in reconciliation if you move the CHIPS program to cover the parents, and only——

The President. The CHIPS program, the parents, and you let people between 55 and 65 buy into Medicare. Then the only people that won't be able to get health insurance are young, single people who think they'll live forever and just don't want to do it, or very wealthy people who just would rather go ahead and just pay their doctor.

Mr. Klein. The reason why I was always for universal was because I thought those people had a moral responsibility to pay in to help the risk pools.

The President. I don't know if I can get this CHIPS thing, but if I can, it will make a huge difference.

White House Operations/Gays in the Military

Mr. Klein. I don't want to stick on the bad stuff in the first term too long, but—things—in retrospect, things seemed pretty much a mess in the White House for the first couple of years. And there were times—several people have said to me that you came to them at various times and said, "Look, I'm in the wrong position. I'm to the left of where I should be," or "Things just don't feel right," or "Things are out of control." And I guess two or three questions you could answer in a bunch: How did that happen? I mean, how do you come out of the box doing gays in the military, for example, which I assume—well, you believe in the policy—it probably wasn't the best thing to come out of the box with. Why did you surround yourself with—why were there so few——

[*At this point, a portion of the interview was missing from the transcript by the Office of the Press Secretary.*]

Mr. Klein. At what point did you get a White House that you were really happy with the way it was working?

The President. Well, first of all, I think that in retrospect, I think if you compare the functioning of our White House, for example, with the Reagan White House in the first term, I think ours looks pretty good. And I

think that the problems we had were fundamentally—most of the mistakes we made were political, not substantive.

I mean, Bruce Reed was there; Sperling was there; McLarty was there; and Rubin was there. So I don't think—I don't think it's fair to say—and Laura Tyson agreed with us. I don't think we had a bad—I think we did have people who were, philosophically and substantively and on policy terms, consistent with our New Democrat philosophy. And I think that budget, from the empowerment zones to the charter schools we got in the beginning, to the Goals 2000 program, to what we did on the student loan program—which was terrific; it saved $8 billion in student loan costs for kids—to the overall economic plan, I think it was consistent.

I think the economic plan was consistent—I mean, the crime bill was completely New Democrat. I think family leave and the Brady bill were. A lot of the most important things that were done that made possible all the stuff we've done in the last 4 years——

Mr. Klein. You left out NAFTA and reinventing Government.

The President. Yes, we had NAFTA, and we did RIGO, and we did the WTO—all that in the first 2 years.

Mr. Klein. But even given all that——

The President. But what was wrong was that the political image was different from the reality. The substantive reality, I think, was quite good. I've heard Bob Rubin defend the White House repeatedly and talk about how the things that worked well later, especially the sense of camaraderie and teamwork and joint decisionmaking, were all put in place in that first year and a half.

But let's just go through the problems, and you'll see. Part of it was, I think, none of us were sensitive to the way—sufficiently sensitive to the way Washington works and to the way little things would look big to other people.

Now, let's just start with the gays in the military. How did that happen? It is not true that we brought it up first.

Mr. Klein. Andrea Mitchell brought it up in a press conference on November 11th.

The President. Yes, but why? What happened? Dole introduced legislation—Dole deserves credit for this. The Republicans should give Dole credit for this. They always say he was too moderate and all that. They should give Dole credit for this. And I give him credit for it. I've thought a lot of times about how I could have outmaneuvered him on it. But I had two things going—and the Joint Chiefs obviously agreed with him, which helped.

But what put this on the front burner early? Not me; it wasn't my decision. Dole introduced a bill in Congress which was going to fly through there, because Nunn agreed with him, to keep the present policy. That was like the first thing he did. And then the Joint Chiefs demanded a meeting with me. The President can't refuse to meet with the Joint Chiefs. So it was those two things that put this thing front and center. I did not want this——

Mr. Klein. The bill came in after you said—after Andrea Mitchell asked the question and you responded the way you did. I always thought that was because she needed a vacation and hadn't taken it.

The President. No, no, it was because—but he was going to put that in anyway. We knew what he was doing. So what happened was, between the Joint Chiefs and the Dole bill, we were forced to put it up. I was going—what I intended to do was to get all the stuff, my basic stuff organized, lead with that, and figure out how to handle the gays in the military. And they basically forced me to deal with it from the beginning.

And then the thing that—then I got a lot of heat, obviously, from the gay community for what I did. But everybody ignores what precipitated "don't ask, don't tell," which was a vote in the Senate, essentially on the Dole position, that passed 68–32, i.e. by a veto-proof margin. There was no vote in the House.

In retrospect, given the way Washington works, what I probably should have done is issued a clean Executive order, let them overturn it, and basically let them live with the consequences of it. And I might have actually gotten a better result in the end, more like the one I wanted.

But when General Powell came to see me about the "don't ask, don't tell" policy, the commitments that were made were very different from the way that it worked out in

practice later on. And so there was no question in my mind, given the way they laid out what their policy was going to be, that gay service people would be better off under the new policy than they were under the old one. It didn't work out that way, but the commitments that I got and the descriptions that I gave when I announced it at the War College, there's no question that if that had been followed through, the gays in the military would have been better off than they were under the old policy.

And the thing that I didn't understand about the way things play out in public, because I really was inexperienced in the way Washington worked when I got there, is that sometimes you just need clarity. And even if you lose, it's better to lose with clarity than ambiguity.

And what had not sunk in on, I think, even the press writing about this was that once the Senate voted 68–32, the jig was up. It was over, because everybody knew there were more than 300 votes in the House against the policy. So we had a veto-proof majority in both Houses in favor of legislating the present policy, unless I could find some way to go forward. So that's what I tried to do. But the reason it came up first was essentially because the Joint Chiefs and Dole were determined——

Mr. Klein. So it wasn't the Andrea Mitchell question on November 11th?

The President. No.

Mr. Klein. It was up——

The President. Because I had lots of options there. I mean, Harry Truman basically, if you go back and look at what he did with integration of the military, he basically signed an order that said: Integrate; come back within 3 years and tell me how you did it.

Mr. Klein. You could have signed an Executive order.

The President. I could have done that. And like I said, in retrospect, we would have had greater clarity. And since there had been so many problems with implementing the policy, I'm not sure that for the past 6 years it would have been better. Now I think Secretary Cohen has really taken hold of this thing, and there have been some changes in the last 6 months that I think really will make the future better than the previous policy was.

Mr. Klein. But to go back to the original question, I have a strong sense that during that first year, year and a half, you weren't satisfied with the way the White House was working.

The President. No, because I thought we were often—first of all, we had to do some stuff that was tough, that was going to get us out of position. Our foreign policy team, I think, was working very well, and—except for it took us too long to build an international consensus in Bosnia. But we eventually did it and did the right thing there. We were doing well in the Middle East. We took a big, bold step away from the traditional American position to get involved in the Irish peace process. And on balance, I was pleased with that.

And actually, a lot of people have forgotten this, but when I came back from Jordan, from the signing of the peace agreement in the Wadi Araba in Jordan in late '94, right before the election, we were still in reasonably good shape, because my numbers went back up and that helped the Democrats.

But I still believe that the underlying problems were the reasons for the election results. But the political problems of gays in the military hurt. I think that we had a lot of—I was more frustrated by operational things, like leaks on Supreme Court appointments that weren't even accurate, and I thought that the White House was not operating politically in a way that I thought was effective.

I thought, policywise, we weren't out of position on anything except the retrospective on health care. And I've already said what I thought the political mistake was there, about how I should have handled it, given the fact——

Mr. Klein. If you had to do it over again, you would have done welfare reform in '94 and the crime bill?

The President. If I had to do it over again, I would have tried to do the welfare reform and the crime bill in '94, together, and started a bipartisan process on health care. I would have had Hillary up and meeting, issue the report with basic principles—that whole 600-page—however long it was, the stuff we

did, I would have given it all to the Congress and said, "Either you write a bill, or we write a bill together."

