

THE WHITE HOUSE  
Office of the Press Secretary

Internal Transcript

January 12, 1996

INTERVIEW OF THE FIRST LADY  
BY  
DOREEN CARVAJAL, THE NEW YORK TIMES

Q (Inaudible)

MRS. CLINTON: I have worked on children's issues for more than 25 years. And certainly since I've been here in the White House I've tried to be a voice for children -- on health care, foster care, education, the issues that I've been involved in for a long time. But it's become increasingly clear to me that much of what we are learning about how children develop is not being used to the extent it could, both in individual homes, and when children's policies are made, whether it's at a school or a workplace (inaudible) government.

And Simon and Schuster had done the wonderful book about my mother-in-law, and they came to me, I think, around the first of the year, as I recall, and asked if I would have any interest in doing a book. And I thought about it, and I thought, you know, that might be just what I need to do -- to try to put into words why I care about these issues and why I don't think that they are just soft women's issues to worry about children, but that they are the real core of what everybody should be concerned about.

So I kind of took a deep breath and said, yes, I do; I want to write a book about children. And that's where it started.

Q I read the Post story today about the book. Did you read that Post story --

MRS. CLINTON: Um-huh, Um-huh.

Q -- so I wonder if we could just address that. I mean, what are the questions that you're raising; who actually wrote the book?

MRS. CLINTON: I actually wrote the book.

Q And I think I've seen references to -- you wrote a longer --

MRS. CLINTON: Yes. I would like to tell you that I am computer literate, because I thought I was. I had been able to work on much simpler word processing computers in the past. But I've never been really good at it. So when I undertook this endeavor, I ended up doing it in longhand, and then having it typed, and then editing it, and going back and forth with it. But I had a lot of help. I had both the help of the people Simon and Schuster hired, plus friends and others who were willing to take their time to come and criticize the drafts.

Q (inaudible) -- at some of the other publishing houses is there was a ghost writer who was eventually let go. Can you address that issue? Was there a ghost writer?

MRS. CLINTON: Well, we put out a press release about that --

Q Yes, I --

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MRS. CLINTON: -- which we should get for you, because I'm not familiar with all of the details, and the press release was done in conjunction with Simon and Schuster. But they hired someone.

Q This was Barbara --

MRS. CLINTON: Barbara Fineman (ph.) -- who did help me in the beginning to get organized, to do research. She conducted interviews with me that were transcribed that she was able to organize for me. She drafted some connecting paragraphs to connect what was in the transcripts. And what I concluded was that I needed a lot of help to know how to write a book, but that I had to write my own book, because I want to stand by every word. I wanted the process, too, of having to think through these things. You know, I've worked on these issues for so long, but to put into words what I feel about them, what I think is important, nobody could do that for me. They could critique what I had written, but they could not speak for me.

So I had the help of Barbara. I had another researcher who was hired. I had a typist. I had a terrific editor, Becky Salitan (ph.). And I had some friends who were willing to help out. But I wrote the book, and I take all responsibility for it.

Q So she wasn't let go or anything like that.

MRS. CLINTON: Oh, no. Her contract is with Simon and Schuster. And I acknowledge in the press release my appreciation for the help and hard work she gave me and am very grateful to everybody who helped.

You know, then the issue was raised, well, what about the acknowledgements, because I didn't mention anybody by name --

Q -- saw that.

MRS. CLINTON: And there were two problems. I was trying to keep a running list while I was writing this book about everybody I needed to thank. And it just grew to be enormous, because I felt a debt of gratitude. I was working upstairs on the third floor of the White House, and I'd worked from very early in the morning to very late at night on most days when I was here.

Q At what time would you be working? Early in the morning --

MRS. CLINTON: Well, many days I would start at six or seven, and I would -- you know, I would have my breakfast brought up there and eat it off a tray. I'd be up very late at night -- sometimes I'd -- you know, if my husband and daughter weren't home, because during a lot of the early writing of it, Chelsea was at camp. And so I had -- I had a lot of help from people who wouldn't ordinarily be acknowledged in a book. Everybody kind of chipped in and helped out. When we went on vacation to Wyoming, Barbara came with me, because we really trying hard to get it done if we could by its original deadline.

Q And that was October --

MRS. CLINTON: Well, the original deadline was Labor Day.

Q Oh, Okay.

MRS. CLINTON: But I had never written a book before. I didn't know what my own personal standards would be for the writing of the book. But I know that I missed a lot of good times with my



family because I was inside the house while they were out hiking and having fun. And I even took my legal pad for the chapter I was writing with me when we went to camp out that night. So it was a constant presence in my life.

And I concluded that it was just going to take me more time and told Simon and Schuster that. And they were very understanding. And they kept putting back the deadline, trying to -- and still get it into the stores by Christmas. But, you know, I really wanted it to be what I wanted it to be. And so for me it wasn't a question of when it came out so much as that it said what I wanted it to say.

The other thing about the acknowledgement, I was going to tell you -- so I went on and on about everybody I wanted to acknowledge, and I just -- I had this horror of leaving anybody out. And I knew that the people who had helped me would know they helped me. And I also learned something about publishing, which my editor explained to me, that, you know, books come in certain prescribed lengths. And I was push -- if you look at the book --

Q You were over or under?

MRS. CLINTON: I was over.

Q By how much over?

MRS. CLINTON: I was up at the edge. Well, if you look at the book, you can see that it's unusual that you've got the dedication and the aphorism to start the book on the -- you know, right across from there. And then the acknowledgements are right here, which is also kind of odd. Because what I was told is that if I tried to list everybody and do it the way that I would feel comfortable with, you could not get it on one page. And what would happen, as I was explaining -- you probably know more about; I found it interesting.

Q No footnotes either, too.

MRS. CLINTON: No -- well, and I -- and an index. I just didn't have time to do an index. Is that you don't publish books the way that I would do a term paper. This sounds naive to people who know about all this. You don't just add another page. You go from something like 320 to 336. So then you'd have all these blank pages and it would be more expensive to produce and it would be fatter and bigger.

Q Did you like writing? I mean, do you feel like you would want to write another book or was it more --

MRS. CLINTON: I thought it was the hardest work I've ever undertaken alone. But I really am glad I did it, and I would look forward to writing another book, because I learned so much about what I already cared about. You know, I laughingly said to a friend the other day that it's one of the most important things I've ever done in my life.

Q Why do you consider it one of the most important things?

MRS. CLINTON: Because it was a labor of love. I care deeply about these issues. And I have tried the best I knew how to talk about them and work on them for all these years. And now in one place I have a lot of the information and questions that I think are important to me about children.

My big problem was cutting it down. There was so much that I wished I could say, so much that had to be edited out because

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I kept wanting to add yet one more example. And I'm -- and I'm hoping that the book will help people think about the children in their own lives, as well as all of our children, in some different ways.

So it was a -- I mean, at the time it was really hard work. And there were moments that I despaired about being able ever to get it done. I suffered writer's remorse every time I signed off on a chapter when the editor would say, we will never get this done unless you let go of this today; no more changes. I'd let it go and then I'd immediately get a pain in the pit of my stomach. And the people I've talked to who are experienced in this told me that that's pretty much par for the course.

So I just went through all of that hard work and anguish that goes with kind of taking things you care about and putting them down on the page.

Q In your book there are lots of anecdotes about your own family life. It was really interesting for me to read. And one of the things you mentioned were things that your parents taught you about negotiating sharp edges. So I guess this is a good time to ask you about this.

You noted that your father would often say to you, Hillary, how are you dig yourself out of this one? So given some of the headlines recently about the Whitewater documents, Safire's column about the "congenital liar," the President's defense of you, is this book in a way becoming your shovel through the 1996 campaign?

MRS. CLINTON: Oh, it might be one of the small shovels. But I think the big shovels have to do with continuing to answer questions, provide information, be as cooperative as I can, point out as often as I can that what I have said for more than four years is continually validated by outside evidence. And that eventually we will get through this.

So if my father were around, he would probably say, well, you know, just keep going; don't get discouraged; do what you think is right, and it will all work out in the end. And I happen to believe that.

Q A new poll by the New York Times and CBS shows that your favorability ratings have dropped 12 percent -- or 12 points -- in the last couple weeks. And when they try to figure out why people are having more unfavorable views, it's tied to Whitewater (inaudible). Given that, why is it that in the last year, you just haven't been more open about Whitewater, just to dispel the whole issue?

MRS. CLINTON: Well, I regret that people that form their opinions based on charges and allegations. But we have tried to be as open and responsive as possible to the proper authorities, which is what we thought our primary obligation was, so that we have turned over, you know, I think it's now 50,000 pages of documents. We've answered every question from the FDIC, the RTC, the Special Counsel, the Senate Committee, the House Committee. Everyone who has a legal role in this inquiry, we have been as eager as they are to get this thing over with. And we'll continue to do so.

Q You know, I asked my mother about how she viewed you, just to get a sense of what, you know, just regular people are thinking reading the newspapers. (inaudible) to her was this whole instance of the documents being found, you know, months and months after searching somewhere in the White House. And that sort of symbolism resonated with her like why did it take so long to find (inaudible); why did these suddenly show up? And the White --



MRS. CLINTON: Well, I can understand that. And I wish I knew the answer to those questions. The only explanation that's been given to me is that people who have been searching for documents over the last three years have done the best they can under very pressing conditions because they're doing it for so many different groups that are asking for them.

And I would say to your mother, as I would say to anyone, we have cooperated fully. We have turned over every document that comes to our attention. But there are literally millions of pages in this White House. People have had to go through them over and over again.

Q But you can understand how then people can get a perception that something's -- people are holding back?

MRS. CLINTON: Well, you see, that's the problem is that as soon as that was discovered, it was turned over. Nobody is holding back anything. Do I wish it had been discovered earlier? Of course, because you'll remember that a few months ago your mother would have been reading that I had probably destroyed a document or we had concealed a document, which I was very concerned about, because it's absolutely not true. So for this document to come forward now, I don't know where it's been. It does not surprise me that with all the boxes and files of documents that something might be discovered later than the time it had been asked for. But to me the important thing is, it was immediately turned over, and it supports what I have been saying for four years. So it would be in my interest to have gotten that document out two years ago.

I mean, every time everything gets out, we are better off. I mean, we said four years ago Whitewater was a failed real estate transaction that we got into. Four years later, an independent law firm, on behalf of the RTC, spends \$4 million -- has access to every document, things we've never seen, and concludes -- you know what? The Clintons were telling the truth.

So the next line of inquiry is, well, yes, they were in business with a man who later bought an S&L, so they probably got money funneled to them. We said absolutely not true. We weren't investors or borrowers. We didn't have a savings account there. Now, four years later, what we said then is found to be true.

Now, our problem is that people who tune in and out of this, they can't possibly keep up with this. When the RTC report comes out that verifies what we have been saying, nobody holds a press conference and waves it in front of the television so that people can see it. They don't even release it publicly.

So, you see, the problem we have is that everything we've said has eventually been verified. And all of it eventually will. But trying to get it all pieced together so that the American public can make sense out of it is a big job.

Q But would it help if you testified publicly before Congress and then just did away with the issue that way?

MRS. CLINTON: Well, I have said I will cooperate in any way that I'm asked to.

Q And that includes testifying before Congress?

MRS. CLINTON: I will do whatever is required of me. Nobody wants this over with more than I do.

Q But would testifying get rid of it quickly? I mean, what's the best way to deal with it?

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MRS. CLINTON: I wish I knew, because if the ground didn't keep shifting and the questions didn't keep changing, I might be able to answer you. But I'm now being attacked by some for answering questions I was asked instead of questions I should have anticipated. I don't know how to be more forthcoming than we have in an environment in which there are some who unfortunately are running investigations in search of a scandal.

Q But if Congress asks you to testify, you will testify --

MRS. CLINTON: I will cooperate.

Q And that means --

MRS. CLINTON: I will cooperate.

Q And that means --

MRS. CLINTON: I will cooperate.

Q Is that the same thing?

MRS. CLINTON: I want to say that what I've said for four years -- I will cooperate.

Q In your book, you also offer suggestions about raising children. And some of them were very basic and common sense, like just spending more time with your children. So as I was reading the book and was wondering how you did it. I mean, you were writing a book; you were traveling the world; you were an adviser to your husband -- how did you spend more time with your daughter? And were there every times that she said to you, Mom, I want to spend more time with you?

MRS. CLINTON: Well, that's such a rare question from a teenager --

Q (Laughter) -- sorry.

MRS. CLINTON: It did not happen. But we've always had a lot of time together. One thing that did happen during the course of writing the book is that I wasn't out and around very much. I was not as publicly visible because I was so intent upon writing the book. But our private time together, although I might have missed some times, like I could have used a few more hikes in Wyoming, for example, we were able to keep that going. I'm just grateful whenever my daughter and her friends want to spend any time with me.

So we always make it if that what she wants. Oftentimes I'd be up in this little third floor room where I was writing, and she'd come bursting in the door after school to tell me about something; and she'd sit and we'd talk, and then we'd go our separate ways and get together for dinner. And that's pretty much --

MRS. CLINTON: I think you mentioned that in your book, too -- dinnertime is the time when you actually get together.

MRS. CLINTON: We try to. Now, that doesn't happen every day, but one of the reasons that I moved in a little table into what was basically a butler's pantry was so that we could have time together as a family and not be just eating dinner at the formal table and feeling like we were on eggshells with each other. So that's where we do spend time together.

And, you know, we're very lucky that we enjoy that time. And so -- I think, though, the seeds of it were planted years ago. It's not something we just started doing. And that, I supposed is



one of my hopes is that families will follow the example of so many of the families that I followed who built in time with their children as part of their routines going back to the time they were --

Q But I would think you would have the most difficult time of all with all the things that you're doing. I mean, you've had so many roles.

MRS. CLINTON: But you know what? Any time you set priorities, you have to give up some things. And when I given up, and I've said this before, I've given up time with friends; I've given up social time. You know, I don't get out much in Washington to go to dinner parties. And there are a lot of interesting people here I would like to know better. But if it's a choice between spending time with my daughter and my husband and not, then at least until she goes to college, I'm going to choose to spend that time with her.

Q You also mentioned in your book that you don't like to use the term juggle anymore because you can drop something. And you use the word "quilt" for a metaphor of how to put things together. You know, what sort of lessons would offer to people about how to put that quilt together of your life so that you are able to manage all these various roles.

MRS. CLINTON: That's an idea that I got from Mary Katherine Bates\* in this book, "Composing A Life." And I once in her presence -- she's a friend of mine -- used a phrase "juggling," and he just looked at me and said, "You know, that's a very unfortunate choice of words that women use because what our real challenge is how to integrate all of our different roles and responsibilities."

And for me, I think once you have a child, that is your most important obligation. And that everything you do has to be seen through the prism of that child's needs. And I've tried to remember that. Now, have I always practiced what I preached? No. And I've had to pull myself up short.

But my husband and I have tried, for example, to avoid being gone at the same time so that one of us was there. When she was little and I would go on business trips, I would leave a video for her, I would leave a story, I would leave a puzzle for her to solve where I'd hide little presents for her so that she would always know I was there for her.

And when I'm home, I try to be home. I really try to avoid having my time as a mother interrupted by social and public events. And I also try as hard as I can to schedule my time in advance.

Q Give me an example of what you mean.

MRS. CLINTON: Well, I try to sit down with her calendar from school and anything else that is important -- we have a talk about that -- so that when I'm sitting with the people who schedule -- this is in the White House, not earlier -- I will be able to be there for the Parent-Teacher Night, I will be able to be there for the ballet rehearsal, I will be there for those things that are important to her. In fact, for the book tour, I 'd originally been scheduled to go somewhere in early February, and I learned that it was going to be the first meeting of the Junior Class about college admissions. And I immediately called and said, "You know, I have to be there." That is really important to her, and I want to be part of that with her.

So, you know, that's not always worked. I mean, one time, when she was really little, I was trying a lawsuit in north Arkansas, and it was supposed to be for just a day. And I got up



there and it went on and on, and I eventually had to borrow clothes from people because I was going to be there three nights instead of one. And I missed a ballet recital. And that just killed me because I thought I had my life scheduled so that I wouldn't. But she knew that I had made every other effort to be there for everything. Even things that were little and insignificant by anybody's objective measure. So although she wasn't happy, it worked out.

But children have to know, as I say in my book, that somebody is crazy about them, that there is somebody in the world, and, hopefully, at least two somebodies, who will put them first. And that's what I've tried to do and what my husband has certainly tried to do.

Q You talk about hopefully two somebodies. That's another issue that you raised in your book about the importance of staying married. And you point out that your mother-in-law had gone through divorce and she was in an abusive relationship. But do you really expect people to stay in a marriage even if they're miserable for the sake of a child?

MRS. CLINTON: I expect there are instances in which marriages are irrevocably broken because of abuse, because of other behaviors that are unacceptable. But most marriages go out with a whimper, not a bang. And there are many ways that people can work to strengthen their marriages if they believe it is important. But if the adults only look to their own interests -- whether they're not feeling happy, or they think there's greener grass somewhere else -- they may not work very hard.

But if we look honestly at the evidence that has accumulated about the effects of divorce on children, that should cause all of us to pause and work harder at overcoming the inevitable disappointments that occur in any marriage. I mean, it is not easy to be married. I don't think it ever has been. But I would like to see us erring on the side of encouraging people to take that extra step to work out their problems than to throw their hands up and say they'll be happier despite what it meant due to their children.

Q To the point of having -- or making it more difficult to get a divorce institutionally?

MRS. CLINTON: Well, I think we have to look at that.

Q And what would be an example --

MRS. CLINTON: I refer in the book to what I call "breaking mechanisms." I don't think divorce should be prohibited for people with children or turned into a sham where people have to accuse each other of things in order to get a divorce. That's what I'm advocating.

But I do think when people consider divorce when children are involved, it should take longer, there should be some required education and counseling. And people should have to face starkly the potential consequences to their children of their decision to divorce.

If they go forward with the divorce, then I would like to see, again, education and counseling so that adults do everything they can to stifle their own feelings of either relief at getting out of a relationship that was not satisfying to them, or anger at being left so that they can cooperate for the best interests of their children.

And there are techniques that people can learn, they can be taught. There are mediation techniques that people could utilize instead of running back and forth to court, instead of using the



children as pawns because of visitation or support which I just think is dreadful in what it does to a child's sense of worth.

Q I want to shift the focus a little bit. Over the years, the one theme in your life has been -- at least from a difference, watching from the outside -- that you are constantly shifting roles. I mean, -- (inaudible) -- occupations. What sort of sacrifices have you had to make because you've been constantly changing these roles? I mean, for instance, shifting from being a lawyer to becoming like a political advisor to your husband here. What are the sacrifices that you've had to make?

MRS. CLINTON: You know, I think that all of us play a lot of different roles in the course of a day, let alone a lifetime. So there are trade-offs all the time. Roads not taken, adventures on roads taken that you could never have predicted. And that's how I feel about my life.

I have really enjoyed everything I've done because it has fulfilled some interest of my own. And the continuing theme of concern about children, women's issues has kind of pervaded my various roles, no matter where I've been or what I've done.

But I'm sure that had I never married Bill Clinton, had he never gotten into politics, had I never left Children's Defense Fund to go to teach law, or left that to practice law different choices would have been presented. And I cannot even imagine where that would have led. Because the way I think about my life is to make the best possible decision I can make at the time and then live that out. And so, for me, I'm just grateful I've had so many opportunities.'

Q Wasn't there a time, though, when you were living in Arkansas where you even had to give up certain things, like when you were working at the law firm in Arkansas and you had to give up a share of money related to state contracts with the law firm. I mean, were there other sacrifices like that?

MRS. CLINTON: But I thought that was the right thing to do. So I didn't -- I mean, it was a financial sacrifice, certainly. But I didn't see it as a personal sacrifice, I guess. But I just think that's part of living. I don't know anybody who gets 100 percent of what they think they want and sometimes when they get even 90, they wonder why they wanted it.

So I look back and I think, you know, I'm sure there are things that I didn't do that I could have done had the sequence of decisions in my life been differently. But this is the life I am living. And part of the way I was raised, as I talk about in the book, was to be grateful for what I had and to make the most out of every day and to try to deal with whatever problem would be thrown in my way. And so that's how I see what I do today.

Q In your book you also talked about how you, in times of trial, you would think about what you were grateful for or count your blessings. Is this time right now with all the headlines a time of trial for you? And if so, what gives you comfort?

MRS. CLINTON: Well, of course it's a time of challenge because it's not pleasant to see yourself caricaturized and called names on a daily basis by people. But I guess I've gotten a little bit accustomed to that because it apparently goes with the political territory these years.

Q -- Safire called you a liar. What was your reaction to it? I mean, we've all heard what the President thought about that. What was your reaction to it and what was your reaction to the President's comments about it?



MRS. CLINTON: Well, he said it with a smile. I thought it was very well done. I guess I don't take Mr. Safire seriously. You know, I was on the staff of the committee that impeached Richard Nixon. Mr. Safire worked for Mr. Nixon. And the best I can tell, he still is working for Mr. Nixon. I do believe that the person who was most offended was my mother because calling someone congenital anything suggests that my mother and my late father were somehow at fault.

Q Well, what did your mother say?

MRS. CLINTON: It's not printable. So that kind of -- I don't expect any different. What I do hope is that enough of what is true will eventually get sifted out by the American people who are fundamentally fair, and they will see all this for what it is, and we will be able to work on issues like children's health or education or the environment that will make a difference, not tomorrow, but next year and the year after next.

Q What do you think the image of you is with the American public as opposed to what you personally feel your image is? In particular when you see these comments -- (inaudible) -- Safire saying it. I've also noticed -- several people have mentioned this -- that women tend to hold you in a different view than men do, that people react to you differently based on gender.

MRS. CLINTON: Well, I think if I were out there looking at all this, I would be confused. I wouldn't know what to believe. And I think that's part of the purpose of it. You know, if you blow enough smoke, people are going to think there's some fire there. And I think that's part of what's going on.

Also, I mean, I'd be the first to admit that I was not very knowledgeable about the ways of Washington or the expectations regarding this role. And I'm sure that if I were transported back in time I would make a different assessment of some of this and try to avoid some of the self-inflicted problems that have occurred. So I take responsibility for some of the confusion that is out there.

But I also believe that no matter how much we clear up the confusion, whether it's the RTC report or the billing records which support what I've been saying, there is an agenda for such confusion, especially in a presidential election year. So my hope is that the smoke will clear and enough people will see this and see us for what we are and what we are trying to do.

Q So what would you say, how would you define yourself, your image, who is Hillary Clinton as opposed to the public perception right now?

MRS. CLINTON: Well, you know, I would probably say that I'm not that different from a lot of women who are my contemporaries as well as those older and younger, that we all play different roles, we have different obligations during our day, that if someone were to take a snapshot of my life at 8:00 in the morning and at noon and at 4:00 p.m. and at 8:00 p.m. over the course of a month, they would have many different pictures.

And I know that it is difficult for the press, who has a hard job conveying the complexity of anybody's life. And I think it's made a little more difficult when it comes to women because there still is such a tendency to stereotype women. And I write about that in the book about the either/or.

Q Do you think you have been stereotyped?



MRS. CLINTON: Oh, I think that all of us who are American women at the end of the 20th century who are trying to make the decisions that are best for our own lives, who don't fall into neat categories, who are trying to compose a life, have not yet been adequately described to ourselves, let alone to each other. And many of the stereotypes about what is or isn't appropriate women's behavior, you know, is this constant overlay about who we are.

I know that when I do things that I personally enjoy doing, like getting ready for and hosting a state dinner, some people who have only seen me testifying before Congress say, wait a minute, she can't do both. That doesn't fit the stereotype. She's got to be either a hostess who likes to dress up and get her hair done differently or she's got to be a woman who's out there advocating on behalf of health care.

But I say, those are both who I am. Just as most of my friends who get their children up to get breakfast and go to school, and then leave the house to go to work, and then may go to a committee meeting on behalf of a public issue they care about, and then may host a dinner for their friends are also living as integrated a life as they possibly can.

Q But how does that perception of yourself being just like most other women -- (inaudible) -- how you think the public perceives you right now? How are you perceived right now? And how do you -- do you want to change the perception?

MRS. CLINTON: Well, I don't know because I think a lot of who I am and what I care about has been distorted. And it is difficult for people to get a fair picture. I read things written about myself and don't recognize who I am, and say, you know, I wouldn't like her either, based on what was just said.

So I understand that when people get their information about a public figure and when it's been as confusing, ranging from the most extreme negative criticism to the most adulatory positive acclaim that it has to leave people a little bewildered about who is this person and how do I understand her.

Q That's why I'm asking how you tell someone who you are. How do you get that across?

MRS. CLINTON: I say I am a woman in this era of American history. I am a wife and mother and daughter. I am a friend. I am a Christian. I am an advocate on behalf of causes I care deeply about. I am a lawyer by training. I have been a teacher. I am someone who likes to have fun with her friends and --

Q Is it true you say artichoke --

MRS. CLINTON: Okey-dokey artichoke. Yes. That's one of --

Q You really do?

MRS. CLINTON: That's one of the secrets we've tried to keep from you.

Q All right. It's out. Headlines tomorrow.

MRS. CLINTON: You know, I'm a mediocre athlete who wishes I were better.

Q Apparently a bad singer from --



MRS. CLINTON: I am a terrible singer who want to sing anyway. I am a devotee of old movies and good books. You know, all these things.

Q Your favorite movie?

MRS. CLINTON: Well, it's such a cliché, but "Casablanca."

Q Oh, that's mine, too.

MRS. CLINTON: I must have seen that, you know, dozens of times. And the other night was so funny, we were -- gosh, I don't remember, Tuesday or Wednesday of this week -- and the President was just worn out. He'd been working really hard on the budget. And we had dinner, and he said, let's just play some games, do something different to get our minds vacated. So we played these games and then we had a big disagreement because Chelsea and I wanted to watch "Casablanca" again because she's never seen it all the way through, and he wanted to watch basketball. So we compromised with the basketball on, but the sound off.

Q Wait, where was "Casablanca" in this?

MRS. CLINTON: "Casablanca" didn't get into this. That's my point. We acceded to the wishes of our president.

So, you know, I'm all these things. And I guess that's part of what I find bewildering about this because some people have a very controlled image. They let you see what they want, and it works for them. I congratulate them. I'm all over the map because I have a life that is filled with different experiences and challenges all the time -- many of them just private and personal, and some of them, because of politics or public policy issues --

Q Well, it must be hard for you because you even get questioned about the way you look from day to day. I mean, the way your hair changes or whatever.

MRS. CLINTON: You know, as challenging as this week was, the biggest surprise of the whole week, and one for which I am amazingly grateful, was being named to Mr. Blackwell's Best Dressed List. (Laughter.)

Q That gave you comfort? That was one of the blessings that you --

MRS. CLINTON: No. It was just -- you know, in the midst of all this other stuff, it just came like a bolt out of the blue. I just could not get over it. I had such fun with that.

Q One last question since I know you're trying to -- you want me to wrap up. How does the book fit into this getting across to the American public who you are, you know, a less stereotyped view? You know, how does that fit into that?

MRS. CLINTON: Well, you know, along with all the challenges and obstacles that come to any woman in this position, there's also this great opportunity to talk about matters that are of interest to me. And the book will give me the opportunity to travel around the country, talking with groups of people who share my conviction that the real conversation that we ought to be having in this country is what is best for our children and how do we get beyond partisan politics and ideology to do what we all can do, starting in our families, to make America a better environment for raising children.

Q But at the same time, doesn't that also help you with the campaign going into '96? I mean, surely it would help.



MRS. CLINTON: Well, for those people who agree with me it might. But there will be many, as there are on anything, that will disagree with what I've said in the book.

Q What effect did this have on the '96 campaign that you're out on the road promoting a book about children, you know, an issue that obviously a lot of people will -- who's going to oppose it?

MRS. CLINTON: I've already been opposed by people who disagree with things that I've said. I've even already had criticism

(changed tapes)

I hope make their decisions about the '96 campaign on the basis of what my husband has done and what he stands for. And this is my book, and I hope people on many matters, including the book, can separate out my husband and me and judge him and me as the individuals we are.

Q Thank you.

MRS. CLINTON: Thank you very much.

END

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THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript

January 12, 1996

INTERVIEW OF THE FIRST LADY  
BY  
GERALDINE BAUM, THE LOS ANGELES TIMES

Q (in progress) And if you could absolutely accomplish one concrete thing in this administration, one thing, what would that be? If you walk out of this house and say, we think (inaudible).

MRS. CLINTON: It's so hard. I think if I felt when we walked out of this house that every adult in America, whether or not they were a parent, understood what it took for children to develop into healthy, resilient, self-disciplined adults and were determined to do that, I would feel very good about what we had accomplished.

Q That is a complicated, deep, psychological message that takes a lifetime to learn about -- how do you do that? How does this administration do that? Legislation? Do you go out and -- is this your platform? Do you say it every single day to a group of people?

MRS. CLINTON: I think that is the answer -- that you do it in a variety of ways. And this book is one way that I've chosen to try to communicate with people about issues that my husband and I and others have been talking about every since he became President, and in fact, we've been talking about for many years before that.

But I think maybe now people are more open to hearing that there are both small, bite-sized changes they can make in their own lives as well as actions they can take in their places of employment or in their government that could make a difference.

Q I'm a very practical person. You know, I'm a reporter; I cover government. But how do you do it? Is this a bully pulpit -- you get out there and talk about? I mean, you know, every possible show you can talk about it constantly? Is that --

MRS. CLINTON: Yes, I think this is a bully pulpit. And it's something that I want to make better use of with respect to children. When Bill ran for President, I said I wanted to be a voice for children. And I saw that role as being part of the reason that I took on and worked so hard on health care, because to me what was the most pressing issue were the millions of children who did not have access to decent health care.

Q You know, I want to talk about you. I wrote down on the train for eight hours, and it's always -- this really happened -- I sat next to a woman, a professional woman, about our age, and she saw me reading your book, pointed over to your book, and she said, oh, Hillary Clinton, I love her. And she was asking me about the book. And then she said -- and then she kind of whispered to me -- some of the guys on the train would hear it -- she said, I'm worried about her, and I worry about her integrity. And a lot of Americans have a lot of common sense. And these conflicts that we're hearing about -- (inaudible) -- talk a little bit more about it -- they sort of strain common sense. If you were on the train with us sitting there, which I wish you had been, what would you have said to that woman on the train?

MRS. CLINTON: I would have said I appreciate her support for me, but I also understand her questions, because I have

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been subjected to relentless attacks and charges ever since my husband decided to run for President. But we have answered them. And many of them have been put to rest. And I am absolutely confident that eventually all of this will be finished, and the American public, who are fundamentally fair, will understand we've been telling the truth from the very beginning.

But there is a reason why these issues are promoted so heavily attacking both my husband and me. And part of that reason is because we do have a different idea of how our society should function and how we should take responsibility for each other so that health care, for example, was turned into a debate not about how we solve our health care problem, which is still a problem today, but about the charges and countercharges put forward by people with vested interests in the health care system.

So somehow we've got to figure out how to get the truth, the accurate information, out to people like the woman that you rode with on the train, because I have no doubt at all that there are a lot of people in her position. And who do you believe? What do you believe? And I understand that completely.

Q It came down to that. I mean, when she said the word integrity, I kind of went like that. That was the word she focused on. I didn't make it up.

Let me just get to the question (inaudible) -- some people believe that you misspoke when you described in your role in representing Madison Guaranty and in the travel matters. You have said you have made no false statements. I'd like to try to get beyond that a moment. Can you provide me with any additional information that would help us understand and help the American people resolve the conflict between the so-called new evidence and your statements? Is there any more you can tell me, Mrs. Clinton?

MRS. CLINTON: Oh, absolutely. And I'd be glad to put it in writing for you and give you support for it, because let's -- let's take a step back from this. When these questions first arose in 1992 -- and this may be a longer answer, but I think it's important to put in context and then you can interpret it and convey it however you think.

The questions were really of two kinds. The first was, did we lose money in a real estate transaction called Whitewater? We said we did. The people asking the questions claimed we did not. We said we lost money and were passive investors. Now, all these years later an independent study done by a law firm with many Republicans in it, spending \$4 million, has concluded that what we said was true.

Q The RTC.

MRS. CLINTON: That's right -- the RTC report. Then the focus shifted and it said, oh, well, all right, but you were in business with a man who later -- not at the time we were in business at the beginning -- but later bought Madison Savings and Loan. And we remained in business with him while he bought this savings and loan; and people said, oh, money must have been funneled to the Clintons. There's something funny about the relationship between Madison and Whitewater investment. We said, no, we never got any money; we were not investors; we were not borrowers; we didn't even have a savings account there. Again, four years later, the truth is as we described it at the time.

Then the next set of questions came up. Well, we understand that Mrs. Clinton's law firm, with Mrs. Clinton's involvement, represented Madison Savings and Loan on a securities matter before the Arkansas Securities Commissioner. There must be something wrong with that. I was asked questions about that

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particular representation. I answered those to the best of my ability and truthfully.

And for example, if you look at the billing records, which have been discovered and voluntarily turned over, they support what I have been saying for four years. Every question I was asked publicly by the press, I understood, and I think the fair reading of them is, they were about the securities representation, because that's all anybody was focused on. I worked on the securities representation about 15 hours over 15 months. Mr. Massey, as I have said from the very beginning, was, in his words, the attorney in the trenches. He did the work. That is consistent; it is supported by what he said; it is supported by the billing records; it is supported by what my memory was four years ago.

Now, people are now attaching the wrong question to the right answer. People are now saying, but when we asked you about the securities issue and the work you did for Madison, why didn't you tell us that you had done other non-related work that had nothing to do with what we were asking you about in the beginning?

Q So in other words, they weren't asking you about what you are answering them. You were answering them about something --

MRS. CLINTON: I was answering the question they were asking me. And that question was, what did you do about the securities business? Remember, the big issue was whether I had acted inappropriately because my firm had done this business, which I was involved, as to whether or not we had somehow influenced the Securities Commission. The facts are --

Q Who your husband appointed.

MRS. CLINTON: Who my husband appointed. The facts as they have been developed and have not changed from the beginning is that a legal -- legal ethics experts have looked at the representation. They say that it was ethical. Now, in retrospect, obviously if I knew it was going to cause all this big hullabaloo, I would have, you know, said, my goodness, I better not do this, because somebody in four years or 10 years might say that it was wrong. But at the time and by any standard, there was nothing wrong with it. I said I did an insignificant amount of work. That is certainly how I understand 15 hours over 15 months. I said I did not do the work, although I was the billing attorney. Mr. Massey, who was qualified, did the work.

