

ONE MORNING IN LATE AUGUST 1991 in Little Rock, Arkansas, the state's first couple awoke in the mansion's guest house. Renovation in the mansion had banished them for months to tight quarters in the small two-room house. Their daughter, Chelsea, was sleeping on the fold-out couch in the living room.

"I think you have to do it," said the state's First Lady, Hillary Clinton.

"Do you really?" Governor Bill Clinton asked his wife from their double bed.

"Yeah," Hillary said.

"Why do you believe that?" he asked.

"I think you are absolutely the right person to make these arguments," she explained. She believed that it was a rare meeting of a man and history. Her husband had just turned 45, and she was 43. They had been married 15 years.

"You really think so?" Clinton asked.

"Yeah," she said. "I really think so."

"What do you think'll happen?"

"I think you'll win."

"You really think so?"

"Yeah, I really think so!" she said.

"Well, you know," Clinton said, "a lot of people think this will be a dry run."

"I don't," she said. "I think if you run, you win. And so you better be really careful about wanting to do this and making these changes in your life." Others had been saying that if he ran well, more seasoned and powerful men in his party would come in and take it away from him, but that he would get the necessary experience, and that would be good. She did not agree.

The effort would be hard and bruising, she added. It was a question of what she called "the pain threshold," and who would take it on. The Republicans were well organized and well financed. They thought they were anointed, as if they had a right to win every time. And they played very tough.

She didn't remember exactly what he said in response that morning.

For months she had known he was going to do it, even though he hadn't yet come to realize it fully. He entertained the idea, and they'd been talking about it all summer with a new intensity. But he wasn't convinced that he was the one. "I just don't know if I want to do it," he told her once. "I don't know if it's worth it." But she knew. She had known it for months, since the spring. Since then, she had never doubted it.

squeezed—paying for programs for the poor and tax breaks for the wealthy, while getting little in return from government. The middle-class crisis presented an opportunity for the Democrats. Buried in the article, Greenberg also invoked the magic phrase “tax relief.”

Later, when he asked Clinton for his reaction, the governor replied, “I’ve read it three times.”

Greenberg felt that Clinton might be the Democrat who could succeed. Clinton’s immersion in the small, poor state of Arkansas had provided him with a natural, immediate identification with the guy on the assembly line, on the farm, or in the coffeeshop, the average person who felt insecure about the economy. Clinton, a graduate of Georgetown and Yale Law School, had an unusually broad national network of political, media, and academic friends, and displayed an obvious fascination with ideas.

Clinton was also hungry. He walked and talked like a candidate, Greenberg felt. His ambition and itch for the contest was apparent in his every gesture. Yet Clinton would not fully commit to run. He continued traveling around Arkansas trying to get assurance from voters that he could break his promise not to run for president. He set August as a personal deadline for a final decision, but the deadline slipped. Clinton had no campaign manager and not much organization. He appeared locked in a perpetual debate and argument with himself and with dozens of friends and advisers. His thinking never seemed to go in a straight line. He was unable to bring his deliberations to any resolution. Greenberg was horrified at the process. It bordered on chaos.

HILLARY RODHAM CLINTON watched the forces and ideas at work on her husband. He had made several trips to Washington to talk to congressional Democrats, only to return each time to Little Rock to spill out his frustration. No one knew how to seize the moment, he said. Yet Hillary felt her husband’s own criticism was not just economic or political but a moral critique. He was indignant about what the Republican policies had done to the average person—little or no wage increases, job insecurity, the fraying of the safety net. As governor, he had paid the price. He had told his wife once with some bitterness, “It would be great to be the president like Reagan, who cuts taxes so that every governor, including Republicans, had to raise them.”

During a trip to Japan several years earlier, Hillary Clinton had overheard a conversation between her husband and a Japanese executive. “You could do a lot to stimulate your economy,” the executive told

Clinton, "if your executives in American industry weren't so greedy." Her husband replied that American executives were being given permission to grab the most at the top by the Reagan economic policies, which were designed so wealth would allegedly trickle down to those at the bottom. But those at the bottom weren't seeing the benefits. Hillary agreed. She was angry at what she called "the unacceptable acquiescence in greed that had occurred during the 1980s."

