

White House Interview Program

DATE: November 16, 1999

INTERVIEWEE: THOMAS F. "MACK" McLARTY

INTERVIEWER: Martha Kumar

[Disc 1 of 1]

TM: —and the *National Journal* was running a story. They sent me, I think, three articles they'd done on other chiefs of staff, including John Sununu. And I was struck that one of the articles had Sununu's day, and how many appointments he had changed; and he'd gotten there at 6:30; his aides had gotten there at 5:30. Frankly, [it was] a more intense schedule than we had. That was under President [George] Bush, who was following [Ronald] Reagan; you had less of a transition, had less of a legislative agenda in terms of volume. I'm not saying that he's right or wrong.

MK: Right.

TM: So I guess I took some measure of comfort in that, that that was just the nature of the proverbial beast. You do your best to make something that is unwieldy and unpredictable go as orderly and smoothly as you can.

MK: I guess one is always at the mercy of events.

TM: To some extent. Now tell me a bit about yourself. I've read your materials.

MK: My area of expertise is, as I was saying, in the White House and the press in the past. I wrote a book with a co-author that came out in the Reagan years called *Portraying the President* that deals with the relationship between the White House and the press. I guess in that work and others I have been interested in watching the relationship and just getting in and seeing how things work. There are a whole group of presidency scholars, twenty-five of us, on the board, and then several of us are going to be writing pieces. I'm doing the interviews. What we're trying to do is get a sense of how the place works effectively, what are the elements of an effective start, and then in the operations of the offices themselves: what should one aim towards as an effective operation. So, what we want new people coming in to have, in a sense going back to the [Richard] Nixon Administration, is: what are the patterns in these seven offices and how they work? So that they can better understand what resources they have, what opportunities and what pitfalls there are.

[Interruption]

MK: They'll be writing pieces on each of the offices; they'll be about fifteen pages, and they'll be aimed at things that are essential to them. I'm doing the one on the press office by myself. In that one, I'm going to start out talking about how the press secretary is one official who has gone from 1929 forward. Everybody has had a press secretary, and what are the expectations from that? There is [always] going to be a press secretary. What kinds of things have been done in the past? Because there is a continuity. [It] is important what a press secretary is going to do. As well as the fact that it's the only office in the White House where the constituency is in the building.

TM: That's a good point. Constituents in the building full-time. There are constituents in the building, but not "full-time."

MK: That's right. You expect they're going to be there. They're going to be on the lawn doing their standup at seven o'clock and the rest. They're aiming at how the place functions, what the gears and levers are, and what the continuities were.

When you all were preparing to come in, let's say before the election, what kind of thinking was there about the White House, and how it would be organized? And what was it that President [Bill Clinton] was going to expect out of a White House staff?

TM: I think it was felt that the administration and the Office of the President, and therefore the White House, should reflect in many ways the 1992 campaign in relation to the election itself, in relation to the voters. And the election in 1992 reflected 60 per cent plus of the country, if you add Clinton and [Ross] Perot together, voted for a change in direction. And the emphasis of the campaign, and therefore the real mandate, if there was one, was largely—not totally but largely—reflected toward the economy. Whether it be [James] Carville's statement that "It's the economy, stupid!" or polls, or just the general tenor of the campaign. So change of direction with an economic, to some extent domestic, emphasis. So I think that was kind of the framing, if you will, or the perspective. I think a third piece of that was that Governor Clinton ran as a new Democrat, as a centrist Democrat. So those were kind of the framing of the agenda, so to speak, and therefore the White House and administration organization to support that.

MK: So, would that mean that you would be reflecting an agenda, in that you would be bringing in people, and then setting up a structure that was looking at the generation of ideas that would be in the area, in the domestic area, and issues that the centrist Democrats wanted and also with an organizational emphasis on the economy?

TM: I think that's a fair statement. And I think we basically did not—there was no suggestion we should totally reinvent the wheel or reorganize the White House in terms of its structure or organization or the administration. There was no discussion, as you know, during the campaign, of doing away with Cabinet agencies or anything of that nature. We did form the National Economic Council [NEC] which, I think is the economic piece that I just noted, from an organizational standpoint.

MK: Right.

TM: And there was some discussion or criticism or different points of view about whether that was necessary or a good idea. I think it was a good idea; I supported it. I think Bob Rubin did an excellent job as head of the NEC. So that's kind of where we started from, in terms of the organization. I think another aspect of the organization of the White House is, as I believe every White House probably has good intentions of, in working very closely with the Cabinet, in a coordinated effort with the cabinet members. And the President spent a lot of time choosing his cabinet and there was considerable emphasis placed on cabinet members not only in standing and ability and experience and so forth, but that reflected the President's philosophy, which is quite natural, but also that we would also build a real collegial team effort. That was certainly again a criteria, if you will, or at least a consideration of the Cabinet members.

The other point, I think, that goes to at least the philosophy if not precisely the organization—. I certainly, once the President approached me about serving in the key

position as Chief of Staff, both stated it and reinforced I think in others was the feeling to have the White House and certainly the Chief of Staff's office [seen] as an honest broker. The cabinet members' ideas would be taken in and fairly and even-handedly presented to the President. You had had a period where you had a very strong Chief of Staff with [John] Sununu, a strong Chief of Staff with [Don] Regan, that had not concluded in a positive manner. I know John; I don't know Don well, but I know John well, and like him, and have a high degree of respect for him. But there was at least a sentiment that you should have an operation that reflected a much better flow of information to the President, a wider flow of information. And I think the President's style also wanted a large range of opinions, to be coordinated, for sure. But he is clearly an engaged person in terms of both his political style, his personality, and his policy-making style. So that was kind of the framing of it. I think that's how we approached it.

MK: You were mentioning the *National Journal*. I remember in the first few months [a photograph] accompanying a White House piece in the *National Journal* and it had the President [Clinton] at his desk and he was meeting with advisers. I counted thirteen people in the room. Often, when a President is dealing with advisers, it's more on a *seriatim* basis than a large crew. In that case, in bringing in a lot of information to the President, is it that the individuals themselves bring the information, that he was interested in getting information verbally, rather than so much on paper?