All right, now, fast forward. Those are the questions I was answering. That's what I thought I was answering at my press conference. It was all I had ever been asked before. As this investigation went on, documents came to light that, frankly, refreshed my memory, because although I think I have a pretty good memory for matters that are of importance to me, I do not claim to remember matters that are not very significant to me at the time. But if someone brings something to my attention, I will work as hard as I can to remember what I should about it.

So subsequent to those series of questions I was asked, I think, first by the FDIC, as I recall, and then later by the RTC. If I did any other work on behalf of Madison -- and based on the documents that my lawyer and others presented to me, I said, yes, I did. I did some work on a few other matters. The entire total of the work was 60 hours, which is about an hour a week over 15 months. Again, someone may quibble with my definition of significant, but to me, it was never a significant client or a significant representation compared to other work that I did, both for clients and pro bono, the boards that I was on, and my other involvements.



Q But when it comes to that client, per se, just Madison Guaranty, you did about 40, 50 percent of the work for the law firm -- about that --

MRS. CLINTON: I haven't calculated that, but it was not -- I mean, it was not significant for our law firm either. That's the other point. This was not a major undertaking on behalf of anyone, including myself.

Okay, fast forward again. Then I was asked in interrogatories by the RTC last summer if I recognized the names of any of these entities that Madison was alleged to have done business with or as. And one of the names on the list was Castle Grande. I did not recognize the name. We had no document that said anything to me about any involvement that I might have had 10 years before in doing anything for something called Castle Grande. The billing records proved I did not have any involvement on behalf of Castle Grande. I worked on something called IDC, which was a separate name for a project that was not the Castle Grande trailer park.

Now, I'm not sure, to be very clear with you, that if I had been asked in the absence of documents, like these billing records, did I remember doing some hours of work on behalf of something called IDC in 1985, I would have remembered. I really don't think I would have, because again, this was not anything --

Q You didn't relate IDC to Castle Grande --

MRS. CLINTON: It's not related. I mean, IDC is the name of a big project, a big land project, that it turns out, based on these records, I did do work for. Castle Grande is a trailer park that is in that body of land, but it would be the difference between being the lawyer who helped set up a suburban development and being the lawyer who closed the purchase of a house in the development. I mean, the lawyer who did the work on the development would know nothing about closing the house, for example.

So then I was accused of not having been truthful about Castle Grande, when in fact, we now know, I was truthful about Castle Grande. Last month I was accused of having destroyed billing records. This month the billing records appear -- they support me, which I'm thrilled about, and I'm accused of something else. That will be next week.

Q The billing records appearing -- the box appearing the way it did, I realize you have a very logical explanation for how these events take place, but it's been years, two years, and lots of excitement, and all of a sudden this box appears. If Hillary Rodham had said to Peter Rodino (ph.), this box appeared, what you have been thinking back then? I mean, don't you think the sense of, wow, this sort of surprise -- I mean, you were a young prosecutor and working -- you know, if all of a sudden a box appeared in Mrs. Nixon's closet, what would you have thought back then?

MRS. CLINTON: We would have thought hooray, they have finally turned over documents which they have withheld for years. There is no comparison between what this White House has done and what happened in the past. If you'll remember back then, they reused to turn over documents. There were minutes of missing tape. There were claims of executive privilege. We have cooperated completely. We have turned over more than 50,000 pieces of paper. Do I wish that we had found these before? Of course, I do -- especially since it's so clear that they not only refresh my memory but validate my memory.

But, you know, this search that has gone on has been in response to literally hundreds of different subpoenas directed to White House people, to us personally. Our lawyers have supervised



and conducted the searches. People have done the best they knew how. As soon as something is uncovered, it is immediately turned over. Nobody is withholding anything. Nobody wants this over with more than I do.

So, yes, I cannot answer for where that box has been, or what was in that box, because I don't know. But the important thing is, when it was found, it was immediately turned over, and it does support what I have been saying for four years.

Q I want to talk about your friends and some of these people who have been subpoenaed and put before hearings. Joe Klein who was an (inaudible) of yours wrote a column recently in which he referred to your and your husband as the Tom and Daisy Buchanan of the baby boom political elite -- careless people who smash up lives. A lot of your friends have been hurt. Vince Foster, Web Hubbell -- people who you really care about, I gather. Two women, Susan Thomases and Maggie Williams are facing possible perjury charges now. Mrs. Clinton, tell me how that makes you feel as a person. Not, you know, legally but as a person to see all this human wreckage -- how does that feel?

MRS. CLINTON: Well, it makes me very sad. It also, from time to time, makes me very angry. I think what has been done to innocent people is inexcusable. And I regret it personally. And I think it's a very bad precedent for our country. I've had friends who have been forced to hire lawyers, run up thousands of dollars in legal bills because they returned a phone call. Everyone knew that at the beginning, but they were still subjected to this kind of harassment --

Q Everyone knew what at the beginning?

MRS. CLINTON: Everyone who was investigating knew that all they were investigating was one returned phone call, but that didn't stop them. I also think it is a little bit outside my experience with human nature to think that everyone experiences and see the events and remembers them the same way.

In fact, to me, it strengthens the credibility of people when they honestly say they don't remember, as opposed to coming in with some well contrived, perfectly in sync story. Many of these people are being mistreated, in my view, because they have told the truth, and the truth is not what some of the questioners want to hear.

Q So they're going -- is there anything specific that you're thinking about when you say that? I feel like there is. Is there somebody specific --

MRS. CLINTON: Well, I'm thinking of so many people, but I'm certainly thinking of what has been done to my Chief of Staff, Maggie Williams, and my longtime friend Susan Thomases. I remember very well what we were talking about when we talked during that week following Vince Foster's suicide. We were talking about our grief, about his family, about how this could happen, how we missed it, how nobody knew, what we could have done if we had seen it. Sometimes we were just sobbing on the phone. I remember very well.

Now, I cannot tell you when the conversation took place, and how long it was. I don't remember that. It's just --

Q The gist of it, though.

MRS. CLINTON: Yes, and really until I saw phone records, I couldn't remember everybody I talked to. That whole time is just this blur of emotion in my own memory. And I also know what we were not talking about. We were not talking about interfering



with anybody's investigation. There were no documents taken out of Vince Foster's office. Maggie Williams has passed two independent lie detector tests. Now, does that mean somebody who in that moment of confusion and grief and shock saw something differently or interpreted something or heard something so that we have different recollections -- lying? I don't think so.

Take Bob Barnett, who is one of the most reputable lawyers in Washington, DC. He came as a representative of our law firm to pick up documents. He knows very well that he picked them up; he inventoried them; he and Maggie's memory of whether or not I saw them during that time differ. Why would anybody remember that? If it was an innocent encounter where we might have said, how are you? My gosh, are you okay? What's happening? Have you, you know, talked to Lisa or have -- you know, did you -- you know, what did you think about the funeral? Wasn't it moving? If that's what were talking about, which is likely -- if we saw one another, what we were talking about, why would we remember all that in detail?

So people's honest memories, where they're doing the best they can to cut through the grief and the shock and the trauma to answer people's questions years later is held against them, whereas if people walked in and told the same story -- I remember where I was at 2:02 that afternoon; I remember exactly what I talked about -- would that be more credible? I've done enough work, and maybe I've watched enough television --

Q Perry Mason?

MRS. CLINTON: -- you know, exactly -- to be a little suspicious if that were to occur? But instead of giving honest people the benefit of the doubt during a traumatic time, this is an investigation in search of a scandal. So everybody who knows us, everybody who's had any contact with us is fair game, because this is not about finding out the truth. And I regret it very much.

Q You have a very clear and logical succession of events that you describe. I know you had a big press conference in June of '94, but is there any value again in sitting down with the Senate Ethics Committee -- I know they haven't called you yet -- but offering yourself up, or having like a Geraldine Ferraro-type press conference where you say, okay, ask me every last word; just take the heat of my friends. The President alluded (inaudible) talking about when he talked last night at the press conference. Were you thinking about this or --

MRS. CLINTON: We have always said we will do whatever it takes to cooperate. And we will; and I personally will. But think about the history of this matter. The questions keep changing. The ground keeps shifting. The people asking them don't want to know the facts, especially if they don't support their accusations. It's taken months to get the RTC report publicly released, and it still is not. I think that speaks volumes about what's really going on here. Since the RTC report verifies we lost money in Whitewater; we were passive investors; we did not get any financial advantage out of Madison S&L.

If this were a search for the truth, wouldn't that report have been held up at a press conference and laid on the table for everyone to read? I haven't even seen it.

Q So what you're saying is, in your own mind, there's really no value or point in holding a big press conference or going to committee because the ground will just shift again, so what's the point.

MRS. CLINTON: I will do whatever it takes to end this and to cooperate. But I think that the American public ought to just



review in their own minds this sort of piecemeal investigation that has gone on over these four years and think about how, no matter what we answer and no matter how it's validated, it's never enough. So if we ever do get to a stopping point where we think finally we can understand what the ground rules are, I will be the happiest person in Washington.

Q You're hailed, even in The Wall Street Journal this week, as being a brilliant political strategist, and yet there seems to be this -- there's been political stumbling, which is a (inaudible). You know, your efforts at health care, which (inaudible), the stuff with the Travel Office, a little fuss over your ghost writer. It's almost as if, you know, in retrospect, have you treated Washington, this complicated place, sort of like Arkansas -- have you thought about that, I mean, politically?

MRS. CLINTON: I think I did not understand Washington. I didn't understand how it's a city that thrives on rumor and gossip and innuendo. That had not been my experience up until now. And I have learned a lot. But I guess I see it a little bit differently. I think it's part of someone else's political strategy -- to continue to raise questions about my husband, about me, about people associated with us.

Health care is a perfect example. Health care is a very difficult political issue. Any president who has ever touched it has gotten burned, starting with Harry Truman, who tried valiantly three times to reform health care and was really damaged politically deeply because of his efforts. We knew when we took that on it would be hard-fought battle. But the President believed, and I certainly understood and agreed with him that it was so important it needed to be taken on. What we had not really bargained for was how the issue itself would become subordinated to the political battles about whether or not the Republicans wanted to give this President a victory, even if it would help the American people. How much money in some estimates are \$300 million that health care interests would spent to try to defeat the plan. And through their campaign to really undermine the credibility of the President and by connection myself.

Q You fought (inaudible) -- you fought tough battles in Little Rock, you know, political battles over rural health care and over education. And there were, I'm sure, opponents who were, you know, of a different party and had other things in mind when they were arguing for the good of children. You knew that. That's political strategy. Isn't that -- that's what you're such an expert at. I guess I'm -- I'm just wondering, what about in Washington --

MRS. CLINTON: But I don't think anyone could have foreseen, at least no one I talked with, that you would have approximately 22 Republican senators who said they were for universal health abdicate their own position for political reasons. I mean, you have to expect that people will at some level do what they say, and that they stand for what they believe. And so that didn't turn out to be the case. But I have no bad feelings about that. As you say, it's politics. It's just that it was a different kind of politics than I had experienced personally. But I think also it was to some extent different in kind than we have seen in this country before on a major issue.

If you look at a lot of the debates that we've waged in America before, certainly interest groups line up against interest groups. That's the way democracy works to some extent. But in this, the weight on the other side was overwhelming. And even if we were able, as we were, to muster support to try to counter some of the TV ads that were run, for example, we were outspent by such a huge ratio that we could never quite rake through to get people back to



understanding what this plan was really about instead of the characterization of it.

So, are you asking me have I learned something? Yes, I have. And I've learned a lot. And I just regret that we were unable to do anything to provide health care for the millions of millions now, more than 41, 42 million people who are uninsured; and the number keeps rising. So our problem has not gotten any better; in fact, it's gotten worse. And eventually we're going to have to deal with that.

Q You know, Elizabeth Dole has said that if she gets your job, which I'm sure you think she won't, she'll also want to keep her own job at the American Red Cross. And I wonder in retrospect -- you've learned about political battles, but I wonder in retrospect if you've thought about your own role as First Lady, maybe it was a mistake to put forth this notion of two for one and take a job inside the White House rather than take one outside the White House?

MRS. CLINTON: Well, I think that every woman who's been in this position has worked on issues she's cared about. And they have been involved sometimes to a great extent in the most difficult decisions the President had to make, but behind the scenes. And I believed that it was time for someone to say, we know that women in this position have always influenced policy. They have wielded a great deal of power on behalf of their husband and on behalf of causes they cared about, but that I wanted to be involved in whatever way my husband asked me, even if it were more direct than had been the case in the past. And I think there is a change going on in the country about women's roles. And because of the visibility of this role, more gets acted on and talked about with respect to it than I think we do with everybody else's decisions, so that women are making decisions all the time that are different than their mothers' made. And I am making decisions about how to conduct myself in ways that maybe -- may appear to be different from the ways other women have.

But you know what I have learned is that nothing I have done in this position is new. Everything I have done was done by a former first lady.

Q Eleanor Roosevelt (inaudible) husband's key domestic issue or key major issue and go and fight for on the Hill the way you have?

MRS. CLINTON: Eleanor Roosevelt not only took on many issues but she took a job in the government. Now, criticism led her to leave it, but she was given a major position by her husband. She wrote letters constantly to cabinet officers and others putting forth her opinions about what should be done. Roslyn Carter testified before Congress on behalf of mental health on a commission that was very important to the President, which she was the honorary chair of.

Q There was a strong sense that nobody has taken on policy and political issues -- discussion the way you have.

MRS. CLINTON: But that's my point -- I don't think that's historically accurate. I think that in our age of intense media scrutiny, everything I do is transparent. But, my goodness, Mrs. Wilson ran the country when her husband had his stroke. Mrs. Taft used to go in and tell cabinet officers and Supreme Court justices what they should do.

So I could give you many other examples. And my point is that all those women did what they did behind the scenes; they were depending upon their own personalities and interests; extremely active; very controversial from time to time, but they weren't living in quite the same situation I am. They weren't of the experience



that I brought to the White House. So I take much of what is said about me with a little bit of a grain of salt because I can go back and read historical accounts where much of the same is said about other women in their times.

Q I wanted to ask you two questions (inaudible) -- first of all, you mentioned the press -- I realize we're not your favorite people -- but is there anything that's ever been written about you, you know, really that portrayed you accurately -- a real portrait of you that you think really got you?

MRS. CLINTON: Well, I think, pieces -- people get pieces of it all the time. Actually, I think that's one of the problems, is by the very nature of the work you have to do, you have to simplify complex matters to communicate to your audience. I think if you took a snapshot of my life from moment to moment, day to day, and you took snapshots of the lives of many of my contemporaries -- moment to moment, day to day, you would get the same complexity of a portrait that I see in my life and the life of my friends. You might see one of us with our child, comforting a sick child; then you might see us walking into a business meeting; then you might see us volunteering at some kind of an event; then you might see us hosting a dinner party.

I mean, just take all the different functions that modern American women perform in their lives today, and if you only zero in on one of them, you get a different picture than if you try to step back and say, wait a minute, all of this is going on; it's never to me an either/or proposition. It is both and much more.

And so what happens is that someone sees me --

Q Hanging a wreath.

MRS. CLINTON: Hanging a wreath, or hosting a state dinner, or unveiling the Christmas decorations --

Q Lunches with gossip columnists.

MRS. CLINTON: Yes, which, you know, we had a hysterical time. And they set back and they say, oh, well, that doesn't jibe with her testifying before Congress; that doesn't square with the stories I heard about her being interested in her husband's political campaigns. Ah, therefore, that must be not genuine, or she must be changing here image, when I think a fairer way to look at it is that I am all of these things, as most of the women I know happen to be.

But it is difficult, still, for us to explain to ourselves, let alone for our journalists to explain, what is a modern woman's life today?

Q Do you think -- forget the prism of journalism, which you have to be interpreted through -- but do you -- I get the sense, and maybe because of this woman I sat with, that there is some sort of confusion that, you know, that they see you as a person who goes to policy meetings with the President, and that this wreath-hanging somehow is a role -- that you're acting the role of First Lady, and looking for who is the authentic Hillary Clinton?

MRS. CLINTON: Well, why can't I be all of that? I mean, I am a Christmas fanatic. I mean, if you had known me, you know, years ago, you would have seen me hanging lots of wreaths. If you have been up on the second floor when there were no cameras around, you would have seen me laying out the hundreds of Christmas ornaments we've collected. And, you know, with my brother on one ladder and my husband on another putting them up for hours. Why can't I be a whole person -- to get back to the word of integrity -- why can't I or any woman be an integrated person? Why is it



either/or? Why do we, as I say in my book, and I write about this in my book, why is it we say that if a woman is advocating a position or being assertive or ambitious, she's acting masculine? Why can't we just be human beings with the full range of experiences available to us.

Q I'm not even sure people would say, because you're testifying before a Senate committee, you're being masculine. This is the 1990s; we have female senators. We're used to seeing women behind podiums. And you look great behind a podium. You looked alive. And that looked like the real you. It's just the jarring images, perhaps. This happened on a period of time where you were behind a podium. And then of all of a sudden there's this period of time where you're -- the image is more your hanging wreaths or talking about the Miss America contest. It somehow seems confusing. And maybe I'm wrong, but that's the image.

MRS. CLINTON: You know, I really cannot help, and I certainly cannot control, how I am portrayed to people. I can only live my life with as much integrity to the best of my ability, doing what I think is right for me. I enjoy a lot of different aspects of being a woman, of having a full and varied life. And I think any of us, whether we are in our own homes or in the White House ultimately have to do what is best for you. And that's how I view my life.

Now, I hope that women and men will look at my life as they look at their own lives. If someone were to see them at just one moment, and that were the image that were portrayed, how would you possibly convey the full range of your life in one image? I don't think it's possible.

And so therefore, if you are doing something one day that is different from what you did the day before, is that contradiction, or is that just a rounding out of who you are?

Q And that's true. What's interesting, though, is -- you know the American people have sort of common sense; and they get it; they get a feeling from you. And a lot of people like you. This woman liked you. She had a feeling about you. And then she had an uneasy feeling. And, I mean, that might have to do with the controversy, but it's also -- it was like, who is she, she said to me. Who is this woman? Would you acknowledge in some way that there has been some sort of difficulty in getting a -- strong a perception of you these days? Or in recent --

MRS. CLINTON: No -- yes, of course there's been difficulty, but look what has been going on. I mean, for four years on a regular basis, I've been accused or criticized or attacked for all different kinds of things, so that with every step forward that people might take in getting to know me, inevitably there comes some kind of counter-attack, starting with the Republican Convention in 1992. So all of this stays in the atmosphere. This is not coincidental that this stuff is part of the effort to undermine my husband. I understand that.

But then also look, as I would ask you to, at what information people get about me. I do thousands of things every year. Very few of them are ever conveyed to the public, so that part of what happens is what people consider newsworthy is what is communicated. And what I choose to do, whether it's, you know, being on Martha Stewart's show, which I thought was a kick, or doing something else, like unveiling the Christmas tree, that will get some coverage. But I have very little control over what people who cover the news think of as being important.

So I had an event, for example, here a few weeks ago, which meant a great deal to me about -- I brought kids from all over the country who were in limbo because they were in foster care, and



they had now been released for adoption, but they were older kids, and nobody was interested in them. And I had -- a lot of press was there. I spoke behind the podium about the importance of our moving these children into loving homes. There was very little interest. It was not considered newsworthy. That's really my point about this book. Much of what I do every day is absolutely consistent with who I am, what I have done for 25 years. And it has to do with women and children. And yet despite my doing it, people will say, oh, that's a soft issue. I happen to think there are no harder issues than what we do with our children. But it's not controversial. I'm not engaged in going up to the Hill to convince members of Congress to do something. I'm not arguing with somebody. I'm advocating that each of us individually do something about whether it's the foster care and adoption system or mammograms for women, the Gulf War disease, things I have been very involved in all this year.

But then the impression comes across that I'm either not doing anything, or that what I'm doing is a retreat from what I had done before, or that I have taken on soft issues, when at least the way I see my life and my commitments, they are a seamless web of consistent attention to the issues that I have cared about for more than 25 years. There will never be anything higher visibility than health care. But rather than taking health care out and saying it's of a totally different nature, I see it as part of what I have done for all of these years. I write about it in the book. I got involved in it in part because I cared about what was happening to children.

So, of course, it's frustrating to me, because I wish I could carry millions of Americans around with me every day. I wish they could, you know, be with me last Friday when I entertained the crew of the USS Columbia, because I am the sponsor of their ship. I wish they could have been there when I opened the sculpture garden, which I care deeply about to try to promote American art -- on and on and on.

MS. CAPUTO: We've got to wrap up --

Q One more question?

MRS. CLINTON: How about a few questions about the book.  
(Laughter.)

Q Actually this is a book question. I even wrote it down. Well, I wondered when I read the book about what you do -- I mean, you are married to the President, and what you do in everyday conversation with him about these issues, about everyday -- with the little conversations. And I thought -- at the time I thought this, too -- I would loved to have been with you guys at breakfast, I think it was in October, the morning after the President said he would support the Senate welfare bill, which in effect ends AFDC to poor kids and families. And I thought, what did she say to him at breakfast? I mean, did she said I'm going to hear from Marian Wright Edelman today? Do you remember that at all -- or is it not --

MRS. CLINTON: I don't think it would have been a conversation very different from most of our conversations. I express my opinions to my husband, and my husband makes whatever decision he thinks is best. Sometimes I agree 100 percent; sometimes I agree 50 percent. But most of the time I agree in the majority with what he decides to do, because he has a lot broader base -- information and knowledge about what's possible than I do, since that's what he does every single day.

And I always believes that it's good to have a President who seeks information from a wide variety of people. That has always been the way with my husband. I mean, one of the great misconceptions is that Bill Clinton does anything anybody, including me, tells him to do. He takes everything in. I've never seen a



person who is more eager to absorb different points of view. And then he distills it, and he makes the decision. And very often it is not the exact decision that I had advocated, but he's come to the conclusion it is the right decision that he wants to make at this time.

And, you know, when he supported the Senate welfare bill, he did so saying it's a lot better than the House bill. It is -- at least got some redeeming features to it. But then when they, in the Republican majority changed it, he vetoed it. So he's always constantly assessing what can be done, what should be done. And as someone who observes him do this, I am very heartened by the way he listens to many, many people.

Q (inaudible) -- over breakfast (inaudible)?

MRS. CLINTON: No, I mean, we talk about this, but, you know --

But, you know, he does things every day that I'm not involved in (end of tape).

END



THE WHITE HOUSE  
Office of the Press Secretary

Internal Transcript

January 9, 1996

INTERVIEW OF THE FIRST LADY  
BY BARBARA WALTERS, 20/20 (ABC) II

The Green Room

Q Mrs. Clinton, instead of your new book being the issue, you have become the issue. How did you get in this mess where your whole credibility is being questioned?

MRS. CLINTON: Oh, I ask myself that every day, Barbara, because it's very surprising and confusing to me. But we've had questions raised for the last four years, and eventually they're answered and they go away and more questions come up. And we'll just keep doing our best to answer them and, hopefully, it will end at some point.

Q Are you distressed?

MRS. CLINTON: Occasionally, I get a little distressed, a little sad, a little angry, irritated. I think that's only natural. But I know that that's part of the territory and we'll just keep plowing through and trying to get to the end of this.

Q Well, we'll get to some of the specifics about that later. Let's start with the book, which is how we were originally going to start.

Your book takes some very strong stands. This is not what some people thought was going to be a nice, soft book to show that you had a softer image. And you say some controversial things. What does the title mean, "It Takes A Village"?

MRS. CLINTON: For more than 25 years I've worked on behalf of children's issues, as well as being a



mother myself, and always just loving children. And "It Takes A Village" means what I have come to believe: that families are the most important influences in a child's life, they provide the primary upbringing --but they don't do it alone. They need help and support, whether it be from doctors or teachers or police officers or all the other adults in our society who directly and indirectly impact on children.

And I would love for Americans to have a conversation about how all of us can do a better job in the raising of our children.

Q Whom do you want to read this book?

MRS. CLINTON: I would like as many Americans as possible, whether or not they are parents.

Q This is not written for experts.

MRS. CLINTON: No. In fact, it is written in part because the experts have learned so much about what children need in their early years that doesn't get communicated. And I want more and more people to know about the importance of talking to babies when they're so tiny that they can hardly see you. Or taking the time to



really spend with children at every stage of their development. Or, you know, knowing what it takes to find good child care when you're in the market for it.

Those are things experts talk about with themselves, but a lot of us who are parents or concerned citizens may not know that.

Q One of the controversial parts of your book has to do with health care. Do you remember health care?

MRS. CLINTON: Yes, I do, very well.

Q You speak of Medicare for older people, and you want it for children. You want universal health care for children. But people are going to say, "Where are we going to get the money?" Federally funded? I mean, this is just what we're trying to get away from."

MRS. CLINTON: Well, there are many ways of doing it. It doesn't necessarily have to be federally funded alone. It can be through the place of employment. It can be through making insurance affordable for people working at low incomes, who want to have that protection. There are many ways we can do it.

But to me the goal should be that instead of having more and more children from working families uninsured, we should be reversing that and insuring more and more of our children every year.

Q Is it very, very expensive?

MRS. CLINTON: No.

Q I mean, is it really going to be one of these major items in the budget?

MRS. CLINTON: No, it's not very expensive. In fact, most of the countries we compete with -- the rich, advanced economies around the world -- already do provide universal coverage for everyone at a lesser cost than we have. And they're always people who will be able to get more than what is provided for everyone. But at least they provide the security that I think every parent should have when it comes to their children.

Q You not only want universal health care, you want federally funded, or funded, early education -- Head Start. You want funding for proper day care.

MRS. CLINTON: Mm-hmm.

Q You seem to be swimming against the tide. You know, all we hear about is less government, less money; you're saying just the opposite.

MRS. CLINTON: Well, that's because I think the



tide is not going in the right direction. I think we are causing ourselves a lot of problems because we are not doing what it takes to support families -- and I mean hold them accountable, hold them responsible. I believe strongly in marriage. I think that divorce should be harder for people with children. I want people to take responsibility for themselves and their kids.

But at the same time, I'm out there. I know how hard it is for most Americans right now. You know, I have visited Malin (ph.) County Day Care Center in Iowa, for example. And I have shaken the hands of parents who are unemployed -- they're going back to get job training, they're desperately trying to get off welfare, they've been divorced and left with no child support. They don't have a

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place to put their child that is safe and good unless it can be subsidized.

So, for me, this is going in the right direction, because in the long run it is cheaper than prisons, it is cheaper than violence, it is cheaper than tearing at the quality of our life together.

Q What do you think of Newt Gingrich?

MRS. CLINTON: I think he's a very intelligent man who has a mission that he is on to accomplish. And I just disagree with many tenets of that. But, more importantly, the President has stood up against many elements of the Gingrich agenda for America that would really eliminate the safety net for the poor and the vulnerable, and would so radically alter Medicare that it would not be there for many older people in the future.

Q You can do the things you talk about, federal funding for education, early education and insurance and proper day care, and balance a budget?

MRS. CLINTON: Absolutely. You know, the budget that the President just proposed -- a seven-year, balanced budget using the Congressional Budget Office figures -- invests in education; invests in environmental protection; continues our investments in programs like Head Start and school lunch, which we think are important; and still balances the budget.

Q Let's talk about some of the social issues -- one parent. More and more parents are becoming the one parent, sometimes by choice, sometimes because they're very young and get pregnant. And you have said that this is -- children who have one parent are two to three times as likely to have emotional and behavioral problems as children living in two-parent families; more likely to drop out of school, get pregnant, et cetera. And remarriage of their parents doesn't seem to better the odds.

What's your solution to the one-parent dilemma?

MRS. CLINTON: Well, I think the first thing we have to do is be honest about what's happening to children. Now, there are exceptions -- we both know that, everyone does. But in general what you've just recited from my book is the case, that we need more parents to both get married and stay married in order to support children.

There will always be exceptions. I write about my mother-in-law, who endured, I think, violence and abuse that should have led to a divorce. But in many instances

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today it is not that extreme a case. And I think we ought to do a little more both to help parents stay together; but if it's inevitable that they are going to divorce, to provide education and counseling so that they don't let their problems affect their children.

Q Something just popped into my mind -- "Murphy Brown." Remember Dan Quayle, when he said that "Murphy Brown" glorified the one parent family? And we see a lot of this on television and in films. How do you feel about it?

MRS. CLINTON: Well, I have a general concern about television and films because I do think -- and I also write about this -- that we are paying too much attention to the exception, to the dysfunctional. And we need to be more focussed on what is life like for the average American?

And there are single parents. So I don't think we should be condemning single parents. I don't think we should be, you know, holding them up and saying that they're terrible people. That is absolutely wrong. Instead what we ought to do is to say, first of all, how can we help marriages survive? But if we can't, how do we help single parents survive?

Q How?

MRS. CLINTON: Well, I think we can do a lot of things. One is a minimum wage increase. And that is very important because many, many of the people who support families on minimum wages are single parents -- mostly women. We also can make it more likely that single parents will have the kind of health insurance that their children deserve to have, through their workplace or through a system they could buy into.

Day care is a terrible problem for a lot of single parents without family support nearby. You know, one of the things that I discovered in writing the book is that, you know, many, many of our single parents work nights, work weekends, and child care is not usually available. And we don't think about the price that they pay for that.

Q In some areas you're very conservative -- divorce -- and you feel that there should be a waiting period before people get divorced.

MRS. CLINTON: With children.

Q With children.

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MRS. CLINTON: Mm-hmm.

Q And then in your book you weave in your own personal experiences. And you say, "My strong feelings about divorce and its effect on children have caused me to bite my tongue more than a few times during my own marriage."

MRS. CLINTON: Right.

Q When? Why?

MRS. CLINTON: Oh, all the time.

Q Oh, I can't wait to hear.

MRS. CLINTON: I think any couple --

Q You've considered divorce?

MRS. CLINTON: No, never a divorce. But certainly I have thought hard about how a situation can escalate out of hand. You know, the argument that never ends, or the problem that you allow to fester instead of dealing with it. And I have found in my own marriage -- and certainly in the marriages of my friends that have been long lasting, we celebrated our 20th anniversary last year -- that it's a -- not a 50-50 proposition, it's 100-100. You have to really be committed to it, and you have to be willing to make compromises and to bite that tongue from time to time.

But particularly when children are involved, I think it's what mature people who care about their marriage and their children should try to do.

Q To make that marriage last, almost no matter what?

MRS. CLINTON: At least during the childhood of those children, yes.

Q You've heard the expression, "Murder yes, divorce no"?

MRS. CLINTON: Well, yes, I have. (Laughter.)

Q Did that ever apply to you?

MRS. CLINTON: No, but maybe short of that. I've had -- you know, just like all of us, we've had our ups and our downs, but it's been such a great commitment for us, and I think having Chelsea made it even stronger.

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Q I want to talk a little bit about Chelsea. She's going to be 16 next month.

MRS. CLINTON: Yes, she is.

Q You've kept her out of the press, and the press has been really pretty good about it.

MRS. CLINTON: Yes.

Q But she'll be going off to college. Tell us just a little bit about her. What is she interested in? What do you think she wants to do?

MRS. CLINTON: Well, she is still very interested in ballet. And she loves school. She has great friends. Right now she wants to learn to drive and get a driver's license, which is something I'm living in fear and trembling of. But her father -- which is very scary -- is teaching her how to drive, so they're having a good time.

Q Well, there goes that relationship.

MRS. CLINTON: You know, we were up at Camp David, and for months she had been saying, well, you know, come on, I really want to learn how to drive. So he went out with her and they were gone for about two hours. They had the best time. And all of us were just laughing -- you know, just within the compound. They were doing everything -- from parallel parking to backing up. When I came back, I said, well, how did it go? How did it go? She said, well I think Dad learned a lot. (Laughter.) So they really have a good time.

But she'll be looking at college, and I'm just not looking forward to that myself. I will miss her so much.

Q You sound like every mother.

MRS. CLINTON: I know. It's just -- when I think about my mother tell me that when she dropped me off at college, she crawled in the back seat of the car and cried all the way home. I'm afraid I'm not going to be much better.

Q You write that you hope teenagers would abstain from sex until they're 21, and that your for sex education in the schools and sex education at home. I think parents might like to know what you've told Chelsea about birth control and contraception.

MRS. CLINTON: From the time she was a very little girl, we have talked about your body and the



respect it deserves; not to put things in it -- whether it's drugs or tobacco or alcohol that could hurt your growing up; to be respectful of your body. And that started from the very earliest years. I had some very wise advice from a pediatrician who said -- she had heard so many parents complain that they didn't want their children learning about this from somebody else, but they didn't take the time to do it themselves. And it is a little discomfoting. I'm not saying that these were easy conversations. But I did them, and so did Bill. And so --

Q Your husband, the President, talked to her about --

MRS. CLINTON: Absolutely.

Q -- about sex?

MRS. CLINTON: Yes. Just -- you know, trying very hard to make it not some forbidden taboo subject, but something that's a part of life and growing up. And then as she got older, to point out the consequences -- you know, sexually transmitted diseases, unintended pregnancy, the kind of terrible dilemma that nobody should have to face about abortion. Those are the things that I think we need to talk with our kids about. And if parents don't feel comfortable doing it, then at church or at school there need to be responsible adults who will answer their questions honestly.

Q At what age?

MRS. CLINTON: I think there is a way of talking about it all the way up. I don't think you should wait until they're teenagers, because they are bombarded with messages about sex from the movies and television and their music. And if we don't give them some other ways of thinking about it and being responsible about it, they will pick up information elsewhere.

Q Let's not use Chelsea as an example, but if you had a teenager daughter who became pregnant and wanted to have an abortion, not have the baby, would you support it?

MRS. CLINTON: Oh, gosh, I just even can't imagine that decision. I would do whatever I could to support her. And it would be a terrible decision. I can't even really think about that. I hope that nobody I know ever has to. And I think it is so tragic when that is the choice. And we can avoid that being the choice if children are given good, responsible information and ability to say no at an earlier age.

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Q Do you feel that a parent should be notified if an underage daughter wants to have an abortion?

MRS. CLINTON: I believe in parental notification. I think there are exceptions. Sometimes the young girls -- 12, 13, 14 -- are pregnant because of sexual abuse from people they know -- older men who are either in their homes or in some way connected with their homes. A recent study has shown that these young teenage mothers are not usually willing participants. They may be overwhelmed. They may not know what they're getting themselves into. So there are situations in which the family is so dysfunctional that parental notification is not appropriate. But in general I do believe. I think that families should be part of helping their children through this.

Q At the end of your book, you quote a noted psychologist as saying, "The present state of children and families in the U.S. represents the greatest domestic problem our nation has faced since the founding of the republic." That's pretty strong words. If your husband is reelected, what will you personally do about this? How will you follow up with the suggestions that are made in this book?