Independent Counsel's Investigation

Mr. Klein. Let me give you another, I think a tough "if you had to do it all over again." When I look back on this period, you were rolling at the end of '93. You did NAFTA. You gave the speech in Memphis. I mean, even I was writing positive stuff about you at that point. And then came the wave of stupid scandal stories, the Troopergate story, the Whitewater stuff. That December, the Washington Post asked for all the documents. And there was a meeting that you had, maybe the only time in recorded history that George and David Gergen agreed and said you should turn over all the date, everything. And you didn't do it. Do you regret that? Do you think that that changed things?

The President. I don't believe, given the subsequent coverage of the Whitewater thing, it would have made any difference. What I regret is asking for the special counsel, because under the law that existed before and the law that existed after, under neither law could a special counsel be called. They had one——

Mr. Klein. Why did you do it? I was there the night you did it. You were in Ukraine, Kiev.

The President. Yes. I did it because I was exhausted, because I just buried my mother, and I had poor judgment. And I had people in the White House who couldn't stand the heat of the bad stories, and they suggested that I do it and that I'd have to do it. And I knew that there was nothing there. I knew it was just one guy lying. And I had Bernie Nussbaum and Bruce and a few other people screaming at me not to do it. They said, "You don't understand."

I knew that Janet Reno would appoint a Republican, even though all other Presidents had been investigated by people who had basically supported them. Lawrence Walsh supported Reagan; Sirica—no, what's his name?

Mr. Klein. Sirica.

The President. No, Sirica was the judge. Jaworski supported Nixon. I knew Reno wouldn't do that. I knew Reno would appoint a Republican, but I knew that there was nothing there. I knew she'd appoint an honest, professional prosecutor. So I just did it, but it was wrong, because the decision to appoint a special counsel is a decision to bankrupt anybody who's not rich. I mean, by definition, there's a penalty associated with it. But if Fiske had been allowed to do his job, this whole thing would have been over in '95 or '96. And of course, that's why he was replaced, because he was going to do his job.

Mr. Klein. Just staying on this for a minute——

The President. But do I think so? No, because I think—I mean, I don't want to get into this. I shouldn't talk about this much until I'm out of office. But I believe that the desire, the almost hysterical desire to have something to investigate was so great that it wouldn't have made any difference, because, look, what did this thing hang on? There was nothing in those private papers that we—we gave it all to the Justice Department. There was nothing in there that did anything other than support what the report said, which was that we lost money on a real estate investment. And if you noticed, when Starr got ahold of this, he immediately abandoned that and just went on to other stuff. There was never anything to it.

And I do not believe—I have no reason to believe, given the coverage of the events of Whitewater, that it would have made any difference. I think they would have found some way to say, "Oh, there are questions here; let's have a special counsel." But do I wish I had done it? I mean, I don't know.

Criticism of the President

Mr. Klein. Last week you talked about the clanging tea kettle, and you know I've written this continuum—I've wrote that this era is going to be remembered more for the severity—for the ferocity of its prosecutions than for the severity of the crimes. And there's never been anything proven. And yet, the hatred and the vitriol has been relentless. What do you think it is about you? Do you think it's you? Do you think it's us, our generation?

And what about the Steve Skowronek theory, the Yale professor who talked about Third Way Presidents like you, like Wilson, substantively like Nixon, people who take the

best of the opposition's agenda, sand off the rough edges, implement it, and are therefore distrusted by their own party and hated by the opposition?

The President. Well, I think that that—I read his book, and it's a very good book. But I think in this case that's not accurate, for the following reasons. Number one, if you go back to '93 and '94, the Democrats in Congress supported me more strongly than they had supported—a higher percentage of Democrats voted for my programs than voted for Kennedy, Johnson, or Carter. It was that the Republican opposition was more unanimous.

Number two, the Republicans never owned crime and welfare. They owned them rhetorically, but they didn't do much about it. And at least in the tradition that I came out of as a Governor, we thought we were supposed to act on crime and welfare. Nobody—when you check into the morgue, they don't ask for your party registration. And I never knew that anybody had a vested interest in poor people being out of work.

And so I just never accepted that, and I found that there were a lot of Democrats in the Congress that were eager to deal with those issues. And if you look at it, we had—I don't know—more than two-thirds of the Democrats in the House and more than 75 percent of the Democrats in the Senate voted for welfare reform. And we had a higher percentage of Democrats than Republicans in the Senate voting for it and slightly higher percentage of Republicans than Democrats voting for it in the House but not huge.

So I think that maybe transformational figures generally inspire that, because most times people like to deal with folks they can put in a box. Maybe it's just—maybe it's something about me that made them mad. You know my favorite joke about the guy that's walking along the edge of Grand Canyon and falls off—so this guy is hurtling down hundreds of feet to certain death. And he looks out, and he grabs this twig, and it breaks his fall. He heaves a sigh of relief. Then all of a sudden he sees the roots coming loose. He looks up in the sky and says, "God, why me? I'm a good person. I've taken care of my family. I've paid my taxes. I've worked all my life. Why me?" And this thunderous voice says, "Son, there's just something about you I don't like." [*Laughter*]

I don't know. I don't think——

Mr. Klein. The folks like you. They never cared about this stuff.

The President. But I believe the Republicans thought—I told you, I think that they thought——

Mr. Klein. It wasn't just them. It was us, too.

The President. Yes. The press, I think—I wasn't part of the Washington establishment, and I think that the press didn't know what to make of me. I think this travel office deal, it was largely a press deal. I mean, I didn't know that they thought they owned the travel office. It was a weird deal. And of course, all I ever heard was one guy in the press who happened to be the head of the White House Correspondents at the time said, "I wish you'd have somebody look into this because the costs are going up and it's not working well." I didn't realize that everybody else didn't care what happened. It was a strange thing.

But I think that—all I can tell you is that the same guy that told me—the same Senator that told me that it was about making people think I'd done something wrong in Whitewater also said that the Republicans had learned a lot from my Presidency. He said, before, that they thought there was a liberal press. And he said, "Now we have a different view. We think that they are liberal and that they vote like you, but they think like us, and that's more important." And I said, "What do you mean?" And he said, "Well, we just don't believe in Government very much, but we love power." And he says, "You know, the press wants to be powerful, and we both get it the same way, by hurting you." There could be something to that.

But I'm sure—maybe there were times when I didn't handle it all that well in the early going. But all I can tell you is, if you look back over it, the Whitewater thing was a total fraud. Now, I've got a friend named Brandy Ayres, who is the editor of a little newspaper in Addison, Alabama. Do you know who he is?

Mr. Klein. I've met him, yes.

The President. He wrote an editorial that said, "This is what always happens when Republicans get in the majority. They did it when they got in the majority after World War II. They tried to convince us Harry Truman and Dean Acheson were Communists. And then the second time, they gave us McCarthy. And now, they gave us this."

I don't know. I think part of it is how you view power. But for whatever reason, there is something about me that they didn't like very much. But it all worked out all right. Like I said, I'm sure that my not being familiar with Washington mores may have had something to do with the way I didn't handle the press right. Maybe I didn't——

Mr. Klein. Yes, you know—I mean, I've said this in print, so I can say it to your face. You're the most talented politician I've ever come across, and you're not a slow study. That's the other thing we know about you.

The President. But I think in the beginning, for the first 2 years, I thought I was pushing a lot of rocks up the hill. I was obsessed.

Thomas Patterson, who has written books about the Presidency and the media and all that, he said in '95 that I'd already kept a higher percentage of my campaign promises than the previous five Presidents, which I felt really good about. We had just lost the Congress. I needed something to feel good about.