After Labor Day 1991, she saw her husband coming around, although he was still being careful. "I just don't think this country can survive without some sort of debate about this," he said at first. He often framed decisions in terms of the need for a debate. Finally, he said, "We're going to get ready to go." What she had known for a while now became conscious for him at last, and he said, "We're just going to go do this!"

ON A FRIDAY MORNING in September 1991, George Stephanopoulos, age 30, walked into a gray, painted-brick rowhouse just north of the Capitol in Washington, D.C., and climbed the steps to the second floor, the office of Stan Greenberg. A handsome bachelor of 5 feet 7, Stephanopoulos had a small, almost fragile frame, set off by a big shock of dark hair. He could roll out a grand, infectious smile as needed. Well dressed, even a little self-consciously hip, he was smooth and guarded. He was looking for a job with a Democratic presidential candidate and was here to meet with Bill Clinton. Greenberg closed the door so Clinton and Stephanopoulos could talk alone.

Clinton asked Stephanopoulos to talk about himself.

In the 1988 Dukakis presidential campaign, Stephanopoulos said, he had been in charge of rapid-response communications and joke writing, two of Dukakis's distinct failures. He said he wasn't very funny by nature, but the campaign had apparently wanted a short Greek in the room.

Clinton laughed.

After that, Stephanopoulos continued, he had worked for House Majority Leader Richard Gephardt as his floor manager the last several years. He had urged Gephardt, a presidential candidate in 1988, to run again in 1992, but Gephardt had declined.

Clinton said he was thinking of running and asked Stephanopoulos his opinion of recent political events. Stephanopoulos said George Bush was in a box after breaking his "Read my lips, no new taxes" pledge. Bush's flip-flop would help the Democrats in 1992, regardless of their candidate. The strategic question was whether the Democrats could

class tax cut is hope and cash for them." In New Hampshire, talk of long-range global strategies and investment meant little. They were mere abstractions.

Carville agreed. "All the wrong people are against it, so it must be right," Carville said. The critics of the middle-class tax cut included Clinton's Yale friends and editorial writers and columnists from elite newspapers. Carville bristled that Tsongas was getting credit for political courage. "Political courage gets defined by the willingness to slap working-class people around," he said, adding that it was time to help working people, not bury them in political courage.

Stephanopoulos was aware of the war going on within Clinton. His heart was with the middle class, the guys in the bowling alleys of America who deserved a break. But his head was with the Tsongas voters and the harder-nosed policy analysts. Clinton was only vaguely focused on the federal deficit that Tsongas was always harping about. As a Washington outsider, he just hadn't had to worry about it.

On January 23, *The Star*, a supermarket tabloid, published a charge by Gennifer Flowers, an Arkansas woman, that she had had a 12-year affair with Clinton. Clinton danced around the allegation, appearing on CBS's "60 Minutes" with Hillary, who in effect said that if she didn't mind, why should others. When *The Star* published a second story with excerpts from tapes Flowers had made of her conversations with Clinton, Stephanopoulos felt he was almost going to have a nervous breakdown as he tried to handle the mounting allegations. A normal person would drop out of the race, Stephanopoulos felt. In the Manchester airport, Clinton spoke to Hillary from a pay phone. When he hung up, he was serene and unclouded. He began campaigning with a new resolve.

JUST AS THE GENNIFER FLOWERS STORY was dying down, the *Wall Street Journal* ran a story on February 6 about Clinton's efforts to manipulate the draft laws in 1969 to avoid military service during the Vietnam War, triggering a new round of doubts. On Sunday, February 9, with the primary just ten days off, Clinton was back in Arkansas. He had the flu, with a cough and a raging fever. Hillary was amazed he was still going. He was in terrible physical shape, totally worn out. She thought he had seen practically every doctor in New Hampshire and seemed to be taking every antibiotic known to modern medicine. Clinton gathered his top advisers in the East Conference Room of the Governor's Mansion. Stan Greenberg reported a "meltdown" in the polls in the aftermath of

the draft story. Clinton's support had plummeted almost instantly from 33 to 16 percent. Other polls showed a 15- to 20-point drop. No one knew where the bottom was. Stephanopoulos, for one, thought the drop was almost fatal.