MRS. CLINTON: Well, one thing I'll do is try to talk as much as possible about it, which is why I appreciate this opportunity, because I don't really want people necessarily to agree with me, but I want the state of our children to be the national conversation. And then when it comes to specific issues, whether it is health care or education, there are in every part of our country people who have figured out how to make our systems work. There are schools in the worst neighborhoods in America that are giving kids a sense of discipline and character and turning out good, qualified academic students. Why don't we learn from that? What prevents us from seeing what works right under our own noses?

Q Well, will you have a commission? Will you try to do specific things?

MRS. CLINTON: Yes, I do -- I want to have a conference this spring bringing together many of the people I talk about in the book -- those who are actually on the front lines doing the work -- so that we can get even more visibility for what they're doing so that more people can know that, you know, gee, there's a program in San Antonio, Texas, that is really making a big difference in how parents behave. Let's find out about that. Let's bring it home. It's that kind of grass roots information that I'm most interested in.



Q If you're First Lady for another four years, will health care again be your number one priority? And will you do it differently?

MRS. CLINTON: Well, health care was part of my priority for children. I was asked to do it by my husband, and I was glad to do it, because I had been on the board of a children's hospital. I had been involved in a lot of situations looking at infant mortality and other problems of children's health. So I felt very strongly about that. Now, certainly we would do it differently because the particular approach that the President took was not acceptable to people. So --

Q -- that you took.

MRS. CLINTON: Yes. It was my advocacy of the President's plan. And I really did think it would make a difference and would help people, but that was not to be. So I think we still need to make some basic reforms. I think insurance should be portable. People should be able to take it with them. I don't think we should be eliminating people from health care because of preexisting conditions. Those are some of the things that I would like to see worked on.

Q And people think you have changed your image.

MRS. CLINTON: (Laughter.) Well, it's what I've been doing for 25 years. And it's what I care most about.

Q Well, let's talk about some of the things that are so much in the news this week -- the Travel Office. Last week, a 1993 memo by a former White House aide, David Watkins, was made public in which he says that you were responsible for the firing of seven people in the White House Travel Office because you wanted to have an Arkansas travel agency take its place. And there would have been nothing illegal about your doing that. But you have said you had no idea how the decision was made and that you had nothing to do with it. Is he lying?

MRS. CLINTON: Well, I think what is fair to say is that I did voice concern about the financial mismanagement that was discovered when the President arrived here in the White House Travel Office. I think that everyone who knew about it was quite concerned and wanted it to be taken care of. And, indeed, the financial mismanagement, which was proven by a big six accounting firm, led to changes. And I can assure people that now that Travel Office is run by appropriate accounting standards.



But I did not make the decisions. I did not direct anyone to make the decisions. But I have absolutely no doubt that I did express concern, because I was concerned about any kind of financial mismanagement.

Q So is it a question of how much concern? I mean, when you say you had nothing to do with it, and he says you had everything to do with it, he's either not telling the truth or it's a misinterpretation -- where are we?

*Travelgate*  
MRS. CLINTON: Well, I think -- I don't know, because I'm not aware exactly of what led him to say that. But certain Mack McLarty, who was the Chief of Staff, took responsibility for the decisions; has said very clearly, I did not tell him to do anything; he made the decisions. But he did it in consultation with many people whose advice he sought, whose concern he listened to. So I think that's something that I'll have to let someone else explain.

Q You see, the picture that's coming out is of this domineering First Lady. You know that. And in his memo he refers to an earlier incident in which he said you'd been furious over his failure to transfer certain Secret Service agencies. He says he feared any delay in firing the Travel Office members would not have been tolerated by you. He said there would be hell to pay.

What was this Secret Service incident?

MRS. CLINTON: Well, I'm not sure what David Watkins is talking about. I can tell you what I was concerned about -- and, again, expressed it. There had been some stories that were in the press attributed to Secret Service agents --

Q That you had thrown a lamp or a Bible at your husband --

MRS. CLINTON: -- or a bible or a Mercedes Benz or -- you know, there were many variations on it. And when I read stories in the tabloids saying that I've had an alien baby from outer space, I think that is kind of funny and laugh it off. But when stories like that get into what I consider to be respectable journalism, it does bother me. And it particularly bothered me that the Secret Service was being used to try to substantiate untrue stories, and I couldn't understand that. So I was concerned about it and expressed that concern.

Q Did you ask to have certain Secret Service members put in another detail?

MRS. CLINTON: No. I wanted the situation

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cleared up, because -- both for the Secret Service's sake, which is, after all, charged with a very difficult task. And we have a great relationship with them. But also for my sake. I mean, you know, I have a pretty good arm. If I'd thrown a lamp at somebody, I think you would have known about it. And when those things are said, I just don't want that to get a life of its own.

Q So you wanted the situation controlled or --

MRS. CLINTON: I want --

Q -- use your words.

MRS. CLINTON: Well, I wanted, for example, the Secret Service to be able to say that didn't happen -- you know, to try to get it clarified.

Q Did they?

MRS. CLINTON: Oh, yes, those stories stopped. I think it was part of the understandable change and people trying to make up stuff just to cause a little trouble.

Q Did you ever throw a lamp at your husband?

MRS. CLINTON: No, I didn't.

Q Did you ever throw a Bible at your husband?

MRS. CLINTON: No, I didn't.

Q Do you have a terrible temper?

*Temper*  
MRS. CLINTON: No, but I do get angry about things. I'm not going to deny that. There are things that I think are wrong or things that I think should be fixed. And I am not at all shy about expressing my opinion. I try to be a direct person. But I don't tell people what to do. I say, here's what I think, and I'm concerned about this. But there are many decisions that people make in the course of a day that I don't even know about, and I get some responsibility assigned for.

Q Let's go on to the Madison Guaranty Savings and Loan, from which you did some legal work. There is a dispute as to how much work you did for the Madison Guaranty. You have said it was minimal.

MRS. CLINTON: Mm-hmm.

Q Investigators say you had a more involved relationship.

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Mrs. Clinton, I think most people don't understand it, they don't care how much you billed or how much money you made. But what they do think is, were you aware of any shady practices or actual wrongdoing on the part of this savings and loan for which you did legal work?

MRS. CLINTON: Absolutely not.

Q You did not?

MRS. CLINTON: Absolutely not.

Q Even in their real estate deals?

MRS. CLINTON: No, absolutely not. And, in fact, this whole matter originated because of this Whitewater land deal. And we said when that came up that this was a failed real estate transaction -- about 20 years ago now -- where we lost money. And people said, well, prove it. So we proved that. Then they said, well, okay, how about this. The person you were in business with also later bought a savings and loan.

Q Mr. McDougal?

MRS. CLINTON: Mr. McDougal. Did you get money from that savings and loan? Was the money channeled to you? We said, absolutely not.

Q Did it go towards the President's campaign?

MRS. CLINTON: Right. Absolutely not. And, in fact, an independent study that has been done for the Resolution --

Q Trust --

MRS. CLINTON: -- Trust Corporation, the RTC, by an independent law firm, has looked at that Whitewater and Madison matter and said, indeed, what we said three and four years ago was the case.

Q But they didn't have the billing records that they now have.

MRS. CLINTON: Well, but that is not really the issue. You know, a month ago people were jumping up and down because the billing records were lost, and they thought somebody might have destroyed them. Now the records are found, and they're jumping up and down. But I'm glad the records were found. I wish they had been found a year or two ago because they verify what I've been saying from the very beginning. I worked about an hour a



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week for 15 months. That was not a lot of work, for me, certainly.

Q You never knew the Madison Guaranty was doing anything illegal, corrupt, et cetera, as it was later found to be?

MRS. CLINTON: No, absolutely not. And, in fact, you know, there was a trial -- Mr. McDougal was tried back in '87, '88, '89, somewhere in there, and acquitted of charges. So these are yet another branch of charges being brought against him that we have absolutely nothing to do with.

*fraudulent loans*  
Q One of the fraudulent loans of Madison Guaranty, which has gotten suddenly a lot of attention, is something called Castle Grande. In the sworn statement you said you had no memory of working on Castle Grande.

MRS. CLINTON: That's right.

Q But these billing records show you made 14 to 16 phone calls to one of the major participants, a man named Seth Ward, and also drew up documents connected with Castle Grande. The big thing about this, again, to most people is, again, a contradiction.

MRS. CLINTON: And there's not a contradiction. Castle Grande was a trailer park on a piece of property that was about a thousand acres big. I never did work for Castle Grande. Never at all. And so when I was asked about it last year, I didn't recognize it, I didn't remember it. The billing records show I did not do work for Castle Grande. I did work for something called IDC, which was not related to Castle Grande.

Q Was that Seth --

MRS. CLINTON: And Seth Ward was involved in that on behalf --

Q Separate deal?

MRS. CLINTON: Separate deal completely. So, you know, we've asked Mr. D'Amato, tell us what the inconsistencies are. I mean, any time we've been accused of something, eventually we have proven that it was a dry hole, that it was just another in the string of accusations. And we will do the same with these.

Q Mrs. Clinton, while we are clearing up rumors, you know there is the reoccurring rumor about you and Vince Foster. What was your relationship with him?

MRS. CLINTON: Oh, he was one of my dearest

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friends, Barbara. He was a colleague. He was a partner. He'd been a friend of my husband since they were boys of 4 or 5 years of age. And I miss him. I miss him very much. And everyone who knew him, as Bill and I did, knew that he was one of the finest men, one of the best lawyers, one of the greatest friends you could have. And I just wish he could be left in peace, because he was a wonderful man to everyone who knew him.

Q You know, there is in this whole business after his suicide of whether you tried to have records removed or have them examined before they were shown to the Justice Department. And you have said that you did nothing to impede the investigation into his death, had no concern over access to the documents in his office.

But then there were these blizzard of phone calls -- you were in Arkansas visiting your mother -- from the Chief of Staff, Maggie Williams, and the White House Counsel, Bernard Nussbaum, from your close friend Susan Thomases. Phone calls, back and forth, back and forth -- more, perhaps, than would be considered apparent in a state of grief.

And when Mrs. Williams and Mrs. Thomases testified before the Senate Committee, they keep saying they can't remember. So, again, it all seems very mysterious, and it looks as if you had something to cover up.

MRS. CLINTON: You know, I want to be very clear about this.

Q Okay.

MRS. CLINTON: There were no documents taken out of Vince Foster's office on the night he died. And I did not direct anyone to interfere in any investigation. I know very well what we were talking about. We were grieving. We were supporting each other. I was asking questions about how other people who were close friends and colleagues of Vince were doing, how his family were doing. I wanted to be sure that the President was all right because I was in Arkansas, he was in Washington.

Susan had known Vince for, by then probably 15 or 16 years. Maggie had become a very close friend and colleague of Vince during the time they were in the White House together. They were both overwhelmed by grief. And some of those phone conversations consisted of us sobbing on the phone.

I'm very sad that people would take a moment that had never happened in the White House before -- no one was prepared for this. I hope to goodness it never

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happens to anyone else. Because, certainly, mistakes were made. People were running around trying to stay busy, trying to do things, trying to, you know, be helpful in some way. And maybe, you know, they acted in ways that later people said, oh, they shouldn't have done that.

But I don't know anyone who was prepared for such a tragedy. And everybody coped the best way they could. And talking to people that you had known -- I've known Maggie Williams for 15, 16, 17 years. We're not just colleagues, we're very dear friends. And so, for me, I don't know how other people grieve, but I do it both alone and I do it by talking to people who share my grief.

Q And nothing was taken from Vince Foster's office that you asked to have looked over, kept from the eyes of the government?

MRS. CLINTON: I didn't even know he had documents of mine in his office. So that doesn't make any sense at all.

Q You know, on the one hand, the fact that these two records -- the billing records and the travel memo -- come up this week is certainly not something you could have wanted when you're trying to publicize a book.

MRS. CLINTON: That's true.

Q Senator D'Amato implied that it happened because they were going to find these records anyway. But some people may wonder, this is not grandma's attic. This is the White House. These were found in your personal records. And --

MRS. CLINTON: Well, one of them was. Not the other one. But one of them was.

Q Mrs. Clinton, the fact that both the billing of your records, your legal records and the Watkins memo should come to light this week when you want to talk about a book is certainly not something you would have wanted. Right?

MRS. CLINTON: That's right. Absolutely.

Q Although Senator D'Amato says, implies that they were going to be found anyway and that's why you had to release them. But the White House is not grandma's attic. And for two years people have been looking for these records. They were in your personal effects. I mean, one wonders why they were just found now.

MRS. CLINTON: Well, one of them was.



Q What does it look like up there with your records?

MRS. CLINTON: It is a mess. I mean, that is something that --

Q That's hard to understand.

MRS. CLINTON: Well, I know nothing about the Watkins memo. I, to this day, don't know where it was found or under what circumstances. But I think people do need to understand that there are millions of pieces of paper in the White House. And for more than two years now, people have been diligently searching. I can only speak for our stuff, which arrived in boxes and has been stacked up and has been gone through. But, you know, it's something that I can't explain because I wasn't part of finding it, didn't even know it was there.

*Sudden discovery*

But I am glad it was found. I keep trying to say -- you know, it's so strange when people are saying, oh, my gosh, first they didn't find it; now they found it. But when you have so many inquiries coming at you from so many different directions; when we have turned over, I think, 50,000 pieces of paper; when everybody who's looked at this with any objective eye says, you know, there's no there there, and they keep answering the questions that are asked. We will keep cooperating and do the very best we can.

Q What do you think of Senator D'Amato?

MRS. CLINTON: I don't know him.

Q Why don't you just go up to Capitol Hill and talk to the Senate Committee yourself and get this all over with?

MRS. CLINTON: Well, we'll cooperate. And we'll do whatever is necessary. There is nobody who wants this over more than I do. I really want it to be finished with.

Q Do you want to go before Senator D'Amato's committee?

MRS. CLINTON: I don't have a desire in it. I just want to do whatever it takes to cooperate, to bring this matter to an end.

Q And if it takes your going and testifying yourself, you'll go?

MRS. CLINTON: I'll do whatever it takes to cooperate.

*testify*

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Q You know, the whole business, the people in this country are either confused or they don't care about Whitewater. But there's a feeling that you and your husband are trying to cover something up. You know that.

MRS. CLINTON: Well, I know.

Q I mean, you look -- it looks guilty. Even the Republican National Chairman said, they didn't do anything, but they look so guilty.

MRS. CLINTON: Well, I don't know that we look guilty. But we sure have looked for kind of funny because we've not been able to answer questions. In part, these things happened 15, 20 years ago. They were not that important to us at the time. We didn't do anything wrong. There was no reason for us to have remembered most of this. So to be asked, did you lose money? We 5

*Trying best  
but honestly don't  
remember*

Gosh, I don't remember,

And we scramble around. I mean, it is a very unfortunate set of circumstances. But there isn't any way to anticipate the questions that are going to be asked next. But we do the best we can, and we'll just keep on doing it. At the end of the day, the American people will know we have nothing to cover up. There is nothing that we have done that should be of any concern to anyone. We've tried, maybe not as smartly as we could have, to answer people's questions. But we'll keep doing the best we know how.

Q I have a tough question to ask you.

MRS. CLINTON: Oh, dear. All your questions --

Q Do you think that you're becoming more of a negative than a positive force for your husband? Are you becoming a political liability?

MRS. CLINTON: Oh, I hope not. Because I love my husband and I really believe in what he's doing and I want to help him. But I have campaigned with him for -- you know, gosh, ever since I've known him, so many years now. And through 20 years of marriage, we've been out there and I've been supporting him. And I'm going to do the same thing in this upcoming election.

Q What advice, if any, has your husband been giving you this week?

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MRS. CLINTON: Oh, not to get down; don't let it bother you; we'll get through this; it's the same old stuff, but, you know, people will see that there's nothing to this either. And he keeps saying, you know, these questions that were asked three years now have been answered in this RTC study by this big law firm. And nobody knows about it because nobody has focussed on the fact that what we have said has been proven accurate because there's always a new front being opened. There's always more questions being asked. So he's just basically kind of, you know, bucked me up.

Q "Chin up, honey"?

MRS. CLINTON: Absolutely.

Q Does he call you "honey"?

MRS. CLINTON: He does. Yeah, he does. He calls me "Hiry."

Q He calls you what?

MRS. CLINTON: Hiry. I don't know. That's H-i-r-y, the best I can spell it.

Q Did you ever ask him why?

MRS. CLINTON: Well --

Q That may be the news that comes out of this whole interview.

MRS. CLINTON: I don't know. It just started when -- a long time ago.

Q Hiry, well --

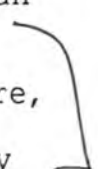
MRS. CLINTON: Hiry, short for "Hillary."

Q That's short -- it's like baby talk for Hillary.

MRS. CLINTON: Yeah.

Q I want to get back to the book, and one section seems especially appropriate after all of this. You write about people pigeon-holing people, especially women and men. Do you think the American people are ready yet to have a First Lady who has strong opinions and an agenda?

MRS. CLINTON: I think so. I think some are, and some aren't. And I believe that this has been a learning experience for me, coming here and not really



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understanding all the expectations that people sort of put on this role. I think the American people want the people who live in this house to care about them, to care about their problems, and not to get caught up in just the back-and-forth of, you know, Washington insider politics.

And so if we can get that message out, that indeed that's what the President is standing up for, that's what I've always tried to speak for, I think that's the kind of activity that most Americans would approve of.

Q A close friend of yours told me that at one point when the President was maybe thinking of running for President and maybe not, you considered running for governor of Arkansas yourself. Did you?

MRS. CLINTON: No. But I did have people come to me and ask me to consider it. And I was flattered, but it's not anything I've considered seriously.

Q If the President is reelected, at the end of his second term, you will only be 54. Can you imagine --

MRS. CLINTON: My gosh.

Q To you that sounds old, to some of us it doesn't. Can you imagine running for political office yourself?

MRS. CLINTON: No.

Q Why not?

MRS. CLINTON: You know, I care deeply about what happens in our country, and I think there are lots of ways to serve --

Q Yeah, but I mean, what don't you have that your husband has? Why couldn't you be --

MRS. CLINTON: Well, it's just not anything that has been --

Q That you want?

MRS. CLINTON: -- on my wish list. I really enjoy supporting him, and I enjoy politics because I think it's so important. I want to see people care more again about politics, not be so cynical, because most of the people that I know -- whether or not I agree with them -- are honestly trying to do the right thing. And many Americans don't believe that anymore.

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MRS. CLINTON: Right.

Q Now all of this. What do you say to yourself? How do you keep going?

MRS. CLINTON: Well, 1993 was a very hard year, personally, for Bill and me, because of those deaths. And we do a lot of praying and talking together. We give each other a lot of personal support. I have found that that's more important here than anywhere we've ever been before. I also read a lot and look for guidance from people. Sometimes I read about the women who were here before me and all of the problems they encountered and the issues they had to face. And sometimes it might be, oh, like the story I tell in the book about coming across this wonderful line in a telling of the prodigal son, called "Practicing the Discipline of Gratitude," you know, being grateful for what we have.

We are such lucky people, not only Bill Clinton and me, but we Americans. And despite all of our problems, we have so many blessings. And, you know, that's what gets us up and going nearly every single day.

Q You're a very spiritual person, according to the book.

MRS. CLINTON: I care deeply about my spiritual growth and try very hard to keep doing what I can to learn more, to become a better person.

Q Tell me your greatest accomplishment since you've been here, and your greatest disappointment.

MRS. CLINTON: I think my greatest accomplishment is finally being able to feel that this is an experience that I'm enjoying, that is comfortable for me, to give my daughter the kind of opportunity to have as normal a life as possible, and to have our family life be as rich and fulfilling as it is. That doesn't make headlines, but for me personally the time we get to spend together and the way we each have supported one another during all these difficulties, that's the greatest accomplishment. That's what makes me happy.

Q Disappointment?

MRS. CLINTON: Disappointment, I think that I didn't know more before I got here about how I could have done a better job from the very beginning. I really do think that there could have been some different ways of pursuing health care that might have -- I'm not saying it would have, because it's such a political issue, and Harry Truman, everybody who has tried to provide health care has gotten in trouble with it politically -- but I think I

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could have done some things differently. And I just could have known more. I could have been better prepared for what I was getting into -- not that I would have been fully prepared. There is nothing that prepares you for this experience, but I think I could have avoided some of the mistakes I made.

Q If you talked to more people or --

MRS. CLINTON: Yeah, I think that, you know, the campaign was so hard. It took so much out of us. We didn't take any time off. We immediately had to, you know, pack up a house, and do everything that you have to do to get moved. And then shortly after the inauguration, we started dealing with the family stresses and

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problems of my father's death and the like. So there were lots of real challenges that year.

Q Thank you for giving us all this time and allowing us to go through all the questions that are on people's minds, Mrs. Clinton. We appreciate it.

MRS. CLINTON: Thank you very much.

END



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ABC NEWS

SHOW: Nightline (ABC 11:30 pm ET)

January 11, 1996

Transcript # 3819

TYPE: Show; Interview

SECTION: News; Domestic

LENGTH: 5081 words

BODY:

ANNOUNCER: January 11th, 1996.

TED KOPPEL: [voice-over] It's been a dreadful week for the White House.

Sen. ALFONSE D'AMATO: Again, we get a pattern of deception, deceit and memory loss.

TOM BROKAW, NBC News: More political trouble on the horizon tonight.

DAN RATHER, CBS News: Congressional Republicans are taking aim at her on two scores.

PETER JENNINGS, ABC News: The way Mrs. Clinton has sometimes done business before she occupied the White House, and since, has been extremely controversial.

TED KOPPEL: [voice-over] And now the Clintons respond.

HILLARY CLINTON: ['20/20'] I did not make the decisions. I did not direct anyone to make the decisions.

Pres. BILL CLINTON: She has said that she will do whatever is necessary to answer all the appropriate questions, and I think that she should do that.

HILLARY CLINTON: ['20/20'] There is nobody who wants this over more than I do. I really want it to be finished with.

TED KOPPEL: [voice-over] Tonight, the President and the First Lady, firing back.

ANNOUNCER: This is ABC News Nightline. Reporting from Washington, Ted Koppel.

TED KOPPEL: It doesn't really take all that many years here in Washington before you realize why it is that cliches tend to outlive the people who coin them. Cliches survive because they are true, as in 'What goes around comes around,' or 'What's sauce for the goose is sauce for the gander.' Case in point? Only a couple of years ago, it was Republicans complaining about the outrageous and wasteful expenditure of tens of millions of taxpayer dollars by an independent counsel looking into the Iran/Contra affair. Today, it was President Clinton,



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making a similar observation about the wastefulness of all those congressional committees spending tens of millions of dollars looking into Whitewater. I guess it all depends on whose ox is gored.

The President's news conference today was eagerly anticipated, in some measure because he hasn't held one for a long time, but also because Mrs. Clinton's alleged roles in the firing of staffers from the White House travel office and in some possibly illegal transactions back in Arkansas have been making headline news for several days now. Here's how it went at the White House this afternoon.

1st REPORTER: When you campaigned in 1992, you and the First Lady both said that the American people would get 'two for the price of one.' I wondered if that's still going to be a slogan in 1996, and if the First Lady has really taken the role that you envisioned for her as First Lady, or if she's just simply become too controversial.

Pres. BILL CLINTON: Well, first of all, I think she's done a fine job. I may have asked to do more than anybody should ever have been asked to do, when I asked her to undertake the health care effort. Very often in this town, you know, you don't make yourself controversial, someone else makes you controversial, so I don't think you can do anything about that, especially in the wake of the health care issue.

1st REPORTER: If I could just follow up, sir, are you saying that- that her conduct, especially involving the travel office and the discrepancies in what she's said about her involvement in Madison Guaranty, whether- that these things have nothing to do with the controversy?

Pres. BILL CLINTON: Well, let me tell you, you are assuming something that has not been proved. No discrepancies have been established. Now, we were all concerned, as we have all said, that we kept hearing all these reports after we got here that there were problems with the travel office. Turns out there were problems with the travel office, and they were serious. An accounting firm said they were serious. Those have been corrected. The American people should feel good about that. When it comes to the whole Whitewater issue, the allegations have often, and matter of fact, virtually always borne no relationship to the facts. That's really the story of this for the last four years. An allegation comes up and we answer it, and then people say, 'Well, here's another allegation. Answer this.' And then, 'Here's another allegation, answer this.' Yes, Brian.

2nd REPORTER: Mr. President, you must have discussed why it is, even if cleared in the end of all charges, why it is your wife, the First Lady, appears to be the most- arguably the most controversial First Lady, at least in modern politics.

Pres. BILL CLINTON: Since Eleanor Roosevelt. For many of the same reasons. From many of the same sources.

TED KOPPEL: Tomorrow night, on the ABC News magazine 20/20, my good friend Barbara Walters will have another of her patented just-the-person-you-wanted-to-hear-from-most interviews. Who's at the heart of one of the biggest stories in the country right now? Why, Hillary Clinton. I'll be talking to Barbara about that interview in a moment, but first, here's an excerpt.



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['20/20']

BARBARA WALTERS: Last week, a 1993 memo by a former White House aide, David Watkins, was made public, in which he says that you were responsible for the firing of seven people in the White House travel office because you wanted to have an Arkansas travel agency take its place. And there would have been nothing illegal about your doing this. But you have said you had no idea how the decision was made, and that you had nothing to do with it. Is he lying?

HILLARY CLINTON: Well, I think what is fair to say is that I did voice concern about the financial mismanagement that was discovered, when the President arrived here, in the White House travel office. I think that everyone who knew about it was quite concerned, and wanted it to be taken care of. But I did not make the decision. I did not direct anyone to make the decision. But I have absolutely no doubt that I did express concern, because I was concerned about any kind of financial mismanagement.

BARBARA WALTERS: Were you aware of any shady practices or actual wrongdoing on the part of this savings and loan for which you did legal work?

HILLARY CLINTON: Absolutely not.

BARBARA WALTERS: You did not know-

HILLARY CLINTON: Absolutely not.

BARBARA WALTERS: -even in their real estate deals.

HILLARY CLINTON: No, absolutely not.

BARBARA WALTERS: Why don't you just go up to Capitol Hill and talk to the Senate committee yourself and get this all over with?

HILLARY CLINTON: Well, we'll cooperate, and we'll do whatever is necessary. There is nobody who wants this over more than I do. I really want it to be finished with, to bring this matter to an end.

BARBARA WALTERS: And if it takes your going and testifying yourself, you'll go?

HILLARY CLINTON: I'll do whatever it takes to cooperate.

TED KOPPEL: Joining me now, Barbara Walters.

Barbara, you and I were talking about these excerpts from the interview before, and I made the observation to you that some of these answers struck me as particularly lawyerly, and you know what I mean by that, but I'd like to get your reaction.

BARBARA WALTERS: Well, you know, this is a unique investigation into a first lady. We've never had this before. We have never had a first lady like this before. And you and I were talking about that. This is the first lady we've had who had a career. Not even Eleanor Roosevelt had an actual career. It's the first lady we've had who've had records, who knows how to speak as a lawyer. The difference is that in the past, first ladies, like Nancy Reagan, like Rosalynn



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Carter, would say, 'Dear, I think there's something wrong with the-' - I don't want to put them down at all, I don't mean that - '-something wrong with the travel department of the White House. Why don't you do something about it?' And it would probably get done. This first lady is much more direct. She admits herself, 'I am direct, I say it,' and if people then do it, obviously, she's had an influence.

We are not certain about the role of women in this country yet. We're still a little confused, and we're especially confused about the role of the First Lady. We don't want her to spend her days playing bridge, like Mamie Eisenhower, which was fine in that time, and we want her to have a project, but when the project really becomes something serious, health care, problems with the travel office, Medicare for children, then we say, 'We didn't elect you, back off.' So one of the problems is, we're not used to this kind of a first lady.

TED KOPPEL: Barbara, our audience will have an opportunity to make up their own minds when they see the whole interview tomorrow night on 20/20, but the point you make is precisely the point I was trying to make. Surely, this first lady, of all, would understand that when she expresses an opinion, it is the equivalent of directing people in the- in the travel office to be fired.

BARBARA WALTERS: I- I don't want to speak for the First Lady, and I'm certainly not an apologist for the First Lady. I think she would agree that she was direct, and indeed, what she was saying, in effect, was that Mr. Watkins did not lie. There's sort of, you know, did- she did not make the actual decision, it was made by Mack McLarty, the chief of staff, and other people, but her opinion was expressed.

My point is, first ladies' opinions have always been expressed, but in a more devious way, and perhaps in a more coy way, and we're not ready yet for a first lady to speak out on almost any substantial issue. Some of us are ready for it. Some of us are not.

TED KOPPEL: Barbara Walters, thanks so much.

A little later in the broadcast, we'll be joined by Senator Alfonse D'Amato, the chairman of the Whitewater committee, but first, when we come back, a look at his committee's hearings today.

[Commercial break]

TED KOPPEL: After weeks of attacks by Republicans on the Senate Whitewater committee, attacks which continued today, the Democrats began their counterattack. Here's Nightline's Chris Bury.

Sen. ALFONSE D'AMATO, (R), Chairman, Whitewater Committee: The committee will come to order.

CHRIS BURY, ABC News: [voice-over] Senator D'Amato's opening statement left little doubt about the conclusions he has already drawn regarding the truth and Mrs. Clinton.

Sen. ALFONSE D'AMATO: We get a pattern of deception, deceit and memory loss. The records show numerous and extensive communications between Hillary Clinton and Madison Guaranty S&L, in complete contradiction to claims made by Mrs. Clinton



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and her representatives.

CHRIS BURY: [voice-over] But from the moment today's hearing began, Democrats, clearly spoiling for a fight, repeatedly accused Senator D'Amato of poisoning the air against Mrs. Clinton.

Sen. CHRISTOPHER DODD, (D), Whitewater Committee: But the committee's recent history leaves no doubt to this member that we are no longer impartial senators serving on a Senate panel, but we have become players in the opening act of the 1996 presidential campaign.

CHRIS BURY: [voice-over] Democrats were fuming, in particular, about an interview with Republican committee counsel Robert Guiffra, broadcast Tuesday on Nightline. He all but charged Mrs. Clinton with lying about her work on a land deal for the Rose Law Firm.

Sen. CHRISTOPHER DODD: Majority counsel appeared on ABC News and on Nightline stating, and I quote him, 'The First Lady's fingerprints are all over the transaction, which bank regulators said was fraud,' end of quote. Mr. Chairman, the evidence in our possession leads us to no such conclusion, and it certainly unfair to make any kind of conclusions before we've had a single day of hearings on the subject matter.

CHRIS BURY: In today's hearing, the Democrats tried, above all, to make the case against Mrs. Clinton look like a coordinated Republican attack, and they also attempted to undermine much of today's testimony from Senator D'Amato's key witness.

Sen. ALFONSE D'AMATO: Mr. Massey, do you swear or affirm that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

RICHARD MASSEY: Yes, sir, I do.

CHRIS BURY: [voice-over] Richard Massey is the Rose Law Firm lawyer, a young associate 10 years ago, who Mrs. Clinton has said did most of the legal work on a proposed stock offering for Arkansas's Madison Savings and Loan.

HILLARY CLINTON: The young attorney in question needed a partner to serve as his backstop, and that was one of the rules we had in our firm. The young attorney, the young bank officer, did all the work.

CHRIS BURY: [voice-over] Republicans who had Mrs. Clinton's words queued up on videotape had clearly hoped Massey would flatly contradict her. He did not.

RICHARD MASSEY: I did most of the work, and it's my opinion that I did all of the really substantive work.

CHRIS BURY: [voice-over] And what was Mrs. Clinton's role?

RICHARD MASSEY: Mrs. Clinton had a role in the- obviously she had a role in those matters. I view it as a supervisory role-

Sen. ALFONSE D'AMATO: Yeah, but- okay-



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RICHARD MASSEY: -but in terms of who was in the trenches and doing the work, Senator, it was me.

CHRIS BURY: [voice-over] Massey was asked repeatedly who brought the Madison business to the Rose Law Firm.

MICHAEL CHERTOFF, Whitewater Republican Counsel: Did you go to Mrs. Clinton with a proposal in hand to work for Madison Guaranty?

CHRIS BURY: [voice-over] An important question to Republicans, because in a sworn statement, Mrs. Clinton has said Massey came to her with a proposal to work for Madison.

MICHAEL CHERTOFF: You did not come to Mrs. Clinton with an engagement in hand, a contract in hand, to do the Madison work?

RICHARD MASSEY: I don't recall that happening, no sir.

CHRIS BURY: [voice-over] Democrats had had enough.

Sen. CHRISTOPHER DODD: I find, you know, the committee dwelling on this particular aspect here for- for some nuance that some is going to say, 'Gotcha.'

CHRIS BURY: [voice-over] Another key question is whether Hillary Clinton has lied about the extent of her work for Madison. it was hardly answered today.

Sen. RICHARD SHELBY, (R), Whitewater Committee: If the billing records showed that a person did about 60 hours of work over 15 months, including contacts with 68 of a company's executives, other lawyers in the law firm, and state regulators, would you call that substantial work?

RICHARD MASSEY: Sir, that's substantial relative to one of our large clients?

Sen. RICHARD SHELBY: Sure.

RICHARD MASSEY: This was, understand, was never a large client of ours.

Sen. CHRISTOPHER DODD: Sixty hours is not exactly what you'd call extravagant at all.

CHRIS BURY: [voice-over] If Senator D'Amato had expected his star witness to impugn Mrs. Clinton's character, the answer to Senator Paul Simon's question must have disappointed him.

Sen. PAUL SIMON, (D), Whitewater Committee: Did she do anything that- at any point, at that time, you felt was unethical?

RICHARD MASSEY: No, sir.

CHRIS BURY: [voice-over] The hearings originally were scheduled to end next month, but Chairman D'Amato now plans to continue them deep into the election year.

[on camera] The House investigation into the travel office shows no sign of letting up, either. Today, Republicans announced a flurry of new subpoenas,



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and there has been a steady drip of incriminating leaks, including a note found from 1993, obtained tonight, in which Lorraine Volth [sp?], a White House aide, writes, 'S. Thomas-' - presumably Clinton friend Susan Thomases - '-went to Mac-' - meaning White House chief of staff Mack McLarty - 'Hillary wants these people fired. Mac wouldn't do it. DW-' -presumably White House administrator David Watkins - '-didn't want to do it,' a note that, at face value, would indicate that Hillary Clinton was the driving force behind the travel office firings, Ted.

TED KOPPEL: So what do we make of this?

CHRIS BURY: We contacted Lorraine Volth, the White House aide tonight. She doesn't remember these notes, exactly. She does remember turning notes over to the White House investigation, but she cautions that she was speaking with a reporter at the time, and these could be notes she was taking from that reporter. Republicans on the House committee, of course, are sure that these notes corroborate their version that what Mrs. Clinton has said does not correspond with the written record.

TED KOPPEL: Chris Bury, thank you.