But I do believe in '95 I was—and '93 and '94, I was just fixated on trying to get as much done as quickly as I could, and also on trying to learn the job, get the White House functioning, all that kind of stuff. And I think that I did not spend enough time probably at least working with the media, letting them ask me questions, at least trying to get the whole—letting them get something in perspective. And I think maybe I was just the last gasp of 25 years of scandal mania. We may be swinging the other way on the pendulum now.

Oklahoma City

Mr. Klein. I think, after '98, maybe we've learned. I think we're doing a little bit better this year. You might see that in a different way.

Let's talk about '95 for a second. To my mind, the period of this Presidency that is most touching to me, I think, are the weeks after—well, the 2 days, April 18, 1995——

The President. Oklahoma City?

Mr. Klein. No, the press conference the night before Oklahoma City when you said the President is still relevant here. I thought, "Oh, my God, that must be the rock bottom for him."

The President. Well, actually, it wasn't. I didn't have the same reaction to it than maybe—you know, we often don't perceive ourselves as others see us. But that question, I learned something from that, which is, if someone asks you a question that you want to answer directly, but there's a word in it that's dynamite, you should answer it without using the word, because actually, what I was doing in April of '95 in my own mind was prefiguring the fight which occurred at the end of '95 and the end of '96. That is, I honestly didn't feel pathetic or irrelevant or anything. I knew that in the end, if a veto-proof minority of my party would stay with me, after the terrible licking they'd taken in '94, if they would stay with me, I believed in the end we'd have our chance to make our case to the American people. In other words, I believed it would turn out the way it did turn out at the end of '95 and the beginning of '96.

So actually, to me, it wasn't the worst point of the Presidency. When they asked me that question, a light went on in my head. I actually felt good about it. But because I used the word, it came out—people perceived it differently than I did. I didn't feel that about it.

Mr. Klein. But then, a week later, you said—at Michigan State, you said, "You can't love your country and despise its Government." And that's when a light went off in my mind: He's figured out how he's going to go up against these folks.

The President. Yes, that's what I believed. I think the Oklahoma City thing was awful. It was awful. But I think it began a kind of reassessment, a kind of breaking of the ice. And I don't mean that—God knows——

Mr. Klein. Someone told me that you said, you told them that you wouldn't use the word "bureaucrat" again in a speech after that.

The President. Yes. I did. It affected even me. I realized that I had played on the

resentments people feel about Government. And I thought that when Government did something stupid or indefensible, they ought to be taken on. But I realized that even when you do that, you have to be careful what word you use. And I did say that. I said, "How many times have I used the word bureaucrat, and there are people there." And I didn't mean to say that I or even Newt Gingrich was responsible for Timothy McVeigh. I don't want to get—that's what he did. Are the liberals responsible for Susan Smith, the one throwing her kid out the window? I didn't want to get into that. But Oklahoma City had a profound impact on me, too.

I went down there, and I was sitting there with the relatives, and one of the people that was killed had been in my Inaugural, and I was talking to his kinfolk. And I said, you know—I just made up my mind I would try never again to discuss the Government, even people's frustrations with it, in a way that could be directed against categories of people. It really had a big impact on me, and I think it did on the country.

Mr. Klein. Would it be fair to say that by the time you gave that speech at Michigan State, you were ready for battle?

Balancing the Budget

The President. Yes. Yes.

Mr. Klein. Now, this is a really interesting part of your Presidency to me. You had at that point a brilliant strategy in place to screw them. It was, smoke them out. You could have just sat there and said, "Well, what's your plan?" You could have done to them what they did to you in '94. And yet, you insisted, ultimately—against, from what I can gather, your entire staff, including people like Bob Rubin—you insisted on coming out with your own budget, your own balanced budget, that June. Why did you do that? I mean you didn't have to politically, right?

The President. No, probably not. In other words, I could have done to them what they did to me. And that was the argument, that we'd just say no to them like they just said no to us. But governing is important to me. And I thought that in the end we would all be judged by how we had performed and by whether we had performed. And this may sound naive, but I believed that in the end, we could change the politics of Washington.

See, one of the reasons I ran for President is, I didn't just want to prove that I could play the game they'd all been playing with each other: "I got an idea. You got an idea. Let's fight, and maybe we can both get our 15 seconds on the evening news." That's basically the operative mode. I didn't want to do that. I came here to do things. I wanted to be President to do things, to change the country, to be relevant. And I thought that the Democrats—I didn't think the Republicans would take us up on it initially, because Gingrich had basically made it clear that he wanted to basically be prime minister of the country and turn me into a ceremonial and foreign policy President. We'd have the French system, in effect.

Mr. Klein. Not only that, he told me on the phone one night he was personally going to lead a Wesleyan revolution that year.

The President. So that's basically what he wanted to do. But I just felt that the Democrats could not sacrifice—what I was trying to do was to build the Democrats as a party of fiscal responsibility. I wanted to prove that you could be socially progressive and fiscally responsible. And for us—and I went out there saying, "Look, our credo is opportunity, responsibility, community." I just didn't see that I could stand there and say, "What do you expect of me? I'm just the President. They're in the majority." That's just not my way. I believe that you have to do things if you can. And my own view of politics is that there's always plenty that the parties are honestly divided about at election time, no matter how much you get done.

Furthermore, I really did believe that the Democrat Party, in the end, would be successful by developing what is now known as the Third Way, but which I really saw as basically an information age version of what we'd always been for.

Second Term Agenda

Mr. Klein. What was your fantasy for a second term? If you'd had everything you wanted the day after you were reelected, what would it have been?

The President. Well, the validation of the economic strategy has been a part of it. I

would have finished the job in health care and enacted my entire education budget. And the rest of it is still sort of pending. The Irish peace process worked out the way I'd hoped. I'm still hoping that we'll get more done in the Middle East. It's very difficult, but I'm hoping we will. And then, on the foreign policy front, it's going to pretty much work out the way I'd hoped it would, I think.

Mr. Klein. When I look back at your speeches, if there were a couple of paragraphs where you best describe your political philosophy, the Third Way, they were in the 1998 State of the Union Address, and nobody paid any attention. And you know why?

The President. Because I was standing—what I got credit for there was just getting up, standing up. [*Laughter*]

Mr. Klein. What was the opportunity cost of that scandal? What did it cost you?

The President. I don't know yet, because actually we did—in '98 we won seats in the House of Representatives, the first time a President's party has done that since——

Mr. Klein. I mean, substantively.

The President. Well, I don't know, because I don't know whether the Congress, the Republicans would have been more willing to work with me or not.

Social Security/Medicare Reform

Mr. Klein. What about things like Social Security reform—could you have made a——

The President. Maybe. What I wanted to do with Social Security—I am disappointed there. We still may get some Medicare restructural reform out of this. And in any case, Medicare is going to be okay for 30 years, which is the longest it's been okay for in forever and ever. And I think ——

Mr. Klein. Yes, but that's a problem, for God sakes. I mean, the generational transfer issue, I think, is something that you're really concerned about.

The President. I am concerned about it. But——

Mr. Klein. You can't keep a fee-for-service——

The President. But, but, but both Medicare taxes and Social Security taxes, in fairness, since 1983 have been paying for everything else. So we've had a little of that in reverse.

Mr. Klein. That's very good.

The President. Everybody has forgotten that. We've been dumping all these Social Security and Medicare taxes into the general economy all this time. I personally believe, though, that—I regret we didn't get to do Social Security because I would have—what happened was, I think maybe we could have gotten it if we hadn't had that whole impeachment thing. But there was more resistance in both parties to do anything than I had imagined there was.

They'll have to come to terms with this. It will have to be done. And I think you've either got to raise taxes, cut benefits, or increase the rate of return. What I proposed in '98 on Social Security, I think, was a very good beginning, and I really thought we'd get something. Was that '98 or '99?