TM: Yes. I think that's a fair insight. Particularly in the formation of the economic plan and other policies, the President wanted to hear, feel, touch and have interchange with various members of the administration and, in some cases, members from outside the administration. And that's very much what he thought would serve him the best in his decision-making process and serve the country the best. He certainly, in the early stages, and to some extent even now, did not oppose at all; he was not against a formal system which we instituted early with John Podesta as Staff Secretary who is now Chief of Staff, basically a paper "check the box." But he did reject it being a clinical process where he was served up kind of pros, cons, three positions and accept, check or defer; much more interactive.

MK: In the kinds of memos that he wanted put together, what sorts of information did he say he wanted on them? Did he talk about it, what information he'd like?

TM: He did. It was basically two broad sets. One was what is called a decision memo; the others were broader position papers on issues, where he would want maybe a summary with several pages of backup on a particular matter we were considering. We spent a lot of time going in—if you look at the priorities going in, it was pretty straightforward from my standpoint. The priorities to me seemed to be, one, to get a government in place. The Democratic Party had not been in the White House for twelve years, so you had a major transition of just getting a government in place: the Cabinet, the sub-Cabinet officers, and the White House staff. And that's a major undertaking. Particularly, I think, anyone—whether it be Bob Strauss or Howard Baker—people with long-standing experience. Because we talked both to Bob and Howard, and others, about how difficult it was, frankly, to get people to serve now, the vetting process and the financial disclosure. It is much more burdensome and complicated. It just takes longer, even before you get to the confirmation process.

So the first priority to me was to get a government in place. The second was, certainly, to get an economic plan developed. The President had been elected, again, in large measure on the economic ideas he had put forth. We needed to get that ready for legislation, get it to the Congress, and start the debate. Then, thirdly, it certainly seemed to me that we needed to begin to establish a framework for foreign policy, and make sure that foreign policy

interests were both addressed and represented. Of course, at the top of that list is national security. And we did not have any major mistakes in the foreign policy area early in the administration. I think in large measure we accomplished that, with the exception of Somalia. I think that was a difficult period. But other than that, we began to establish relationships with the various leaders and so forth. So those were the three big priorities, at least as I saw them, and that reflected the President.

MK: What was the time frame that you had for the three priorities?

TM: The government, it went in stages, was to try to have—I don't remember the exact time frame sitting here today, with a lifetime leader it seems—but to have your cabinet officers in place. I believe our cabinet officers were in place earlier than any other president. I talked to [Senator] Trent Lott personally—he was the Republican point person—I talked to him from Little Rock. I had known Trent, and reached an understanding that he would move the cabinet officers through. There would be hearings and debate, but he understood the need to get the cabinet officers in place. The only cabinet officer we had problems with was Zoe Baird, which was not a partisan political problem; it was just a regrettable incident. So we got our cabinet in place, I believe, the quickest of any president seated. Then, of course, it kind of came down there. I think our goal was to essentially have most of the government in place in six months and I think we got close to that. I think it actually took us closer to eight, to get most of the political appointments filled. Most of the confirmations were done within the first year; not all, but most, the ambassadors and so forth.

MK: You were saying you talked to Howard Baker and Bob Strauss.

TM: And others.

MK: Which chiefs did you talk to?

TM: I talked to most of the recent Chiefs of Staff well before we ever came to Washington. In some cases, I had known them relatively well. I did not know I was going to serve in the administration.

MK: Until when?

TM: Until the night after the election. I had not been in the 1992 campaign. I had been chief executive of the New York Stock Exchange Company. I had served on two commissions under President Bush, and certainly supported Governor Clinton. I was a Democrat. But I really had not anticipated serving in the administration. When the President asked me the night after the election, I was surprised, and I did not accept initially. I told him I wanted to obviously give it some serious reflection. I was very honored and wanted to do anything I could to be supportive of a lifelong friend that had just been elected President of the United States; I was quite proud of a governor from our home state, aside from the friendship. But there were personal considerations and professional considerations as well.

He asked me to assist in the cabinet selection process with he and the Vice President [Al Gore] and Secretary [Warren] Christopher—at that time, Mr. Christopher—and to give him counsel on that as kind of a reality check and to become part of the process which I told him again I was very honored and flattered to do; but would have some pretty developed thoughts in certain cabinet positions, particularly in the economic area. I basically recommended the team that ultimately was in place: I knew the Secretary of Defense and others, including Leon Panetta. But in other areas like the Department of Justice I would

not have a particular background, not being a lawyer. So that's how it evolved. After about two weeks I came to the decision I would serve in that post, and I starting making plans to move to Washington. I had a long visit with Jack Watson whom I had known.

I had a long visit with Jim Baker, whom I had known. I saw Dick Cheney, had a full meeting with him, whom I had known, not quite as well as Jack or Jim. Jim Jones I talked to, who had served in the [Lyndon] Johnson administration. I talked to Hamilton Jordan over the telephone. So I made a pretty conscientious effort to have outreach to former chiefs of staff.

MK: Did they have any messages in common?

TM: They did. One of the comments—I think it was Jim Baker. As I was pressing him for details, Jim finally said, "Well, Mack, you just kind of have to be there." And there is some truth to that. Of course, it obviously varies with each president, and each agenda, and each time in history. But I think some of the basic messages: I think there was general agreement. I talked with John Sununu by telephone. I did not know John until we got to Washington. But I think there was a pretty high degree of consensus about the honest-broker approach: that the chief of staff certainly needed to be viewed by cabinet members and others as someone who would not shape information in a way that would unduly affect the president's decision-making. The cabinet officers and others had the right to expect their information to be fairly presented.

I think there was a strong feeling that you had to have a relationship with the president. That you could get very, very frank and candid advice and counsel which I felt like I had, even though I had never worked with Governor Clinton in his administration. But I had the kind of relationship that I could be very direct with him and he had a high level of trust that I would do that in the right way, but the proverbial "to tell the president you're wrong here, you're just not doing this right." So there was that recurring theme among all of them. Also a pretty good theme of follow-through and execution with the Cabinet; not just to get certain policies decided on, but to get them implemented; that they felt there was a weakness of actually getting things implemented and executed. That was another recurring theme.