And we'll be talking with one of those Republicans when we come back in just a moment. I'll be joined by Senator Alfonse D'Amato.

[Commercial break]

TED KOPPEL: Joining me now here in Washington, Senator Al D'Amato, the chairman of the Whitewater committee.

Let's begin where Chris Bury left off, with that- with that new memo. Had you seen that before we showed it to you this evening?

Sen. ALFONSE D'AMATO, (R), Chairman, Whitewater Committee: This is the first time, Ted, and it's deeply troubling and- and disturbing and- and it indicates again the disingenuous comments that come from the White House, because it is clear now, given Mr. Watkins' memo, given this memo, given what we know, that Billy Dale and the travel office people were fired for political reasons, that Hillary Clinton wanted that. We- now you have Mr. Watkins saying it, now you have another White House person-

TED KOPPEL: Let me stop you right-

Sen. ALFONSE D'AMATO: -so this-

TED KOPPEL: -let me- let me stop you right there. There may be some reason to believe - indeed, Mrs. Clinton has admitted, to a certain degree, that she- that she was concerned about the people in the White House travel office - where is it written anywhere that this was done for political reasons?

Sen. ALFONSE D'AMATO: Well, you see, there's nothing wrong with removing people, particularly, you know, the head of an agency, if you want to put someone in who you feel can do a better job, but what is wrong is when a litany of charges are filed against that person, when that person is made to look like Billy Dale did, as somebody who had committed acts that broke the law, when the poor man is indicted, is tried, have to spend \$500,000 of his own money defending himself-



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TED KOPPEL: Now, there was an accountant's firm that did look at the travel office and, at the very least, concluded that it was run in a very sloppy fashion.

Sen. ALFONSE D'AMATO: -and- and people concede, and there were reasonable explanations, and indeed, the press itself said they were responsible for much of this, and Mr. Dale dealt with them in a way that they always found to be honorable and straightforward, but to have criminal charges brought against someone because you want to- 'cause they got rid of him, then cover up the reason for this person's firing, David [sic]- it becomes more and more apparent that's what happened to this poor- this poor individual.

TED KOPPEL: Actually, David is the tall, distinguished-looking gentleman, I'm Ted, but-

Sen. ALFONSE D'AMATO: Right, excuse me.

TED KOPPEL: -that's all right. The point, it seems to me, is that there is not a great deal of difference anymore, Senator D'Amato, between what Mrs. Clinton told Barbara Walters, 'Yeah, you know, I was concerned about these people and I probably indicated that I wasn't happy with them in there' - and I'm obviously using different words now - there's not a whole lot of difference between that and the charge that you're making now that she directed that they be fired.

Sen. ALFONSE D'AMATO: Well, I'm not making that charge. I think you- see, Mr. Watkins made that charge, and if you read this note, it says Hillary Clinton wants them- wants them out, or fired. So, you know, it's not me, I don't make it, but these- these- this is a very disturbing pattern.

TED KOPPEL: All I'm asking you is, so what? So what if it's true? What if she directed, what if she wrote a memorandum saying 'Get rid of these people?' That's not a crime.

Sen. ALFONSE D'AMATO: That- that's fine, and if she had done that, that would be fine, but you don't then bring criminal charges against some poor individual, you don't then deny it, the reason, and say, 'Oh, no, we never really wanted them for this reason.

TED KOPPEL: Senator D'Amato, in the couple of minutes that we have left, what I'm trying to get to is, so what if you can prove the worst of what you suspect? What's going to happen? You don't, you know, you don't impeach a first lady. None of these things appears to be an indictable offense. Where will it all lead other than to some kind of political effect in this upcoming election?

Sen. ALFONSE D'AMATO: Well, let me say this to you. If you have an abuse of power, and if you have people who are attempting to stop legitimate investigations like the RTC investigation from taking place, if you have people who are withholding information and facts, if you have people who are attempting to cover up wrongdoings, that is an abuse of power and that is closely- very closely parallel to what took place in Watergate. Watergate was a third-rate burglary, but the things, the abuse of power thereafter, the violations of law thereafter, the covering up, et cetera, that is the thing which really created the tremendous furor and-



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TED KOPPEL: Senator, I get you, but there we were talking about the president, the president when he realized that he might be impeached, resigned. What I'm asking you is where does this lead with Hillary Clinton?

Sen. ALFONSE D'AMATO: Oh, we're just going to continue to get the facts, but let me say-

TED KOPPEL: Where could it lead?

Sen. ALFONSE D'AMATO: Well, it depends upon what did take place and what the President did and didn't authorize.

TED KOPPEL: If all the things that- if that whole litany of charges that you just enumerated turns out to be true, where will it lead?

Sen. ALFONSE D'AMATO: David [sic], we're going to get those facts, and- and then we'll make a decision and a determination. I still have not gotten information that we've requested from the White House. We haven't gotten E-mail, we haven't gotten certain notes that the President made with respect to directions which we believe he may have given to certain people to suppress information, and we're entitled to that, and this is a White House that says that they've been cooperating, yet they continue to withhold vital and key information.

TED KOPPEL: Senator D'Amato, thanks very much. One of these days you and David Brinkley and I will go out for a drink so you can tell us apart. Thanks very much.

Sen. ALFONSE D'AMATO: Ted, good being with you.

TED KOPPEL: I'll be back in a moment.

[Commercial break]

TED KOPPEL: Tomorrow, a Nightline Friday Night Special, snow.

That's our report for tonight. I'm Ted Koppel in Washington. For all of us here at ABC News, good night.

The preceding text has been professionally transcribed. However, although the text has been checked against an audio track, in order to meet rigid distribution and transmission deadlines, it has not yet been proofread against videotape.

LANGUAGE: ENGLISH

LOAD-DATE: January 12, 1996



13TH STORY of Level 1 printed in FULL format.

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ABC NEWS

SHOW: Nightline (ABC 11:30 pm ET)

January 9, 1996

Transcript # 3817

TYPE: Show; Interview

SECTION: News; Domestic

LENGTH: 4675 words

BODY:

ANNOUNCER: January 9, 1996.

Pres. BILL CLINTON: I've said it before and I will say it again. If everybody in this country had the character that my wife has, it would be a better place to live.

TED KOPPEL: [voice-over] With new charges of a coverup by the First Lady the floodgates have opened, and not just in the tabloids. Yesterday's Washington Post, quote: 'Clearly, the First Lady has some explaining to do,' and The New York Times, quote: 'The core of the problem is truth telling.' Columnist William Safire, quote: 'Our First Lady is a congenital liar.' And Newsweek magazine's cover, quote: 'Saint or Sinner?'

Tonight, Hillary Clinton, under fire.

ANNOUNCER: This is ABC News Nightline. Reporting from Washington, Ted Koppel.

TED KOPPEL: Neither Whitewater nor the so-called 'Travelgate' issue has ever gained much traction in the public mind. Both have been largely regarded as important only to the hypercritical media and certainly overly partisan Republicans in Congress and that may still be largely true. But a poll conducted for Nightline this evening shows Hillary Clinton losing significant public support and her credibility on Whitewater and her perceived involvement in the firing of staffers in the the White House Travel Office seem to be directly related.

[voice-over] When respondents were asked back in August of 1994, whether they approved of Mrs. Clinton's handling of her position as the First Lady, 60 percent approved, 37 percent disapproved. Her approval rate tonight is down to 46 percent; disapproval, up to 42 percent. Back in early 1994, 51 percent of those polled thought that Mrs. Clinton was telling the truth about Whitewater, 35 percent thought she was not. Tonight, those numbers are reversed - 33 percent believe the First Lady, 50 percent do not.

Fewer people are familiar with 'Travelgate' issue, but of those who know what it's about, 30 percent believe Mrs. Clinton's version of what happened, 44 percent do not.



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[on camera] The numbers may not be surprising if only because the First Lady's critics have been relentless these last several days.

As Nightline Correspondent Chris Bury reports, it is not consistent with the image the White House has been trying to project.

HILLARY CLINTON: And I love the- you know, all of the detail of the bed and the dresser and the lamp, and-

CHRIS BURY, ABC NEWS: [voice-over] In the last year or so, Hillary Rodham Clinton, humbled by the health care fiasco, has turned her attention to ginger bread homes, traditional First Lady functions and her long-standing role as globe trotting advocate for children and women.

But now, on the eve of a publicity campaign for her new book on children, Mrs. Clinton finds Washington eager to change the subject.

PETER JENNINGS, ABC NEWS: -the First Lady caught in a spotlight she did not choose

DAN RATHER, CBS NEWS: Congressional Republicans are taking aim at her on two scores.

TOM BROKAW, NBC News: How much trouble is Mrs. Clinton really in?

CHRIS BURY: [voice-over] Last week's stunning discoveries of long lost documents at the White House have raised real questions about Mrs. Clinton's credibility.

[on camera] Unlike previous flaps concerning the First Lady's role in business dealings long ago, the newly discovered documents deal directly with Hillary Clinton's actions and words at the White House. Mrs. Clinton's credibility is on the line because her version of key events does not necessarily square with the written record.

[voice-over] To begin, the scandal that erupted in 1993, over the White House Travel Office which handles logistics for the press on presidential trips. In May of '93, the White House ordered an FBI investigation and financial audit that led to the firing of seven veteran employees.

[May 1993]

DEE DEE MYERS, former White House Press Secretary: Within the Travel Office we found sort of gross mismanagement, if you will.

CHRIS BURY: Suffice it to say, the travel flap became a colossal blunder for the White House - five of the seven fired Travel Office were reinstated, one retired, the other cleared of criminal charges. The White House was accused of cronyism and improperly using the FBI. And now the candor of Hillary Clinton, concerning her own involvement, is being challenged.

[HILLARY CLINTON ON THE RECORD]

[voice-over] In April, 1994, White House Counsel Neal Eggleston [sp?] told a General Accounting Office investigation, quote: 'Mrs. Clinton does not know the origin of the decision to remove the White House Travel Office employees...she



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had no role in the decision...did not direct that any action be taken by anyone with regard to the Travel Office.' And as recently as last week, Hillary Clinton told Newsweek on Air she did not instigate the Travel Office firings.

[Newsweek on Air]

HILLARY CLINTON: The decisions about who should do what and when it should be done, those were all made by other people.

#### THE CONTRADICTIONS

CHRIS BURY: [voice-over] The apparent contradiction comes in several newly released 1993 memos, by former White House administrator, David Watkins, a longtime Clinton friend, who himself was reprimanded for his role in the Travel Office scandal.

In one draft, Watkins wrote that the late, White House counsel, 'Vince Foster regularly informed me that the First Lady was concerned and desired action - the action desired was the firing of the Travel Office Staff.'

Mrs. Clinton does not remember it that way:

[Newsweek On Air]

HILLARY CLINTON: I was among the many people who were concerned about reports of financial mismanagement in the Travel Office, and I did express concerns, because I thought that needed to be looked into. It was looked into, indeed there was financial mismanagement and changes were made that led to the Travel Office being cleaned up.

CHRIS BURY: [voice-over] The Republican chairman of the House Committee investigating the Travel scandal says someone isn't telling the truth.

Rep. WILLIAM CLINGER, (R), Reform and Oversight Committee: Somebody is being- is dissembling here. I think that's the- the kindest way to put it.

CHRIS BURY: [interviewing] Do you see a clear contradiction between Watkins' version of events and Mrs. Clinton's version?

Rep. WILLIAM CLINGER: I do.

CHRIS BURY: [voice-over] In an earlier memo, this one to himself, Watkins writes about a May 14th telephone call with Mrs. Clinton. Here, Watkins is quoting Mrs. Clinton from that phone call: 'We need those people out, we need our people in.'

#### The White House Version

CHRIS BURY: [voice-over] To White House lawyer, Mark Fabiani, the memo is merely one recollection from one aide.

MARK FABIANI, Special Counsel to the President: Again, that is Mr. Watkins' version of events. Mr. McClarty, who was Mr. Watkins' boss, has said that the First Lady didn't order him to fire anybody. But the First Lady was concerned and we've said that from the beginning.



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### The Republican Version

CHRIS BURY: [voice-over] Republican investigators insist they have more than just the word of one ex-employee against the credibility of Mrs. Clinton.

CHRIS BURY: [interviewing] Does this come down to a matter of the word of the First Lady versus the word of an aide?

Rep. WILLIAM CLINGER: Of several aides, I think. Because it is not just Mr. Watkins alone, that would- where we have some suggestion that there was- that the First Lady was involved and that she was really the one driving the decision to get rid of these people.

CHRIS BURY: Perhaps even more problematic for the White House is another memo, from a presidential aide chosen to help review the Travel Office scandal. That document strongly suggests that some in the White House considered hiding the First Lady's involvement from the very beginning.

[voice-over] The May 27th, 1993 memo from Special Assistant to the President, Todd Stern [sp?] says, quote: 'You risk hugely compounding the problem, getting caught in the half truths. You run the risk of turning this into a coverup.'

And later-

'We need to think seriously about whether or not it won't be better to come clean, even to the point of conceding that HRC, Mrs. Clinton, had some interest.

[interviewing] You consider that evidence of a coverup?

Rep. WILLIAM CLINGER: I think certainly Mr. Stern viewed it that way and I think I could concur with Mr. Stern.

CHRIS BURY: Why?

Rep. WILLIAM CLINGER: Because I think that there was an attempt here to shield or obscure the role of the first lady.

MARK FABIANI: I would say that this is an example of Republican distorting the facts. This is something he wrote to himself as a way to guide his work. I think Mr. Stern would tell you today that the work he did was entirely consistent with the notes that you just read, because, in fact, the First Lady's interest was fully disclosed in the White House's own internal review.

CHRIS BURY: The First Lady's public relations problem has been compounded by the White House insistence that these memos were just discovered last week. That explanation angered the Whitewater independent counsel, who had requested the records months before and it cast a long shadow of doubt when the White House came up with a second set of long lost documents.

TED KOPPEL: And those documents pertain to the Whitewater affair and raise new questions about the First Lady's credibility. That, in part two of Chris Bury's report.

[Commercial break]



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TED KOPPEL: [transmission difficulty] in March of 1994, we polled on Whitewater-  
[voice-over] -and at that time, only 40 percent said that Whitewater was an important issue, 56 percent said it was not. A significant turnaround this evening - 49 percent of those polled, now believe that Whitewater is important, while 45 percent say it is not.

[on camera] That may be because of the discoveries of the past few days. Here is part two of Chris Bury's report.

Sen. ALFONSE D'AMATO, (R), Chairman, Senate Whitewater Committee: Well, I think you could call this maybe the second miraculous discovery within the past 24 hours.

CHRIS BURY: [voice-over] Senator D'Amato, the Clintons' nemesis could not contain his sarcasm at last week's White House discovery of the long missing billing records of Mrs. Clinton's work for the Rose Law Firm.

Sen. ALFONSE D'AMATO: These documents raise, again, very fundamental questions in terms of why and how they were withheld.

CHRIS BURY: [voice-over] The White House maintained the records were found late last week by Hillary Clinton's secretary for correspondence. How could they so suddenly turn up, more than two years after they were subpoenaed by the independent counsel?

MARK FABIANI: We're being perfectly frank with you. We don't know yet, but we're making everyone available to the independent counsel, we are making every bit of information available and through that means we think we can get to the bottom of this. But the bottom line is if people wanted to hide these documents they never would have been found, they never would have been produced.

CHRIS BURY: [voice-over] The records in question were known to be in the Clintons' custody during the 1992 campaign and investigators for the Senate Banking Committee are deeply suspicious the White House could not find them before now.

ROBERT GIUFFRA, Whitewater Committee Counsel: If those documents were knowingly hidden at the White House for the last two years, that might be obstruction of justice which could be a very serious matter.

MARK FABIANI: This is a typical agent of Sen. D'Amato, who is one of the nation's best political henchmen. They throw out charges, they make allegations, they have no evidence to back them up. They have no indication whatsoever, nor is there any evidence whatsoever that these documents were hidden.

CHRIS BURY: The Rose Law Firm billing records are important because, once again, they concern Hillary Clinton's credibility. The question is how forthcoming has the First Lady been concerning her legal work for a failing savings and loan during the 1980s?

[Hillary Clinton on the Record]



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CHRIS BURY: [voice-over] Hillary Clinton has always tried to minimize her role. That certainly was the case in April, 1994, during a full dress press conference.

[April 1994]

HILLARY CLINTON: The young attorney- the young bank officer did all the work. It was not an area that I practiced in, it was not an area that I really know anything, to speak of, about.

[The Contradictions]

CHRIS BURY: [voice-over] The newly released records raise serious questions. If the young attorney, Rick Massey did all the work, then why do the records show Hillary Clinton held at least 28 conferences with Massey? And, if it was not an area Mrs. Clinton knew anything about, why did she hold 16 conferences with Jim McDougal, who headed Madison Savings and Loan?

[The Republican Version]

ROBERT GIUFFRA: We now know that Mrs. Clinton worked at least 60 hours on Madison matters. And in her sworn affidavit, interrogatories, excuse me, she said that she only had done a minimal amount of work. The records contradict directly what Mrs. Clinton has said about the extent of her work.

CHRIS BURY: [voice-over] Mrs. Clinton is sticking to her guns. This week's Newsweek quotes her as saying: 'Over those 15 months I did about an hour a week worth of work. There is no way that I think of an hour a week over 15 months as being a significant amount of work.'

[The White House Version]

CHRIS BURY: [voice-over] The White House has used the records to make its own case:

MARK FABIANI: These billing records support what we've said all along. And that's why you have Republicans now shifting yet again and not arguing about the substance of the billing records now, but arguing about how they were found and how they were produced.

CHRIS BURY: The newly released billing records do, in fact, raise questions not only about the hours Hillary Clinton put in, but the kind of work she did. Investigators are focusing on Mrs. Clinton possible role in an Arkansas land deal called Castle Grande.

[TV AD] ANNOUNCER: At Castle Grande Estates, you can enjoy the prestige of owning a fine piece of land.

CHRIS BURY: [voice-over] Federal Bank Regulators have described Castle Grande as a, quote: 'Fictitious transaction, designed to keep alive the failing Madison Savings and Loan.'

In sworn statements to the Resolution Trust Corporation, Hillary Clinton was specifically asked about the deal. Her reply: 'I don't believe I knew anything about any of these real estate parcels and projects.' But the billing records



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list more than a dozen conversations with Seth Ward, the major player in the Castle Grande deal.

ROBERT GIUFFRA: Her fingerprints are all over the transaction, which, as I said before, bank regulators have said was a fraud.

CHRIS BURY: [voice-over] Hillary Clinton's defenders say the billing records don't suggest any contradiction with her sworn testimony, because those records don't mention Castle Grande by name.

MARK FABIANI: You look at the billing records, that matter is listed as IDC, and she wasn't asked about IDC, and had she been asked about it and had she recalled it, the answer would have been different.

CHRIS BURY: [voice-over] All of this is red meat to a scandal hungry press corps on the eve of a presidential campaign. Monday, New York Times columnist, William Safire, called Mrs. Clinton a '...congenital liar...'. Today, her husband's spokesman called that an '...outrageous personal attack' and added, 'The President, if he were not the President, would have delivered a more forceful response on the bridge of Mr. Safire's nose.'

Mr. Clinton himself was more restrained.

Pres. BILL CLINTON: I just would like to ask the American people to take a deep breath, relax and listen to the First Lady's answers. I've said before and I will say it again: if everybody in this country had the character that my wife has, we would be a better place to live.

CHRIS BURY: The President would like to cast Mrs. Clinton as the victim of a vicious Republican strategy to tear away at her character, but the very records the White House keeps finding and the new questions they raise, makes sustaining that position practically a full time job.

This is Chris Bury for Nightline, in Washington.

TED KOPPEL: And when we come back we will be joined live by David Kendall, the President and Mrs. Clinton's attorney on Whitewater.

[Commercial break]

TED KOPPEL: Joining us live now here in Washington, David Kendall. He has been personal attorney for the Clintons on all matters relating to Whitewater. At the very least, Mr. Kendall, I think you will agree that the First Lady has a growing perception problem. How do you fix that?

DAVID KENDALL, Clinton Whitewater Attorney: Well, I don't know, Ted, that there is very much we can do about the polls. I think all we can really do is continue to cooperate with the various investigations as we have done in unprecedented fashion, get as much information out there as possible and let the polls take care of themselves. I think the American people will finally decide exactly what significance the so-called Whitewater matter really has.

TED KOPPEL: Now much do you think the public is placing and should be placing on the- on the memoranda that are now turning up from some of these White House aides?



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DAVID KENDALL: Ted, I don't really know. I'm not a pollster. I think that what this proves is that we are cooperating and trying to get the relevant documents out there.

TED KOPPEL: Well, let's talk about the relevance of the relevant documents. The- the memoranda, parts of which we heard described by Chris Bury this evening, to what degree do they concern you when Mr. Watkins memorandum, and Mr. Stern's memorandum make it seem as though the First Lady quite clearly was actively involved and aggressively involved in the- in the 'Travelgate'?

DAVID KENDALL: Well, I think they've got to be placed in the proper context. The Travel Office matter involved serious problems of financial mismanagement.

TED KOPPEL: Has anyone been indicted? Has anyone been convicted.

DAVID KENDALL: One person was indicted and, after a jury trial, was acquitted, but financial mismanagement and financial misconduct are two different things. It was clearly established by a big six accounting firm that there was financial mismanagement. Now, that was a problem that the Clinton's had inherited. This was not their Travel Office. They would have been criticized harshly if they hadn't dealt with it. They tried to deal with it. Mrs. Clinton and several others was concerned that the Travel Office problems be fixed and they have been fixed.

TED KOPPEL: When you read what, I believe Mr. Watkins had to say, and I'm just sort of taking it a little bit out of context here, but Mrs. Clinton is alleged to have told him on the phone, 'We need to get these people out and our people in.' How do you read that?

DAVID KENDALL: Well, I think- that is not her recollection. I think what she expressed was her concern that this problem be addressed. This was not her problem, she didn't have all of the information, but she wanted the people with authority to take care of the problem, and I think they did.

TED KOPPEL: When you talk about her recollection as it conflicts with the - the memoranda that- that Mr. Watkins and Mr. Stern wrote to their various files, you, as a good attorney, know that is one of the reasons that people write contemporaneous memoranda, so that later on they will not have to rely on their memories. Did the First Lady write any memoranda, or-

DAVID KENDALL: Well, Mr.-

TED KOPPEL: -is she in this regard just relying on her memory?

DAVID KENDALL: -Mr. Watkins memo was hardly contemporaneous, it was several months later and Mr. Stern's memo in no way contradicts the First Lady's recollections.

TED KOPPEL: One of Mr. Stern's memo, and one of Mr. Watkins' memo were in fact written within in days of one another. One was written in late May, the other was written in early June.

DAVID KENDALL: Well, Mr. Stern's memo was written at the outset of his investigation. He believed it was important to do a thorough investigation



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and I think he did.

TED KOPPEL: When it comes to the files now, the records on Whitewater, why is it that when the- when the First Lady was being deposed by the RTC, that she had no recollection of - what is the name of it? Castle-

DAVID KENDALL: Castle Grande Estates.

TED KOPPEL: Castle Grande Estates, yes.

DAVID KENDALL: As the ads showed. Well, she didn't work on Castle Grande Estates. What the billing records show and I am frankly glad that they have been located and that we have been able to provide them, because they really do support what we have said: her work on that matter was very limited. There is no conflict at all with what she told the RTC. The question was about Castle Grande, the work she did for her law firm was on six matters. One of those was the so-called IBC land purchase. That-

TED KOPPEL: Of- of which Castle Grande was a portion.

DAVID KENDALL: Was one portion along with several other portions. She didn't know which one was Castle Grande however.

TED KOPPEL: Let me- let me just ask you this: Yeah, but when - when the RTC sends an interrogatory like this, I am assuming that she is sitting down with people like you, her attorneys, would you not when you saw that name on the list have said, 'Shall we take a look at what each of these things is, so that we know for sure whether or not it is not involved in something that you have worked on?'

DAVID KENDALL: Well, her- we certainly did that and her responses were quite detailed and covered over 75 pages. This happened, I think it should be said, over 10 years ago. We provided a detailed response to all of the questions that we could.

TED KOPPEL: Those, and we are beginning to run out of time- you're right, the- the responses were about matters that occurred 10 years ago, but the- the documents relating to her billing were made available to you, you got those documents again, two and a half years ago.

DAVID KENDALL: Well, we didn't get those documents. We- we'd gotten the documents that we produced, quite recently. We turned them over within 24 hours of their discovery.

TED KOPPEL: But I mean, you were able to look at those documents in order to figure out what had happened and when, and what she had been doing. In other words, those - one would think - might have refreshed the First Lady's memory.

DAVID KENDALL: Well, we certainly reviewed the available documents, Ted, and none of those documents, nor do any of the billing records show that she did any work on Castle Grande. Now her responses were perfectly accurate and she has tried to provide accurate information about this, if I may say, very old matter.

TED KOPPEL: Mr. Kendall, you are good to come in on such a cold, wintry night, and I assume we will have a chance to talk about this at great length at some



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time in the future. Thanks very much indeed.

DAVID KENDALL: Thank you.

TED KOPPEL: I will be back in a moment.

[Commercial break]

TED KOPPEL: That's our report for tonight. Good night.

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LANGUAGE: ENGLISH

LOAD-DATE: January 10, 1996



E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E

15-Jan-1996 09:04am

TO:           (See Below)

FROM:       Roger V. Salazar  
            Office of the Press Secretary

SUBJECT:   FACE THE NATION 1-14-96

TRANSCRIPT  
FACE THE NATION (CBS)  
JANUARY 14, 1995

SPEAKERS LIST:  LEON PANETTA, WHITE HOUSE CHIEF OF  
STAFF  
U.S. SENATOR ORRIN HATCH,  (R-UT), CHAIRMAN, SENATE JUDICIARY  
COMMITTEE  
BOB BENNETT, ATTORNEY FOR PRESIDENT CLINTON  
BOB SCHIEFFER, CBS

SCHIEFFER:  Whitewater and the budget.  The budget negotiators  
this week may try once more to untangle the budget mess.  Is  
there any chance of progress now?  And then, there is Hillary  
Clinton and her problems.  Will she testify in Congress in an  
effort to put the Whitewater controversy to rest.

We'll ask White House chief of staff, Leon Panetta.  
Then we'll turn to one of the senators probing Whitewater,  
Orrin Hatch of Utah, Chairman of the Judiciary Committee,  
and Bob Bennett, one of the President's personal lawyers.

Whitewater and the budget on FACE THE NATION.

(BREAK)

SCHIEFFER:  And welcome again to the broadcast.  With  
us here in our Washington studio this morning, the White  
House Chief of Staff, Leon Panetta.  Joining in the  
questioning this morning, Gloria Borger of U.S. News and  
World Report.

Well, Mr. Panetta, as the nation's capitol finally  
begins to dig out of this snow that's kept most of us in  
the house for all this time, let's go back to talk about  
what everybody was talking about before it began to snow,  
and that is the budget negotiations.  Are you, in fact,



going to try to restart negotiations on the trying to balance the budget this week?

PANETTA: Well, the principals in the Oval Office, and by that I mean the President, Senator Dole, Speaker Gingrich, Minority Leader Gephardt, and Minority Leader Daschle, all agreed in the Oval Office that we would take this recess and that staff would do some backup work on some of the issues that still divided the parties, but that we would set a meeting for this coming Wednesday to try to again see if we could reach a resolution.

I think as the President has said, where there's a will there's a way, here. And I think we have the will, and I think the principals, hopefully, have the will to get this budget agreement done. We've got to do it on behalf of the nation, or close.

SCHIEFFER: Well, there's been some very tough talk, especially from Speaker Gingrich in between the time you broke off and now. Do you have any assurance that he's coming to this meeting? Or have you rechecked to see if he's intends to meet with the President?

PANETTA: We have not. But again we hope so. Bob, when you look at what's on the table, right now, the parties have at minimum agreed to \$660 billion worth of savings, right now. The parties have agreed to a minimum \$660 billion worth of savings. That's enough to get us a balanced budget in seven years. And we do it in a way that hopefully will protect Medicare and Medicaid in our investments in education and in the environment, and also not raise taxes on working families.

That's where the President wants to go. The Republicans have given. We've given a little bit. We're now \$660 billion to the good. I think it's the New York Times has pointed out, let's settle it now. We can fight on the ideological issues in the election. But let's settle this now. Let's give the country what they want: a balanced budget.

SCHIEFFER: Let me just, and we're not going to get into too many numbers, I hope this morning. But there's some significant numbers. And let me just ask you about that. You have said that you can get a \$124 billion in savings out of Medicare. The Republicans are insisting that they can get \$168 billion. Is there any give in your number?

PANETTA: The question again, is not the numbers here. The question is the policies that back up the numbers. That's what's involved here. This is not just a question of slicing numbers. I mean, I know there's always a



tendency when you deal with budgets, you say, ``well they're here, we're here.'' Slice it in half, cut it in half, and you've got a deal.

And Medicare that's not where the issue is. We are getting closer obviously, in terms of the numbers. But there is a fundamental difference on the policies.

The Republicans keep saying, what we want to do on Medicare is lower and cut the benefit levels so that it won't keep up with the cost, even the private sector cost of health care in this country. And that's seven percent, they want to take it down to about 5.7 percent. That's about a 20 percent cut.

At the same time they want to raise premiums, and at the same time they want to provide incentives for the wealthy and the healthy to get out of it. So you do have a second-class system.

There is a fundamental difference on the policies that divides the parties.

SCHIEFFER: And one more question, and this is on the taxes. You're talking about an \$87 billion tax cut, the Republicans right now 177 billion. Can that come together? Do you see any give there? Because that does seem to be a question of numbers.

PANETTA: Let me tell you where this debate is. It is right at the heart of what were the difference before we went in. I mean, we've covered a lot of ground. We've narrowed a lot of difference. As I said, we've got about 660 billion of savings on the table.

But there is a difference right now, and the difference is whether or not we provide this large cut. And the tax cut, incidentally, is 177 net. If you take out their revenue savings, you really have a tax cut, a gross tax cut, in excess of 200 billion.

In order to fund that size tax cut, they are asking for additional cuts in Medicare and Medicaid and in the welfare area. And that is not acceptable to us. And so that's where there is this fundamental difference. If they will come down on the tax cut, do a modest tax cut, protect Medicare, we have a deal.

SCHIEFFER: All right.

BORGER: Mr. Panetta, listening to you, though, you don't sound too optimistic. So let me ask you, what happens if the talks do collapse this week?

PANETTA: Well, you know, they shouldn't have



collapsed, very frankly, because I've worked on budgets the last 20 years in this town, and when you're working on budgets and where you're working on agreements, there is always give and take and you finally arrive at an agreement.

No one party can get everything they ask for. When Democrats were in the Congress, Republicans in the White House, we never got everything we asked for.

BORGER: But you don't have much time. You have until January 26. What would the White House do if there's no progress -- and you still want to keep the government open, obviously -- what's your option?

PANETTA: I think, Gloria, right now we've got to keep our eye on getting this agreement. That is the fundamental way you can solve this. If we get an agreement we can avoid the shutdown problems that we've had in the past, we can avoid the debt ceiling problems, because all of this can be incorporated in an agreement. An agreement is the best way to get out of it.

If we can't arrive at an agreement, you know, we ought not to have chaos continue in this country.

BORGER: Let me just raise one issue the Republicans are raising. They're saying, if we don't get an agreement, what we're going to do is have targeted spending bills, in which the Republicans will essentially approve the programs they like and send them up to the President. There is talk that they would not include funding for the Department of Commerce in that, for AmeriCorps, which is one of the President's favorite program, Goals 2000, an education program.

What would you do under that circumstance? Would the President veto those kinds of spending bills?

PANETTA: Gloria, I think the American public -- frankly, all of us, frankly -- are tired of the blackmail, of the tactics here of threats and counter-threat, of the tactics that have basically resulted in a shutdown of the federal government twice and now threaten the possibility of default on our national debt. That's just wrong, it's a bad way to hold the responsibility of governing this country, which after all is what this is all about.

If they do that, if they continue to try to go at what the President believes are important programs for this country, and they try to do targeted appropriations, the President will continue to veto those.

We should not engage in threat and counter-threat. What we ought to engage in is a legitimate negotiation of give-and-take,



and let's settle these problems, let's govern the country, and let's stop government by crisis.

SCHIEFFER: So what you're saying is, that if you don't get a seven-year balanced budget agreement, we're in for another long period of threatening to shut down the government, shut down the government, then trying to deal with it on a case-by-case basis, because if the President is going to veto these bills, these appropriations bills that come up there, then there'll be no alternative but again to shut down the government. Is that what you're telling us this morning?

PANETTA: This President has said that he is not going to allow a Congress to threaten this country with shutdowns and blackmail the country into accepting their ideological agenda. He's not going to do that. Whether it's on a budget agreement or whether it's on individual appropriations bills, there's a way to do in this town. There's a way to sit down and negotiate and do some give-and-take. But in the end, you got to govern this country.

Bob, this is the first time in the 20 years I've been in this town that I've seen a Congress that has gone out of its way to hurt people in order to implement an ideological agenda. That makes no sense.

BORGER: Let me just ask you a quick question about Whitewater. Some people are saying that in fact, the President would be better off without a budget deal so he can take that Medicare issue to the country, rather than have the country focus on the issue of character, either regarding the President himself or the First Lady. How do you respond to that?

PANETTA: In the end, the American people are going to make their judgment on election day based on who they think deals with the problems that confront this country. The economic problems, the jobs problems, problems related to the budget, problems related to their wages and their ability to survive from day to day in this country.

And that involves character. And I think that's how they make their judgments. So this President is going to take those issues to the American people and is anxious to take those issues to the American people, and in the end, they're going to make a judgment based on what they think this President has done for them and for their future and for their kids. That's what election's going to be all about.

SCHIEFFER: Before ...

PANETTA: Character is not going, character -- you



know, people have tried to use character as a political wedge on issues. But in the end, people make judgments based on how a leader affects their future lives.

SCHIEFFER: Before you get to the election, something will have to be done about the debt limit, otherwise the government will not, cannot borrow more money to keep operating, regardless of what happens on the vetoes and so on.

John Kasich, the chairman of the Republican Budget Committee in the House said today, or the Republican chairman of the Budget Committee in the House said today that he believes that Republicans will vote to raise the debt limit. Do you think he can make good on that? What's your sense of where the Congress is on that, and what would be your response to that?

PANETTA: I hope so. I hope that John is right on that issue, because I think it's unthinkable to think about forcing this country to default on its good faith and credit. That would be a disaster. And it is totally unthinkable, and so I think, in the end, while some might try to use it as a threat, I think in the end, Republicans and Democrats have to get together to make this happen so that we don't jeopardize our economic security.