Mr. Klein. That was '98. And there was also the Breaux-Thomas, later Breaux-Frisk commission on Medicare. You could have, with your abilities, you could have gotten some kind of deal if you'd been able to at that point.

The President. Maybe. But they——

Mr. Klein. Breaux was your guy, right?

The President. Well, I don't agree with what he wanted to do there, and he knows that. I mean, I thought—I agree with some of what they proposed, but some of what they proposed I think would not be good for Medicare. On policy grounds, he and I have had long discussions about it. I think there are a couple of things in that report that I just simply didn't agree with.

Safety Net

Mr. Klein. In general, when you talk about an information age safety net, what would it be, and what would be the guiding principles? I don't think that you can have the kind of centralized, top-down sort of programs that Social Security and Medicare——

The President. I think if you had—yes, but there's a great article—let me just say this. There's a great article in the New York Times Sunday Magazine the day before yesterday——

Mr. Klein. The Sara Mosle article?

The President. ——about voluntarism. And I don't believe—I think you have to have some sort of—if you believe there should be a safety net, there has to be some sort of safety net. Now, there's all kinds of options to get it done, and I think there should be more—you can have some more room for private initiative. But if you had a safety net that worked, you'd have something for the poor and the disabled, the people who through no fault of their own were in trouble. You would have genuinely world-class education for everybody who needed it, which is everybody. You would have access to health care at an affordable rate and decent housing, and you'd have to have a lifetime learning system.

And then I think you'd have to have some more generous version of the new markets initiative I proposed, because there will always be unevenness in the growth of the market economy. That's part of its genius, because you have to have opportunity for new things to branch out. But in my view, this new markets thing has been underappreciated.

Mr. Klein. I was out there a year ago watching Al From and Jesse Jackson cavort along beside you.

The President. And it may be one of the great opportunities for bipartisan achievement in this session. It may be one of the great opportunities because Hastert is completely committed to it. He's been as good as his word on everything. And I think Lott knows it's the right thing to do. I've talked to them both a lot. We do have a good working relationship now, even though we have our differences. I think the Senate has been far too grudging on the judges, particularly since I appointed basically mainstream judges. But they want more ideologues, and they hope they can get them next year. And I hope they can't, and we'll see what happens.

But anyway, I think a part of the safety net ought to be viewed as a willingness of the Government to make continuing extraordinary efforts, including big tax incentives, to keep the people in places that are left behind in the emerging global economy—keep giving them a chance to catch up.

And I think this whole digital divide is a—I prefer to think of it as a digital bridge. I think if you think about what this means, basically, this information economy can collapse distances in a way that telephones and railroads and electrical—I mean, I think about it in terms of Arkansas. When they brought us REA and the Interstate Highway System and I put all these little airports up in remote towns and all that, it all helped to bring, like, small-scale manufacturing to places that had been left behind. But there was always the factor of distance.

And then I got to a place like the Shiprock Navajo Reservation, where they make really beautiful jewelry, for example, where the unemployment rate is 58 percent and only 30 percent of the people have telephones. And you realize that if they really were part of an information age economy, there are ways in which they could do—I remember when I became President there were a lot of banks in New York shipping their data processing to Northern Ireland every day—every day—and then bringing it back. There are all kinds of opportunities that we never had before. And I think people ought to start thinking about that as a part of the safety net.

Information Technology

Mr. Klein. You know, this raises an interesting point about you, personally. Shalala said to me that she thought that just as you were obsessed and voracious about social policy when you were Governor in the eighties—that's one of the things I first noticed about you, is that you knew everything. I mean, you knew about the schools up here in East Harlem, more than Cuomo did, in fact. But as you were to social policy in the eighties, you've been hungry in the same way for knowledge about science and technology in the nineties. And I talked to Harold Varmus about it, and other people have said the same thing. Is that true? And in that regard, talk to me a little bit about the policy that you pursued in high-tech and information age things that I don't understand that well, like telecommunications and——

The President. Well, let's talk about that. The one thing in our mantra about our economic policy which we always repeat—fiscal responsibility, expanded trade, and investing

in people—those three things really were the sort of three stools of our economic policy. But one thing I think that tends to understate is the role that technology, particularly information technology, has played in this remarkable growth and the productivity growth and the long economic expansion.

And I think our major contribution to that, apart from getting interest rates down so capital can flow to that sector, was in the Telecommunications Act of '96. And there were—our major contributions to that act—I might say, Al Gore deserves a lot of credit for because he was our front guy on it—were two. One is we insisted that the Telecom Act would be very much pro-competition, which required us to get into a very difficult political fight principally with the RBOC's, operating companies, many of whom I've had very good relationships with because they do great stuff. They've helped us on all of our digital divide stuff, a lot of the new market stuff.

But I just thought that we had to bend over backwards to maximize the opportunity for people with ideas to start new companies and get in and compete. And we fought that through, and it delayed the passage of the Telecom Act, but eventually we got what we wanted. And as I remember, while there were more Democrats than Republicans for our position, there were actually people on both sides of both parties. But we very much wanted to have a pro-competition bias.

The other night, interestingly enough, I was at dinner in New York with a friend of mine who was in the telecom business and then got in the venture capital business with telecom. He had a dinner for me, and I had dinner with like 40 people, all of whom headed companies that didn't exist in 1996. I went out to UUP, which is an Internet connection company, which had 40 or 80 employees, something like that, in 1993, when I became President, and they have 8,000 now. I mean, it's amazing.

So that was good. And the second thing we did was to fight for the E-rate, which democratized the Internet and democratized the telecommunications revolution. We've got 95 percent of our schools have at least one Internet connection, and 90 percent of the poorest schools have an Internet connection.

So I think that those are the two things that happened. And then I also continued to push relentlessly these last 8 years for greater investment in science and technology. It was interesting; I've had an interesting relationship with the Congress since the Republicans won the majority, because they look around for things that they can spend more money on than me.

Mr. Klein. NIH.

The President. Yes. And it's been very interesting. They knew they would always be—whatever defense number I proposed, they'd always be for more. And they liked to—I'm always for a balance between mass transit and highways, and they're always a little more on the highways side. But the big area was NIH. And Harold Varmus did a brilliant job; when the Republicans won the Congress, he brought all these freshmen Congressmen out, showed them the NIH, showed them what they were doing, explained the genome project to them. And I think John Porter was the head of the subcommittee in the House that had this. He's a good man. He's smart and he wanted to do the right thing. And so, anyway, I figured out after the first go-round that whatever I proposed, they'd propose more, which suited me fine because I basically don't think you can spend too much on those things.

But the problem I had early on and the problem I still have is, notwithstanding how much money we have, the Republicans do not, in my view, spend enough money on non-NIH research. For example, they just took out all the money that I proposed for nanotechnology, this highly microscopic technology which could increase the power of computer generation by unfathomable amounts.

Now, why is that a mistake? Because as—one night Hillary had—we had all these millennial evenings at the White House. And then we had one the other day on outer space and the deep oceans; we did it in the afternoon. But we had one on the human genome project, and we had Eric Lander from Harvard, who is a biological scientist, and we had Vint Cerf, who was one of the developers of the Internet. He actually sent the first E-mail ever sent, 18 years ago—or 19 years ago now—to his then profoundly deaf wife, who

now can hear because she's got a microdigital chip that's been planted deep in her ear. She heard, at 50—she said she's sure she's the only person who's ever heard James Taylor sing "Fire And Rain" at the age of 50 for the first time. She came and sort of stood up and was exhibit A.

But the point they were making is that the biomedical advances that would flow out of the human genome project, which the Republican majority will support lavishly, depended upon the development of the computer technology, and that without the development of the computer technology, you could never parse something as small as the human genome and get into all these genes and understand all the permutations.