Another concept I felt strongly about, that was not necessarily echoed from other chiefs of staff, was the vice president being integrated into the Office of the President. Clinton and Gore clearly ran as a team; the vice president was someone of real standing, a strong personality. And the President's wishes were to have Vice President Gore as an integral part of the team, and to make that a meaningful, influential position. Which I think we succeeded in doing; and, therefore, to keep the Vice President in the information flow and in important meetings, and so forth. And also have certain areas he would have direct responsibility for. And that was clearly the case with [inaudible] government, and the environment, and other issues that the vice president was involved in, and ended up being responsible for. So those were some of the things, and common views.

MK: What did he say to you would be the relationship with him?

TM: The President, you mean?

MK: Yes. In what ways the process would be disciplined so that you would have his support? For example, say some times in a White House the paper goes in through the chief, the staff secretary and the chief, and then the out-box sometimes tends to be larger than the paper

that went in through the in-box. In that kind of situation, where people are bypassing the chief of staff, was that a concern?

TM: It was.

MK: And was that something that happened?

TM: It didn't happen—I don't remember it happening, sitting here today. I'm not saying it never happened. But I don't remember it happening, where I was upset or I felt like it was intentional, or it made a big difference in any decision, or anything. We did have a pretty stern conversation about that. I had been a chief executive officer [CEO] so I kind of understood how things would work, and needed to work looking at it from that viewpoint. I felt the President was a person of good intentions in that area. He was asking me to do this, and he was agreeable to the ground rules. He understood the need for two-way support and trust. While I had never worked for him, I had no reason to doubt that would not be the case. I made it clear to him I thought that was absolutely essential; if it were not going to be the case, we probably needed to decide on that now, because it would be better to decide on it now rather than later, when I left. You just can't run an operation that way. I also assured him I would not use the chief of staff's office to unduly manipulate him; that I was there to serve the President, and the Office of the President, and to work with and for him. So that was the kind of exchange you had.

I did hire John Podesta. I had not known John, but he came highly recommended. And I knew that was obviously a key position in terms of the flow, the paper flow, and it worked quite well. It was discussed and it really was never a serious issue. I was a little concerned having again a lifelong relationship and a friendship, not a close friendship in the sense of spending a lot of time together—we spent some time together and did a lot of projects involving education and other things in Arkansas. We had helped establish the DLC [Democratic Leadership Council] together. But, again, I had never worked with him day-to-day. I was somewhat concerned it might, frankly, impair the friendship; that can happen, particularly when you offer criticism or different points of view. I must say the President took criticism well from me. I always did it in private; I was always respectful, but I was extremely direct with him. He didn't always agree, but I always felt like the role in terms of alter ego—reality check is a better description. I give him high marks in that regard, in terms of the working relationship.

MK: One of the aspects I know in the work I'm doing on the press—I'm taking one incident that I'm sort of pulling apart, where the President blew up publicly in 1996, when he was asked a question. It was an event where he was giving some good economic numbers. It was during the campaign in 1996. Bill Plante asked him about his intentions to support legislation that was going to pay the legal expenses for [travel office employee] Billy Dale, and he got very angry. What's clear, I guess, from people is that he has a very strong temper and that you have to work through with him his responses. I would think, in delivering bad news, that the fact of the temper, of dealing with the temper, especially if you hadn't worked for him before—was that surprising?

TM: No. I think a very bad temper; I'm not sure I wouldn't say that differently. The President shows his emotion from time to time. From time to time he gets mad and will show that anger or frustration or feelings or whatever. It's not a perpetually bad temper or a mean-spirited temper. So it wasn't offensive to me, or upsetting in that manner. Everybody has a different personality. I had seen that side of him before. It's a human side and wasn't particularly different than the 100 other different people I knew and had worked with. So it

wasn't something that was strikingly unusual. He cared deeply about the things he believed in and getting things right, passing legislation, and keeping people included that had worked for him and so forth. When things weren't done the way he wanted them done, he would get upset about it, particularly if he was tired or upset about another matter. Or whatever it might be. That's just, again, human nature. But as far as bad news and so forth, he was very business-like with me. I think some of that is probably due to the relationship and peer relationship and mutual respect. I found him to be professional.

MK: Would he take the advice?

TM: He always would take it in. He'd always give you your "day-in-court" and he would always listen. More often than not [he] would agree with you, at least to a large extent, or some extent. If he didn't agree with you, he'd tell you. And I would invite him to say, "Let's talk about this;" "Tell me how you really feel." I found his relationship a pretty easy one to work with. The schedule was always a challenge. I obviously got frustrated that he had some trouble running on time.

MK: Not much has changed there.

TM: I talked to him about it several times. That was one of the areas we made modest improvement, but only modest. Some of it is the nature of the presidency and his personality, where it's his greatest strength; and in some ways it's a weakness, as well; where he will linger longer, listen to people longer. I didn't find it to be a real problem.

MK: On healthcare, the way that policy was generated: it does not seem that it went through the same kind of process that other things would.

TM: It was perhaps somewhat different. It was different than the economic plan. Now, it may be that I was somewhat less involved in the healthcare deliberation during the time I was Chief of Staff, because it was actually in the last three or four months of the planned debate, when I was not Chief of Staff and then, ultimately, it was not passed by the Congress.

But I was not as deeply involved in the healthcare plan as I was the economic plan as Chief of Staff. I think there are a couple of reasons for that—not just because Mrs. [Hillary] Clinton was responsible for it, although that probably was a part of it. But moreover, I come, obviously, from the private sector and a business background and had given the President, along with Bob [Rubin] and Roger Altman and other economic advisers during the campaign and before. So I was very personally involved in that and had a real commitment to it, interest in it, and knowledge about it. And it was such a centerpiece during the first year. In the second year, when healthcare was introduced, not only was an entire organization put together that had been developing these policies and approaches for some period of time, keeping our office informed—I'm not suggesting that they didn't do that, because they did—but we also then really turned to a much more foreign policy agenda during the second year.