SCHIEFFER: One more question on the issue that Gloria brought up. Do you think it would be in the President's best interest for Mrs. Clinton now to go to the Capitol and testify before the Whitewater Committee and try to clear up all that controversy?

PANETTA: Bob, she said that she will cooperate as necessary and as appropriate, and I think that's exactly what she's going to do. She's answered every question. She continues to answer every question, and if she deems that that's necessary in order to cooperate, then I think that's what'll happen.

SCHIEFFER: You think it'd be a good idea?

PANETTA: I think she's got to -- she has to make the decision in terms of full cooperation. And I think -- you know, we have got to, again, put this in perspective. There have been four years of questions, four years of answers, nothing has shown up of any kind of wrongdoing. There is a fine line sometimes between legitimate investigatory inquiry and harassment.

And I hope my colleagues keep an eye on that line, because sometimes Democrats were guilty of crossing it. I hope the Republicans are not guilty of crossing it.



SCHIEFFER: OK. We'll let it go at that. When we come back we'll talk some more about Whitewater, in just a minute.

(BREAK)

SCHIEFFER: We're back now with the Senate Judiciary Committee Chairman Orrin Hatch, who is also a member of the special Whitewater investigating committee. And with us Washington lawyer Bob Bennett, one of the President's personal attorneys.

Senator Hatch, do you think it would be helpful for Mrs. Clinton to come before the Whitewater committee and testify about what she knows about this controversy?

HATCH: Well, as I understand it she's testified that she'd have to be subpoenaed. I don't think that the First Lady should be subpoenaed under present circumstances, and, frankly, I think it would just make it a political fiasco.

I think we need to do our job, we need to have more candid responses from the White House, from the Clintons. And I think if we got all that together we might be able to get it brought to a conclusion, and, hopefully, I'm one that's hoping that there's no problem to either President or the First Lady.

SCHIEFFER: But you say she shouldn't be subpoenaed. Would you like for her to come before the committee should she come voluntarily?

HATCH: I don't think -- I think it's premature to ask the First Lady to come before a congressional committee. I think we ought to get all the facts out first.

We've had a rough time. We've had two and a half years since subpoenas were issued, and we're just receiving some of the documents now. Some of them they said weren't in existence and suddenly they materialized. It's happening over and over again.

And, frankly, I think we've got to get to the bottom of all that before we even consider doing something like that to a First Lady in this country. And I, frankly, would be opposed to it at this particular point. There may come a point where it may be the only way you can resolve it, but I think we ought to do all of our background work and our factual checks before that.

SCHIEFFER: Let me just ask you one other question. I have actually heard some Republicans say privately they don't want her to come, that they fear her coming. If she



called you up and said, I'd like to come up and testify, what would be your response?

HATCH: Well, I think it's premature, as I've said. We've got to get all of the facts together. And, frankly, I don't think there's a Republican on the committee who is afraid to have Mrs. Clinton come.

The problem is is that we don't have all the facts, we don't have all the documents. They're gradually filtering in to us. There have been all kinds of obfuscations, delays, privilege claims, even selective memory loss in this matter, and we've had to fight to get every doggone document we can get.

BORGER: Mr. Bennett, let me ask you. As an attorney, if Hillary Clinton were your client, would you recommend that she go before a congressional committee?

BENNETT: I think that's a decision that the First Lady has to make with her lawyer, Mr. Kendall.

But if I could just respond to my good friend Senator Hatch's remarks. I don't think they're entirely fair. You know, this Administration and the First Lady have been very cooperative with this investigation. I don't know of any administration that has been more cooperative.

Secondly, the First Lady and the President are not getting the requests from the committee and searching their files for the documents. This is something that's being handled by the lawyers.

And I guess the final point I'd make is what I am very troubled about, because I like to think I'm not partisan, is the process. My very judicious and fair friend sitting next to me, if he were chairman of this committee he would not be going on all the talk shows before all the facts are in, as he says, and opining as to whether witnesses are telling the truth. I think the Senate is doing a great disservice to its processes. They should investigate the facts and then reach their conclusions.

BORGER: You've been one of the people out there, though, Mr. Bennett, saying that she didn't spend a lot of time on Whitewater, that the documents that have just been revealed corroborate that. But isn't the question here not how much time Mrs. Clinton spent on Whitewater, but whether it was appropriate for her to make the phone call that she made to the securities commissions, whom her husband had appointed, on behalf of Madison Guaranty? Isn't that the question?

BENNETT: Well, I agree with you that there was nothing



wrong with the First Lady as a private lawyer, 10 years ago, making calls and working on Madison. But there has not been any evidence presented that there was any kind of an improper phone call.

The regulator that she called took a very aggressive position against the positions that ...

MYERS: Isn't there a conflict there from Mrs. Clinton?

BENNETT: No. No, I don't ...

SCHIEFFER: Well, Senator Hatch, but you say ...

HATCH: Well, wait just a second. Keep in mind, Mrs. Clinton said she basically did nothing on that file, that is was a junior associate attorney who was there for less than nine months who handled the matter. The fact is is that it took us two-and-a-half years to get the billing records, and then they were only copies. They weren't the originals. Nobody knows where the originals are. Makes you wonder about attorney Kennedy's notes.

But let me just this. The records show that she spent 60 billable hours, that she had 33 meetings, conferences with Madison people, that she had 68 phone conversations with Madison people, that she had done an awful lot of work on this in full contradiction.

Now, whether -- you know, I think she just ought to tell the truth on this, because my good friend Bob Bennett may be right, and she has a right as an attorney to work for a client. But what she says in public and what the facts as brought out later disclosed are two different things. And that's what's bothering people.

SCHIEFFER: Well, let me just ...

BENNETT: Well, that's not true, Senator.

HATCH: Sure it is.

BENNETT: I've looked at every statement she made and combined it. I think 60 hours over 15 months is very very little time. I mean, the good old boys in Washington bill for lunches in excess of 60 hours. I think that the records are consistent, and I think a lot of these records are in fact in possession of the government because they were copied.

SCHIEFFER: Well, while it may be difficult for people to follow all of these legal ins and outs about who billed what for why. Let's go to something that -- I think one of things that disturbs people is the possibility of Mrs.



Clinton's credibility, and how that reflects on her husband, all of this coming out after we had these documents that suddenly showed up regarding the so-called Travelgate business in the White House.

And this was a case where, clearly, people in the White House wanted to clear out the people that worked in the travel office in order to replace them with friends of the Clintons from back in Arkansas. And Mrs. Clinton claims she had nothing to do with all of that. Then this memo shows up that says, well, she was a driving force behind it.

BENNETT: Well, that assumes the accuracy of the Watkins memo. Mr. Watkins a few weeks ago was being branded as a liar, now he's a saint. Let me tell you, there is a scandal involving the travel office, and let me tell you what the scandal is.

The scandal involving the travel office is for many, many years before the Clintons came in and took office, all sorts of perks and privileges which implicated, probably implicated Customs law and state tax laws were involved. The press won't investigate it because as Margaret Carlson (ph) said in Time Magazine, they have a vested interest ...

SCHIEFFER: But, if I may just interrupt you ...

BENNETT: That's the scandal.

SCHIEFFER: That is one thing to say that. Maybe that's true. But to sic the FBI on people when you're trying to replace them with your own friends from back home ...

BENNETT: There is no evidence that the President or the First Lady ever sicked the FBI ...

SCHIEFFER: Well, how did the FBI get ...

BENNETT: ...on anybody.

MYERS: Mr. Bennett, there is a story, though, that appeared in the Weekly Standard, a new magazine this week, that says that Harry Thomason, whom you represent, and a partner of his, had a plan that went beyond the Travel Office.

BORGER: What they wanted to do is essentially establish their own mini-FAA and take charge ...

HATCH: Monitor every plane in the federal government.



BORGER: Monitor every plane and make an awful lot of money doing it. And that he met with the President a couple of times to talk about this and that Mrs. Clinton was involved. How do you respond to this?

BENNETT: Well, again, the Weekly Standard is not exactly an objective source.

BORGER: AP also ran a story to that ...

BENNETT: And some of your allegations are just simply incorrect.

SCHIEFFER: No one questions the authenticity of this memo, though, do they?

BENNETT: No, there is no question that Mr. Martens (OFF-MIKE), who is a private entrepreneur, wanted to get business. Mr. Thomason had a \$25,000 investment in the consulting firm. They could not have done the travel office business.

Now, if you think Mr. Thomason, a successful TV producer, was after the travel office business, which he couldn't even handle ...

BORGER: This was not the travel office.

BENNETT: Wait a minute. Then there is a bridge in Brooklyn I want to sell you. The other thing that you're talking about -- you're mixing apples and alligators -- is the GSA was talking to Mr. Martens about a project to save the American taxpayer money for monitoring the use of private aircraft. And that is something that was proposed. Mr. Thomason did, in fact, mention it to the President of the United States, and there was nothing wrong with that.

SCHIEFFER: All right. Let's ask Senator Hatch if he thinks there was anything wrong with it.

HATCH: I think there was a heck of a lot wrong with it. Billy Dale -- if you want to accuse these people of mismanagement, that's one thing, but to accuse him of embezzlement, everybody knew that he hadn't embezzled. It only took the jury two hours to acquit him. And to put him through that kind of crap was just unbelievable.

In addition, after they acquit, they now still start, they're still trying to smear the guy. Frankly, I feel so deeply about it I'm going to file legislation that would pay his attorney's fee, because I think the almighty arm of the federal government shouldn't be brought down on people like this.

If there was mismanagement they could have fired him,



they could have moved these people to other places, but no. And the memoranda dispute what Mrs. Clinton's say. Watkins' memorandum basically says that -- she said she had nothing to do with it -- his memorandum says she did. Here's another note by one of the people at the White House that, you know, that Hillary wanted those people fired. You know, whether that's true or not -- look, I hope it isn't.

BENNETT: No, that's (OFF-MIKE) fair, Senator.

HATCH: Well, sure it is. Want me to read it to you?

BENNETT: That is a note ...

HATCH: I'll read it to you.

BENNETT: You are talking about the Lorraine Voles (ph) ...

HATCH: That's right.

BENNETT: And she was writing down a question that a reporter asked. There's no evidence ...

HATCH: Well ...

BENNETT: But you know, if there was this mismanagement in the travel office, as Peat Marwick found, there would be nothing wrong with firing. When the Republicans came in and took office you got rid of a whole lot of people. Since when, when an administration comes in, they don't replace their own people with the former people.

SCHIEFFER: But isn't this more serious now?

HATCH: But let me just read this from Lorraine Vols (ph).

SCHIEFFER: Thirty seconds.

HATCH: She says, Susan Thomases went to Mac -- meaning McLarty -- "Hillary wants the people fired."

BENNETT: That is the question the reporter is asking.

HATCH: Well ...

BENNETT: That is the question the reporter is asking.

HATCH: Well ...

SCHIEFFER: All right.

BENNETT: I'd like to see the evidence, Senator, with all due respect, that Mrs. Clinton said that these people



should be fired.

HATCH: Well, Watkins says so.

BENNETT: And you know what? If she did, so what?  
There'd be nothing wrong with it.

HATCH: Well, the fact is ...

SCHIEFFER: Our time is up. I'm sorry. We'll be back  
in a moment.

(BREAK)

SCHIEFFER: And we have just a couple of seconds to say  
John Roberts will have the rest of the news on the Evening  
News tonight. We'll see you next week on FACE THE NATION.

END

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E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E

15-Jan-1996 09:07am

TO:           (See Below)

FROM:         Roger V. Salazar  
              Office of the Press Secretary

SUBJECT:      CNN LATE EDITION 1-14-96

TRANSCRIPT  
January 14, 1996  
LATE EDITION (CNN)

SPEAKERS LIST: ANN LEWIS, DEPUTY CAMPAIGN MANAGER FOR  
THE CLINTON CAMPAIGN  
SENATOR ROBERT F. BENNETT, (R-UT), SENATE WHITEWATER COMMITTEE  
FRANK SESNO, CNN

SESNO: Taking the First Lady's role at the White House to new levels of influence, leading the way on health care and children's issue, but along with that higher profile have come charges of cover-ups, misinformation, outright lying. Has she become a liability to her husband? What is next for investigators looking into the many questions surrounding her?

Joining us now, Ann Lewis, Deputy Campaign Manager for the Clinton campaign, and Republican Senator Robert Bennett of Utah, who sits on the Senate Whitewater Committee. Welcome to you both. Thanks for coming in.

Senator Bennett, you just heard a few moments ago in the newscast that Jean Meserve was sharing with us your colleague on the committee, Orrin Hatch saying he will ask for an extension of these hearings. Just how long is this going to need to go on in your view to answer the questions? What kind of an extension?

BENNETT: I don't have a firm timeline in mind. But I think it's clear we will have to have an extension.

SESNO: For about how long, what do you think? Are we talking weeks, months?

BENNETT: I would think another 30 to 60 days. Now, there may be some reason to go beyond that. But I think we could get it wrapped up in that period of time based on what I know now.



SESNO: All right, we'll come back to what you're going to do over those next 30 to 60 days in just a moment. But earlier today on ABC, one of the Clintons' personal lawyers, David Kendall, offered his thoughts on what lies ahead for the First Lady whether she may herself may have to testify.

Here's what he said.

(VIDEOTAPE)

KENDALL: We've tried to provide information in all appropriate ways. We're going to continue to do that. She has not been subpoenaed. There would be questions of precedents and other things. But I think if it were an appropriate step in bringing to a close this investigation, that would have to be considered.

(END VIDEOTAPE)

SESNO: Senator Bennett, do you believe in your view that the First Lady in the end will testify or be asked to testify?

BENNETT: I really don't know, or you ask Ms. Lewis. She's closer to the First Lady.

SESNO: Well, as far as answering the committee's question's, though.

BENNETT: I doubt that we will subpoena her. I think if she appears it will be voluntarily, on her part, deciding that she needs that forum to get her story across. I think if she decides she can dodge this bullet without testifying, I think she'll try to do that.

But I think it's her decision, not ours.

SESNO: Do you want to see her there before the committee?

BENNETT: Not particularly. One way or the other I think for all of the tedium of the process, we've done a pretty solid job of finding out what really went on and turning up the things we need to turn up. And you turn it into the kind of circus it would become with the First Lady and all of the television going on. It might in fact, get in the way.

But I know some of my colleagues disagree with me. Senator Faircloth's been trying to get her up there for a long time.

SESNO: Ann Lewis, your close to the First Lady, to the



Clintons. Is this something that she's going to want to do -- circus notwithstanding -- voluntarily sit herself before this group to answer their questions?

LEWIS: What Mrs. Clinton has said she wants to answer every question that's been asked, that is asked her. She has done interviews. She will do more interviews.

SESNO: Well, interviews not with the Senator.

LEWIS: No, she has answered questions. She has answered interrogatories. She has in fact spend a lot of time answering questions and will continue to answer questions.

She wants this information to come out. She has said that. No one wants this ended more than Hillary Clinton. And I think her concern or frustration if you will, is that no matter how many times she and the President answer question the shape of the investigation continues to change.

People who demanded answers to certain questions then go on and don't even wait to listen to the answers, but go on with a whole new set of questions. So, we will go on, and of course all this happens, and I'm not surprised the committee now wants another extension of time.

At the same time that we have an independent counsel, which has also been charged with doing an investigation.

SESNO: What's your reaction to this extension of these hearings? Do you think it's unnecessary, is that what you're saying?

LEWIS: I think it is not a coincidence that the chairman of the committee that is investigating Whitewater, Senator D'Amato, is also the chairman of Senator Dole's campaign, quite frankly.

SESNO: So, you're saying it's purely political?

LEWIS: No, I didn't say it was purely political.

SESNO: That's the implication.

LEWIS: I said very clearly that there are strong partisan implications and that clearly as we are getting into an election year I think these partisan implications are getting stronger and stronger.

SESNO: Senator, you want to respond to that?

BENNETT: Well, clearly it is a coincidence that



Senator D'Amato's the chairman of the committee. Even when the Democrats controlled the Senate it was to this committee that the issue was referred, and after the election of 1994 Senator D'Amato went from being ranking member to chairman.

But this is the committee that the Democrats chose as the committee to which it should go, so it's clearly coincidence that he's doing he's work (OFF-MIKE).

LEWIS: It is a coincidence, but it's one that Senator D'Amato could have avoided by, for example, stepping down or from one or the other responsibility, if you really wanted to preserve the impression that this was wholly impartial. He chose not to do that.

BENNETT: Well, he chose not to do that. Now, I believe that this desire now to get everything out is, frankly, a newfound conversion. The press indicates that David Gergen, as long ago as 1993, urged that everything be put out and that Mrs. Clinton said no, that she was the one who said no, I don't want people poking around in these (OFF-MIKE).

SESNO: Let me ask you in particular about this past week and then I want to ask you a little bit about the week ahead. This past week you heard from Richard Massey ...

BENNETT: Right.

SESNO: A partner now at the Rose Law Firm where Hillary Rodham Clinton worked. A question I have for you: he spoke about the role, his role and the First Lady's role -- not then the First Lady ...

BENNETT: Right.

SESNO: ... in Madison Guaranty and bringing business in and who spoke to whom in terms of state regulators. Did he clarify or did he contradict what the First Lady has been saying? Did he answer questions, in your mind, that are now laid to rest?

BENNETT: He made it very clear, in my mind, that the version we had heard -- that he brought the account in -- was not correct. He made that, I think, abundantly clear.

SESNO: Raising questions about the First Lady's credibility in your mind? Further questions?

BENNETT: Well, it happens to contradict the impression she gave in what's now being called the ``Pink Press Conference.''



SESNO: And he did say he did the work for Madison, did he not?

BENNETT: He said he did put in most of the hours, but he made it also very clear that, in his mind, Mrs. Clinton did "substantial work." And he made it very clear that, in his mind, it would have been substantial work on a major case, and he said that was not a major case, so it was substantial work in this case. And I have the quotes if you need them.

LEWIS: Well, we both have the quotes and I think we can go look at them again. We were talking about, as I recall from the billing records, something like 28 hours that Mrs. Clinton billed that she put in.

BENNETT: Sixty.

LEWIS: And of those 28 hours, of those 28 hours on this issue -- on the securities issue -- 22 of those hours were spent either meeting with Mr. Massey or supervising them.

Secondly, he has said in so many words, that he did the substantive work, and that she was the supervising or billing attorney. So we're going to look at that language, we can look at very clearly, but the Rick Massey I saw was quite proud of the fact that this idea of the securities was his idea, that he had worked on it very hard, and he talked very directly about the work he did.

BENNETT: He answered a direct question to me, so I remember it very clearly. When the question was raised, who brought this account in, he said, "ultimately you're going to have to ask the client."

LEWIS: Right.

BENNETT: In other words, the statement, he brought the account in, so when he said, you're going to have to ask the client, and I pointed out that the client, Mr. McDougal, has stated categorically ...

SESNO: Of Madison Guaranty, the failed ...

BENNETT: Yes, that Mr. McDougal said he gave the account because Governor Clinton asked him to, saying that Hillary needed more money.

LEWIS: He also said that he took Mr. Latham, who was the president of Madison Guaranty, to lunch and pitched the account and said, "You know, if I were your lawyer" -- and said he afterwards had conversations with Mrs.



Clinton and later they got the account.

BENNETT: I asked you point blank, given the fact that you did all of those things, is there anything in your experience that would contradict what Mr. McDougal said, and his answer was ``no.''

LEWIS: So, he neither contradicts nor confirms either version.

BENNETT: No, that's not -- I think it contradicts the impression that the First Lady tried to leave, that he did it exclusively. He'd made it very clear he didn't...

LEWIS: Oh. What you are now saying contradicted the impression. That is very different from talking about...

BENNETT: That's important so let me make this point: Because he said something else -- that I want to get on here, he said, repeatedly, ``I don't want to give you a lawyerly answer, I want to be candid.''

When I say impression, we are talking about answers that are technically perhaps true, but leave an incorrect impression and that's what this is all about.

LEWIS: Oh, senator. Is this all about people who give precise answers but you don't like the impression they give you?

Is that why we are spending millions of dollars for an investigation because the answer was precise and it was legally correct, but you don't like the impression?

BENNETT: No, no. The answer is so precise that the individual may not be accuse of lying. But, the purpose of the answer is to leave an impression in the other way because the politics of the thing say ``we don't want the First Lady to appear to have had anything to do with the firing, so we will use very careful language that will obscure the fact that she ordered it.''

SESNO: You are now talking about the travel office and the travel office firing. We are going to talk about that. We also need to talk about the ``so what'' and the consequences of all of this regarding the First Lady. When we come back we will also be taking your phone calls for our guests. Don't go away.

(BREAK)

SESNO: And welcome back to LATE EDITION. We are going to go to your phone calls now; your questions regarding Whitewater and the First Lady. First call today from



Atlanta, Georgia. Hi, go ahead with the question.

CALLER: Hi. First of all, I think it is very clear to everyone that Bill and Hillary Clinton are incapable of telling the truth. And if we can't believe them on smaller issues, we most certainly can't believe them on major issues like the budget, Bosnia, etc., etc.

SESNO: What's your question?

CALLER: Well, my question is to Ann Lewis. Ann Lewis, how do you expect any thinking American to believe that these files were missing and sitting in a closet two days after the statute of limitations in which a civil case could be carried out?

LEWIS: One, there was no question. There is not an issue of the statute of limitations. The Rose Law Firm had entered into what is called a tolling agreement with the Resolution Trust Corporation, meaning that they extended the statute of limitations.

And so let me ask you in return, how could I expect any thinking American to believe that Hillary Clinton, having spent eight months working on a book about children, being about to embark on a book tour where she hoped to talk about children, would be simultaneously orchestrating, first, the concealment, and then the discovery of material that is guaranteed to divert attention from that which she most wanted to talk about?

SESNO: Senator, isn't the concealment of this material, which could lead to obstruction charges of some sort or another, isn't that central to what it is that your committee is concerned about?

BENNETT: That is certainly a central issue, yes.

SESNO: And do you believe there was such a cover-up?

BENNETT: Well, I believe that the discovery that there were copies of some of these files may have had something to do with the discovery of the files. We have contradictory evidence before the committee -- flat contradictory statements -- Mr. O'Neill, the Secret Service agent, for example, saying he saw Maggie Williams carry files out of Vince Foster's office ...

SESNO: First Lady's Chief of Staff.

BENNETT: Yes, the First Lady's chief of staff.

BENNETT: Her flat statement that she didn't do it. And then Mr. Massey raised the issue about files when he said if he had known that some of the files he turned over



to Vince Foster were in fact going to end up in Web Hubbell's basement, he wouldn't have given them to him.

SESNO: Next call now from Fall's Church, Virginia. Go ahead, please, with your question.

CALLER: Senator Bennett?

BENNETT: Yes.

CALLER: If Mrs. Clinton is convicted of a crime, do you think the President of the United States should pardon her and restore Hillary Clinton to the legal level of us honest citizens so she could be nominated to tax paid public government office and have the right to vote again like we do?

SESNO: Well, Senator, I think that's getting a little ahead of where you are, but...

BENNETT: I don't expect that that will come before the President. But pardons are granted on the basis of the Justice Department review of the circumstance, and I think anybody is entitled to that kind of treatment, regardless of their relationship.

LEWIS: Can I just talk about -- this is bizarre. Mrs. Clinton who has been accused of no wrong-doing, who has again answered every question that has been put to her. Who has gone through pages and pages of documents, pages and pages of interrogatories, and what you just heard is an example of the kind of political dialogue that is out there in which political opponents of the President are attacking Mrs. Clinton as a way to weaken the President.

SESNO: I want to look at a poll, here for just a moment. It was a poll that we took, that we undertook earlier this month, last week as a matter of fact. Did Hillary Clinton lie in her roll about Whitewater: 52 percent say, yes she did; 27 percent say, she did not. Not this is not a surprising number when you consider the kind of press coverage, and the kind of coverage that your committee has had. It's a consequence.

Is there a piling on here, Senator. Are you a little uncomfortable, perhaps, with the degree to which your committee is leading to questions like that by the viewer, which in fact, I think you would agree, ahead of where you are?

BENNETT: Yes, that's very much ahead of where we are.

No, I don't think there is a piling on, because, again, Ann doesn't like the idea of I'm talking about the impression created. But there was a very careful



orchestrated attempt to create a certain impression about the President and the First Lady.

And now that that's been shattered by virtue of the things we are finding out, there's a degree of anger and betrayal, if you will, on the part of people who believed that impression. I don't think we are deliberately piling on somebody who was down.

This is something that's happened within the last ten days.

SESNO: Let me ask you Ann Lewis, this question.

LEWIS: Let me point out that the question to the committee that continue to hold these investigations -- Senator D'Amato does not feel betrayed. He was always an opponent, never a supporter. When staff of a major committee goes on television in advance of a hearing and throws around language like perjury in connection with the first lady, that is indeed piling on. That is inappropriate behavior. That is language that way beyond anything that was disclosed. That's what we mean by piling on.

SESNO: Ann Lewis, you are a communications director of this campaign. You know the problems with information that is incomplete or inaccurate. The committee has asked for the e-mail, electronical mail traffic relating to many of these questions, and for a briefing book that the first lady used.

Are you in your capacity as communications director telling the White House "supply every single piece of information that this committee is asking for?" Are you telling them it's time to had it all over.

LEWIS: Well let me make it very clear. The campaign does not tell the White House what to do.

SESNO: All right, as a friend.

LEWIS: But I would say as a friend, and as someone who has watched over the last three years, this White House, this administration turn over every piece of document, unearth files, go through warehouses, and go through storage centers...

SESNO: It's taken two years in some cases for some of these files to be turned over.

LEWIS: Well, I don't know how long it would take if you ask me to produce every piece of paper about the last 20 years of life. It would take me a lot of time, too.



And if we wonder why the legal bills are so high by the way, try paying people to do some of those...

SESNO: Are you counseling? Are you counseling that the e-mail be turned over?

LEWIS: I agree that they are doing the right thing in turning everything over. I understand on the e-mail there was a technical issue, which is simply that it's going to be a lot of money to recreate those e-mails and that a request went back to the committee, to the Senate Committee saying, ``If this is your desire, can you pay for us to produce this technically,'' and I don't think they've gotten an answer.

SESNO: Ann Lewis, Senator Bennett, both of you, thanks very much. We'll be watching the week ahead as there are more hearings and more questions relating to all of this.

END

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TRANSCRIPT  
January 13, 1996  
RADIO NEWS PROGRAM  
HILLARY RODHAM CLINTON  
FIRST LADY OF THE UNITED STATES  
WASHINGTON, D.C.

MRS. CLINTON IS A GUEST ON NATIONAL PUBLIC RADIO WEEKEND EDITION.

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INTERVIEW WITH FIRST LADY HILLARY RODHAM CLINTON ON NATIONAL  
PUBLIC RADIO'S WEEKEND EDITION

JANUARY 13, 1996

SPEAKERS LIST: HILLARY RODHAM CLINTON, FIRST LADY OF THE UNITED  
STATES  
SCOTT SIMON, NPR

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SIMON: This is WEEKEND EDITION. I'm Scott Simon.

Hillary Rodham Clinton began a book tour this week, but she's not asked many questions about that book, ``It Takes a Village,' ' which details Mrs. Clinton's concerns for America's children.

At the same time a Senate committee is investigating her legal and financial affairs during the mid-1980's, when she was a partner in the Rose Law Firm of Little Rock, her husband was governor of Arkansas, and the firm represented Madison Guaranty Savings & Loan, a financial institution owned by a friend of the Clintons who was also their partner in the failed investment now known as Whitewater.

Just this week a lawyer in the Rose firm, Richard Massey, disputed some of Mrs. Clinton's recollections of how the firm came to represent Madison and what she did for them. Last week an old memo was discovered which said Mrs. Clinton had order firings in the White House travel office.

We interviewed Hillary Rodham Clinton yesterday in the Old Executive Office Building.

CLINTON: You know, we've been through this now for four years, and it started off as one thing and every time a particular set of charges are disproved and questions answered, the ground shifts. And there's never any stable ground to stand on to say, OK, everybody, let's take a deep breath.

SIMON: Well, let me ask what seems to be the question of the week. You



had, for a couple of years, people were interested in obtaining copies of the billing records of the Rose Law Firm in Little Rock. And now they're discovered.

CLINTON: Right.

SIMON: Now, where were they all that time?

CLINTON: I have no idea. But I'm delighted they were discovered, because once again they prove what I've been saying for four years, based mostly on my own memory and whatever information was revealed.

And that's what I mean about the shifting grounds, Scott. I mean, a month ago we were accused of destroying the records. They do turn up, and I have no idea where they've been, and, of course, the time is not great for me since I'd much rather talk to you about my book than these records. But I'm delighted they're out there, because they confirm what I have been saying.

SIMON: That the work you did for Madison Savings & Loan was minimal.

CLINTON: Exactly.

SIMON: Did that work or any of those hours, for example, include -- and I guess the records indicate this -- that you made a call to a state securities commissioner at the time that Madison needed the Commission's approval to proceed with a stock plan?

CLINTON: Well, my memory about that is that I called the office. I do not believe I ever talked with the commissioner. And the reason I called is that we didn't know -- namely, Mr. Massey and the law firm -- who in the securities office was to handle this kind of work, because it was something new for Arkansas -- other states had done it -- and the idea was to find out whether it was legal under state law.

And the securities commissioner, under Arkansas law at that time, had responsibility for supervising savings & loans, but I never knew who that person was, and so I called to find out. I'm not even sure that I identified myself, but I have no memory of having talked to the commissioner about this matter. I wouldn't have known what to talk about. I'm not an expert in securities law, and as I have said repeatedly, was minimally involved in the representation.

SIMON: Well, let me ask, you know, when -- the cribbing that goes back and forth between how many hours amount to what. There's this story about a man's got his drain stopped, and a plumber comes over, taps it once, drain begins to flow, and he turns to the fellow who called him and said, ``That's be a hundred dollars.'' And the man says, ``A hundred dollars for tapping the pipe? That ridiculous.'' And the plumber says, ``No, no. That's \$5 for tapping the pipe -- 95 is to know where to tap it.''

Now, when you are Hillary Rodham Clinton, and you are the spouse of the governor of the state, one phone call that is two minutes can mean a lot to somebody.

CLINTON: Well, it could, but in this instance it did not, because, despite Mr. Massey's excellent work -- and he's a very fine lawyer -- Madison didn't get permission to do what it wanted to do.

I keep making that point, that perhaps in retrospect I would never have even picked up the phone to call and say, gee, who handles S&L matters in the securities commissioner.

MORE



XXX the securities commissioner?

CLINTON: I didn't think that that was, you know, anything that was inappropriate. And then to tell Mr. Massey who he should call and who he should deal with.

And so, for me, the idea that we keep having these house of cards built. You know, I practiced law in Arkansas for many years. People have gone over my life and my professional work with the finest of tooth combs, and apparently they are still trying to claim that on this one instance, out of all the work I did, something must have happened.

Yet, to me and many others who look at this fairly, none of us can figure out what they think it was.

SIMON: I was intrigued by something. You were a lawyer on the House Judiciary Committee...

CLINTON: That's right.

SIMON: ...during the Watergate impeachment hearings.

CLINTON: That's right.

SIMON: And I'm just wondering that, if you could put yourself back in that frame of mind once again, if the Nixon White House had come to your committee and said, "Those records you've been asking for for two years, we found them, suddenly we found them, and here they are," would you have accepted that explanation with a straight face?

CLINTON: I think we would have been delighted. The problem back then, you'll remember, is that documents were destroyed, tapes were missing 18 and a half minutes. The White House was not cooperating. They were claiming executive privilege on every piece of paper.

I think the contrast is so dramatic. We want the truth to get out. We would just love to have this matter brought to an end.

It's a little bit odd that here we are, both my husband and I, nearly 50 years old, which is hard to believe, we don't own a house -- we own half of the house that my mother lives in, in order to help support her -- he has his 1968 Mustang, I have my 1986 Oldsmobile Cutlass. A recent magazine said that with our legal bills we are bankrupt. So, if we had intended to trade on my position, I've done a very poor job of it.

SIMON: Did you ever say anyone in the White House travel office should be fired?

CLINTON: No. But I did express concern about the reports of financial mismanagement in the travel office that pre-dated my husband coming into office, and, thankfully, that was taken care of. But I did not make the decision about what was done, nor did I direct that any particular decision be taken.



SIMON: Is it just possible in the human game of telephone that Hillary Rodham Clinton says, ``I'm concerned about the travel office, we ought to look into that,' ' and eventually that gets translated by aides who were anxious to please you as ' 'clean house.' '

CLINTON: Well, I can't speculate on what did or did not happen. I only know what I said and what I intended to convey.

SIMON: Mind if we talk about your book a little?

CLINTON: I would love to talk about my book.

SIMON: All right. Change of pace. A lot of it is much more sad ground, because you say in the book that despite the fact that we rhetorically say children are our most important commodities -- no pun intended, talking about your financial affairs...

CLINTON (LAUGHING): You are so good, Scott, I love that.

SIMON: Just occurred to me when I said it, I'm afraid -- but that you say we often don't invest in our most precious commodities, as we should.

CLINTON: Right. Right. Unlike stocks and bonds and commodities that are traded in a market, which is out there to be invested in, and you can see the immediate return -- you either make money or you lose money -- our children deserve a much more careful and long-term investment.

SIMON: You talk in the book about something I believe you called the ``discipline of gratitude.' '

CLINTON: Right. Right.

SIMON: Interesting idea, that you need to remind yourself what you ought to be grateful for.

CLINTON: It is. That came to me, really, as a gift in 1993, which was a very difficult year for me personally. It started off with such a great high with my husband's inauguration, and such hopes, and then shortly after, my father was stricken by a stroke and died.

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\*\*\*\* filed by:RB--(-- ) on 01/13/96 at 14:01EST \*\*\*\*  
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XXX stroke and died.

CLINTON: Our friend Vince Foster killed himself. Throughout that year, I knew that my mother-in-law was much, much sicker than she let on and, in the fall, learned that she only had a few months to live, and indeed, she died before the year was out.

So I had to really dig down pretty deep in my own resources, and luckily, I had people who sent me books to read, gave me favorite scriptures, shared with me the stories of how, like me, they would just get their eyes welling up. I would be standing in a receiving line and something would remind me of my father, and I'd wonder whether my mascara was going to run.

And there was a book by Henri Nouwen (ph), the Jesuit theologian, and it was about the Prodigal Son. And, you know, sometimes it's good to be reminded that people don't get what they think they deserve, that life is unfair, that every one of us is going to encounter obstacles.

So the whole book was helpful, but in it was this phrase -- "the discipline of gratitude." And I had never thought of gratitude being a discipline. And I began to do that. I mean every day, no matter what is happening around me, I consciously try to discipline my own feelings and my mind about what I have to be grateful for, because by any stretch of the imagination -- even during the worst times, when people are accusing me of things and doing all that they do -- I'm a very lucky person.