"The goddamn fucking middle-class tax cut is killing me," Clinton declared, to the astonishment of most in the room. He slammed his fist down repeatedly onto his right upper thigh for emphasis. Clinton was pounding so hard that Begala thought he might be bruising his leg. Others also couldn't help thinking that Clinton had slipped heavily into denial.

Clinton continued ranting for some ten minutes or more, holding the audience captive, spewing out his rage. The campaign should not be about his past personal life, he said, and he was not going to quit.

After Clinton was finished pounding and cursing, Hillary Clinton took the floor. "We're going to fight like hell," she said. "We're going to fight like we do in Arkansas. If this was Arkansas, Bill, you would be on every radio station, you would be out in every county fighting. In New Hampshire, they don't know you. But they're no different than people in Arkansas. We have to fight. That is the problem."

The 15-minute pep talk worked. Spirits lifted in the East Conference Room. Soon Stephanopoulos and Begala began tending to the problem. They started writing radio ads for New Hampshire, which was one sixth the physical size and one third the population of Arkansas—not all that different. They stayed up most of the night.

The next day Clinton and his team flew back to New Hampshire. In a press conference, Clinton promised to "fight like hell" to win. "For too much of the past couple of weeks," he added, "this election has been about me—or rather some false and twisted tabloid version of me—when it should have been about the people of this state." He criticized what he called the "Republican attack machine," though there was no evidence to suggest it had anything to do with the infidelity or draft stories. Clinton then threw himself at the people of New Hampshire with a punishing schedule.

The weekend before the vote, Greenberg reported that Clinton was at only 17 percent, too low to portray him credibly as a national candidate, and was preparing to brief everyone on the grim details. "I'm not coming to the meeting because Stan is wrong," Hillary declared. "I've been out there. Either everybody in New Hampshire is a consummate liar, or we're back up and we're going to do really well."

In the New Hampshire primary on February 18, Clinton received 25 percent of the vote, finishing second, 8 points behind Tsongas. "If the election went on another week," Hillary said, "we would have beat

Tsongas." Clinton quickly labeled himself the comeback kid and the national front-runner. The Clintons had pulled themselves back from the brink of oblivion.

Later the next month, during the Illinois primary, the campaign staff tested public perceptions of the Clintons. A group of voters watched videos while they adjusted dial meters to indicate whether they liked or disliked what they saw or heard. When Hillary came on, the meters dropped way, way down to the negative reading.

"They don't like her hairdo," Clinton said in a serious tone. Carville felt like sliding under the table from embarrassment after Clinton's remark, but he said nothing. He realized that much of Clinton's psychology was wrapped up in Hillary and her support and strategic guidance. In these moments no one was more firmly behind him. Perhaps it was Clinton's way of defending his wife.

The campaign was grueling, and Hillary seemed to sense when her husband needed a rest. "I'm saying it and I'm tired of saying it," she told Carville once. "Bill is tired. He needs his rest, and I have called you on that, and I am not going to call you anymore, James. I want this done. Now."

flap to defend Clinton on Ted Koppel's ABC television show "Nightline." Both Clintons had wanted a woman upfront on defense. Grunwald aggressively and deftly turned the tables on the normally unflappable Koppel. She asked why Koppel, who prided himself on serious issue-oriented programs, hadn't done any shows on Clinton's economic proposals or on Clinton. Barreling in on Koppel, she said she was surprised that he would let "a trashy supermarket tabloid" set his agenda. "You've done a very effective job of putting me on the defensive," Koppel replied weakly.

Both Clintons had watched, and within 24 hours Mandy Grunwald had been hired and was soon in charge of media and advertising. Grunwald at first found the campaign a floating crap game. Key people were spread out; some were on the campaign plane, others in Little Rock, and many still in Washington. Politics was also about organization, and Clinton didn't have it. Everyone was throwing ideas at the candidate, who had no system to evaluate or decide among them.