We made our first trip to Europe; and some of the groundwork we'd laid in the first year, we really started to place more emphasis on that, after getting the economic plan passed in the first year. The global economy, the international economics becoming a fundamental pillar, in my view at least, of our national security; foreign policy was becoming very apparent. We had just passed the NAFTA [North America Free Trade Agreement], so we had our first APEC [Asia-Pacific Economic Cooperation], our Asian-Pacific meeting in Seattle, in late 1993, so there was an increasing emphasis on those matters as it related to foreign travel and

foreign policy. And, frankly, some of the personal allegations had started in late 1993. They had been there to some extent in the campaign, and even in the early part of the administration. But they really, the whole Whitewater episode kicked off, if you will, in December of 1993. That took some of my time, even though I was not deeply immersed in all of that. Because I was not a lawyer and not a political spinmeister, so to speak, or a communications person. But it took up some time. You can only be involved in so many things and, therefore, I was involved in the healthcare effort and coordinated it to some extent, but less so than the economic plan.

MK: So, in a way, sometimes there was a different process that was used.

TM: That's not unfair.

MK: With something like Whitewater, what is the impact within the building, of it? And then some of the other things that have come up? And the investigations that come with them?

TM: I really can only speak fully to my time as Chief of Staff because, once I was not Chief of Staff, while I had some involvement and was effective to some degree, I didn't really have responsibility for those areas. Certainly in the case when I started to really take on more of a foreign policy, Latin American assignment, I was traveling, so I don't think I'm particularly knowledgeable to speak in those areas.

But, in the 1993-1994 period, I think the initial impact was unsettling. I think people were kind of surprised—talking about the administration as a whole, not the President in particular—but surprised at the intensity and the just consistent drum beat. And then, of course, it puts a tremendous workflow on the White House in terms of all the paper production, the responses, and the press responses. The way you deal with that, I think, as effectively as you can, and I think we did a reasonably good of it, is to really try to segment it and separate it as much as you possibly can, and isolate it. You've got to deal with it, but we did set up quickly a task force to deal with it. Therefore, you got people who are concentrating on this, capable, skilled, dealing with the issues. And then that allows, obviously, the agenda to go forward in the broader sense. I think that's how you try to deal with it. You're successful in some cases, and not fully successful in others. But I think it has an unsettling effect. I think you always have this balance of how much to address those issues in a staff meeting. If you don't address them, you're kind of not dealing with the issues. If you do address them, it can show defensiveness, or overemphasis on it. And, frankly, you're always concerned about leaks in a White House. That's, regrettably, kind of the nature of the landscape. We worked on that. We were partially successful, and I'm sure we did much better than any other White House in that regard.

MK: It seems to be human nature. On the task force—

TM: I think in terms of working together and the collegiality, we were far from perfect. But I think—a couple of points: I think Bob Rubin and others have commented about the collegiality. Alan Greenspan has commented about that publicly, that he thought this was the most collegial White House he had seen. I know Richard Neustadt, in a meeting with the President and the cabinet members, told the President he thought he had the most loyal Cabinet that he had seen in his following [of] the White House. I think we achieved a pretty good measure of success there. That's different from actually controlling the communications and the leaks, however. It's part of it, but it's different.

MK: When you're putting together a task force to deal with some of the issues that come up, on these task forces would you have various parts of the White House reflected in it?

TM: I would.

MK: What are they?

TM: Well, I don't know that we took it so much from functions, although we did to some extent; but you also take it from abilities and personalities. We did take it from functions as well. Obviously you get the press and the legal side, probably in reverse order. The lawyers probably wouldn't like it; lawyers first, and then the press second. Our Communications. That's pretty obvious. I think, from that point, you would choose some for personal skills and abilities. We went on into the administration and drew people from the Cabinet as well, where you wouldn't disrupt the core workings of the White House.

MK: Getting people from a particular department—

TM: Yes.

MK: —or the secretary for some things?

TM: More people, not a secretary. You might have a secretary as a surrogate, to do certain speaking, and so forth, but these would be staff-level people. John Podesta, for example, was pretty deeply involved. John was Staff Secretary. You didn't need anybody in the Staff Secretary's Office but John had a particular skill, I thought, in dealing with these kinds of difficult, complicated issues. So he was really in charge of the task force. But we had someone from the counsel's office and the press office.

MK: What about legislative affairs—

TM: We did.

MK: —because of the congressional component?

TM: Then that would be [a] function also.

MK: So, did it become a model, something of a model, that was used as time went on?

TM: Yes, and it got refined a bit. We basically didn't have exactly the same approach as other White Houses, but close. I think the basic system we set in 1993 was generally followed by Leon [Panetta] and Erskine [Bowles] and John [Podesta] in terms of having a morning meeting; generally two or three sets of meetings at different levels, in the White House. We set that up early, and that essentially has continued to this day. It has been refined a little bit and tinkered with a little bit, but the basic format is about the same. We got a little more skilled at kind of getting the meeting group smaller—I'm talking about the staff, not the President—which helps a little bit on the communications and leaks and so forth, and also helps the decision process. But you have a little less pressure as the administration goes on, for everybody to be a part of every meeting. People kind of settle in and they feel comfortable in their role. There wasn't quite the same euphoria and mindset, not insecurity—that's not the right word. But everybody just gets a certain measure of security and kind of "where-you-fit" in the scheme of things. That has been continued and, I think, the task force has essentially been continued and refined a bit where you have two press

spokespeople. We didn't have that, as formal as it is under [Mike] McCurry. I'm drawing a blank. Mark Fabiani—

MK: Mark Fabiani was the first.

TM: Where you actually have two press people to deal with that. Podesta dealt with it, but it was more informal. That's how we tried to keep it out of the White House press room, so to speak. But I think the same general approach has been followed so far to this point.

MK: One of the things that the administration has been particularly successful on, and I think probably this is from the beginning, you mentioned bringing people in from the Cabinet departments, is bringing people in from the outside as well.

TM: Right. We worked hard at it.

MK: So you have Mark Penn. Paul Begala was both in and out. Dick Morris.

TM: I'm not sure I'll take much credit for Dick.

MK: Having a sense that at a particular time you need something: bring it in and bring those political people in.