SIMON: Would you ever run for office yourself? Do you ever think about that?

CLINTON: Oh, I don't think so. No.

SIMON: I mean did you ever, back in the '60s, between when, I believe, you were a Goldwater Girl...

CLINTON: That's right.

SIMON: ... and whatever you became politically.

CLINTON: That's right. And I feel like my political beliefs are rooted in the conservatism that I was raised with. I don't recognize this new brand of Republicanism that's afoot now, which I consider to be very reactionary, not conservative, in many respects. I'm very proud that I was a Goldwater Girl.

And then my political beliefs changed over time, but I've always thought that the role of citizen, the role of advocate, were as important in our democracy as running for office, and so it's not anything I've ever, you know, seriously considered.

SIMON: You know, whenever we've had to refer to you in news accounts, I -- and I hope I've done this over the year -- I've never used the term "first lady," because it struck me as antiquated. Do you use that term?

CLINTON: I don't use it much personally, but I don't object to people



using it, because it is a tradition that we think started with Martha Washington. So it's not the term so much, it's the expectations that surround the role that I find fascinating.

I have spent a lot of time in the last several years reading about my predecessors and have discovered that nearly every one of them had a kind of bumpy time here, because there's really no way to satisfy the extraordinary expectations that are put upon the person who is married to the president.

And it has been both somewhat sustaining, if you will, as well as a cautionary tale, to realize that the women who've been here before have encountered many different kinds of challenges.

And at the end of the day, you have to be yourself. You have to say and stand for what you believe in. You have to be willing to get up and go ahead and take the slings and arrows and just try to persist through them, because it's apparently an inevitable part of our American democracy.

SIMON: For example, if I may, when -- there's a -- William Safire of The New York Times said very bluntly in a column this week that he didn't believe you were telling the truth.

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XXX telling the truth.

SIMON: And then through Mr. McCurry, the President's press secretary, it was communicated that your husband took exception of the kind he would like to apply to Mr. Safire's nose, I recall.

CLINTON: But with a smile.

SIMON: No, understood, I think, on all sides. But the suggestion of that seemed to be this is personal criticism that the columnist is leveling, and so, therefore, I'm going to take personal exception when you talk that way about my partner in life.

But was it personal? Was it uncalled for? I mean, he was talking -- Mr. Safire was talking about your record as an attorney and a public figure. Did you take personal exception to that?

CLINTON: Well, I don't take what Mr. Safire says very seriously. As you pointed out, I was working for the committee that impeached President Nixon, for whom Mr. Safire worked and, best I can tell, is still working.

In fact, my mother took some offense, because being called a "'congenital liar'" seems to reflect badly on her and my late father. But, you know, I don't really have much to add to that.

SIMON: See, I wasn't going to repeat the phrase because I don't want your husband to punch me in the nose. We're right nearby, after all.

CLINTON: He won't. He won't.

SIMON: Thank you for all your time on a snowy day.

CLINTON: Thank you.

SIMON: Hillary Rodham Clinton.

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THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript

January 4, 1996

INTERVIEW OF THE FIRST LADY  
BY NEWSWEEK MAGAZINE

The Map Room

Q Just, if we could, why did you write the book? What are you trying to accomplish?

MRS. CLINTON: I wrote it because I want people to talk about what's best for children, and to think of ways all of us in our own lives can begin to act together so that we can make life better for kids. I'm very concerned about what's happening to children not only in our country, although that's my primary concern, but really everywhere. And I've worked on this for more than 25 years now. And a lot of the problems are ones that are getting worse, yet we know so much more about what children need to be healthy and happy and develop well.

And I know so many people who are doing great work with children, but somehow that information either doesn't get out or doesn't get out to the people who could put it to good use. So I thought I would take some time out and just share some of my thoughts about kids from the perspective not only of somebody who's worked on and studied kids, but as a mother myself and as somebody who really cares about them.

Q In talking to some of your staffers and friends to do the companion piece we asked them kind of why you're out there and what drives you to keep doing these things you've been doing for 25 years. And some talk about your Methodism, some talked about your time at Yale Law School. How would you explain what motivates you and what keeps you going and drives you?

MRS. CLINTON: I've thought about that writing this book. I guess I hadn't really considered it before. Ever since I can remember, as a little girl, I have been drawn to children. And I think some of that probably comes from my mother and her feelings about children and what children need, in part because of her own life. And also the encouragement that I got to work with children starting when I was in junior high school and high school. I always was grateful for what I had and I always felt bad for kids that I went to school with who seemed like really good kids and never had any luck, never had any breaks at all, and needed just a little bit of help maybe from somebody -- a teacher, a coach, a minister.



And then when I got to college and law school and began to study child development, so much of this is really common sense about what makes for strong families and resilient children. And there are so many forces at work in our society and in our culture that seemed to be undermining what we know is best for children. So I've just always been drawn to kids and then I became more and more interested in trying to learn about kids and then work on what would help kids.

Q One thing that struck me reading the book that's going to be interesting to readers is you are routinely pictured as a traditional liberal, maybe a '90s version, but the word "liberal"

often gets attached to your name. Yet your own social values in the book would seem to most Americans as being pretty conservative. I mean, you mentioned things like dress codes, very down on easy divorce, no sex until you're 21 -- it would be better at least if people didn't have sex -- I mean, a fairly conservative personal social code.

Talk to us a little bit about that, of reconciling this perception of your political liberalism with what at least appears to be a more conservative personal code.

MRS. CLINTON: One of the reasons I think I wrote this book, although I didn't really frame it in my own mind this way, is because I really do have a lot of opinions and beliefs that I think most people have that don't fall easily into any category of politics or ideology. And as I -- I quote in the book from one of my favorite documents about children and families, what the Catholic bishops wrote about putting families first, that there isn't any liberal or conservative answer for helping kids and families.

I was raised and have tried to live my life in a way that marries personal and mutual responsibility -- what I have to do for myself, for my family, for my child, for the people that are close to me, what my responsibility as a citizen is and the rest. But also, how do we accept responsibility for each other. So I think some of that is rooted in my religious upbringing and faith. I think some of it is rooted in the kind of community I grew up in that really did have these invisible webs of support for children and families. And I think some of it is out of the American tradition of practical approaches to problems.

When I look at what's happening to children in lots of parts of the country, it strikes me that political partisan rhetoric is not going to solve the problems these kids face. So we ought to put that to one side and really ask as our basic premise what is best for kids. And if the answer falls into one category or the other, that to me is not as important as then trying to decide what we're going



to do to change conditions for children.

Q Some of this stuff in the latest budget rankling doesn't always seem to be in the best interest of children. Are some of the compromises that the President has to make, are they just necessary for the pragmatism of politics, or are you pushing for certain things? I mean, what's your role in kind of the latest budget rankling?

MRS. CLINTON: I don't have any role in the rankling, I have a very keen interest in following what's going on and have a strong feeling about the kind of investments we need to make on behalf of families and children.

This whole set of issues that I think are being debated right now are really proxies for a lot of other debates. Yes, they are about balancing the budget and trying to bring fiscal responsibility into our governance, which I am all for and believe strongly in. But they're more about what is it we all believe should be part of our mutual responsibility and in what way should that mutual responsibility be enacted through the government as our mutual instrument. And I think that when one looks at what's happening to families and children in a time of such great change in the economy and in the culture, it strikes me as a very conservative position to say, we want to do what we can to strengthen families, not just through government policy, but through employment, through rebuilding community structures, through religious outreach, all the other institutions.

So I think that a lot of the feelings people have right now in the country that are being kind of focused on Washington really stand -- Washington stands for a lot of the debates that are taking place around kitchen tables and water coolers and in every other setting in America about who are we and how are we going to do the best job we can moving into this next century.

Q I want to come back to the book and specifically your writing of it, but I've got to veer off for a second into some week's news. We got this document I guess it was either leaked or released last night about the Travel Office, where this memo from Watkins which seems to have, according to Watkins, have you being pretty insistent with both him and Foster about firing the Travel Office staff, as I read the first couple pages. But then when the GAO sends you written questions and asks, "How would you describe and to whom would you attribute the origin of the decision to remove the Travel Office employees, and how would you characterize your role in that decision" the written answers say that you don't know the origin of the decision to remove the White House Travel Office employees, had no role in the decision to terminate

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the employees. Help us reconcile this.

MRS. CLINTON: Well, you know, it's no surprise because I have said it in the past that I was concerned about reports of financial mismanagement in the Travel Office and I expressed that concern because I thought that it needed to be looked into. And it was looked into, and indeed, there was financial mismanagement. And changes were made that led to the Travel Office being cleaned up and now operating under appropriate accounting principles. But those decisions about who should do what and when they should be done, those were made by other people.

Q Well, in the memo, it reports a direct conversation.

MRS. CLINTON: I had one conversation with David, which has also been reported in the past. That's in at least one of the seven reports that have been done about this Travel Office matter.

Q And it said, "Foster regularly informed me of the First Lady's concern and desired action. The action desired was the firing of the Travel Office staff." Did --

MRS. CLINTON: You know, I just don't have any memory of that. What I do remember is having a conversation with David Watkins at Vince Foster's suggestion in which David Watkins told me that Peat Marwick had begun an investigation into the financial management of the Travel Office, and I said, it sounded like that's what should be done.

Q Nineteen ninety-four was a particularly politically vitriolic year, it seems to a lot of people, and one of the things that's come up is obviously Whitewater, and we're wondering if you feel that Whitewater has become targeted at you specifically? Is that now what's going on?

MRS. CLINTON: Well, I don't know. It's been going on a long time. We've tried to cooperate in every way we can, because nobody would like this matter over with more than I would. But it's been difficult because the issues keep changing, the ground keep shifting about what it supposedly is about. The RTC report comes out and says that -- what we had said four years ago, that we had been in this failed land investment and lost money is indeed what happened. That doesn't end it; it keeps a life of its own. And I do think that at least some of the reason for that is because it's the political season again and has been ever since the '92 campaign. So we'll continue to just try to cooperate and try to help get this matter resolved.

Q Certainly, that absolutely seems to be the

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case, but there is also some confusion that even people who aren't kind of out to get you or who would be for you think, you know, it is kind of confusing -- had spin, including mine, when we look at some of this stuff. One thing that's come up recently that we are hoping you might just come out and clear the air on is this thing about Madison. In '92, during the campaign, you said that Madison Guaranty you worked for kind of minimally. But then in recent weeks, through Susan Thomases' notes, I think it said something like "several conferences," or something along those lines. Again, how do we kind of reconcile that? How would you describe your role?

What  
is role  
in  
Madison

MRS. CLINTON: Well, I would describe it as I've always described it. Based on the evidence that we've seen, the Rose Law Firm represented Madison for about 15 months, and over those 15 months I did about an hour a week worth of work. And I don't know, really, what the direction of some of the questions are because there is no way that I can, in my own mind, think of an hour a week over 15 months as being a significant amount of work.

So I'll just have to wait and see what the questions are, because certainly, the records that have been made available are the ones that tell us how much work was done and how much was paid and that money was returned to Madison because there was no more work to be done for them, and the documents pertaining to the work that had been turned over demonstrate what the work is. We've given everything we have, and we'll continue to try to answer the questions. I can't really add anything to that.

Q One area of confusion that keeps coming up again is about the documents in Foster's office after his death. Were you concerned about law enforcement having unfettered access to them?

MRS. CLINTON: No, and, you know, let me be really clear about this. No documents were taken out of Vince Foster's office the night he died, and I did not direct anyone to interfere with any investigation into his death.

I don't know how best to convey, after two and a half years, the level of grief and shock and just distraughtness that I and other people felt at the news and, really, the refusal to believe that it could be true. But that certainly was what was most paramount to me about those days was the way we were all feeling, our worries about his family, and there was no discussion of documents or Whitewater or anything like that. That was not what any of us were thinking about or concerned about.

Q So there's no way possibly somebody could have construed what you've said as a concern about keeping



-- either keeping the Justice Department out or getting these documents to you for you to review?

MRS. CLINTON: I don't see how. I can only tell you that for months and even, I guess now, for a couple of years, I didn't even remember who I had talked to until I saw phone records. I had very little memory about the specifics. I could just remember the overwhelming emotional reality of what had happened, and that's what has stayed with me during all of these months.

Vince

Q I guess there's just one last point along those lines. But there were documents here in the Residence for five days, and people kind of go, you know, even if they want to say I can understand, a close friend dies, certainly there's a lot of emotional stuff going around at that time, why weren't the documents here for five days, if not to review them?

MRS. CLINTON: Well, because when I was in Arkansas and I was called that Bernie Nussbaum was distributing the documents out of Vince's office and there were personal documents of mine which I didn't even know Vince had files that were personal to us in his office, I was asked what should be done with them, and I said, well, send them to our lawyers. And through a variety of phone calls back and forth and the convenience of people and people getting ready to go to Arkansas for the funeral, the decision was made that they couldn't get sent over that day, and I was asked if there were a place that they could be stored, and I said, I don't know, talk to some of the people in the Residence. And so they were locked up there.

I mean, it's difficult to keep track of all of the spider webs that are spun and the theories and the innuendoes. It was something that seemed natural to do. And so they were locked in a closet and then they were picked up by our lawyer and they were then examined, and then an index was made of them, and the index was sent to me, and that was the first time I knew what was in there.

Q So you never reviewed them while --

MRS. CLINTON: No, no. Because -- it wasn't important to us. I keep going back -- with two and a half years, people can try to take a cold, dispassionate view of what was going on. And I'm not saying that there weren't mistakes made and that people didn't act out of grief and they didn't rush around trying to keep busy to deal with the emotion that they were unable to cope with. I imagine that people were bumping into each other just all of the time. But nobody -- nobody was trying to destroy or secrete documents. Nobody was trying to interfere with any investigation. They were dealing with something that had never happened before. And maybe if we had been here for a

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couple of years, maybe if we knew a little bit more about what the possible conspiracies that could be spun might look like in retrospect, I'm sure everybody would have tried to be more thoughtful or dispassionate in the heat of that moment. But, honest to goodness, the shock of even talking about it now just really -- it's very difficult to do.

Q It's understandably a really emotional thing, and it must be hard, I assume, to kind of see close friends now kind of being put through that D'Amato wringer. Is that hard to deal with, and has that been a struggle?

*Is it hard  
to see  
friends  
suffer-*

MRS. CLINTON: Well, it does make me sad and it also makes me angry from time to time. My husband chose to be in public life, and although I wish it weren't quite as brutal as it has become in recent years, that's a choice he made and it's a choice I support. So to a great extent, we are here by our own choosing. But that's not true of many of our friends and colleagues and family members -- people who get thrust into this situation and harassed. And that does make me feel badly because I don't think it's fair.

But it's something that you can't spend a lot of time worrying about or being consumed by because there's too much to do. And certainly the President gets up every day thinking about what he's going to do for the country, and so do I.

I mean, that's one of the reasons that I wrote this book because when I traveled around during '93 and '94, particularly about health care, I kept running into people who just didn't understand what was going on in the lives of so many kids. They didn't really -- they had never met an uninsured child or they'd never met a child with a chronic disease.

And so part of the reason that I took the time to write this was that I thought I have a lot of things that I care deeply about and wanted to share with people. And to put it in my own words gave me a chance to do that.

Q That's definitely in your own words. I was saying to Becky, so what do you think. I said it sounds like the little I've gotten a feel for you -- really, it's -- Ivan is going to kill me because he wants to go back to the book. But I just have one quick question which was going back to watching people up there go through the wringer, and does it ever make you feel and are you thinking about going up there yourself, and, also, personally giving testimony at this point on Whitewater to say finally and clear the air and get up there yourself at some point?

MRS. CLINTON: Well, we're going to continue to cooperate. I'm not going to predict, you know, what turn this takes. I'd be out of business if I tried to predict



it four years ago because it's been totally unpredictable.

Q Do you have any plans about doing it -- I mean, there's been this sort of parade of witnesses all fall. Are you going to go up yourself?

MRS. CLINTON: I'm just going to wait and see what happens with all of these various things that are in the air and will continue to cooperate.

Q Waiting for a subpoena as opposed to voluntary --

MRS. CLINTON: I'm not going to predict what might or might not happen because I can't possibly do that.

Q Let me go back to the book for a second and do it in terms of being a First Lady and how other First Ladies have carried out their role. I mean, the comparison has been made to Eleanor Roosevelt. Talk to us a little bit about your perception of your role as a First Lady and how this book fits into that.

MRS. CLINTON: Well, you know, I think that one of the things that I've learned in the last couple of years is how good an opportunity people have in this position to highlight problems that they're concerned about. You know, Mrs. Bush did it with literacy, and Mrs. Reagan did it with drugs. And Mrs. Carter did it with mental illness, and Mrs. Ford did it with drug abuse and breast cancer. And, certainly, nobody did it like Mrs. Roosevelt because she had so many interests and she had so many years to be a spokesperson for them.

And I think it's an important part of the role. And it's something that comes naturally to me because I care deeply about what's happening to children. And so I was struck, mostly during the health care travels that I did, how I kept hearing a lot of the same things from around the country that people were not connecting one to the other. They weren't saying, well, here's a program that's happening in Seattle that we ought to know about in Miami.

And I thought maybe if I used this position to highlight some of the programs and people and ideas that I've worked on for all these years, I could really help people get organized around doing what they could in their own families and then rippling out from there on behalf of kids.

Q Has the press gotten in the way of that? I mean, they're the natural megaphone. Have they helped or hurt this cause?

MRS. CLINTON: You know, I think it's been both.

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But I think it's very difficult in the way that the press has available to it to report on issues to be able to stay with something over time. You know, by the very nature of your business, you really can't do that.

So much of the good information has been reported somewhere, but it's not been a steady drumbeat that people have been able to latch onto.

Q What about in terms of your role. We always here, oh, now all of a sudden you are nontraditional, and all of a sudden you're traditional. You talked about this a little bit in Paraguay. Have we in the media just misunderstood? I mean, what -- I know we've been culprits to some extent, but I'm curious how you see it in terms of how we've treated you.

MRS. CLINTON: Well, I don't think I've made it very easy for you. I have to confess. You know, I've said in the past that I've had to learn to rezone my zone of privacy and kind of understand more about how to convey what I care about and what I'm doing so that, for example, issues that I've worked all these years would come as a surprise to some people because I haven't talked about them in a large forum or I haven't let people know that it's something I've worked on a long time. So I take a lot of the responsibility for not being perhaps as clear as I could be.

You know, during the '92 campaign I said I wanted to be a voice for children, and that's what I've always wanted to be. But then I immediately got into the health care debate. And that's all I did for nearly two years -- a year and a half, I guess. So that's all anybody knew about what I was doing.

And because of the nature of that debate -- I mean, you go back and you look at what happened to Harry Truman when he tried to do health care reform, and even the moderate reforms of Eisenhower and certainly Medicare and Medicaid with Johnson all through what Kennedy tried to do and Nixon's plan and the like -- I mean, it is inherently such a controversial issue that I don't think it really gave people a chance to know much about all the other things that I care about and why health care to me was a natural extension of my long-term interest in children's health.

So I don't fault anybody. I think it's been largely my responsibility that I haven't quite conveyed as fully as I should what I'm about and what I care about.

Q Was this unavoidable? I mean, you were going to do health care. Health care was something that was going to happen one way or the other, right? Was there another way to bake this pie?



MRS. CLINTON: Oh, I'm sure there are many ways to bake the pie, but I think that from the President's perspective, he believed strongly then, believes strongly now that health care will continue to be a problem. And certainly the evidence is that it's getting worse. We have more uninsured people today than we did just a few years ago.

So it was going to be addressed. And I'm grateful I got a chance to be involved in it because I learned a lot and I cared a lot about it. And things didn't work out. It didn't create the kind of mood for back and forth and compromise and negotiation and hammering out a good reasonable solution that we had hoped it would. But I don't regret being involved in it. I just feel a little bit sad that that's all I got to do in a way.

Q People say both as a criticism and a compliment that you are very focused, directed, that when you have a mission or a purpose, you're going down this road and you are going down it. And I've heard that -- again, it's pejorative and it's praise. How would you -- how do you react to that?

MRS. CLINTON: I think there's some truth in that. And I think it's probably both good and bad. I mean, it's true that when I was working on health care, that's really what I was working on. And that's why a lot of these things that now come up about what was happening during health care were things that were not on my radar screen particularly.

I might have asked a question or made a comment, but I was really focused on doing what the President asked me to do. And particularly during those first months of the administration because, remember, we were going to try to have it done by May 1st. I mean, it was just an unbelievable task. And, of course, we didn't make May 1st, and then we were going to try to have it done by June 1st. So I do take seriously assignments I'm given and that was the biggest thing I've ever been asked to do.

But I also feel that maybe because I've had a lucky life compared to so many people, that I have an obligation. And everywhere I've ever lived or every place I've ever been, I've always felt that I had to do something to give back. And it's been a joy for me. It's not a burden to me. And I also get very wrapped up in the lives of the people that I try to help.

So I'm sure that somebody looking from the outside could say, gee, you know, on the one hand that's -- it's good, and I'm glad she's doing it. On the other hand, you know, lighten up a little.



Q -- that burden, but at least in the books that get written, which I take for a grain of salt, but you often emerge as a fighter. One of the themes, one of the pictures of Hillary Clinton that comes out is a battler, a fighter. There will be a lot of talk, typically in the scene -- one side will be arguing one way, one will be arguing the other. Your husband will be judiciously listening to both and sort of enjoying the debate. And then you will enter, saying, okay, let's cut to the chase; this is what we got to do; we have to fight for it. I mean, that is a familiar scene in books that are written about the White House. How do you react to that?

MRS. CLINTON: Well, I think that that's true for a lot of women. I don't view that necessarily as just a personal trait that -- that at some point you sort of say, well, gee, what is it we're going to do now, that all of the talk has gone on and the debate's been held. And I do think that in my life I've tried to be an advocate on behalf of causes and people that I believe in. So that would -- that would be a fair thing to say about me.

Q And a last sort of characterization, the perfectionist.

MRS. CLINTON: I don't think I'm a perfectionist. I think I work very hard, but I don't believe in perfection, at least not in this life. I may appear to people to be someone who is willing to put in a lot of hours and to work on behalf of things that I care about, but I enjoy that. That's something that gives me pleasure, because it's like a simple thing -- like there's a story in this book about one of these children. And I'm now trying to do things on adoption and foster care. And there's a gathering I had before the holidays where I brought kids from all over the country who had been adopted. And unfortunately, we have the event on a day when the budget was blowing up or something was happening, so we didn't get a lot of attention here about this issue. But we did get attention out in the country because people came from all over and their local newspapers covered it. There's a little girl who read a poem, and over Christmas she got adopted. And, I mean, that's the kind of effort that I really think is worth making. And if it takes intensity to try to bring that to somebody's attention and to try to help solve a problem for somebody, I think that's worth doing.

Q Was this book a way -- obviously, the health care -- there's a rough year there -- health care went down, Foster died, family members -- I mean, just a tough year. Was this book a way to in part to come out of that and --

MRS. CLINTON: No. I didn't think about it that way, but it gave me a lot of time alone, as you have written a lot books, you know. And a lot of time when I would be



staring at the blank page trying to figure out how I was going to put into readable English what I was feeling. So I had a lot of time to think. And there's a chapter in there that -- and it came to me, I remembered my father talking about how are you going to shovel your way out of this. And I realized that 1993 was a personally very challenging and difficult year with my father and Vince and my mother-in-law. Just kind of moving to Washington, all the things you do to get settled in and doing it all on the world stage. And so I really did have to kind of sum it up a lot of my own resources and work through many of the feelings that I had, not only on my own behalf, but for my daughter, my husband and family members, and then friends and colleagues who were likewise suffering because of their own friendship with Vince, as one example.

And so I do think that it was a very helpful experience for me to really spend time alone, which I hadn't, because I'd been pretty much on the road traveling and doing official duties and the like. And just kind of take some time to reflect and to write about something that I've cared about a long time, which helped to sort of focus me.

Q Do you think of yourself as more of a pragmatist or an idealist?

MRS. CLINTON: Well, I've always thought about myself as a pragmatist, because I think a lot of what I believe we should do for one another is very practical. Some may claim it's idealistic, but I think in both medium- and long-term, it's the most practical kind of approach to living. I believe that it makes good sense if I'm trying to be very self-interested about the future my daughter has to try to make sure as many kids as possible have as good a shot as possible, because I don't want her living behind a brick wall with broken glass on top. I don't want her to be afraid to walk down a street or go to a city park with her kids when she gets older.

So I believe a lot of what I think of as pragmatic approaches to solving people's problems as ones that go beyond ideology or certainly politics. And I regret that our country has kind of gotten caught up in this label game that we've played for the last couple of years where if somebody presents an idea it's immediately labeled, and that means only one-half or one-third of the people will even listen to it, instead of trying to come together, find some common ground, build a village, to use my metaphor, with ideas in mind about what is in our best interest for everybody.

Now, there will always be people on the extremes who will not want to engage in that exercise. They have a world view that is not mainstream or centered about



nurturing the next generation or whatever. But I think those people are in the minority. And part of what I'm trying to do with this book, and then certainly with the talking about it that I'll be doing, is to summon people out of their preexisting stereotypes and labels so that we can begin to talk sensibly about what works and what doesn't work.

I view that as one of our real challenges right now in our country. And I really regret the polarization that has taken place because it has most dramatically affected young people. I was looking at some research that a political scientist has done showing that young people are by far, in her words, more misanthropic than people our age and older. They don't trust anybody. They don't -- they have more emotional stress in their lives.

And the explanations for that have to do with everything from the breakdown of the family and divorce, to the steady diet of what they see on television, to the way that they're treated by adults in their lives. And I just think we've got to take a step back here and say what are we creating? What are we doing to our children? And if we do that, then -- there aren't any simple answers. You can't say, oh, it's the government's fault. Or you can't say, oh, it's just these irresponsible parents living in the inner city. The responsibility is spread all the way across society.

But the good news is there are things we could do right now that are not big macro changes that could make a difference -- if we would start having that kind of conversation.

Q What should the government's role be in this stuff?

MRS. CLINTON: Well, I think that the government should be a partner to all the other institutions in society. The government should be a safety net of last resort for the vulnerable and the poor. The government should be actively engaged in research and development, of new ways of solving problems, whether they're medical problems of any others that we're confronting. The government should have an active posture with respect to asserting the common American interest, both here at home and abroad. It's the only institution that we have. And, my goodness, we've invested more than 200 years in our ideals and our values. And they should be articulated. And there should be a consensus that hopefully could be nonpartisan about what the United States stands for. There's much for government to do.

But there's also a lot for business to do. There's a lot for the media to do. Religious institutions,

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I think, could have a bigger social role -- civic groups. I mean, you could go down the list. So any time one talks about the government and the government's role, I want to marry that with everybody else's role, too, because it's too easy just to either blame the government and say we have to take our futures back into our own lives and we have to be compassionate and caring, and that's what we should do. And it's too easy to just say the government should do it. Neither of those is, to me, an adequate answer.

Q I think we're done, right? Well, peer into the silver ball and tell us whether we're going to get a budget deal. (Laughter.)

Q Are we on the record or off the record? (Laughter.)

MRS. CLINTON: I think we'll eventually get a budget deal. I think there's too much at stake not to.

Q As the noise level is getting higher again today -- I mean, my reporters were saying, oh -- the public, I'm not talking about the private, but the public noise -- the House is talking about going away for three weeks, yaddah, yaddah, yaddah, yaddah.

MRS. CLINTON: I hope we do. I think we need to.  
END



E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E

15-Jan-1996 08:59am

TO:           (See Below)

FROM:         Roger V. Salazar  
              Office of the Press Secretary

SUBJECT:     THIS WEEK W/ DAVID BRINKLEY 1-14-96

TRANSCRIPT  
THIS WEEK WITH DAVID BRINKLEY (ABC)

JANUARY 14, 1995

SPEAKERS LIST:   MICHAEL CHERTOFF, SENATE WHITEWATER  
                  COMMITTEE, MAJORITY COUNSEL  
                  RICHARD BEN-VENISTE, WHITEWATER COMMITTEE, MINORITY COUNSEL  
                  DAVID KENDALL, PRIVATE COUNSEL TO PRESIDENT CLINTON  
                  SAM DONALDSON, ABC NEWS  
                  GEORGE WILL, ABC NEWS  
                  COKIE ROBERTS, ABC NEWS  
                  BARBARA WALTERS, ABC NEWS

DONALDSON: The First Lady, Hillary Rodham Clinton, has just had a terrible week. A newspaper columnist called her a "congenital liar." A former associate disputed her version of how her old law firm got the Madison Guaranty business. Yet another memo came to light that contradicts her on not ordering the firings at the White House travel office. The New York State Attorney General said he's investigating a \$100,000 payment made to her by a state agency in 1992. Barbara Walters asked her if she wasn't becoming a political liability to her husband. And all the national polls showed public confidence in her plummeting.

Yes, for Mrs. Clinton it's been a terrible week. Can it get worse? We'll ask today's guests: Michael Chertoff, Chief Republican Counsel for the Senate Whitewater Committee, directing the staff investigation into Mrs. Clinton's involvement. Richard Ben-Veniste, Chief Democratic Counsel for the Committee, mounting a defense against many of the Republican charges. And David Kendall, personal lawyer for President and Mrs. Clinton, who is advising the Clinton's on how to respond to the Whitewater and travel office attacks.



And we'll be joined by Barbara Walters, who interviewed Mrs. Clinton last week, on our roundtable discussion, along with our regulars, George Will and Cokie Roberts. All here on our Sunday program.

(NEWSBREAK)

DONALDSON: Hillary Clinton, the First Lady, has found herself falling in the polls this weekend. The late Dr. Tom Dooley (ph) once said, "He who sticks his head above the crowd gets hit by rotten fruit." Well, Mrs. Clinton has certainly not been a shrinking violet since coming to Washington, and the rotten fruit has been mounting. But how much of it is deserved? Jackie Judd has the latest score card. Jackie.

(BEGIN VIDEOTAPE)

JUDD: Sam, it must have seemed like a good idea at the time -- candidate Clinton and Hillary Clinton as a package deal.

CLINTON: My slogan might well be "Buy one, get one free."

JUDD: Four years later the President is being asked if there has been a price to pay after all -- if the First Lady is a political liability.

CLINTON: Everybody in this country had the character that my wife has, we'd be a better place to live.

JUDD: In the face of mounting criticism from Republicans and polls showing people increasingly suspicious of Mrs. Clinton's honesty, the Administration stepped up the counterattacks.

The First Lady herself said yesterday that the Republican probe into Whitewater is an investigation in search of a scandal, it's part of someone else's political strategy. And in an interview with Barbara Walters, Mrs. Clinton also stood her ground. She said that recently disclosed billing records support her claim that she did little work for Madison Guaranty, the failed savings & loan owned by the Clintons' former business partner.

CLINTON (HILLARY): I'm glad the records were found. I wish they had been found a year or two ago, because they verify what I've been saying from the very beginning.

JUDD: A former colleague of Mrs. Clinton's who testified before the Senate Whitewater Committee did not contradict her.



(VIDEO TAPE)

JUDD: Richard Massey testified that when Madison tried to put together a stock offering, he did the work.

MASSEY: Mrs. Clinton had a role in that obviously she had a role in those matters. I view it as a supervisory role.

JUDD: But Massey did not know about another more controversial Madison project. A land deal bank regulators say was a sham -- the billing records show the First Lady involved in IDC; part of IDC was Castle Grande.

CLINTON (HILLARY): Castle Grande was a trailer park on a piece of property that was about 1,000 acres big. I never did work for Castle Grande, never at all.

JUDD: Republican investigators disagree. They also say that Mrs. Clinton was caught in a contradiction when Massey denied her assertion that he brought Madison into the Rose Law Firm.

CHERTOFF: You did not come to Mrs. Clinton with an engagement in hand, a contract in hand, to do the Madison work?

MASSEY: I don't recall that happening. No, sir.

JUDD: On the other matter dogging Mrs. Clinton, the Travel Office firings -- more memos emerged last week suggesting that she ordered the dismissals. The First Lady denies it.

CLINTON (HILLARY): I did not make the decisions. I did not direct anyone to make the decisions, but I have absolutely no doubt that I did express concern because I was concerned about any kind of financial mismanagement.

JUDD: The former head of the Travel Office, Billy Dale, was ultimately cleared of embezzlement but says he is now being victimized again by Clinton associates who are wrongly claiming that he was prepared to admit embezzlement in a plea bargain.

DALE: I think the decision that the best way for them to defend themselves now is to attack; and they are attacking me.

JUDD: This week, Mrs. Clinton will begin a nationwide book tour. It will be a critical time for her and for a White House now engaged in a re-election campaign because it might indicate whether Hillary Clinton can overcome all



of these doubts or be engulfed by them.

Sam?

(END VIDEOTAPE)

DONALDSON: Thanks Jackie. Coming next -- the two lawyers for the Senate Whitewater Committee: for the Democrats, Richard Ben-Veniste; and for the Republicans, Michael Chertoff in a moment.

(BREAK)

DONALDSON: Ben-Veniste in Washington and Michael Chertoff in New York -- Welcome, glad to see you.

BEN-VENISTE: Good morning.

CHERTOFF: Good morning.

DONALDSON: Here with me to join in the questioning are George Will and Cokie Roberts, both of ABC News.

Mr. Chertoff, your boss, Senator D'Amato said that you're going to have to subpoena, perhaps, documents from the White House that they still aren't turning over. What do you want and why can't you get it?

CHERTOFF: Well, among the things that we're trying to get, which are very important, are the electronic mail messages within the White House in which people are discussing issues about Madison, Whitewater, the Rose Law Firm. These are the kinds of messages that we used and we found very, very instructive back during the summer when we looked at the issue of the removal of documents from Vince Foster's office.

DONALDSON: Well, is there something you really think is there that you know is there, or is this what is known as a fishing expedition?

CHERTOFF: You know, Sam, as you know from your investigations as a reporter as I know from my past life as a prosecutor, you can't know what's in the documents until you get them. But I can tell you that based on our past experience, going back to the investigation of Roger Altman at the Treasury Department two years ago, these kinds of electronic mail messages often contain uncensored, very candid observations about events which are critical to the investigation. We are not going to know until we actually get hold of them.

DONALDSON: Mr. Ben-Veniste, do you support the idea of wanting this e-mail and, if so, why hasn't the White House turned it over voluntarily?



BEN-VENISTE: Well, as I understand it Sam, the reason is that during the Bush administration there was a procedure instituted that made it very difficult to bring up this e-mail, and that it would be extremely costly. There's been a series of correspondence between the committee and the White House about that. But to answer your other question, I think the answer is clear. Yes, this is fishing and we are not fishing with hooks here, you are fishing with dynamite.