For example, there was a fascinating article the other day about one of the implications of the human genome, saying that—talking about these two women who had a form of cancer, and that basically, if you look at the historical studies of all women in this category with this kind of cancer, diagnosed at this point in their illness, that you would say they had a 45-percent chance of survival. But now they can do genetic testing showing that they actually have very different conditions, and that one of them had a 20-percent chance of survival, the other had an 80-percent chance of survival.

Now, the reason they can do that is because not only of the biological advances but the nonbiological advances that make it possible to measure the biological differences. And I could give you lots of other examples.

And again, I owe a lot of this to Al Gore. He convinced me in 1993 that climate change was real. And he wrote that book in '88, and they're still making fun of his book. And I remember as late as last year we had a House subcommittee that treated climate change like a conspiracy to destroy the economy of the United States. But now, you've got all the major oil companies admitting that it's real, that the climate really is warming at an unsustainable rate. And that's why we pushed the Kyoto Protocol and why I want to spend a lot more money, and also have tax incentives, for people to keep making advances in energy technologies and environmental conservation technologies.

So my frustration about where we are now is that I'm really grateful that the Republican majority has embraced NIH, because it's been good and it's enabled me to present budgets under the old budget caps that I knew they would break, so I could get adequate funding for education, for example, and still know we're going to do a really good job on NIH. But I think we need a much broader commitment in the Congress to research in other areas of science and technology, going beyond the biological sciences.

[*At this point, a portion of the interview was missing from the transcript.*]

Events of 1998

Mr. Klein. ——when it became clear to you—I mean, I know this is prompting you to sound braggart, but so be it. There must have come a time when you realized, "Hey, our economic policy worked. This whole thing is taking off, and my larger sense of us moving from the industrial age to the information age is really true, and all of a sudden we have these surpluses." Was there a moment when the bolt of lightning hit and knocked you off the donkey on the way to the West Wing? Was there a day when you realized that——

The President. I spent a lot of '98 trying to dodge bolts of lightning. [*Laughter*]

Mr. Klein. Well, that's the irony of this, I think, is that that was probably going to be the moment that the press was going to realize that there had been a coherence to this whole project all along, and we managed to work our way out of that.

The President. In '98, I spent a lot of '98——

Mr. Klein. Is it fair to say '98 was the time that this——

The President. Yes, yes. And I spent a lot of '98 sort of wrestling with three overwhelming feelings. One is, obviously there was a lot of pain involved because I had made a terrible personal mistake, which I did try to correct, which then a year later got outed on—or almost a year later—and had to live with. And it caused an enormous amount of pain to my family and my administration and to the country at large, and I felt awful about it. And I had to deal with the aftermath of it.

And then, I had to deal with what the Republicans were trying to do with it. But I had a totally different take on it than most people. I really believed then and I believe now I was defending the Constitution. And while I was responsible for what I did, I was not responsible for what they did with what I did—that was their decision—and that I had to defend the Constitution.

And so I felt that—I still believe historically two of the great achievements of my administration were facing down the Government shutdown in '95 and '96, and then facing this back, and that those two things together essentially ended the most overt and extreme manifestations of the Gingrich revolution.

And then the third thing I felt was this "Gosh, it is all working, and it's coming together, and all these things will be possible." And I still believe if we can get one or two things straight for the future, that a lot of the good stuff is still ahead.

Mr. Klein. I'm not going to let you off that so easily. Were there days, were there moments that you remember where you saw, hey, this is happening?

The President. Yes, I was really happy. I just was happy because I thought—to be fair, I don't think any of us thought in '93—if you asked me in '93, "What level of confidence do you have this economic plan is going to work," I would say very, very high. And if you asked me, "What do you mean by 'working,' " when I started in '93, I would say we'd probably have between 16 million and 18 million new jobs. I never would have guessed 22.5 million and maybe more.

I would have said—I was fairly sure that we'd get rid of the deficit by the time I left office. I didn't know in '93 that we'd be paying off nearly $400 billion of the national debt when I left office and we'd be looking at taking America out of debt, which is a goal I hope will be ratified by this election. And I hope the American people will embrace that, because I think that's quite important.

So in '98 I began to imagine just how far we could go, you know, and to think about that.

Race Relations

Mr. Klein. There's another aspect to this that we haven't talked about that I think has really been central. In '93 would you have predicted that the state of race relations would have gotten to the point that it's gotten to now? I mean, I don't know whether you can sense—I sensed it out on the trail this year. Bob Dole went to Bob Jones in '96 and didn't pay any price at all, did he? This year you couldn't do it. And everywhere you go in this country, people of different races are having lunch together and holding hands.

The President. I confess, you know, I like Senator Dole very much, but I would have made him pay a price if I had known he went to Bob Jones University. I just didn't know.

Mr. Klein. You didn't know about the dating policy?

The President. No, I didn't know he went to Bob Jones University. I didn't know about the dating policy, but I knew about Bob Jones because I'm a white Southerner. And I think the Bob Jones thing—I think Governor Bush going there mattered more maybe to white Southerners my age who supported civil rights than maybe to even other Americans, because it has a whole—because of the history there. It was a big deal to me. I just didn't know.

But I do believe we have come a long way. And I think—I hope I made some contribution to that, because I think it's really important. I've tried to get Americans to understand that how we handle this—I still believe how we handle this is, in a way, the most important thing, because we're a great country and we're full of smart people and we nearly always get it right, unless we get in our own way. And it's just like me—nations are like people, individuals, in the sense that very often all their greatest wounds are self-inflicted. And this whole state of racism, it's a self-inflicted wound.

Mr. Klein. This was where I was wrong on affirmative action, I think, in the end, when I kicked you around on that.

The President. I never wanted it to last forever, and I think that we had to clean up some of the contracting policies and some of the other things. But we——

Mr. Klein. Have those been done?

The President. Well, we made some changes, and I hear a lot of complaining about it from people that have been affected by them. But I still believe that—and to be fair to my critics or skeptics, it's a lot easier to sell an affirmative action in good economic times than in tough economic times.

I believe what launched the assault on affirmative action in the beginning was that, number one, it did seem to be that nobody was ever reexamining it, its premises. But secondly, the big start was in California because California was suffering so much from a recession in the late eighties and early nineties. And people felt that they were being disenfranchised, and they felt that the circumstances were squeezing in on them anyway, and they didn't want any other burdens that they lost just because they happened to be in the majority. So I think maybe the acid test of whether I was right or not won't come until there's another period of economic difficulty.

Welfare Reform

Mr. Klein. People argue the same on welfare reform, as well, although——

The President. But I think there's enough evidence in on that. I think if there are adversities coming out of welfare reform in the next economic downturn, or as far as there are now, it may be because—it's largely because of decisions States have made about how to spend or not to spend properly the big extra money they got because we grandfathered them in at the amount of money they were getting when welfare rolls were at their height in February of '94. I think that's when we did that. Maybe it was '96, but I think it was '94. I think we grandfathered them—anyway, whatever month it was, we grandfathered their cash flow in when welfare rolls were high, on the theory that we wanted them to spend this money on education, on transportation, on housing assistance, on training people to not just take jobs but to be able to keep jobs, or find new jobs if they lost them. And there are some stories coming in which are troubling, but which have more to do with decisions that were made at the State level.

The thing that some of the people who criticized me on the left for welfare reform never understood, I don't think—they said, "Oh, gosh, he's ending this national benefit." But that was a joke, because for more than 20 years, by 1996, States had been able to set their own rate. So you had the family support—monthly support for a family of three on welfare varied anywhere from a low of $187 a month to a high of $665 a month on the day I signed the welfare reform bill.