Grunwald urged Clinton to hit the airwaves as much as possible, from MTV to Phil Donahue's show. Carville, Begala, and Greenberg, meanwhile, had outlined an economic message for use in the remainder of the campaign. Hillary wanted her husband to come home to Little Rock to recharge, think, and listen. "Look," Hillary told the consultants, "he may agree with you, but he has to come to it in his own way." Hillary insisted he had to "internalize" the message and the ideas. He needed in-depth exposure to the alternatives and lively debates, pushed even to the point of confusion. "He has to come to this in his own way," she repeated.

A lot of pressure grew on Clinton to move his headquarters to Washington. Some aides argued it would be easier to coordinate his campaign from there, that running it from Little Rock was inefficient. Hillary was dead set against the idea. He had to stay rooted. He was still governor, and he needed to pay attention to his responsibilities in the state. She worried that a Washington campaign would become reactive, responding to Bush and Congress, instead of active, proposing original ideas of their own. Clinton needed to stop and take a deep breath, get recentered. The campaign stayed in Little Rock.

"Specificity is the character issue this year," Stephanopoulos had told a reporter earlier in the campaign, and he continued to think he was right. Voters were measuring the candidates by their willingness to lay out in detail the specific policies they would pursue as president. Perhaps, as some had suggested, a detailed expansion of Clinton's six-page January *Plan for America's Future*, an economic plan with specifics galore, was the big idea they needed. It would grab attention and prove

"They are snakes," he said to Carville, referring to Bush's economic advisers. He poked his finger hard into Carville's shoulder. "They're jumping ship." He poked Carville's shoulder again.

"You can't say that about your friend Mary Matalin," Clinton said. Matalin, a top campaign spokesperson for Bush, was romantically involved with Carville—certainly the oddest pairing of the 1992 campaign. Matalin had on her wall a picture of Hillary portrayed as the Wicked Witch from *The Wizard of Oz*. The caption read: "I will get you, my pretty, and your little dog too." Matalin often attacked Clinton personally and had once called him "a philandering, pot-smoking draft dodger." In the context of Bush's apparently disloyal economic team, however, Clinton seemed to admire her loyalty. "She's sticking," Clinton said, as if delivering some important message as he continued to poke Carville.

"But they're rats," Clinton said. "Jumping the ship. George Bush made them. They were nothing before."

SOMETIME AROUND 1:30 P.M. on election day, November 3, 1992, Stephanopoulos and most of the campaign staff realized the election was over. The exit polls conducted by the television networks showed a solid Clinton victory. But it was not over for Hillary Clinton. She paced nervously around the Governor's Mansion throughout the day and night. Others were celebrating; she paced. She didn't believe exit polls. Back in 1980 when Clinton was running for his second term as governor, a TV station general manager had called her. "Oh, I'm so pleased," the manager said. "Our exit polls are showing Bill at 58 percent." Hillary and Clinton both expected a close contest and felt that the election could go either way. She didn't think 58 percent was credible. "Your exit polls are wrong," she told the manager. "They're lying to you." Her husband lost by 32,000 votes.

Now, 12 years later, she waited for the final tally of electoral votes. Finally, Ohio put him over the top. Clinton was elected President of the United States with 43 percent of the popular vote and 370 of the 538 electoral votes. Bush received 38 percent and Perot 19 percent.

Clinton went over to his wife. She told him that she loved him very much, she was very proud, and she couldn't imagine anyone going through what he had gone through and keeping his spirit and optimism. And, she said, he would be a great president.

"You really think so?" Clinton asked.

"Yeah," she said reassuringly, "I really think so!"

small items would never save as much as health care reform and would entail lots of political skirmishes instead of one big battle. Reform could both achieve universal health care coverage and appeal to conservatives by saving money, he added. Clinton agreed to create a team to look at the overall health care problem.

Should we assume health savings for deficit reduction? Panetta asked. Clinton had not responded to Rivlin's suggestion that health care reform be treated as deficit-neutral. Panetta and Rivlin both knew people who had worked years to get a handle on health care costs. They knew this was a key question.