TM: That evolved some from the campaign. Many of those had been campaign advisers; they had been people that the President, Vice President, First Lady, and others relied on, and had a measure of confidence in; I had a measure of confidence in. It's not too different in an organization or company where you have board members or consultants. It's the same type of concept, supplement management and complement management. It was a challenge to keep all that coordinated. At times we probably didn't do as good a job keeping all of that calibrated as well as you would like, but I think, generally, the freshness of ideas and the level of comfort for the President and Vice President was important. I think it accomplished that. I think if you only rely on just the internal staff, you don't quite get the creativity and spark and the freshness that ultimately serves the president the best.

MK: Was there a discussion of bringing these people in, of having them as part of the administration?

TM: Well, I think really, again, most White Houses have had generally these type of advisers and consultants. I don't think it was unique to our White House. I certainly anticipated that would be the case, since they had been such an integral part of the campaign, not only in terms of their value to the campaign, but in terms of their dedication. These are people who had spent eighteen months of their lives getting Bill Clinton elected President. They were obviously very talented people. I anticipated that. I think we had a pretty large number of them. I think it took us a little while to get them perfectly, not perfectly, but better organized in the flow of the White House. Obviously you weren't governing in the campaign. You were running in the campaign.

[Interruption]

MK: Can you think of what kind of ideas you can generate from outside as opposed to inside? The ways in which they're creative?

TM: There's no doubt that they have a particular ability, at least in our case, in terms of developing—really—the definable themes and messages of the administration. I think the President and this administration have done a good job, not just in 1993 and 1994, but throughout the term. And I think it reflects the President and the other principals, as well in putting a human face, and really making the policies be understood, come alive, for lack of a better way to put it. I think that's critically important. I think the advisers were particularly helpful doing that. I think it made a real difference in the passage of our economic plan, in making the "EITC, the Earned Income Tax Credit." "What does that mean?" Giving examples, having events to support that. I'm not sure we would have generated ideas as good, and ways to do it, without them. In fact, I don't think we would have.

MK: So ads that were used—

TM: Not just ads.

MK: —later in the budget.

TM: Yes. But not just ads. But just really genuine themes that had some real substance and meaning to them, not just ads or cleverness.

MK: In that first year with NAFTA, that was a particularly successful campaign.

TM: I take a lot of pride in that.

MK: You have healthcare, that was sort of the opposite, that sort of tanked. And then NAFTA was a difficult thing, that was successful. What are some of the differences between the ways in which they were organized and how did you get NAFTA through? What are some of the major elements?

TM: Well, we had two major initiatives in 1993, legislative initiatives—the economic plan and NAFTA were two major legislative initiatives—and then healthcare in 1994. The economic plan was so important and we had to make such a strong effort to define it, not as a tax increase, but as a true economic plan that was both cut and invest to reduce the deficit, but also get the economy moving and to increase investments in certain areas, like education. So we really had to work very, very hard at explaining that this was not a tax increase. Obviously that's what the opponents of the plan suggested. It had that element, but that was not the emphasis at all, and I think time has proven that to be correct. Not to take all the credit for this "goldilocks economy," as Bob Reich calls it: "Not too hot, not too cold"—just right. But I think we should take a measure of the credit for making our contribution.

I think they have one thing in common, which I'll get to. NAFTA was much more of a bipartisan effort. The economic plan, we tried to do it bipartisan. I think we were a little late getting started. Lloyd Bentsen and I talked about that. I think because it was right on the campaign it took us several weeks, in fact about a month-and-a-half, to develop the plan. And, I think we lost some valuable time not reaching out to the Republican side in helping develop the plan, and trying to build a bipartisan approach. Now, whether we would have been successful, even if we had done that, I rather doubt it. I think, in hindsight, we made an effort, but it was later than we would have liked. It was a genuine effort, but it was a bit later.

On NAFTA, it was just the opposite. You really were building on an initiative that had been introduced in the Bush administration, so it clearly lent itself to a bipartisan effort and we approached it that way. One of the highlights of my tenure was having both Democrats and Republicans in the Roosevelt Room, counting votes together. I thought: "This is the way government should work." Not that we didn't have opponents of NAFTA. We certainly did, on both sides of the aisle but it really was a good example of how to build a bipartisan consensus. We did that: built from the center out. And were successful.

I think one of the differences on healthcare—and Dan Yankelovich just wrote a wonderful book, *The Magic of Dialogue*. I haven't read it all but I knew damn well [inaudible]. But I think he makes the point in his book, and he's made it numerous times before in his commentaries and op-ed pieces, that both of those issues, the economic plan and NAFTA, had had a dialogue. They had had a precursor, a predicate set, a discussion where healthcare, we really didn't have a proposal kind of put down, and then a long period of discussion, on a complicated issue. I think that is one of the big differences between those three initiatives.

Now, having said that, I think it's only fair on healthcare—and you can see that Bill Bradley is talking about it, as is the Vice President and so forth in the Democratic primary—that healthcare consistently has been an exceedingly complicated and difficult issue to pass, whether it's Harry Truman or Richard Nixon, just right through administration after administration. I think that should at least be noted in the discussion.

MK: In Clinton's case, he gave a speech in which he talked about one of his obligations as president. It was a speech to the weather forecasters and he was talking about global warming.

TM: I remember it now.

MK: He said that one of his jobs as president is to—

TM: That's when we had them all together.

MK: —make people aware of what the problems are. In a problem like global warming there's not that kind of consensus, after the Cold War period, that it's difficult to do that. That one his main jobs, as President, is to create an awareness and then develop a consensus.

TM: Awareness, education, [and] consensus.

MK: It seems, that's something he came to.

TM: That's fair. I think that's fair although—I think that's fair. I think we did it on the economic plan and NAFTA, frankly, much more because of circumstances than of conscious design. The circumstances were: the economic plan had been discussed in the campaign, so you already had that dialogue started. NAFTA had been introduced, or at least discussed—I don't know about the formal introduction—but it had been proposed by the prior administration. But I think, then, after healthcare it certainly dawned on me, that in any major legislative initiative you need a pretty prolonged period of dialogue and discussion to develop an understanding, educate, hopefully reach some measure of consensus, before you move forward. And you may have to also, and the president gets grief either way he or she goes—you either get criticized for taking steps too small and not proposing bold initiatives, or you get criticized for making initiatives too bold and not a step-incremental approach. I think healthcare in retrospect, which is also a great substitute for judgment and wisdom,

clearly there were some initial bipartisan steps. The Kennedy-Katzenbaum bill, for example, is a good example, that could have been taken, that could have built to a more comprehensive - perhaps - reform of healthcare. Which is clearly needed, perhaps in the second term. But again, you would have gotten criticized for doing it that way. That might have been more successful.