So to pretend that there was somehow some national income safety net was a joke. Nobody was going to go below $187 a month. And if there was a political consensus for a higher level, they weren't going to go out and gut people. And the idea of spending this money to empower people to go into the workplace and then require people who could do so to try to get their personal act together and access the benefits and go in there, and then letting them keep their medical coverage for a while, is very, very important.

The only thing I didn't like about the welfare reform bill was not that; it was the immigrant thing. But the two I vetoed—everybody acted at the time—the only thing that really disturbed me, and I realized I had not succeeded in getting people into the intricacies of welfare policy, was that I had people, both liberals and conservatives, who said, "Well, he vetoed two of them, but he signed the third one because it's getting close to the election, and he wants credit for that." That's not true.

The thing we were fighting about was whether or not, if you required people on welfare to go to work and they refused to meet the requirement—that is, they acted in a way that violated the responsibility portions of the law—how do you minimize the impact on their kids? And what I was unwilling to do, because there was a uniform national benefit there, was to scrap the food stamps or the Medicaid coverage for the children, where we did have a uniform national standard and nowhere near the variations that already existed in the monthly cash payment.

So I thought that finally when they agreed to put those back in, I believed, given the way the budget fights were unfolding—and by then I was in my second one, in '96—that within a couple of years I would be able

to restore most of the immigrant cuts. And sure enough, we did.

So I still think that some of them are not right and that we haven't restored, but I think, on balance, the welfare reform bill was a big net advance in American social policy and the right thing to do.

Budget Negotiations

Mr. Klein. That's an interesting phrase, "given the way the budget fights were unfolding." There seems to have been a pattern since '95, and I think that that may be part of the reason why people might not see the whole of what has gone on here—is that a lot of the stuff you've gotten since '95 has come in budget reconciliations at the end of the year——

The President. Huge. And I've got to give a lot of credit to Panetta and Bowles, who was brilliant at it, and John Podesta and Ricchetti and all these people that worked the Congress, because they—and the congressional leadership in our party. Keep in mind, any time that our support among the Democratic minority drops below a third plus one, I have no power in the budget process. So I think that—but we have gotten enormous amounts done for poor people, for the cause of education—we've gone from a million dollars a year in 3 years to $445 million a year, something like that, in programs for after-school. And my budget this year, if we get that, we'll really be able to put an after-school program in every failing school in America—if we get what I asked for this year. Amazing stuff.

I think that's one of the reasons that a lot of what we did in education has not been fully appreciated.

Education

Mr. Klein. Ten million people taking advantage of HOPE scholarships and lifelong learning credits this year, according to Gene.

The President. That's right.

Mr. Klein. I mean, are you frustrated that this kind of stuff isn't more known?

The President. Oh, a little bit. But the main thing for me now is that it's happening. And the other thing that I think is really important I'd just like to mention, that I think almost no one knows, that I think is, over the long run, particularly if we can get—it's interesting, the Republicans say they're for accountability, but they won't adopt my "Education Accountability Act," which would require more explicit standards, more explicit "turn around failing schools or shut them down," and voluntary national tests, which they're against, but we're working on it still.

But just what we did in '94—in '94, in a little-known provision of our reenactment of the Elementary and Secondary Education Act, we required States to identify—getting Title I money—to identify failing schools and to develop strategies to turn them around. States like Kentucky that have taken it seriously have had a breathtaking result. I was down at that little school in Kentucky, in eastern Kentucky, the other day. And it was a failing school, one of the worst in Kentucky, over half the kids on school lunches—now ranked in the top 20 elementary schools in Kentucky, in 3 years.

Mr. Klein. What did they do?

The President. Well, let me tell you the results they got. In 3 years, here's what happened. They went from 12 percent of the kids reading at or above grade level to 57 percent. They went from 5 percent of the kids doing math at or above grade level to 70 percent. They went from zero percent of the kids doing at or above grade level in science to 63 percent—in 3 years. And they ranked 18th in the performance of elementary schools in Kentucky.

Well, smaller classes, good school leadership, heavy involvement by the parents, and basically measuring their performance. It's stunning; I mean, it's just amazing.

I was in a school the other day in Spanish Harlem that in 2 years went from 80 percent of the kids doing reading and math at or below grade level to 74 percent of the kids doing reading and math at or above grade level—below grade level, 80 percent below, to 74 percent at or above grade level—in 2 years. And I know what they did there because I spent a lot of time there. They got a new principal, and they basically—they went to a school uniform policy, one of my little ideas that was falsely maligned, had a huge impact. And they basically went to—they established goals and results, and you

either met them, or you didn't. It's amazing. And these children, the pride these children felt was breathtaking.

So one of the things—I mean, I think one of the most important accomplishments of the administration was basically opening the doors of college to everybody with the HOPE scholarships and the direct loans. And if we could just get this tuition tax deductibility, then we haven't made it possible for every person making $40,000 to send all their kids to Yale, but we made it possible for everybody to send all their kids somewhere.

Mr. Klein. That's not refundable, is it?

The President. Not refundable, but it is deductible at the 28-percent level for people that are in the 15-percent income tax bracket.

Mr. Klein. Oh, I see. So it's a kind of semi-deduction.

The President. Yes, well, in our proposal you get to deduct up to $10,000 at the 28-percent level even if you're in the 15-percent income tax bracket. So it's not refundable, but for the people that need refundability, they have access to the Pell grants and to loans they can pay back now as a percentage of their income under the direct loan program.

Mr. Klein. You're getting restless. Let me ask you one last—well, I'm not going to guarantee this is one last. I might want to ask you—if I have a few more over time, is there some way I can get in touch with you?

The President. Sure. You've interviewed 50 people. You've taken this seriously, so I want to try to——

Foreign Policy

Mr. Klein. Well, it's the last 8 years of my life, too, you know. [*Laughter*] And I haven't even asked you about foreign policy, for God sakes. We'll do two things. Let me ask you about foreign policy. It seems to me that if you look at what you did, there are two big things you did in foreign policy. One was raise economic issues to the same level as strategic issues, which was crucial, and the other was to demonstrate over time that America was going to be involved and use force when necessary in the rest of the world. The second one is, obviously, more messy and dicey than the first. The third thing you did was essentially not do anything wrong and do really right things when it came to the big things like Middle East, Russia, China.

The messy part of it is the dustups in places like Bosnia, Kosovo. People have told me that you really feel awful that you didn't do more in Rwanda. Is that true?

The President. Yes. I don't know that I could have. Let me back up and say, I had a—when I came here, came to the White House, I sat down, basically, and made my own list of what I wanted to accomplish in foreign policy. I wanted to maximize the chance that Russia would take the right course. I wanted to maximize the chance that China would take the right course.

I wanted to do what I could to minimize these ethnic slaughters, which basically the end of the cold war ripped the lid off. It's not that they didn't occur before, but now they became the main problem with the world.

I wanted to try to create a unified Europe, which included an expanded NATO, supporting European unification, and dealing with all the countries around. I wanted to try to get Turkey into Europe as a bulwark against fundamentalist terrorism. That required some progress between Greece and Turkey, and we made some, not enough to suit me.

I wanted to try to minimize the turbulence—the possibility of war and nuclear war between India and Pakistan, which is something that was not right for my involvement until rather late in my term. But one of the things that—and I wanted to try to—and I'll leave this until last—I wanted to try to broaden the notion in America of what foreign policy and national security was, to include health issues, to include—like we made AIDS a national security threat—to include climate change, to include the globalized society, all these issues we started talking about.

So the one thing I would say to you is that I think this has all occurred kind of under the radar screen—I'll come back to Rwanda—but one of the things I think should be mentioned is, we have spent an enormous amount of money and time and effort focusing America on how to minimize the threats of biological warfare, of chemical warfare.

What are we going to do? Will the miniaturization of the information revolution lead to small-scale chemical, biological, even—God forbid—nuclear weapons? How are we going to deal with that? So we've done a lot of work on that.