"This will take about two weeks, I think, to get a handle on that issue," Magaziner said. Two main questions would be addressed, he said: how to control costs and how to get the savings to the federal government. Clinton expressed optimism that they could pass a health care reform bill fairly early.

Panetta resumed his presentation. He said that in the 1990 budget deal they had looked at delaying the cost-of-living allowances (COLAs) for Social Security recipients for three months. Every year, all Social Security beneficiaries got an increase in their checks to account for inflation; delaying these increases was often discussed but rarely done. A three-month delay, Panetta said, would save \$20 billion over three years.

For the first time, Gore jumped in, saying Social Security should be an option. Like taxes, Social Security was usually considered untouchable, but Gore wanted to be tough-minded.

HILLARY CLINTON had taken a seat on the sidelines against a wall, not at the main table. She wanted mostly to listen, but she also wanted to be sure that everyone at the table was thinking about the real lives behind their decisions. These decisions were not abstract. She had running through her mind a movie of the thousands of people she and her husband had seen on the bus trips and the rallies over the last year. These people had come and clutched his hands, her hands. They had supported Clinton, she felt, because they believed that as president he would pay attention to their concerns.

The mention of cost-of-living allowances triggered a reaction from her. The advisers were talking about the \$20 billion they wanted to save, a nice, round, important number. "Does anyone have numbers regarding people with COLAs?" Hillary inquired. How many people received the cost-of-living allowances and had other income to help them out?

No one had an answer. She knew it was a basic issue for millions who lived on Social Security. There were lots of ways of taking on Social Security costs, and delaying the increases would be about the least progressive among them. The poor, who often rely on Social Security as their only source of retirement income, would be hit the hardest.

Panetta concluded by presenting three possible goals for the 1997 deficit: \$240 billion, \$220 billion, or \$195 billion.

TREASURY SECRETARY-DESIGNATE BENTSEN, slated next for a presentation on taxes, opened with some broad remarks. "It's critical that this bill pass," Bentsen declared. "Anything we do on revenues is going to be difficult politically, and if the bill doesn't pass it will be a very, very serious blow to the administration."

Bentsen entered into a brief disquisition on power and the importance of winning. Perception of strength was everything in Washington, and strength was measured by winning. The importance of this first battle could not be underestimated. Whatever their ideal program, they had to pass some sort of economic program. If Clinton succeeded, he would be strong and able to do good things for his presidency. But if he didn't, he would be perceived as weak and not get anything.

The plan would have to move through Congress quickly, Bentsen added. Therefore, on taxes, they had to propose familiar options. There would be little time for education. They should look at the options provided by the Congressional Budget Office, the well-regarded, non-partisan analysis arm of Congress. Those options mostly represented good policy. If all the options appeared equally desirable as policy, their political acceptability should be the decisive test. Bentsen also urged presenting several different taxes rather than one single tax, so a loss on one wouldn't mean the loss of the entire tax package.

Bentsen had a single sheet listing various possible taxes. It included Clinton's campaign promise to increase income taxes on the wealthy. Other options included an increase in the corporate tax rate; taxes on cigarettes and alcohol; a decrease on the portion of business meals that would be tax-deductible; a 4-cent-a-gallon gasoline tax increase; and several other technical adjustments that could bring in new revenues. The sheet also listed the amount of new revenue that these various tax increases might bring in over a five-year period. The highest level was \$250 billion.

AFTER BENTSEN FINISHED, Gore stepped in. Gore felt that Clinton and he had been elected in part because of their promises on the environ-

single sentence or sound bite said it all, but an unmistakable impression had been left. Bentsen had said some consumption tax was "going to take place." The broad-based energy tax was "certainly" on the table. He praised it and eliminated the others. The story was the lead on most evening news shows and on the front page in the next day's newspapers.

Sperling was baffled when he saw the news coverage. He spent the morning drawing up two pages of likely questions and possible answers on the subject for Clinton. On the phone, he insisted to reporters that Bentsen hadn't said an energy tax was necessarily coming. Clinton, too, in his comments to reporters that day, challenged the press's reading of Bentsen's remarks. "I wasn't sure that I was reading about the same interview in the press this morning," Clinton said in a brief exchange with reporters. "He said that no decision had been made, and no decision has been made."