MK: Was there a sense—

TM: Do you see my point?

MK: Absolutely. Is there a sense on a president's part that he stepped back and looked and thought, "I have another role to play here"? That he has a sense of how to step back and how to look at something, and review something, and see where something has gone wrong?

TM: Yes. He was good at that.

[Interruption]

MK: In the president's ability to look back, if you look at the beginning of the [Jimmy] Carter administration and you look at the beginning of the Clinton administration, there were criticisms in both that there needed to be a shaking out, there were things that were wrong; needed other directions and what-not; which the Carter administration was not able to do for a long period of time. This is well into 1979. In Clinton's case, he seemed to have a sense—.

TM: An ability to step back.

MK: That's right. Step back; figure what's wrong. What was the process leading up to that?

TM: I think the turning point there, the real event—I think you do have periods in any presidency. In our case, there were a couple or three ebbs-and-flows and I'm not sure that events didn't drive some of his stepping back and then having the opportunity to kind of leverage off, not leverage but push off events, certainly with intention and analysis and review, but using an event to push off from; kind of a logical new starting point, so to speak, or a different period, is a better way to do it. In our case, in 1992, we had the euphoria of coming into office with enormously high expectations and enthusiasm, with almost the presidency riding on the ability to pass an economic plan, and the economy getting better. That's clearly what was in people's minds. So that was to some extent a life and death matter that first year. Had we lost the economic plan and had the economy continued to be somewhat non-robust, I think it could have been literally a doomed presidency in the first year. The fact we passed the economic plan, and then had the real ability to go on the offense to define it, as we were passing it, really played right into the strengths of the campaign and the people who had voted for the President, the 60 per cent plus that had voted for change. Even some that had not voted for president, really wanted to see. At least you had taken action. I think the vast majority of the country, once they understood the plan, and understood the tax increase was only on the upper 1 ½ per cent, and many others were getting tax decreases, they said: "Wait a minute! This is a president who basically made good on his commitment! We have a chance to get this economy moving; I think we do have a chance out there!" Then, as the budget really started to be balanced the people were really surprised; I think they thought that's just beyond our ability to do. So that was a good period; difficult, tough, unwieldy, uneven at times, but a good period.

And, after we passed the economic plan, the economy began to get tangibly better, and we passed NAFTA—which most people viewed, even if they were worked for it, and [inaudible] against it but if they were agnostic or slightly not for it or uneasy about it—they still thought it was strong presidential leadership and, by George, they liked the bipartisan approach. So our approval rating, the President's approval rating, at the end of the first year was about 58 per cent, having been elected—you have to remember Bill Clinton came to office with about 42, 43 per cent of the vote. It was, again, a very unusual situation, and certainly not a mandate. The mandate was for change, responsible change, not dramatic change. I think that was also a calculation that I certainly felt very strongly about. The 60 per cent of the people that voted for change did not vote—it was not that the country was going to proverbial hell-in-a-hand-basket. It was: it needs to go in a better, clearer direction. So we want change but we want that change to be thoughtful and responsible, not necessarily dramatic or overreaching. That I think was a pretty clear message, at least to me and, I think, to others.

Then the difficult period started, I think at the end of 1993, and particularly early 1994, from that rather high point, from the election. When the personal attacks started, that started then to put some tarnish or some question marks or a negative connotation, for lack of a better way to put it. Then the healthcare debate started, and that was a very contentious, tough debate, as you've already pointed out. The combination of those two things, plus the oncoming midterm elections, where things got increasingly partisan in nature, I think, began to lead to a very difficult period.

I think, then, when the Republicans won the House, it really then gave the President an opportunity to define in a much clearer way what he was for and what the vital center was, because you then could define against not a Democratic Congress but against a Republican Congress who clearly made some miscalculations, and overreached, and went way too far on certain issues. So it made the President's position much clearer than it had been. Plus, I think, there was some recognition that the attacks, while unsettling and disturbing to people both within the administration and the country, I think, as a whole were very partisan in nature. The President I think began to get the better of that side, I won't say "side show" but side discussion of the main agenda, and did a good job, I think, of staying on his agenda. Which the vast majority of the people in the country wanted him to do. Then the Republicans I think, overplaying their hand, appearing to be mean-spirited, all the other things that you know from the press, I think reinforced that. Again, you have a contrast.

Then, I think you had a very good period—the traditional “Comeback Kid,” if you will—leading to the re-election in 1996. From that point forward, I think, you've had some pretty turbulent periods. Not the least of which was a very difficult period of the impeachment discussions, and all the [Monica] Lewinsky matters. I really can't speak to those and obviously I'm relieved and pleased that I can't. It wasn't under my watch.

MK: The unpleasantness of 1998.

TM: I never met her. But that's been reported on. It will clearly be a mark on the presidency. It's a disappointment. It showed a lack of judgment. But I do think, on the other hand, that you don't desert your friends when they're in a difficult period. And I think the presidency, I hope, will be judged in its totality, not in a more narrow way.

[Interruption]

MK: —the rhythms of the year.

TM: You had a Republican Congress. He kind of pushed off of that. I think it was more of not only a new beginning but a counterpunch if you will. It was a contrast to draw there.

MK: Was it the first thing that did get his attention, that maybe it got his attention in a way: of having to frame issues? Or was it simply that it presented an opportunity, although it was a negative one?

TM: I think it was a combination of both. It certainly did get his attention. I'm not sure it didn't have his attention, though, before that. I think the circumstances were kind of impossible to turn the situation. So I think that did give an opportunity and an obvious opportunity to step back; the healthcare debate had ended; we were defeated in the elections; we need to do some things differently, make some changes here, and so forth. I think that was the turn, if you will, that was needed. I don't think you could have done that before the election. I don't mean that was simply reaction—is my point. I think it had his attention before that. I'm not suggesting that the 1994 election didn't reinforce it.