And to come back to Rwanda, one of the things I've tried to do with Africa is to—and Sierra Leone is giving us a good test case here—is to increase the capacity of the African nations to deal with their own problems, to support the regional operations like ECOWAS or OAU. And I developed something called the African Crisis Response Initiative, where we would go in and train African militaries. When I was in Senegal, for example, I went out to the community—to the training site there, on our trip to Africa, and saw the American soldiers training with the Senegalese to dramatically increase their capacity.

What happened basically with Rwanda is we were obsessed with Bosnia and all the other stuff, and it was over in 90 days. I mean, they basically killed hundreds of thousands of people in 90 days. And I just don't think we were—any of us focused on it and whether we could have done something. But I made up my mind that we would certainly try to increase the capacity of Africans to deal with it and we would move in as quickly as we could. And like I said, what happens in Sierra Leone is going to be a little test of that.

Mr. Klein. Do you think you were prepared for being a foreign policy leader when you came in? What are the things that you've learned in terms of——

The President. I would say yes and no. I think——

Mr. Klein. You had it in principle.

The President. I think I had a very—because I'd been interested in it since I was a student in college, and I'd always been fascinated by world affairs. So the fact that I had not been a Senator or served in a previous administration I don't think was a particular disadvantage.

I think all the economic stuff I think I had right and the fact that there was a lot more in economics involved, and it was about democracy. It was about minimizing war. It was about lifting people's sights so they had something better to do than killing their neighbors, be they were of a different religion or ethnic group. I think we had that right.

I think we basically had the nuclear issues right, and the big power issues right with Russia, with China, what we tried to do in the Korean Peninsula.

Where I felt—I think where I felt some frustration is maybe where even a President with a lot of experience would have felt frustration, a lot of experience in this, which is building the post-cold-war alliances, which proved to be very frustrating. I mean, we had a lot of frustrations—and we got panned a lot, and maybe we deserved some of it, and maybe we didn't—in '93 and '94, trying to put together some kind of coalition of our European allies to move in Bosnia.

In Kosovo, having had the Bosnia experience, even though there were differences in the alliance, I have nothing but compliments for my allies. They were basically—we had our arguments. We should have. Nobody has got a monopoly on truth. But basically, we got together; we moved quickly; we did the right things.

And I think that the idea of how we might even go about mechanically, operationally, dealing with something like Rwanda just wasn't there. The French and others that had been more active in that part of Africa, I think they may have had a better sense of it, although they went in late.

Mr. Klein. But you were acting with more confidence, too. You weren't asking, you were telling.

The President. Yes, well, it happens once you've been around and you know people, you know what it was. But it was—I think that some of that, when you've got to have some support from other countries and you can have an uncertain result but you think you have to try, it just takes a while until you get your sea legs and you get everything worked out, particularly when there aren't sort of institutional structures and policies and rules of the road there. And so I think we did get it right.

If you take another sort of sad moment of the administration, when we lost our soldiers in Somalia——

Mr. Klein. Almost at the same time as the ship turned around in the harbor in Port-au-Prince.

The President. When we lost our soldiers in Somalia, it was a very sad thing. But that happened, I think—and I hope the Congress will never decline to put people in peacekeeping missions because of it, because basically our guys did a terrific job there. But there was an operational, I think, decision made there, which, if I had to do it again, I might do what we did then, but I would do it in a different way.

I remember General Powell coming to me and saying, "Aideed has killed all these Pakistanis, and they're our allies. Somebody needs to try to arrest him, and we're the only people with the capacity to do it." And he said, "We've got a 50-percent chance of getting him, and a 25-percent chance of getting him alive." And so, he said, "I think you ought to do it." And I said, "Okay." But today, with that number of people there—and then he retired. He left, like, the next week. I'm not blaming him; I'm just saying that he was gone.

So what happened was, we had this huge battle in broad daylight where hundreds and hundreds of Somalis were killed, and we lost 18 soldiers, in what was a U.N. action that basically, if I were going to do it again, I would treat it just like—if we were going to do that, I'd say, "Okay, I need to know what's involved here, and let's do this the way we planned out the military action we took against Saddam Hussein, for example, or the military action I took to try to get Usama bin Ladin's training camps, or anything else."

It doesn't mean America shouldn't be involved in peacekeeping, but it means if you go beyond the normal parameters that you decide on the front end, then the United States has to operate in a very different way.

Mr. Klein. There doesn't seem to be a uniform set of ground rules yet in place.

The President. I don't think there is, but we're getting there.

Mr. Klein. Should there be? Could there be?

The President. I think it's pretty hard, but I think you—anyway, I will always regret that. I don't know if I could have saved those lives or not, because I think what we were trying to do was the right thing to do, and the people who were there on the ground did the best they could. But I would have handled it in a different way if I had more experience, I think. I know I would have.

The only other thing I was going to say about this is that—we talked about earlier how I hope in the future that the Congress will give more support to science and technology, beyond NIH. I hope in the future the Congress will give more support to our national security budget beyond the defense budget. As well-off as we are, one real big problem, we should be spending much more than we're spending, in my judgment, to fight global disease, to promote global development, to facilitate global peacemaking and peacekeeping.

I think that we need to succeed in getting the bipartisan majority in Congress with a much broader view, because people look at us, and they know how much money we've got, and they know what our surplus is. And all these other countries are struggling, and we shouldn't be so begrudging—I fight with the Congress all the time—in our contributions to peacekeeping and to creating the conditions in which democracy and peace will flourish.

I'm encouraged by how Congress voted in this Colombia package because it's a balanced package, and it has a lot of nonmilitary, nonpolice stuff in it. And I'm hopeful that we'll have a more—I saw Ben Gilman had a very good article—somebody else—he and a Democrat, I can't remember who it was, wrote an article in the L.A. Times yesterday talking about the importance of the United States taking the lead in the international fight against global disease. That's one thing that I hope, after I'm gone, I hope that the next President will be more successful at than I was.

Post-Presidency Plans

Mr. Klein. Let me ask you—this is it—after you're gone, you're going to be the youngest ex-President since Teddy Roosevelt. If there was one thing that Teddy Roosevelt did absolutely awful, it was be an ex-President. I mean, he was really terrible at it because he was so engaged, so involved, and he couldn't quit kibitzing.

The President. Well, he felt, to be fair to him, that the Republicans had abandoned his philosophy. He felt Taft had kind of let him down.

Mr. Klein. You also have a restraining amendment in the Constitution that he didn't. But do you worry about that?

The President. No. Well, I do, because—[*laughter*]—but not in the way you think. I don't think that the next President, whoever it is, will have problems with me acting like I wish I were still President. I mean, I think I know how to behave, and I've been here, and I want my country to succeed. And for my country to succeed, the Presidency has to function. And I don't want to complicate that.

So the challenge I have is to figure out how to have a meaningful life, how to use all this phenomenal experience I've got and what I know and the ideas I have in a way that helps my country and helps the things I believe in around the world and doesn't get in the way of the next President. And that's what I have to do. I've got to figure out how to do it.

Mr. Klein. Any thoughts?

The President. I've thought about it, but I'm not ready to talk about it yet. But the one thing that I—[*laughter*]——

Mr. Klein. You've talked about everything else today. [*Laughter*]

Philosophy of the Presidency

The President. Yes, but the one thing that I—the reason I wanted to spend so much time with this interview—if you want to talk to me anymore, just call, and we'll talk more on the phone—is that you always knew—and even when you got mad at me, it was because you thought I'd stopped it—that I would take this job seriously. I mean, the basic thing that I can tell you about this is, I will leave Washington, believe it or not, after all I've been through, more idealistic than I showed up here as, because I believe that if you have a serious Presidency, if you have ideas and you're willing to work and you're not so pigheaded that you think you've got the total truth and you work with other people and you just keep working at it and you're willing to win in inches as well as feet, that a phenomenal amount of positive things can happen.