At Treasury, Bentsen came to work braced for the reaction. He had probably gone out on a limb. DeVore could see that the normally uptight Bentsen was even more uptight. Soon news of the reaction in the bond market poured into Treasury. By the afternoon, Bentsen was all smiles. The yield on the government's 30-year bond fell throughout the day from 7.29 to 7.19 percent, signaling confidence. "You might note that the long-term rates are down to a six-year low," Bentsen said to DeVore smugly at the day's end. It was one concrete result that could be posted by the new administration before a bill had even been proposed or a single vote taken in Congress. The financial markets strategy was beginning to work.

Mandy Grunwald, for one, did not share the jubilation. She believed that the bond market thrived on bad news for the middle class. The reaction seemed to indicate that if Clinton didn't plan to screw the middle class, he was not serious about deficit reduction.

AS CLOSE AS HE WAS, Stephanopoulos felt he was watching the president and First Lady through a glass. There was no way to know their real relationship. Why did some couples stay together and others grow apart? An outsider could not know. One thing was evident: Hillary was his most important adviser and she wanted a senior post in the White House. Initially, she wanted to be the top White House domestic policy adviser. Stephanopoulos, Greenberg, and several others were alarmed. It would be politically explosive, send the wrong message, and invite attention and Lady Macbeth stories about her as the true source of Clinton's ambition and drive.

The domestic policy post went to Carol Rasco, a longtime Arkansas friend and political aide to the Clintons. Hillary said she still wanted an office in the West Wing of the White House, the business and policy hub where the president's Oval Office was located. Traditionally, the First Lady worked out of the East Wing, the opposite side of the White House, that contained the social offices. During the transition, some Clinton advisers had tried to talk her out of it, but had failed. Stephanopoulos was relieved when they decided to fall back on the model that had worked in Arkansas—give her a project to supervise.

Clinton decided to put her in charge of a health care reform task force—the most important and influential role ever explicitly assigned to a First Lady. Clinton had initially asked Gore to head the task force, but Gore had declined the job, which could have demanded all of his time. Clinton had also considered offering the assignment to Senator John D. “Jay” Rockefeller IV of West Virginia, a close friend who had studied the issue closely, but Majority Leader George Mitchell had warned against having a senator head an executive branch task force.

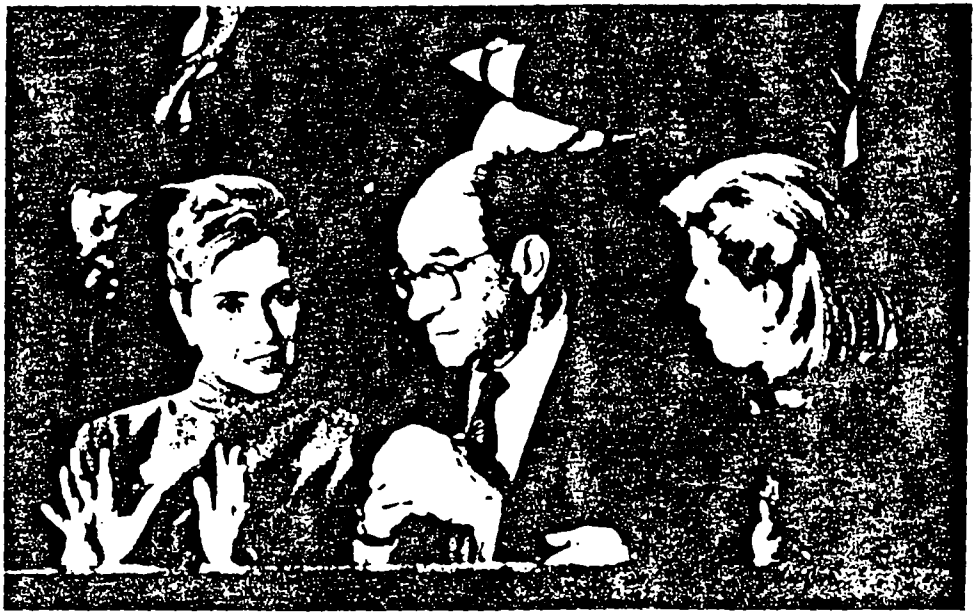
The same Monday the bond market responded so favorably to Bentsen's comments, Clinton called together his staff and key cabinet members in the Roosevelt Room after lunch to announce that his wife was going to head the task force. She was to be treated like anyone else, Clinton said, and be challenged and questioned like any other member of the cabinet. Bentsen thought the president was taking a hell of a risk appointing his wife, but didn't feel he knew Clinton well enough to tell him. Clinton then read a statement he planned to give to the media.