MK: Right. In all of the things that he was looking at and trying to figure out how to handle things, where did the White House staff and changes in the White House staff come in? For example, in May of the first year he brought in David Gergen. What did he expect to be doing by that?

TM: In the case of David, it was felt that we needed a number of things: one, more experience in the White House; two, it was a good sign of bipartisanship. I probably should have put that first, because David came from the Republican side. To get back from that new Democrat message that he had run on, essentially, in 1992, in the election and also to change some of the communications effort, and some of the relationship with the press, it was felt we needed some changes there. I think that worked out pretty well.

MK: Is there a difficulty in the beginning of a White House—you mentioned Richard Neustadt earlier. He once observed not so long ago that the young people coming in to a White House are characterized by their arrogance, ignorance and adrenaline and it's difficult to handle and to make those changes. It's something that inevitably happens, because people tend to come in from a campaign. Did you find that that was true and then how do you handle it?

TM: To some measure, I think it's true in most elections. In this case, the election had been a successful one. It had been somewhat of an upset, certainly in the earlier period. And I think it goes back to my earlier comment, in terms of the feeling that there was this clear sense for change. There was, but not overarching change. I think that was maybe another way of saying what Richard has said. You have to try to establish some order in that process. At the same time there is some measure of loyalty or gratitude for those that "brung" [brought] you.

MK: That's correct.

TM: That old phrase. So there has to be a balance. Some weeks, you accomplish that balance, and some weeks you don't. I think, inevitably, it does lead to some changes and refinements, and doing things differently, and people find their appropriate place in the Administration. In some cases, they frankly learned from mistakes. The more capable people learn from their mistakes, correct their mistakes, and do things quite a bit better. That may be another way to achieve some measure of humility when they do that.

MK: Is there some way, or was there thought to be a way, of bringing some Carter people? Because they were the last group in a White House?

TM: From a Democratic side.

MK: Yes. Was there any effort to bring in Anne Wexler or David Rubenstein?

TM: Well, I don't know about David, because I think he was already off doing his Carlyle Group, and so forth. Anne was part of a kitchen cabinet group, and a lot of the Carter people were. We did have a number of Carter people. [Warren] Christopher was from the Carter administration.

MK: Bowman Cutter.

TM: Bo Cutter was, as well.

MK: Stu Eizenstat was, too.

TM: Stu was one I was going to mention, but he came a little later. There was another, earlier. I draw a blank. I certainly talked to Hamilton [Jordan] and Jody [Powell] and to Jack [Watson]. Phil Lader had worked in the Carter administration, as well. And I think Alice Rivlin had served, at least as an adviser, in that administration. I've lost my train of thought. But there was some—and of course Sandy Berger had worked in the Carter administration. So there was some degree of that, but there was also some feeling that had been in 1976, 1980; it wasn't like it was in recent years and Carter had not been—.

And I actually introduced Governor Carter to law professor Bill Clinton. When Jimmy Carter came to Arkansas, campaigning, I caught Bill Clinton teaching law and said, "I think you should meet this governor from Georgia. He's at least going to be Vice President." [Inaudible]. But Carter had not been intimately involved in the presidential campaign, so it was not a logical transition in that regard. But there were a fair number of Carter administration people in the Clinton administration.

MK: I was thinking of a White House as a counterbalance—

TM: As opposed to the—

MK: —where you need to put in some seasoning.

TM: Yes.

MK: Does it take a while to find people around time? [P]

TM: It does.

MK: How do you find them?

TM: I think some of it is exposure. I think, some of it you naturally start getting advice from experienced people, both in Washington and outside. As you get exposed to them, and you work with them, and the president works with them, it kind of is a natural period. For example, Stu Eizenstat was someone I used on the budget as an outside adviser. I had

several meetings with Stu. It was clear to me he was a person of enormous talent. So some of it was just getting to know the people, many of whom who had not worked in the campaign and not been active. Of course, I had not worked in the campaign. So some of it happens in a somewhat serendipitous nature, but I don't think the working relationships are particularly serendipitous. What happens is: you develop rapport, you develop respect, you see people's ability to get things done, and they naturally become a part of the administration.

MK: But it's usually through particular issues that you do it.

TM: Yes. And it takes a little time. I think that's fair. It takes a little time.

MK: In looking at the office when you were coming in, and you were thinking about how to put it together, how many people did you have in mind? What size operation?

TM: You mean in the White House?

MK: Yes. The chief of staff's job and how it would interrelate to other units within the White House?

TM: In the chief of staff's job?

MK: The chief of staff's job.

TM: All right. I think the White House and, to some extent the administration, going back to your earlier question, was clearly driven by the campaign. There's no question about that. That you have a logical transition from the campaign to the administration. And I think, to have dramatically altered that would have created a whole other set of dynamics and problems. So I'm not sure even with the benefit of hindsight, you would have changed all of that. I think you might have changed some of it. And by that I mean you just had certain positions in the campaign that were a natural transition to the White House whether it be the communications operation or the foreign policy operation with Tony Lake and Sandy Berger. It was just too natural a transition. To have done otherwise would have just been a radical departure that I just don't think you could have defended or explained.

MK: Now, in Lake's and Berger's case, they both had worked in a White House before.

TM: They had, and they both had been the principal advisers on foreign policy to the President, during the campaign. So, for him, to radically change from that after winning would have been an affront and it just wouldn't have been a normal way to conduct business.

In terms of the chief of staff's office, again, I relied on prior chiefs of staff. I did not see any reason to reinvent the wheel other than to make it personal for me. A problem we had was: Harold Ickes was slated to be deputy chief of staff. I had known Harold, but not well. He clearly had high regard by the President and the First Lady and the Vice President. And I liked him. Despite our styles being very different, we had good rapport, and I thought we had pretty complementary abilities. Harold had done a lot of work for me in the transition.