WILL: Mr. Ben-Veniste, you had experience during the Watergate crisis in this town and you saw then how damaging it was for a White House to appear to be grudging and reluctant and lawyerly in its responses to essentially a political challenge.

Let me ask you a question about the arguments we're now having. It seems to be we're arguing now about adjectives and carefully selected verbs. Mrs. Clinton says I didn't ''directly'' order the White House, or have any ''direct'' involvement in the firing in the travel offices, or I did not do ''significant'' work on this or that. Isn't this the kind of lawyerly, carefully selected language that raises suspicions?

BEN-VENISTE: Well, I have to disagree with your premise, George. In Watergate, there wasn't a political reluctance. What there was was a cover-up that violated a plethora of federal laws. You had hush money being paid, promises of executive clemency, pardons for the Watergate burglars, and so forth and so on.

WILL: I understand, but the question is, is it not ...

BEN-VENISTE: It's no comparison to Watergate.

WILL: Well, the comparison is in the fact that we do seem to be arguing about some fine distinctions maintained by very carefully chosen language, and that's what makes people think there's a cover-up here.

BEN-VENISTE: Well, look, let's go to specifics, George. This week we had a witness, Mr. Massey, who came in and testified finally, after a week of television talk show accusations, who cleared up the fact that there was no difference between his recollection, essentially, and Mrs. Clinton's, that indeed he did all the work in connection with the securities matter that was brought in.

He pitched the client. The client was brought into the firm. Mrs. Clinton did a minimal amount of work -- 60 hours in total for the whole client over a 15 month period. So I think the quibbling is one of political



quibbling in a matter that has very little importance underlying the quibbling.

WILL: Mr. Chertoff, would you accept the fact that this is a quibble?

CHERTOFF: No, I ...

WILL: Go ahead.

CHERTOFF: In fact, I think this a very important point because you've got to grasp what the essence of this issue is about. This whole question about Mrs. Clinton's work on this matter arises because Jim McDougal, the head of this crooked savings & loan, said -- and publicly -- that he turned over work to the Clintons as a favor to the Governor, because the Governor said, 'we need some money, get us some work at the firm.'

Mrs. Clinton's position was, I'm totally disengaged; I haven't been involved in bringing the work in, I was merely a backstop, I wasn't involved -- and these are her words -- in the day-to-day work.

What do we find when we look at the evidence? We find Mr. Massey says, as the lead-in piece to the show illustrates, that he did not bring to Mrs. Clinton an engagement or a contract to do the work. He had no idea how the work came in. All he knew is he had once suggested he'd like to do some work -- weeks or months later he was called upon to do it.

More important, you look at the records. Mrs. Clinton was on the telephone on this stock deal -- and, perhaps, more important, on some other transactions -- for hour after hour. She picked up the phone and called the top regulator of S&Ls in Arkansas to have a conversation.

When she's asked publicly in the last couple of days what was the conversation about, she says, 'Well, you know I wasn't quite sure who at the agency was going to handle the matter. I wanted to find out.'

Her position is she picked up the phone to call the top regulator in order to find out who to send letters to. What we learned from Mr. Massey, however, was that Mr. Massey already knew who at the agency was working on the matter. So again, we come back to Sam's point at the very beginning: Did Mrs. Clinton pick up the phone and talk to Beverly Bassett, the top regulator, in order to express her concern in the same way that we see there was an expression of concern about the Travel Office firings...

BEN-VENISTE: Can we say that something bad happened?



ROBERTS: Mr. Ben-Veniste? But what about that Mr. Ben-Veniste, though, because that regulator was, in fact, appointed by her husband. Now, do you see any problem with a lawyer whose husband appoints a regulator calling that regulator on behalf of a client?

BEN-VENISTE: Here's what happens, Cokie, when we talk about the significance in relative terms of all of this. Ms. Bassett has testified and Mr. Massey has testified that the proposal, which was to raise funds for this ailing savings and loan was quite appropriate, that nobody did anything wrong in connection with that representation.

It happened 11 years ago. You saw a picture of Mr. Massey, he was a young, beginning attorney at that time. Now, he's probably a senior partner in the Securities Department at that firm.

CHERTOFF: That's interesting...

BEN-VENISTE: It happened 11 years ago. What is the possible and serious importance of all this.

ROBERTS: But you still haven't answered my question, which is: Do you think it's proper for a lawyer representing a client to call a regulator appointed by her husband?

BEN-VENISTE: Well, it depends on what the call is, I suppose. And we have had Ms. Beverly Bassett's recollection on that. She said it was completely innocuous. In fact, if there was some collusion that Ms. Beverly Bassett Schaffer was involved with, then why would she be the one who asked to close down the Madison bank two years before the federal regulators would agree to do so. An under those circumstances, much the great proportion of the funds that were lost as a result were in the two year delay.

BEN-VENISTE: So, I don't see any favoritism that was shown, and I think this is an issue that would never have such national importance if not for this game of 'gotcha' with the First Lady.

CHERTOFF: I don't think Richard's quite right. I don't think actually -- I think it was a different regulator who had been in place two years before. But I think the question you raised is part of the nub of the issue because really at bottom what we're looking at when we talk about Whitewater and Madison is: What did the Clintons get from Jim McDougal, and what did Jim McDougal expect in return? Did Jim McDougal give the Clintons what we've now learned from the notes that we obtained pursuant



to subpoena was a no-cash, 100 percent leverage transaction in Whitewater simply out of the goodness of his heart, or was he looking to purchase some kind of influential favor...?

ROBERTS: Well, of course what they say they got from Jim McDougal was a bad deal where they lost money.

CHERTOFF: Well, they did in the end. But I will tell you, if you look at the notes that we had to fight on the floor of the Senate for, you will see, and towards the end of the notes is a very interesting, provocative comment when they talk about the beginning of this Whitewater deal. It was to be no cash, 100 percent leverage.

ROBERTS: Mr. Chertoff, you talked about the one area where Mr. Massey confirmed what you were after, but there was another where did not; where he essentially said that Mrs. Clinton was right, that he did all of the work for Madison. Did he not deliver in the way you had expected him to?

CHERTOFF: Actually, Cokie, again that's not quite right. What he said was that she did significant work. That's a quote in answer to a question from Senator Shelby. And when you look at the records, what you see is that in the period of time running up to the submission of the original proposal, he worked about 11 hours and Mrs. Clinton worked about seven hours.

But again, more important, what's the kind of work? We're not concerned here about whether Mrs. Clinton was in the library hitting the books. We're concerned about the telephone conversations, because we all know that when you're talking about a partner, and particularly when you're talking about the kind of service that Jim McDougal was hoping for, he's not interested in legal research -- he's interested in access.

BEN-VENISTE: But it should be pointed out that there was no impropriety. The government has spent over \$4 million securing a report from an impartial law firm -- indeed, headed up by a former Republican U.S. Attorney, Jay Stephens -- and the conclusion is that the Clintons did nothing wrong. The conclusion of this report is that there was no impropriety, that the ...

DONALDSON: Well, Mr. Ben-Veniste, let me just break in there, because you're coming down to a question I think everyone wants to hear the answer to. What's really at stake here for the Clintons, aside from the politics of it -- whether it going to cost him votes or not this November? Now, is there anything so far that suggests to either one of you that either of the Clintons is going to be indicted



and charged with a criminal offense?

BEN-VENISTE: Well, there you have it, Sam. If I may have a word here. We've had seven months of investigations, weeks and weeks and weeks of hearings. There has been no showing of any impropriety, much less illegality. And so the American people should be reassured by that.

Now we're in this game of gotcha, where we have these stupefying details: did Mrs. Clinton spend two-tenths of an hour one day on this matter, or three-tenths of an hour the other day? And that all has to be looked at in the greater scheme of things.

DONALDSON: OK. Mr. Chertoff, what's your answer?

CHERTOFF: Let me get to the facts on this. And, of course, I begin by saying that's it's going to be a prosecutor and a jury that has to decide about whether people get convicted of crimes.

But we have a different job. Our job is to get at the truth. And let me review where we've been the last couple of years. We've discovered in 1994 that the Deputy Treasury Secretary lied to Congress ...

DONALDSON: Mr. Chertoff, would you just do it quickly, because if you go over the last two years of all the charges we'll be here all day.

BEN-VENISTE: We're into reruns now with the travel office and things happened two years ago, Sam.

CHERTOFF: Sam, that's part of the point. The part of the point is there's been so much we've covered -- interference with the investigation, false statements to Congress, a bitterly critical on the White House mishandling of the Foster documents.

And most important, we see that some of the most critical evidence has been hidden in a closet in the White House for two years, although they've been under subpoena, although we've raised a hue and cry.

And let me say something. You know when those documents were discovered.

BEN-VENISTE: Let you say something?

DONALDSON: Mr. Chertoff, I'm going to give George Will one quick question, but we really have to get into this..

WILL: A very quick question. You just used the word "hidden." That's obstruction and that's a crime. Are you saying that they deliberately knew where the documents



were and kept them?

CHERTOFF: I'm saying the documents were in a closet. They were in the residence. Exactly how they were discovered and why they were not discovered when the White House was under court orders to look for those documents ...

DONALDSON: All right.

CHERTOFF: ...in two years there's going to be a very important question for us and a very important question for other people who are looking at this matter.

DONALDSON: Thank you very much, Michael Chertoff and Richard Ben-Veniste. I wish we had more time, but we don't.

Coming next, the President's attorney for Whitewater and the travel office firings, David Kendall. In a moment.

(BREAK)

DONALDSON: Mr. Kendall, good to see you.

KENDALL: Good morning, Sam.

DONALDSON: Do you feel beleaguered on behalf of your clients?

KENDALL: I really don't, Sam. I think the facts are getting out and we've got more dry holes. I sometimes think that we have enough dry holes to build a championship golf course somewhere.

DONALDSON: Well, both Mrs. Clinton and the President ducked the question this past week as to whether she would testify if subpoenaed before the committee. And I want to ask you a two-part question. One, will she testify if subpoenaed? And second, might she decide to go up voluntarily and ask to tell her side of the story?

KENDALL: Sam, I don't know the answer to either of those questions. We've tried to provide information in all appropriate ways. We're going to continue to do that. She has not been subpoenaed. There would be questions of precedence and other things. But I think if it were an appropriate step in bringing to a close this investigation, that would have to be considered.

DONALDSON: Well, you're an experienced lawyer. You've dealt with a lot of clients. Maybe none as famous as this, but a lot of clients. What would be your advice from the standpoint of people who say, why don't you go



up, you know, go into the lion's den, face him down, tell the story, and be a heroine?

KENDALL: Well, my advice is to get the facts out, and that's what we've been trying to do. Mrs. Clinton has answered numerous questions in numerous different forums ...

DONALDSON: But not under that forum, Mr. Kendall.

KENDALL: Well, she has testified three times to the Independent Counsel, she's testified to the FDIC, given long interrogatory answers to the RTC. She is trying to provide information, and we'll continue to do so.

WILL: Before coming to the question I want to ask, explain something about Sam's question. Sam said, 'if she's subpoenaed, will she?' Will she have a choice if she's subpoenaed?

KENDALL: Well, the question would be: Is the subpoena enforceable? She will try and provide information, again, in whatever ways are appropriate.

WILL: Why wouldn't it be enforceable?

KENDALL: Well, it's not clear. This is a question involving the legislative branch and the executive branch.

WILL: Is she in the executive branch?

KENDALL: She has certain -- she's discharged certain duties, and I think she is married to the President, so she is very much the First Lady of the United States.

WILL: Be an interesting argument.

In the preceding segment, Mr. Chertoff of the Committee used the verb 'hidden.' He said the document had been hidden. Why did the documents under subpoena for so long suddenly now get discovered? Just sheer -- sort of, big closets?

KENDALL: Well, I don't know. I don't know anything about the closet. I don't think that's accurate. We're trying to understand that. Mrs. Huber, who discovered the documents, will be testifying in the very near future.

I think the important thing is that the documents were discovered. I wish they could have been out earlier because they're really quite helpful.

I don't think people understand that the document production has really involved land records which go back



almost 20 years and legal work that goes back 10 or 11 years. We've produced, really, over 50,000 documents and continue to try and be responsive.

WILL: But the travel office argument goes back just a few years and the documents just keep on coming on that. There was another one this week that Nightline came up with on this network, someone else saying, in effect, Mrs. Clinton was directly involved in the firing of these people.

Now, Mrs. Clinton was directly involved in firing the usher in the White House, the chefs in the White House. What is it, in your judgement, that makes them so eager for her not to be seen doing what so many of her underlings say she was doing?

KENDALL: George, again, these documents are third- and fourth- hand, hearsay often. She was concerned about mismanagement in travel office. A lot of people were concerned.

I think you have to step back and look at it from the perspective of 1993. This was not a Clinton operation. It was discovered that there was active financial mismanagement, maybe misconduct. An accounting firm came in and verified that.

Now, steps were taken to rectify that. Today, it's a smooth- running operation. She was concerned, as were many others, about a scandal under their roof. And that's really the basis of the whole travel office controversy. I think that often gets lost, though, in the shouting.

BRINKLEY: Cokie?

ROBERTS: Scandal is something of a strong word here. The mismanagement was documented to be something not terribly scandalous, and the question that keeps coming up is this: As we gave each one of these documents that says the First Lady wanted these people gone -- George's question I come back to -- what's the problem with that? Why can't she just say, "yes, I wanted them gone," instead of this, you know, what appears to be covering up and contradicting and all that?

KENDALL: Cokie, it depends upon what the facts were. She did not give any direction that they be fired. She wanted the problem addressed. So, it's really a question of being accurate. She was concerned about financial mismanagement, and I think that the testimony that has emerged indicates there was a scandal there. There were off-book accounts, monies kept at home, the kinds of things that would rebound against the Clintons very much unless that were fixed.



It was fixed. She wanted it fixed, but she didn't want necessarily want people fired. I don't think she knew enough about the situation to know what steps should be taken.

ROBERTS: Well, now we're going to have Mr. Watkins come before committee next week. He's been subpoenaed to appear. We've seen various of his memos now, not just the original one we saw, his statement to the FBI. He will be contradicting her, presumably, if he stays with what he says in his memos, under oath to a congressional committee. What does that do to the First Lady?

KENDALL: Well, I don't think the contradictions are major. He agrees that there was situation there that needed to be dealt with. She had expressed herself very strongly. I frankly don't think there is a great deal of contradiction between their accounts.

Very often, you hear that there are these major inconsistencies between what she has said at one time and what she said at another. But once you get to the facts, you find that not to be the case. There are a lot of accusations that have been made that simply have not panned out. But we'll keep trying to deal with them.

ROBERTS: The documents that have come forward this week that everyone's been talking about in the Senate committee are documents that show how various lawyers at the Rose Law Firm assigned bills to their clients over a period of time. Those documents were missing from the law firm, and apparently were in the Clinton's campaign headquarters. Now why would that be the case? Why that a law firm have its billing records taken away from it to a campaign?

KENDALL: These were copies, Cokie, they weren't the originals. And the reason was ...

ROBERTS: Well, where were the originals? Why aren't the originals at the law firm?

KENDALL: Well, I can't, that's a question for the law firm. I don't really know. The copies have been discovered. The campaign really had to answer questions, the same kinds of questions that are being phrased now four years later about this very small representation of Madison Guaranty back in the mid-80s.

DONALDSON: Mr. Kendall, William Safire in his famous column of Monday, which drew the President's ire because he called the First Lady a "congenital liar," also had something else in that column.



DONALDSON: At the last line, I believe, he suggested that the Clintons hire defense attorneys, criminal defense attorneys.

Is that just so much bombast or do you think they're at the point where they really need that, and is that what you do?

KENDALL: Well, that is what I do. I think it is bombast. My favorite line about that was Ann Lewis' (ph) who said that one of Nixon's henchman and apologists was criticizing her, Mrs. Clinton, for cover-up, that probably what would happen next is that Kato Kaelin would criticize her hairdo.

They are being represented through all of these investigations, and I think they are being cooperative and responsive, really, in ways that are unprecedented.

DONALDSON: Well, do you think there is any chance that this will lead to some sort of grand jury indictment?

KENDALL: No.

DONALDSON: Or an attempt to indict?

KENDALL: No, I don't.

DONALDSON: Well, then what do you think is going on here?

KENDALL: Well, I think an investigation is going on in a great many different areas and we're cooperating fully.

DONALDSON: Is it politics then? It's just the Republicans beating up on the democratic President and his wife?

KENDALL: Sam, I'm a lawyer, I'm not a politician. I'll let others answer that question. All I can tell you is that you sometimes get tennis neck from following the charges and really the hit and run sound bytes.

DONALDSON: Final question: Are you ever going to get your bill paid? The Clintons, apparently, are broke. Are you doing this pro bono.

KENDALL: I'm confident that the bill will be paid. They have directed us to take all possible steps to cooperate.

DONALDSON: Are you charging usual Williams and Connolly rates?

KENDALL: I am. I am because to do anything else would



be improper; but we've spent hours in dusty warehouses reviewing documents.

DONALDSON: It'll be a big bill then, Mr. Kendall.

(LAUGHTER)

KENDALL: It will be what it is, but I'm confident that the legal defense fund is going to respond to it.

DONALDSON: Thank you very much, David Kendall, for being with us.

Next, our discussion here and joining us will be Barbara Walters of ABC News who last week conducted the first television interview with Mrs. Clinton since the recent Whitewater and Travel Office controversies, in a moment.

(BREAK)

DONALDSON: Barbara, welcome.

WALTERS: Thank you.

DONALDSON: We don't see enough of you here.

WALTERS: I think people have seen enough of me this week.

DONALDSON: Well, I don't know. Everybody probably watched your interview with Mrs. Clinton. We heard her answers and your questions, but what was her demeanor around the interview? Do you think she's worried?

WALTERS: You know, at the opening of the program, you said this has been a very bad week for Mrs. Clinton. I think it's been a pretty good week for Mrs. Clinton.

I think that ...

DONALDSON: So it makes a horse race.

WALTERS: Well, OK. I think that a lot of people, even listening to the program so much today, keep saying "what's the crime? What did she do wrong?" It's a little bit like the budget. Mr. Clinton's protecting us and everybody's against him. I think it's beginning to be the feeling of she's being harassed too much.

She seemed calm. She wanted to answer the question. She wanted to give us as much time as possible. Her press people wanted to make it shorter. She was fully prepared to answer all of the questions.



DONALDSON: Well now, when you originally ...

WALTERS: So, I think it ended up pretty good for her this week.

DONALDSON: When you arranged the interview, it was to promote her book. All this hadn't come up.

WALTERS: Yes. I mean, it was about her book and we had any other questions we could want to ask, you know, on other subjects, including some of this.

DONALDSON: Well, I'm surprised, frankly, that she didn't cancel.

WALTERS: We almost expected her to cancel. But ...

ROBERTS: But I'm not surprised she didn't cancel, because she's very good at this...

WALTERS: She obviously wanted to answer these questions. If she had it would have been such a big deal, Cokie.

ROBERTS: The truth is is that she's -- that having this opportunity to get out and defend herself in a forum that is, you know, television interviews, a lot of them will be morning television talk programs, where she will be able to say things and sound strong and people will, I think, start to have this reaction of she's being beaten up.

At the moment, however, that is not the reaction. As you said earlier, Sam, the polls ...

WALTERS: Not earlier in the week.

ROBERTS: The polls have turned against her. People are saying that she is not telling the truth in the polls. Some, half of the people think she's done something illegal, although they have no idea what that might be. So that it has not been, it has been a shift in public opinion.

WALTERS: This certainly isn't something she wanted. I mean, she didn't say, "Isn't this great for my book?"

(LAUGHTER)

DONALDSON: George, weigh in here. Was this a good or a bad week for Mrs. Clinton? Does it matter?

WILL: Well, it matters a little bit. It wasn't a good week.

I mean, all things considered, you'd prefer to talk about



your book, or something.

WALTERS: Sure.

WILL: But the impression I got from Mr. Chertoff earlier in our show was they think there's something out there that's serious and wrong.

WALTERS: Or they hope so.

DONALDSON: But they don't know what it is ...?

WALTERS: Or they hope so.

WILL: Or they hope so. But they think -- we'll find out about that, and Ken Starr, the special prosecutors looking into it and all the rest.

What seems to me clear is what's been accomplished by all this is the demoralization of Hillary Clinton. De-moralization.

In 1992, under (OFF-MIKE), she was part of those who were our moral auditors who said that people behave badly in the 1980s; decade of greed and particularly with regard to the scandals involved in the savings and loan association.

I think we'll be spared that in the future.

WALTERS: You know, there's one thing I just want to add to what George said earlier, when you were talking about this, which one of you said, which is, what is the difference between saying "I am very upset with what's going on in the travel office, and I want something done about it" --in which case, all the aides, including Mr. Watkins jump and do something about it -- and actually saying "do it?" And there's a very fine line.

I think a lot of this has to do with what kind of a First Lady do we want. We have not had a First Lady like this before, although we've had first ladies like ...

WILL: Well, that's not her view, of course. Her view as expressed to you that she's in the grand tradition of Mrs. Taft and Mrs. Roosevelt

DONALDSON: And the President said Mrs. Roosevelt.

WALTERS: She didn't say, excuse me, she didn't say that to me. But this is the first first lady we've had who has a paper trail, who had a very strong career, who is a very strong first lady.

BRINKLEY: OK, Barbara (ph), we're going to stick with the question (OFF-MIKE) ...

ROBERTS: But she is -- but I'll agree that she's in a grand tradition.



BRINKLEY: Go ahead.

ROBERTS: That she is in a grand tradition. That we have this -- we put this filming gauze over our first ladies and say they were all sitting around pouring tea, which is just a total ignorance of history. First ladies have been controversial since Martha Washington, who lobbied on the most controversial piece of legislation before the first Congress -- other than pay -- which was pension for the Revolutionary War veterans, who she suffered with at Valley Forge.

WALTERS: Mrs. Reagan is a woman where the President's whole agenda was done according to her astrology.

DONALDSON: You guys are arguing the way it should be or the way it has been...

WALTERS: All I'm saying is...

DONALDSON: I want to argue the future.

WALTERS: Could I just say -- Let me just finish my though on this which is...

DONALDSON: Do I have a choice?

WALTERS: I don't think so.

(LAUGHTER)

WALTERS: It's a different kind of first lady, we're going to have different kinds of first ladies. If Elizabeth Dole becomes the First Lady, this woman who has run one of the largest charitable organizations in the world, you're not going to have a passive first lady. And I am not certain, yet, that people are ready for a first lady who gives...

DONALDSON: Well, that's it. You asked, and then I'm going to ask you a question -- put it in here. You asked...

WILL: But...

DONALDSON: No, no, George, please. I can handle you without getting whipped by the audience.

(LAUGHTER)

You asked a very key question. To those of us who follow politics, it was a most important question: Are you becoming a political liability to your husband?



What's your answer, Barbara?

WALTERS: Too soon to know. And do we vote for a man because of his wife?

ROBERTS: And the answer to that question historically has been, no.

WALTERS: No.

ROBERTS: We get one or two percentage. Now, if you had an election that is one or two percentage points apart, maybe it does make a difference. But Barbara Bush's great positives did not save George Bush, and Hillary Clinton's negatives with some people in the population are probably not going to kill Bill Clinton. And she still does very well with working women.

DONALDSON: George?

WILL: Well, what? What's the question there?

DONALDSON: Well, you had a question. I cut you off.

WILL: Hillary Clinton is not going to be -- I've never met an American voter who voted the way he or she voted because of the vice presidential nominee let alone the helpmate of the first figure.

DONALDSON: OK. Enough about Mrs. Clinton, let's go...

WALTERS: I'm sure she'll be delighted, if she's listening, to hear that.

DONALDSON: Well, let's go to her husband, President Clinton, who has just returned from Bosnia. From the time he took off in Nashville until the time he returned to Andrews Air Force Base -- 31 hours and 35 minutes, four countries. Just historically, I would remind you that it took Charles Lindbergh 33.5 hours to fly the Atlantic. That's quite a trip. Now, was this just politics?

ROBERTS: I'm still working out the math. I mean, I'm sorry...

(LAUGHTER)

DONALDSON: Well, "Lucky Lindy" took longer to fly the Atlantic than Bill Clinton, the President of the United States, to hit four countries and be back in his bed.



ROBERTS: Well, that's jet propulsion for you.

DONALDSON: Well, why did he do it?

ROBERTS: He did it because it was smart thing to do. He went there. He looked like the Commander in Chief. The troops rallied around him. He showed the troops saying that they thought the mission was a good mission, which is something that the people of the country have not been saying. And he was away from all the squabbling in Washington and the problems at home.

WALTERS: And this is a very different looking Bill Clinton than the man who the military had scorned three years ago. Now, if Bosnia is a success and there are the pictures of him with the troops, he has shown determination; he has shown a positive point of view; and they were great pictures.

DONALDSON: Why is it different looking? Because of the flak jacket on and he still had his...

WALTERS: Well because three years ago they were saying this is a man who dodged the draft. How dare he send men into war or any kind of peace settlement? Now, he is accepted as the Commander in Chief, period.

(LAUGHTER)

DONALDSON: No George.

(LAUGHTER)

DONALDSON: I hear a question from you.

WILL: Well, a famous woman once said, "I accept the universe," and someone else said, "You damn well better."

Of course he's accepted as the Commander in Chief.

WALTERS: Well, not just accepted, he's not being criticized the way he was three years ago.

ROBERTS: Oh, I think he's still getting pretty much criticism.

WILL: Well, I'm not convinced that...

WALTERS: OK.

DONALDSON: Stand by, Barbara. George?

WILL: Well, I'm not convinced that there aren't corners at the barracks somewhere where there is still



residue of criticism. But the questions -- He's Commander in Chief. The troops are away. It's winter, and you go and raise the morale. It's a good thing to do.

ROBERTS: I think, though, that he has -- again, it was a good thing to get out of town. We've talked a lot about Mrs. Clinton's problems. The President had another legal problem this week, which was that Paula Jones' -- the woman who accuses him of sexual harassments -- suit against him went another step in the courts ...

WALTERS: Yeah, but Cokie, he didn't decide to go just -- I mean he didn't decide this week (OFF-MIKE).

ROBERTS: No, no. I'm not saying that. But it helped. It helped to be away while this was going on.

WALTERS: Like chicken soup, couldn't hurt, right?

DONALDSON: Well, I guess I come down, and it's kind of half and half, but the bigger half is the politics of it. He has campaign film now which we will see over and over again, as you suggest. It tries to portray him in the light that he wants to be portrayed in. The 31 hours to go over there for four countries, in my view, did not buck up the troops that much.

But we're going to continue this. We'll talk about the Republicans for a change. You get yours next. We'll be back in just a moment.

(BREAK)

DONALDSON: We're back with our discussion. And this week the budget talks broke up yet once again, and Speaker Gingrich, Republican leader of the House, who's been optimistic in public about reaching a deal, Cokie, turned pessimistic and said, well, this may go on till the election. Do you think he means it?

ROBERTS: I think that the President finally managed to do something that's put the Republicans in a box, which is that he finally came up with a seven-year balanced budget that has been scored by the Republicans' own economist. And the President now waves around his letter that says, you know, see, see, I'm legit.

And that is what people have been saying they want. They want a balanced budget. And then they said they wanted it in seven years, when that became the argument.

But nobody has said, we want a balanced budget that changes the structure of government, with the exception of some core Republican voters, but not the majority of



Americans have said that. And now Republicans are in an argument about priorities, and that's much tougher ground for them politically.

DONALDSON: George, does this go on till election day?

WILL: I would assume so, because it started in 1789. This is an argument about how much government we want and how much we're willing to pay for it.

ROBERTS: Right.

WILL: The great continuity of American arguments is exemplified right here. And I do think it will go on for the rest of this decade and it will be determined not by whether or not the President agrees to this in this month or that month, it depends on who controls Congress for the rest of the decade. And it depends on the fact whether the 1996 election produces the final vote needed for a Constitutional amendment to balance the budget. That will change the fiscal regime of the country.

DONALDSON: Bob Dole needs one more vote in the Senate.

WILL: And he will get it.

DONALDSON: Barbara, do you think it matters to the people in the country here?

WALTERS: I think that, you know, in Washington you understand every nuance. I think when you get outside I don't think people really think seven years, six years, eight years. I think what the President has now shown -- and it goes back a little bit to those pictures in Bosnia -- I care. I care about you. I'm not going to let people cut your health care. I'm not going to let people leave you out in the cold. That's the impression that's being given.

And by the way -- not to bring Mrs. Clinton in again -- however, in this book that she has written, she is for -- I want to assume she talks with her husband -- federally funded day care centers, or some funded, maybe not necessarily federal. She wants health insurance, universal health insurance, Medicare, for children. She wants the Head Start program to continue.

These are subjects that supposedly the Republicans were pushing away. This, the President and the First Lady are saying, we want this to continue. And right now people seem to want (OFF-MIKE).

WILL: This is a headline. You have made news: Clintons reveal themselves to be liberals.



DONALDSON: But, Barbara, so many of those subjects won't get funded this year if we don't have a budget deal, if we just have a continuing resolution at less than a hundred percent of what we have at the moment.

WALTERS: But it looks like he cares.

DONALDSON: Well, it looks like he cares.

WALTERS: If you talk about the overall pressure ...

WILL: After, Barbara, after 12 years of Reaganite-Bush terror, the President of the United States, first Democrat in 12 years, has agreed to, to use your phrase, cut Medicare \$100 billion.

ROBERTS: Yes, I mean, the Republicans have basically won this argument. And now you're arguing inside Republican parameters. But that is the big battle has been won by the Republicans.

DONALDSON: But Cokie ...

WALTERS: But they come off ...

ROBERTS: The question is, the wars inside the battle.

DONALDSON: Cokie, let me ask you about the President's news conference proposal that we go ahead and get a balanced budget deal now, and put off until after the election these structural changes in Medicaid and Medicare. Will that fly?

ROBERTS: I think that some kind of deal, and we'll see how it gets defined, will eventually happen because of Wall Street. Every time it looks like the deal's off, Wall Street gets awfully fluttery. The market drops, and if anybody ever gets up and stands up and says "it is off for good," you're going to see something like October of 1987, where the market drops precipitously.

WALTERS: Cokie, could I just ask, even though the Republicans have won, is it not the feeling that they have been too strident, and that it looks as if the President has won?

ROBERTS: That's certainly, but the polls have shown ...

WALTERS: The reality is the Republicans have won, (OFF-MIKE) ...

ROBERTS: No. And look, my view is that the reaction



to that is going to be that people will continue to have Republicans in Congress to keep the breaks on, and probably a Democrat in the White House to make sure that they don't do too much. And that that's what people like here.

DONALDSON: Now let's talk about the Republicans, who would like to be in the White House, rather than the Democrats. Let's talk about Steve Forbes. I mean, he started in, this multi-millionaire publisher and threw a lot of money, and everyone laughed and said isn't he silly.

And now, suddenly, he is the man who is really charging against Bob Dole, the front-runner. And people are not saying isn't he silly, they're now calling him names, which means he's arrived. What do you make of this?

ROBERTS: He spent a lot of money. That's what we make of it. He ...

DONALDSON: Is that all that's there?

ROBERTS: It's mostly what's there. He has a flat-tax message, which people like, although in the debate yesterday, fellow millionaire Morry Taylor started talking about how much he personally would make, or save by a flat tax, which gave you some sense of what Steve Forbes would make. But ...

DONALDSON: The Iowa debate.

WILL: But as Forbes said, he has already spent 200 times what he would get from a flat tax to advertise the idea, which suggests there is a public-spirited motive here. The problem he poses for Phil Gramm and Lamar Alexander and the others is that the first step, if you're going to catch Bob Dole is to get to be second, and he now stands in the way of their achievement of becoming second.

But it seems to me he's an entirely - Forbes is an entirely wholesome addition to this campaign. He's raised some ideas. You know, he has a lot of money. The Ford Motor Company had a lot more money when it came out to try and merchandise the Edsel. People took a look at the Edsel and didn't like it. He's campaigning on the flat tax, and -- as everyone in this town wants to ignore -- he more than any other candidate is stressing term limits, the most popular political idea in America. No wonder he's prospering.

DONALDSON: Well, we've invited to come on our show next week. We don't know whether he'll accept it or not. Barbara, you know Steve Forbes.



WALTERS: Well, I just want to say one little addition to George and Cokie. I asked a ``Democrat insider,`` which is the candidate that President Clinton worries about the most? And the answer was: President Clinton. He's not worried about any of these candidates, really, at this point, although Lamar Alexander might be the one, if he caught on, that he might worry about.

He's worried about Bosnia. He's worried about the budget. He's worried about his own possible mistakes.

WILL: Too busy to think about politics ...?

WALTERS: The biggest rival to Clinton is Clinton ...

ROBERTS: No, worried -- knowing that he's his own worst enemy. I think that's what we're talking about ...

WALTERS: Too worried that something could happen that would backfire.

DONALDSON: But my question to you, Ms. Walters, which I will not allow you to duck is -- you know Steve Forbes.

WALTERS: Yes, yes.

DONALDSON: What kind of a president do you think he'd make?

WALTERS: Let me tell you what kind of a person he is more, because we'll truthfully know what kind of president someone's going to make until he gets in there. He is very unassuming. He was left 51 percent of the magazine by his father, because he is the eldest son. Primogenitor.

ROBERTS: Primogenitor.

(LAUGHTER)

WALTERS: That's right. That's right. Look for changes in the estate tax.

(LAUGHTER)

DONALDSON: We were moved by divine right, (OFF-MIKE).

WALTERS: So he -- and there were three other sons. It's a very close-knit family. He has a large family of daughters himself.

He is quite, unassuming, shy, and probably of all the Forbes brothers, the last one I would have thought would have run.

ROBERTS: And he's rich.

WALTERS: That you all know. And nice. He's a very



pleasant fellow.

DONALDSON: We've come to the end and I've saved this question. I'm going to come back to the very beginning, your discussion of Mrs. Clinton and your interview.

WALTERS: Oops.

DONALDSON: Barbara, we noticed that she wore pants and you didn't.

WALTERS: I did not wear pants because I was the interviewer and wearing a skirt showed, I think, respect. She is allowed to wear pants because she is the First Lady. I thought she looked just fine, and, as I have said, this is a different kind of First Lady. Most women in this country today wear pants.

DONALDSON: Thank you very much.

WALTERS: To work, to (OFF-MIKE).

ROBERTS: Some of us never do.

WALTERS: Well, many -- most do.

DONALDSON: And some of us always do. And on that note, thank you very much and I've enjoyed. And Barbara, come back, come back. Good to see you. I'll be back in just a moment.

(BREAK)

DONALDSON: Our leader David Brinkley is recuperating from his recent operation in Florida. No fool he, given all this snow up here. And he tells us this morning he's feeling much better. Feeling so good that he plans to be back in this chair next week, to which we all say hurray.