And you always thought that I was trying to have a serious Presidency. That's all I ever wanted.

Mr. Klein. I got pretty pissed off at times.

The President. Yes, that was all right. But at least—but when you were mad, it was because you thought I was abandoning something I said I would do, that I was trying to do. I never had any—my frustration was with the people in your line of work that I thought didn't take all this seriously, that thought it didn't matter one way or the other, that thought it was some game, or who was up or who was down, or where was the power equation, or something.

Because it really does matter. There are consequences to the ideas people have. One of the worries I have about this election is all these people writing as if there is no differences and there are no consequences. The American people should make a judgment knowing that there are differences and there are consequences and it matters what you do.

The thing that I think the last several years has shown is that a lot of these problems yield to effort. And if you're willing to just put in a few years of effort, you can push a lot of rocks up a lot of hills. People should feel really good about that.

One of the things that I hope when I leave office that people will say is, I hope that there will be a greater sense of self-confidence about what America can achieve. But it requires you—everybody has got to play politics, and I understand all that. I don't want to get sanctimonious about that just because I'm not running for office for the first time in 26 years. That's part of the political system. And everybody will take their shots and do this. But in the end, the Presidency should be informed by a set not just of core principles and core values but ideas—that there ought to be an agenda here. People ought to always be trying to get something done. And you shouldn't be deterred by people saying it's not big enough, or it's too big, or all that. There ought to be a broad-based view of where the world should go and what the role of the Presidency is in taking America where it should go. And as long as there is,

I think our country is going to do pretty well. In that sense, I will leave office phenomenally optimistic.

And everything I ever believed about the American people has been confirmed by my experience here. If they have enough time and enough information, no matter how it's thrown at them, in how many pieces and how slanted it is or whether it's inflammatory or whether it's designed to produce sedation, no matter what happens, they nearly always get it right. That's the only reason we're around here after—the Founding Fathers were right. Democracy, if given a chance to work, really does. If there's enough time and enough information, the American people nearly always get it right.

So, in that sense, I just—I'm grateful I've had the chance to serve. I've had the time of my life. I've loved it. Probably good we've got a 22d amendment. If we didn't, I'd probably try to do it for 4 more years. [*Laughter*]

Mr. Klein. Well, I'll tell you something—turning this off—two things. One is, every last campaign I've covered since '92, I found myself judging against that one, in just big ways and little ways. And the other thing I promised my son I'd tell you—he's just finishing up his first tour as a foreign service officer in Turkmenistan, and he said his proudest possession is his commission document with your signature on it.

The President. Wow. Well, if you go back to that '92 campaign, it just shows you, though—the only other thing I would say is, I think I was so advantaged by having been a Governor for 10 years when I started running, or however long I'd been serving, and having had the opportunity to develop these ideas over time and then to measure them against the experience I've had.

I still think ideas and organized, concentrated effort mattered. No President with an ambitious agenda will fail to make errors. Things happen in other people's lives. Maybe something will happen to the next President. God knows they won't go through what I did, but maybe their kids will get sick. Things happen in people's lives, and mistakes get made. And sometimes you just make a wrong call. But if you've got—if you're serious and you've got a good agenda and you have good people and you work at it in a steady way, you get results.

It really is a job like other jobs. That's another thing—I think it's important—you said something in your letter to me, which I think is true, that maybe we had removed all the mystery around the President——

Mr. Klein. I didn't even get a chance to ask that question.

The President. ——and maybe that's not good. And maybe that's not good, but I do believe that we need to demystify the job. It is a job. And if you love your country and you've got something you want to do and you've thought it through and you've put together a good team and you're willing to be relentless and to exhaust yourself in the effort, results will come.

That's what I would like the American people to know.They should be very optimistic about this.

Diversity

Mr. Klein. You know, they are. They're in such great shape right now. I noticed it traveling around this year. It's not just everybody is getting along, but they appreciate the thing that you always said way back when, which is that diversity is a strength.

Sandy was telling me about your first G–7 conference, which I don't expect you to talk about on the record, but he was telling me about how the Japanese were lecturing you about how to run an economy. And when you took office, most people believed that we were going to get taken to the cleaners by the Japanese and the Germans, because they were homogenous and we were mongrels. And now most people—you know, most of those Archie Bunkers out in Queens have a niece or a nephew who is dating a Puerto Rican at this point. And most people——

The President. Or an Indian or a Pakistani. I went to a school in Queens the other day, and I mean, I thought I was—there was one guy there, I could swear the kid was from Mongolia. There were a lot of East Asians. There were a lot of South Asians. There were all the Puerto Ricans. There were all the other Latins, you know.

But the test that—that's not over, but I think people are beginning to feel good about it.

Mr. Klein. Well, I mean, kids my kids' age, your kid's age, think it's a positive value.

The President. It is a positive value. It makes life more interesting. I keep telling everybody, the trick is to figure out how to respect all these people's—other people's traditions, religions, the whole thing, cherish your own, and then—but the only way to make it work, which is why I keep citing this human genome finding that we're 99.9 percent the same, is to realize that the differences make life interesting, but the similarities are fundamental.

If you can get people to think that—what we have in common is fundamental, but the differences make life more interesting—then I think we'll be okay. And I still think that's still the most important thing of all. It's even more important than the right economic policy, because eventually we'll get all that stuff. We'll make mistakes; we'll correct it. But if your whole heart and mind and spirit is wrongly turned, then you can do everything else right, and you still come a cropper. You'll have problems.

So I really—I think this advance in race relations is profoundly important. I'll give you one—exhibit A was old Gordon Smith's speech for the hate crimes bill. Did you see that?

NOTE: The interview began at 5 p.m. in the Presidential Suite at the Sheraton New York Hotel and Towers. The transcript was released by the Office of the Press Secretary on October 10. A tape was not available for verification of the content of this interview.

Interview With Joe Klein of the New Yorker

August 15, 2000

2000 Democratic Convention

Mr. Klein. I'll tell you what. I was nostalgic enough, and then you had to stop at McDonald's on top of it?

The President. It was nice. We didn't get much sleep last night. It was a nice setting, though, today, and it was nice last night. That convention was nice. The stage seemed more in the audience than the previous ones we've had, didn't it?

Mr. Klein. Yeah. And they were up for it, that crowd last night.

The President. They were ready, weren't they?

Mr. Klein. Yeah. If I remember correctly, in '92 there was still some skepticism in that audience, when you gave your acceptance speech. But you know, the difference between then and now is pretty——

The President. A lot of these people have been with me for 8 years now, you know. They have—a lot of those delegates—I've run into several people that tell me they were at the previous conventions, one or the other of them, going in——

Mr. Klein. How are you feeling right now?

The President. I feel fine. I'm a little tired. You know, we just—all I did in L.A. was run around and try to prepare for the speech. Except I did get to play golf one day, which was quite nice.

Mr. Klein. You did? Where?

The President. I played a public course there. What's it called? El Rancho? It's a public course right near Hillcrest that used to be the site of the L.A. Open. They were very proud of it. They mayor wanted to play on it. The bad thing about it was lots of folks out there. It took a good while to get around, but it was really nice.

AmeriCorps

Mr. Klein. Steve said, when he called me, that you wanted to talk a little bit more about foreign policy and——

The President. There were some things we didn't talk—and I made a few notes. I don't think we said anything last time about foreign policy. I just thought you might have some questions you wanted to ask. I also thought we didn't talk much about environmental policy. And I couldn't remember whether we talked about AmeriCorps.

Mr. Klein. About AmeriCorps? Did we talk about AmeriCorps? No, we didn't. We don't have to.

The President. You know how important that is to me.

Mr. Klein. Yeah, I know how important that is.