Then he had this serious issue come up, about his law practice, and his relationship with labor unions, and so forth. It was a very gut-wrenching, difficult decision for the President, for Harold not to come into the administration and, ultimately, they kind of both made the decision that it just wouldn't work and I regrettably concurred with that. So that

dramatically changed things for me on how I was going to organize, because Harold, again, was just a logical deputy chief of staff. We worked well together and it would have been, I think, a good fit. So I had to make a last-minute adjustment in how that office was organized, and that caused some consternation on my part, because I had slated Mark Gearan to be basically my counselor, press person, kind of an extension of me for lack of a better term. I'm not sure what title we used for Mark, but he seemed to me to have that [skill set]. Well, I had to move Mark into the deputy's role, so that left a blank there. Then Skip Rutherford, who had worked with me ten years in Arkansas—had worked with Jim prior, had worked with the President, very able from a press, political, communications standpoint—about a week before we came here just decided he couldn't come here with his family. So there's all that kind of last minute, trying to get things organized. Inevitably, you're going to [have] some real complications and, regrettably, we did, particularly with Harold. So it took a little period. Eventually Roy Neel came over, and joined my staff, from the Vice President's office, which is almost unheard of. But Roy was very qualified and capable, and it worked out quite well.

So, basically, what I thought was an ability to handle the paper flow—because you were going to have an enormous amount of paper flow, just in the chief of staff's office. The staff secretary's job: the paper flow, John and his staff could handle, which they did. So I tried to gear up that way. I also tried to gear up an operation—I have a real belief you return every call. I may not return every call, but every call that comes in, somebody returns it, or gets it routed properly. So I built a very small staff to handle the incoming flow of calls, and issues, including—frankly—long-time friends both of the President's, because I was a lifetime friend and I knew I would get those FOB calls, and of mine. Not so much input on policy or access but, I frankly didn't want people I had known for twenty-five years or had worked with in business to think, well, I've gone to Washington now and I'm never going to return their calls. I might not could return their call because I was getting about 150 a day but I could at least get someone to call them back and say, "Mr. McLarty got your call. What was the matter you were calling about?" So that was important to me, to be able just to handle the personal high touch, if you will, of relationships. Then I had only one person on the Policy side. I really felt I could depend on the White House staff from a policy standpoint. While they worked for the President, they also worked for the chief of staff's office. So I did not build a big policy mirror staff to mirror the NEC or the NSC [National Security Council] or anything of that nature. And that worked reasonably well. I asked for kind of a point person in each of the White House offices that could interface with my office, and then I could go to it directly if I needed to. Just to get information where I wouldn't have to bother the principals with that request. That worked pretty well. I relied heavily on the cabinet secretary's office. Christine Barney, I thought, was quite capable. Some of that was personal. She seemed to have the skill set that worked well with my office and would be a very good link to the Cabinet as well as the White House. So I used her almost as a part of my office and that office as part of my office, and that worked very well, I think. So that's kind of how I did my office.

MK: Now Ickes would have been— His skills are political skills.

TM: I think political and operating skills. Harold is a pretty good enforcer. I think the way we originally had thought about it was: I would basically manage up. I'd manage the President, which I felt I had some ability to do, and that's what the President really had asked me to do; that I could work with the Congress, where I'd worked for twenty, twenty-five years, which I did. Harold would kind of manage down and manage the White House staff and the political side. That seemed to be a pretty good fit, and when Harold couldn't come aboard, we had to make some adjustments.

MK: That's difficult to do that.

TM: We did, but it was not easy.

MK: So you couldn't really do it with one person.

TM: No. And a lot of people have had deputy chiefs of staff. I think it's interesting that Leon, Erskine and John, to this day have kept two deputy chiefs of staff, which was the model I had set up, even though it was a permutation of—.

MK: Often they've done one.

TM: It's been done both ways. But each chief of staff under Clinton, I think, has kept that model.

MK: But you still had that basic responsibility for the president.

TM: That's right. And then, you always have that tug and pull, and chiefs of staff have done it differently. And it took us a while to sort that out. George [Stephanopoulos] eventually moved into that role and Rahm [Emanuel] has followed him, and Doug Sosnick has followed him. It's not quite a deputy chief of staff but it has a—. We did it a little bit differently, because the role had not evolved. But you basically have to make a decision, as chief of staff, of how much you're going to stay with the president and how much you're going to do your agenda, and how much outreach you're going to have. So, basically, what you eventually move toward is: you get someone like George, like Rahm, like Doug Sosnick, who have good rapport with the president, who have pretty good gauge, and can intersect policy and politics, and they kind of [being not to] shadow the president—. That's not the right word. But they keep up with the president's schedule; that allows the chief of staff to do other things. Then, at certain events, where either you need to be or you want to be or feel you particularly need to be there, then you keep your agenda going at the same time he is going, and mesh the two.

MK: And they can play hearts on the road.

TM: I refused to wear a beeper, and I refused to play hearts. Those were two things I wasn't going to do. I told him I would be available all the time, but I wasn't going to wear a beeper, and I'm not a card player. So that was just a personal trait.

MK: Did you find that White House work life was grinding?

TM: I did. I had anticipated it would be. I have worked hard all my life.

MK: How does it compare?

TM: It's different. It's somewhat more relentless, and it's somewhat more chaotic; because you've got outside events coming in at you more, and you've got a much broader range of events. You have to make decisions, in most cases, much quicker; not necessarily big decisions, but decisions. In the private sector, you have a little more ability to order and organize your decision-making process.

MK: Would you say in the White House you—?

TM: And you have periods where things are not quite as so intense or demanding. Obviously, in dealing with the world and domestic issues, you're just going to have issues that have to be dealt with, literally, seven days a week. That's not usually the case in the private sector.

MK: What about the degree to which information that you work with is incomplete? Is that different in private industry from a White House?

TM: It is. In many cases it is. It goes to the speed of the decision-making. Even though government does not work as efficiently or promptly and timely as it needs to, you really do have a quicker decision-making tree than you do in the private sector. Some of that is driven by the press and communications; some of the decisions that you don't have in the private sector, even in a public company. And, therefore, a lot of times you don't have information as complete. I think on most foreign policy, certainly security issues, you do have a pretty complete set of information; not always, but usually. I would differentiate, where you take more care, more time, and have more resources, and ability, to have perhaps a little more thoughtful process.

[Interruption]

TM: Why don't we finish here?

[End of Disc 1]