This evening join Carol Simpson for the latest development in the news on WorldNews Sunday. Until next week, this is Sam Donaldson saying good-bye from all of us at THIS WEEK WITH DAVID BRINKLEY.

END

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THE WHITE HOUSE  
Office of the Press Secretary

For Internal Use Only

Monday, January 15, 1996

INTERVIEW OF THE FIRST LADY  
CONDUCTED BY DIANE REHM  
THE DIANE REHM SHOW  
WAMU RADIO  
WASHINGTON, D.C.

Q From WAMU in Washington, I'm Diane Rehm.

First Lady Hillary Rodham Clinton is embarking on a tour to talk about the book she has written on children's issues, called It Takes a Village, and Other Lessons Children Teach. Ms. Clinton has been an advocate for children all her life. In her book she speaks her mind about child-rearing topics from early education to teen pregnancy, and she also writes forcefully about what children need from the family and the broader community.

Mrs. Clinton herself has become the center of controversy in recent days with the release of documents related to her role in the matter of the White House Travel Office and her legal work for a failed Arkansas savings-and-loan.

She joins me in the studio to talk about It Takes a Village, and other issues on her mind and yours. Throughout the hour you can join us: (800) 433-8850, if you're calling from around the country; here in the Washington area or from abroad, (202) 885-8850.

Mrs. Clinton, thanks for joining us.

MRS. CLINTON: Thank you, Diane. Thank you for having me back. I'm delighted to be here.

Q Always a pleasure.

I wondered, considering all the controversy that's been going on, whether at any point you considered canceling your tour.

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MRS. CLINTON: Oh, not at all. You know, this book is about what I believe America should do for its children, and the idea of It Takes a Village is that each of us has a responsibility for the raising of our children. You know, that means maybe mentoring or tutoring a child, or trying to shield children from the violence and destructive information in our media, or, you know, maybe the importance of imparting values and standards in the home, in the school, in the church. I think there is something for each of us to do, and in my book I try to talk about some of the lessons that I have learned, over about 25 years, that I see working in people's lives to help our children.

Q And, of course, all the while you were planning this tour. Then emerge all these new details, and people -- some people -- actually speculated, "Well, of course she'll cancel her tour, because she doesn't want to be asked these other questions."

MRS. CLINTON: Oh, of course not. You know, I expect to be asked questions. I must say, it's a little bit bewildering to me that these things would occur at the time when I want to start my book tour, but that's all part of it. It sort of goes with the territory, and, in an odd sort of way, maybe because of the interest and all of the storm over Whitewater, more people will pay attention to what I'm saying, and, when they work through what people are saying back and forth about Whitewater, they might say to themselves, "Well, you know, that'll be done and gone. It doesn't affect my life. Let's think about what we can do for our children, and let's maybe think about this book and some of the ideas it promotes."

Q You take on some of the -- really, the most difficult issues -- regarding children, right from prenatal care, on through their intellectual development and the care for children, into the teenage years. Your policies sound -- I mean, when you talk about Head Start for all children, you talk about health care for all children -- those are really liberal visions, are they not, when you yourself describe yourself as really rather conservative?

MRS. CLINTON: Well, this book really tries to focus on what each of us can do in our various roles, starting with the home and the family. I think there's been a false debate pitting the family against the government, and rarely do we stand back and say, "There are many institutions

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that actually have more of an impact on our children than the government does." Certainly the family is the most important, but every parent I know needs some help. I certainly do and did.

You know, I tell the story about, you know, trying to breast-feed Chelsea in the hospital in those first days of life, and I had read the books; I had had people show me what I was supposed to do; but I really didn't know what I was doing, and I needed some hands-on help.

So I think there are ways in which, if we kind of cut through the political and ideological rhetoric and honestly ask what is best for children, yes, there's a role for government, but in my view it's a relatively minor role. There is a much bigger role not only for the family, but for business, which affects so dramatically how people live their lives and whether working parents are able to be both good parents and good workers. I think the media, more than any other single institution in our society, has affected how children are raised and how they see themselves and what they think of their futures. I think churches and synagogues and mosques and every other religious institution affect our children. And certainly, those child-oriented institutions, like schools and child-care centers, have a big role to play.

So, yes, there is a role -- and I think we should define it carefully -- for government, but I believe there is a role for the rest of us, too.

Q I was interested in what you wrote about your mother: that, in fact, her mother had had her when she was just 15.

MRS. CLINTON: That's right. One of the other debates we've had, which I don't think is very useful, is, you know, who is a proper family; who has the right to raise children. I say very forthrightly in the book, I would wish that every family were stable and dependable under stress and that a mother and a father raised every child, and I think we should do some things, like making it more difficult to get divorced for families with children, in order to create a better situation, so that could occur. But --

Q Does that -- excuse me -- does that mean that you would favor Michigan's doing away with no-fault divorce?

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MRS. CLINTON: Not at this point. What I would favor is what I call braking mechanisms and required education and counseling for couples with children. I know that divorce will continue. I do believe that we're starting to see it level off, as the results of divorce on children are honestly evaluated, but I believe that we could do more to encourage couples to weather some of the difficulties in marriage that are inevitable in any marriage that I'm aware of, with more information about what divorce does for kids.

There was a myth in the '70s and '80s that, you know, a bad marriage was, you know, worse than a good divorce. Well, we now know that most divorces are not good for children.

But what I was saying about my mother -- and I write about this in the book, and it was one of the things that I really had to think carefully about and ask her permission, because she is also a very private person -- but I wanted to make the point that -- she had a very difficult childhood: a 15-year-old mother, a 17-year-old father. They were married, but that was a mere formality. They were immature, not ready for parenthood, very neglectful of her. When she was 5, she had a little sister. Her little sister was mistreated.

And finally, her father, who then was about 25, did make a good decision on her behalf, which was to get her out of the family environment, but he sent her and her little sister to California from Chicago, on a train, alone, and when I first heard that story I could not believe it. To think about, you know, my child, at 8, taking care of a three-year-old little sister, being alone on a train -- unfortunately, the destination was not what one would hope. Her grandparents were very severe, very rigid and arbitrary -- again, I think any fair reading would be "mistreated," both my mother and her sister.

So when my mother was, I think, 14, she left her grandparents' home and went to work taking care of someone else's children. She was able to finish high school, but it was a very difficult childhood.

So I think any one of us, if we look honestly at our own families, knows there's no picture-perfect family. What's important is that the adults know what it takes to raise healthy, resilient children, and we do the best we can.

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Q First Lady Hillary Rodham Clinton is with me, and we do invite your calls: (800) 433-8850, or here in the Washington area, (202) 885-8850.

In a chapter you call "The Best Tool You Can Give a Child is a Shovel," you talk about how you've equipped Chelsea for dealing with criticism of her parents. Talk about that and how hard that has been for her.

MRS. CLINTON: Well, it has been hard, and I'm very grateful to my parents, because people ask me, sometimes, how I get through what I get through on a daily basis, and I give my parents enormous credit for really giving me the tools that I needed.

And in that chapter, "It Takes a Shovel," I tell the story of how, when Chelsea was about 6, it was the first time she was really old enough, beginning to read, to follow politics, although her father had been in politics since her birth. And Bill and I decided that it would be unfair to her not to bring her in as much of a participant as a child could be, so that she wouldn't hear things or pick up things from someone else.

So we started at the dinner table to say to her that an election was happening, explained it to her in terms a 6-year-old could understand, and then tell her that, in elections, people say things about each other that are not very nice, sometimes, even mean, and I remember her eyes just getting wide and welling up with tears, like "Why would anybody do that," because, of course, we had always told her that, you know, she should tell the truth and all that we thought was important. And it was very difficult, but I am so grateful we did it.

We actually staged little mock debates, where I would say, "Chelsea, I want you to pretend to be your daddy and say why you should be governor again," and, you know, she didn't know what to say. She'd say, "I'm Bill Clinton, and I'm trying to help people, so please vote for me." Then I'd say, "Well, now your daddy's going to be one of his opponents," and Bill would say, "Bill Clinton's a terrible person. He is mean to people," and Chelsea would say, "That's not true," and I said, "Well, honey, that's what's going to happen."

So during the, you know, last nearly ten years, she

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has been part of every, you know, experience we've had. We ask her, if she has any questions, to come to us. So that's one of the shovels we've tried to give her.

Q In the last week or so, there have been some questions raised about whether you actually wrote the book. Yesterday, Maureen Dowd commented that Barbara Feinman, who Simon & Schuster apparently paid a certain amount of money, felt bad that somehow she had not been acknowledged. To what extent did she help you on this book?

MRS. CLINTON: Well, she was one of a number of people who helped me. As I say in the acknowledgements, it took a village to write this book. She helped me in the early stages to -- she conducted conversations with me so that I could get my ideas out, and then they were transcribed. She offered suggestions. I appreciated her help. She really didn't help much beyond August, and the bulk of the book was really written from August forward -- from September forward.

But I am grateful for her help, as I am for the superb editor I had at Simon & Schuster, Becky Salitan. I started a list of everybody I wanted to acknowledge, and in my life I have contact with so many people. I sent drafts of chapters to friends to read and comment and criticize. I, you know, stopped people. I called people. I remember, when Daniel Goldman's book, Emotional Intelligence, came out, it was right down the alley of what I was thinking. In fact, he sent me an early galley of it. I called and had conversations with him.

There were so many people who contributed to this book that, when the list got to be about 60 people and was still growing, I thought, "I'm sure to leave somebody out," and there were people who helped me a great deal, but there were also people, like those who helped me in the past 25 years, who in many ways were even more influential in this book. I thought the safest thing to do was not acknowledge anyone by name, but to acknowledge, in general and by categories, everyone who helped me, because I could never have done this book without the help I was able to receive.

Q And now, if we can, let's turn to Whitewater. A number of people have wondered in the last several days whether you might actually offer to go before Senator D'Amato's committee and talk about Whitewater. Will you do

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that?

MRS. CLINTON: Well, you know, Diane, I have said repeatedly that I will cooperate in any way at all, and if there were an opportunity, when I thought that the partisanship was not there, when the questions were ones that you could predict -- they weren't, you know, just coming out of left field -- certainly I would consider that. I would consider anything to bring this matter to a close.

But I also believe that what we have here is a repeat of what has gone on for the last four years, because the fundamental facts have not changed. We said we lost money. It took four years and an independent study by the RTC -- that cost, I think, \$4 million -- to say, "Yes, the Clintons did not lose money." That committee won't release that study.

Then there was an allegation that we somehow were channeled money, either to us personally or through the President's gubernatorial campaigns, from Madison Savings and Loan. We said, "Absolutely not." Now, we did not have any documents in our possession to prove that. All we could say was the truth. It did not happen.

Now, after four years and \$4 million, that independent study says, indeed, we were telling the truth. The committee won't release that, either. So we're in a very difficult position, because we are asked questions that are not wholly within our knowledge. We try to answer them the best way we can, then the ground shifts, the questions change, and we're asked new questions.

Nobody wants this over with more than I do. I was delighted when those documents showed up. I want everybody to know everything, because, frankly, there's a lot about this I don't remember. It happened 10, 11 years ago. I've done the best I can. I will continue to do that.

Q And on that line of thinking, couldn't you in fact put a great many of these questions to rest if you were to volunteer to go up to Senator D'Amato's committee and tell your story?

MRS. CLINTON: Well, it may come to that. I don't know. But I think that it would be very helpful if we had an atmosphere where what the committee knows was better available to the public. Where are the RTC reports that verify what the President and I have said for four years?

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It would be very helpful if we could have a very honest attempt to get to the real truth, not the gamesmanship, not the gotcha stuff that, you know, somebody says the word, "is," and somebody says the word, "are," and there's a conflict, when the bottom line is there is no conflict. So I will do whatever it takes to continue to try to get this matter resolved.

Q With all due respect, it would seem to me that listeners hearing that comment might say, "Well, there's Hillary Clinton being a lawyer again."

MRS. CLINTON: That's one of my problems, Diane. You know, I was a lawyer for 20 years. I think like a lawyer. That is not often the best thing for somebody in my position. I recognize that.

But I also know that there are many things at stake here, and if everything could come out -- you know, if this were a fair inquiry instead of a partisan inquiry, as I think it has now unfortunately taken that direction, there would have been a press conference holding up those reports which said we had told the truth. I find it -- I mean I want the truth to come out.

Now, if I have made mistakes in the way we have handled this, as opposed to, you know, what I've done, but in how it has been handled, I am the first to admit that. You know, I did not understand a lot of what would be expected, and I have paid a price for that, but what I have said repeatedly has been truthful. And so, part of my dilemma is, how do I get a fair chance?

You know, when this first started four years ago, and they said to us, "You did not lose money in that real estate deal," and we said, "Yes, we did." They said, "Prove it." We said, "Well, based on the documents we have, here's what we can prove," and in fact we showed what we had.

And then we were told, "Well, that's not good enough. You have to, you know, prove that you didn't take money from somebody else." Well, we couldn't disprove it other than by saying truthfully, "We did not do that." So this has been a tragedy, if not a comedy, of back and forth all the time.

Q In the last few days, it has been reported a

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number of times that, early on in the administration, David Gergen, advisor to President Clinton, advised you both to go to the Washington Post, lay out all the documents, and just put it all out on the table. Number one, did he advise you that? And number two, do you now think maybe that would have been a good idea?

MRS. CLINTON: Yes, David did, and I certainly understood why he gave us that advice, and I have a very high regard for him. David was not with us in the '92 campaign. We actually did that with the New York Times. We took every document we had -- which, again I have to say, were not many. We laid them all out.

But the New York Times was getting documents; they were getting stories; they were getting, you know, accusations from other people. So when they would ask us a follow-up question, we would have to say, "We don't know anything about that," and then they would say, "Well, then, maybe you can't answer our questions." And of course we later were able to prove that what we said was truth, but at the time, all we could do was to say what we knew.

We were concerned about the same problem. We only have what we know. We have no responsibility for the Madison Savings and Loan's conduct during the years in question. We have no responsibility for what Mr. McDougall when we were passive investors. We could not answer questions. So I don't think it would have put the matter to rest.

That's why we have a special counsel. They have subpoena power. They can get documents we could not get. They can put people under oath. We thought this whole matter would be left to the special counsel, and instead we now have congressional inquiries that are kind of doing the same thing that we hoped to avoid, you know, telling half the story, not telling the whole story.

So this has not been an easy matter for us to respond to, and maybe we, you know, have missed some chances. But, looking back on it, I think there were reasons why people kept asking questions even when we couldn't answer them. That's why I think this matter should be left to the special counsel to resolve.

Q What chances do you think you missed that could have made the difference in people's perception of Whitewater

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and the Travel Office affair?

MRS. CLINTON: Well, with respect to Whitewater, I think that -- I'm not sure we could have done this, but we were always answering questions on the fly, especially during the '92 Presidential campaign, and we answered them the best we could, but then something else would come up.

We originally, for example, thought we had lost \$60,000. That was just our best guess. We didn't have the time to stop and go through everything. When we finally went through everything, and when the RTC went through everything, we lost a little over \$40,000. So someone could say, "Oh, she said 60 first, and then it turned out to be 40," when we were acting in good faith both times.

But we didn't stop everything in the middle of a Presidential campaign to prove how much we lost. We knew we had lost money. That was the fundamental fact, and that has never changed. So maybe if we could have figured out how to stop things and take more time to answer questions, we might have avoided some things.

I also believe that I sometimes -- again, this may be my lawyerly training -- I always tried to answer the question I was asked. Then people later come back and say, "Well, but she should have answered an additional question, or she should have known we would have asked that, even though we didn't ask it." That has been something that, if I could have maybe foreseen everything everybody wanted to know, even if they didn't ask it, that might have helped, as well.

Q Which is why it comes back once again to the idea of voluntary testimony before that Senate committee.

MRS. CLINTON: Well, as I have said and will say again, if that is the kind of cooperation that is needed to end this matter, I am more than willing to do whatever it takes.

Q So are you saying, as you sit here, that you are considering volunteering to go up to Capitol Hill and speak before Senator D'Amato's committee?

MRS. CLINTON: I'm considering everything, including going to the South Pole. (Laughter.) I mean

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everything is on my plate to be considered.

Q And at 29-1/2 past the hour, you're listening to the Diane Rehm Show. We've got a lot of callers, Mrs. Clinton. Let's open the phones. 800-433-8850, or here in the Washington area, 202-885-8850.

In Arlington, Virginia, Oliver, you're on the air.

CALLER: Mrs. Clinton.

MRS. CLINTON: Yes, sir.

CALLER: I believe you are perfectly capable of standing on your own two feet and defending yourself, but President Clinton and the national media are seeking to hide you behind Eleanor Roosevelt and make you Eleanor the Second. I think this strategy is not complimentary to you, and it is not a strategy of truth.

As a 21-year-old youngster, I cast my first vote for Franklin and Eleanor Roosevelt, and by chance, I knew Eleanor Roosevelt, and Hillary Clinton, you are no Eleanor Roosevelt.

Q All right, Oliver. Thanks.

MRS. CLINTON: Well, Oliver, I've never said I was, and I cannot imagine anyone for whom I have higher regard than Mrs. Roosevelt, but I do think it's fair to say that she engendered quite a lot of controversy and criticism. Her husband gave her a job during the war, and congressional opposition drove her from that job. So, although I make absolutely no claim to in any way approach the model and the work that she did, I do believe that there are some similarities that historians have pointed out.

Q And to Amy in D.C., you're on the air.

CALLER: Mrs. Clinton, I applaud your new book, and I'm looking forward to the good that will come from it. I certainly appreciate you and your husband's compassion for children and families. Our country's tendency to elect and then tear down our leaders truly distresses me.

I'm concerned, though, about the effect that the constant visualizations of sex and violence have on our

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youth, the visualizations that are constantly pushed on us by today's movies, videos, records, soap operas, and television programs. It seems so hypocritical to me that certain politicians and do-gooders rail against violence and babies having babies as though they and today's climate have nothing to do with it, and I just wonder what you would say we can do to prevent some of the garbage from bombarding our children.

MRS. CLINTON: Well, Amy, thank you for asking that question. I write about this in the book, in a chapter called, "Seeing Is Believing," because I believe that our children are being damaged by what they see, particularly on television, starting at a very early age. I recommend there that parents start turning off the television sets, and by that I mean start with an evening and think of other things to do with your children. Put some restrictions on what children can see.

I also think parents and groups representing parents need to band together to issue ratings about what programs are appropriate for children, in anticipation of what I hope will be a V chip that will allow parents to control what their children can actually watch on television.

I am not at all opposed to parents and other groups, on their own, exercising their First Amendment rights to boycott certain advertisers and programming which they believe is harmful to children. I cannot stress too much that, if I could do one thing to help children in our country, it would be to change what they see in the media, day in and day out.

Q We are going to take just a short break, and when we come back, we'll take more of your calls for First Lady Hillary Rodham Clinton, so stay with us.

(Interruption to interview.)

Q Welcome back. I'm Diane Rehm, along with First Lady Hillary Rodham Clinton. We'll try to take just as many calls as we can through the hour. Join us on 800-433-8850 or 202-885-8850.

Mrs. Clinton, we talked earlier about those shovels that you provided to Chelsea early on as to handle the kind of comments and questions that might come her way. How about you? What are you using for inner strength? What kind of

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be, a great big ugly man came up and tied his horse to me." You know, things happen to you no matter how hard you're trying and no matter how, you know, you're trying to treat people and the like.

So the shovels that I have, in addition to a very positive upbringing with good discipline and a lot of love and expectations, are my religious faith, which has really helped me enormously throughout my life, but particularly in the last several years. I also read a lot of literature and history. I start the shovel chapter talking about Nelson Mandela. I will never face what he faced, but each of us, in our own way, faces challenges.

One thing that really did help me, that I also write about, was a phrase in a book about the parable of the prodigal son, written by Honore Nouin (phonetic), a Jesuit priest, and there was this one phrase that leapt out at me. It's called the "discipline of gratitude." You know, no matter how hard times get for me or for anyone, there is so much to be grateful for, and that may be the greatest gift you can give a child.

Q 800-433-8850. Peter in Dallas, Texas, you're on the air.

CALLER: Good morning. I'm so glad you took my call.

Q Sure.

CALLER: It's an honor to speak with the First Lady. I think that if folks will just watch what is being said by D'Amato and his allies and listen to how it is said, I think it's easy to see an orchestrated effort to demonize the Clintons and to score political points.

And I just wanted to say that I also think that you may not be Eleanor Roosevelt, but you are a revolutionary First Lady, and I hope you'll be the First Lady for four more years, and thanks so much, on Martin Luther King Day, for all that you've done for civil rights for all Americans, and we do appreciate it. I'm 26, and the 20-something crowd really likes the Clintons, and we're going to help reelect the Clintons.

MRS. CLINTON: Thank you very much, Peter.

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CALLER: Thanks.

Q Peter, thanks for calling. And to Beara in Baltimore, you're on the air.

CALLER: Good morning.

Q Hi.

CALLER: Mrs. Clinton, I would just like to say how gratifying it is to have an honest, intelligent, strong advocate for children in the White House. I think it's very, very necessary.

I would like to speak to early childhood education. I believe so strongly that, before kids get to school, their lives and their emotions and their intelligence levels are pretty much determined, and a lot of that is ignored by our educational establishment and parents in general. I wonder if you could speak to how we could rectify that, maybe through parent education or any other thing that we could possibly come up with. Thank you again.

Q Thank you.

MRS. CLINTON: Beara, I think that's the most important question my book addresses, because I agree with you that so much of what happens in a child's life happens in the first three years, and there are many things I think can be done.

I write in the book about what we have learned about brain development that I was surprised by, and I think a lot of parents would be, and how important it is to talk to your baby from the moment that baby is born. Many parents don't know that, but it is building that vocabulary that really helps prepare a child for learning. Reading to a child, even if a parent is not a good reader. The child doesn't know. It's the experience of reading that is so important.

I also believe parents often need help in educating their own children. Although a parent is a child's first teacher, I believe there are program -- and again, I write about them -- that I've been involved in that can help parents know how to teach their children. There isn't any better investment we could make as a nation in helping

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parents become their child's first teachers.

Q In Kensington, Maryland, Russell, you're on the air.

CALLER: Thank you, Diane.

Q Sure.

CALLER: I love your show. I only get to call in when it's a federal holiday, though.

Q Well, I'm glad to have you.

CALLER: I have a question and a comment for the First Lady. The question, about her new book, I tried to find it in the bookstores on Saturday and couldn't find it.

Q Probably all sold out already, but it will be there. Check back.

CALLER: I hope so. But my question was, what sort of public policy would the First Lady advocate to make it easier for men to be more involved in rearing their children, especially in the very early years from birth to two or three years of age, when it seems to me that women get to spend most of the quality time with children.

MRS. CLINTON: Russell, I love that question, and I actually write about it in the book, in a chapter called, "Kids Are an Equal Employment Opportunity," because I firmly believe fathers need to be more involved in the raising of their children, especially during the early years. I think there are two big obstacles.

The first is that society doesn't really support that. You know, there's a state trooper in Maryland who, under the Family and Medical Leave Act, took leave to try to take care of his newborn because his wife had had a very difficult pregnancy, and he was only given 10 days, even though, under the law, he was entitled to much more time, because the attitude was, you know, "That's not men's work, and so get back to your real work."

So, under leave laws, particularly the one that the President signed, where at least some employees are eligible, we can begin to change the attitude about our society's

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feelings concerning fathers.

But I think there are less tangible obstacles. I would have to admit that many women are not encouraging of their husbands' to be involved in child rearing, and I had to really learn this, because, you know, men don't always do it the way that you want it done, and, you know, the diaper may fall off, or, you know, there may be a stomach ache the next day because junk food was fed instead of what you think should have been eaten.

So I think women -- us, we, mothers -- have to lighten up a little, because helping to create that relationship between a father and his children is one of the greatest gifts a mother can give a child.

Q Thanks for calling. And you know as well as I that one in four children now born out of wedlock. You recommend abstinence for young people until age 21. Nevertheless, you do recommend sex education. What's the line there? What's the balance, and how do we encourage kids to think about sex as something for adults, as opposed to children?

MRS. CLINTON: Well, I think if we leave the media in the role of teaching our children, then we're not going to reverse these statistics, because sex is presented in an unrealistic and often totally irresponsible way. You don't see the follow-up to jumping into bed with the baby crying at 2:00 a.m. in the morning, and so there's a lot of really unfortunate messages our children get.

Most parents, I believe, support the idea of sex education, but feel a little bit squeamish about it, and I think it needs to be both in the home and in the school and in other institutions, including religious institutions, community institutions, so that we kind of demystify sex and make it part of the life cycle at an appropriate, responsible stage.

That can only happen if, when children are very young, their questions are answered; they're given, you know, straight talk; they're taught how to say no; they're given the feeling that parenting is a gift that they need to exercise responsibly.

And then, when they get older, peers have to be

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given tools to support each other in saying no to early sexual activity, and adults have to give young teenagers other things to do under adult supervision than just wander the malls or the video arcades.

Q In Newport News, Jay, you're on the air.

CALLER: Good morning.

Q Hi.

CALLER: How are you doing, Mrs. Clinton?

MRS. CLINTON: I'm fine.

CALLER: Let me say, first of all, that that D'Amato character, he is a nasty individual, and I do hope that you get through this. Being in public office must be awful, having to, so to speak, air all your dirty linen in public, and I have a lot of sympathy for both you and your husband. I think that you've both done a very good job. I wish you well for your book.

However, one thing that really is not on this subject, one thing that I am really concerned with that's happening in this country, is what the corporations in this country are doing. Specifically, I'm talking about the 40,000 people who were laid off just recently at AT&T. It seems in this country what we come down to is the corporate bottom line. There is no compassion in this country anymore for the workers of this country. How can you raise children in this country when you can't have a job?

MRS. CLINTON: Jay, I think you've asked what will be the most important issue, politically and economically, in the next couple of years, and again, I've written about it in a chapter in my book called, "Every Business Is a Family Business."

And in each of my chapters, I have a little aphorism, and here's the one for this chapter. "The Golden Rule does not mean that gold shall rule." I believe that if business leaders do not understand that they have a responsibility to the social stability of our country and, particularly, working families, I fear for our future.

You know, much of the talk in the last few years

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has been all of the problems government has caused, and I am not an apologist for government. I think that government has done a lot of things right, but it has also done things wrong, and those need to be corrected. I want a conversation about what business has done right and wrong and what business could do better to help families, and I have some specific suggestions about that in this chapter.

But I agree with you that if we do not have our business leaders understanding that workers are also consumers, and if workers don't have stable jobs and rising incomes, then all of our goods and services will not be bought, and the entire economy will not grow, and we will have a two-tier society, which is not good for children or a democracy.

Q I'd be interested in your own outlook financially, Mrs. Clinton. Money magazine has reported you and your husband are going to be bankrupt because of all the legal bills you're facing.

MRS. CLINTON: Well, that is apparently true, Diane. You know, one of sort of the undercurrents of this series of questions about us is that I somehow must have used my law practice inappropriately, to make money for my family. Well, as I have said, if I intended to do that, which I certainly did not, I didn't do a very good job of it. We do not have many financial resources, but we don't care about that. I mean, we feel lucky to have our health, and we, despite all the slings and arrows of public life, enjoy and appreciate this opportunity.

But given the legal bills that we are running up, we certainly, on paper, are bankrupt.

Q How will you address that?

MRS. CLINTON: Well, you know, we have a legal expense fund, and many Americans have contributed to that, for which I'm very grateful, but ultimately, you know, I was raised to believe you pay your debts. We've paid every loan we've ever had. We've paid every credit obligation we've ever had. And when we're able to make money again, we will pay off every penny that we owe. I, you know, couldn't live with myself if I didn't. But I do think it's kind of a sad commentary about what's going on today.

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Q And it could mean -- sort of signal -- the future for other incumbents of the White House.

MRS. CLINTON: Well, if anyone is in public life today, they are certainly more of a target than any time in our history for legal cases being brought, for accusations being made. And if you stop and think about what that does to the capacity of the people to perform their jobs, you know, it is kind of discouraging. I want to see a return to, you know, more of a sense of trust in our society, giving each other the benefit of the doubt. Everybody makes mistakes, but that doesn't mean people intentionally do wrong. We ought to just lighten up a little and let people live their lives, and then, together, I think we can build a better society.

Q And at 10 minutes before the hour, you're listening to The Diane Rehm Show.

Patricia is on a car phone. Are you still there, Patricia?

CALLER: Yes, I'm here. Thank you.

Q Thanks for waiting.

CALLER: Thank you very much, and good morning.

Q Good morning.

CALLER: First of all, I really want to applaud Mrs. Clinton for your work, your courage, and your strong leadership as a woman, an intelligent, independent thinker. And I hope my two daughters are able to lead in the same way you do.

My question -- I'm a mental-health professional, and my question, Mrs. Clinton -- I haven't read your book yet, but my question is, what do you propose as a solution to violent marriages, where children are victims, and spouses are victims, and parents are unable or unwilling to get help, and social services are unable to protect the children? And how can you discourage divorce in those situations?

MRS. CLINTON: Well, Patricia, in the book I talk a lot about my own mother-in-law's marriage, which was very violent. And she did divorce her husband and then remarried

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him, out of pity, and I don't think that was a very good decision. I certainly understand situations, particularly where there is abuse and violence, where divorce is absolutely necessary, and probably should be taken sooner instead of later, to remove both the children and the spouse from a very violent environment.

So I think that that's one approach: that, yes, where there's violence, let's move on divorce. But I think there's a bigger problem, and that is, we still don't take abuse seriously enough in our country. I think that we have overburdened our social-welfare system in trying to make difficult decisions about abuse, trying to reunify families when, actually, there's not a family to reunify. So when abuse occurs with respect to children, I believe that you should move quickly to remove the children, criminally prosecute every adult involved, both the perpetrators and those who were accessories. I believe that we have to move more quickly to make a decision whether children should be returned to a home or freed for adoption, and I advocate that we should literally view the numbers of children -- about 100,000 -- in our foster-care system, who are eligible to be adopted but are left in limbo, as a national emergency, and do everything it takes to find new homes for those children.

As a mental-health professional, I know you know that we do not have enough services for families who need counseling, and that often can make a huge difference in someone's life. So, again, I would urge that we try to provide help for people who are trying to help themselves.

Q And Randy, in Dallas, quick question, please.

CALLER: Yes. Ms. Clinton, I really respect you. Both my wife and I are student-ministers in the United Methodist Church. We wanted to know how John Wesley's teachings and Methodism itself has informed your life and your approach to policy.

Thanks. I'll hang up and listen on the radio.

Q Thank you.

MRS. CLINTON: Randy, they've had a very big effect on me. You know, trying to do all the good that I can do was drummed into me at a very early age. And, you know, I wrote about religion in my book. Some people urged me not to; they

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said, you know, "That's not an issue that has broad public appeal," or, you know, "You'll say something that will alienate somebody." But I don't think we can talk about what's happening in America today without talking about our spiritual challenges.

And so, in my chapter about religion, I talk about how I was raised in my church, the experiences I had, and how important it was as a basis, both for dealing with life's challenges, but also understanding where I stood in the world, and not to feel any sense of superiority because I was lucky enough to be born a privileged white girl in America in the middle 20th century, but to realize that, you know, part of what God's mission for all of us is to relate more to one another, to love each other.

And that's a real challenge for me, many days, but I try to practice what I was taught.

Q Mrs. Clinton, you and your husband will be moving into high gear as the campaign heats up. On that point, have your actions in the past three years, do you believe, helped or hindered your husband's chances for reelection?

MRS. CLINTON: Well, I hope that they have not hindered my husband's chances, because, not only do I love my husband, but I think he's been a very good president in a difficult time for our country. And I believe, if what I have done is truthfully and factually conveyed to the American public, the American public is fundamentally fair, and they will judge me on what I have done, and they will judge my husband on what he has done, and that's all anyone can ask for.

Q But the questions remain, and, as you say, the questions keep coming, and I'm sure, in the campaign, his political opponents will make a large issue of you.

MRS. CLINTON: Well, they may, but in a political campaign, unlike in the sort of daily back-and-forth of public service, you can focus people's attention, and, if worst comes to worst, you can pay to advertise what the facts are. I don't think 10 percent of the American public know that an independent investigation, run by an independent law firm, headed by a Republican former U.S. attorney, found that we were telling the truth. Well, if people want to accuse us

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of things that are not true, then we will make sure that the truth gets out.

Q What about David Watkins and his testimony, expected this week?

MRS. CLINTON: Well, as I have said repeatedly, I expressed concern about the stories of financial mismanagement in the White House Travel Office.

Q What form did that concern take?

MRS. CLINTON: Well, the best that I remember, it was "I have heard these stories. What is happening?"

Q And to whom did you say that?

MRS. CLINTON: Well, I had two conversations with Mack McLarty. I had a few conversations with Vince Foster. And I did not seek out Mr. Watkins. He called me, at Mr. Foster's suggestion, to tell me that an accounting firm had been engaged to investigate these reports that I and others had expressed concern about. And I said, "That sounds like a good idea."

But I in no way directed any particular action to be taken.

Q Why do you think that he has said what he has said, somehow casting doubt on your version of things?

MRS. CLINTON: Well, I think, if you read his memo -- and I will, you know, obviously listen to what he says -- he doesn't say I directly told him anything. He says that, you know, the fact that I expressed concern had an impact on him.

You know, Diane, one of the things I have learned is that, before I came to the White House, I dealt with people in a very direct way. If something was on my mind, I said it. That is an entirely different environment, and the mere expression of concern could be, I guess, taken to mean something more than it was meant to.

Q First Lady Hillary Rodham Clinton -- her new book is called It Takes a Village. Thank you so much for joining us. It was a pleasure.

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MRS. CLINTON: Thank you very much, Diane.

Q Dorsey Bacon and Carol Beach, Sandra Pinkard and Dorothy Buckhagen, produced the program. Jada White's been on the phones for us. Bruce Youngblood and Toby Shriner are the engineers.

Thanks for listening. I'm Diane Rehm.

Cassettes of this program are available. For information, call (202) 885-1200.

If you'd like to write us with your comments, our e-mail address is [drehm@wamu.brandywine.american.edu](mailto:drehm@wamu.brandywine.american.edu).

ANNOUNCER: From Washington, D.C., this is The Diane Rehm Show.

Q Tuesday on The Diane Rehm Show, we examine a new approach to solve the shortage of human organs for transplants, using pigs. Then we begin a regular feature on the media, with Howard Kurtz, of the Washington Post. And Colleen McCullough, author of The Thorn Birds, talks about her latest novel on the women in the life of Julius Caesar. That's all coming up Tuesday on The Diane Rehm Show.

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