Just after 2 P.M., Clinton read the statement publicly. He said he wanted to submit legislation to Congress within 100 days. When asked if the 100-day deadline was “hard and fast,” Clinton gave a modified yes. “If it were 101 days, I wouldn't have a heart attack.”

THE NEXT DAY, Senate Minority Leader Bob Dole told Clinton at the White House that the Republicans probably wouldn't give him any votes on his economic plan. Clinton would be raising taxes, and if the tax hike didn't work, Dole said forthrightly, that would permit the Republicans to blame Clinton. Clinton appreciated at least the candor. Dole wasn't going to let him have a honeymoon. It was funny and sad, Clinton felt. He had viewed Dole as one Republican who had been willing to stand up to Reagan and Bush on taxes and adopt what Clinton thought was a more balanced and realistic approach. Now, Clinton concluded, Dole had become one of them, securing his position as leader with the many conservative, anti-tax Republicans in the Senate. Part of







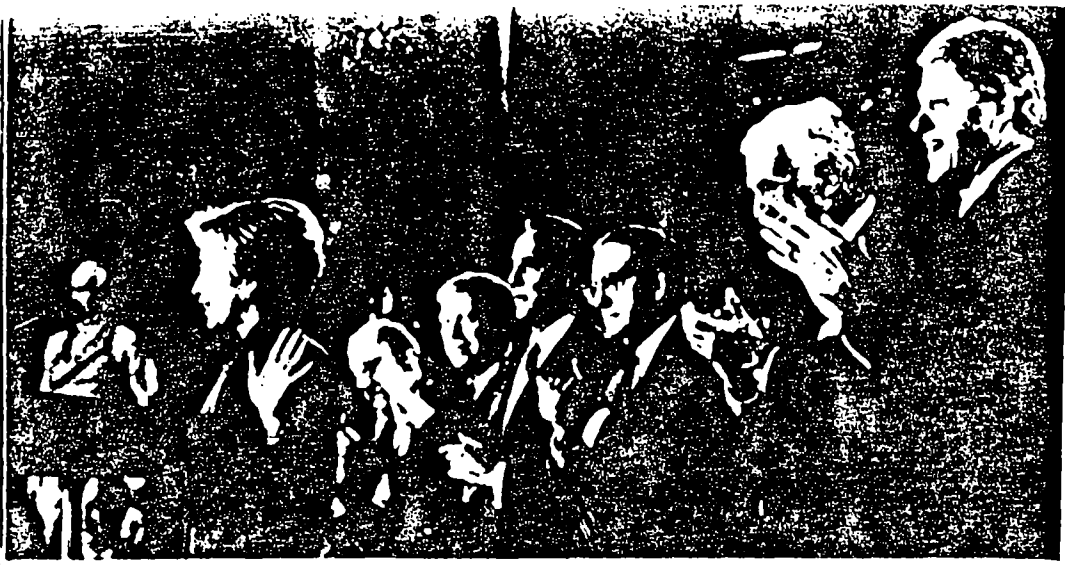
Federal Reserve Chairman Alan Greenspan between Hillary Clinton and Tipper Gore at Clinton's speech to Congress unveiling his economic plan, February 17, 1993. Greenspan maintained he was surprised to learn that he would be seated right next to the First Lady.

20

David Gergen, a veteran of three Republican administrations, joined the White House to help turn around its relations with the press.



21



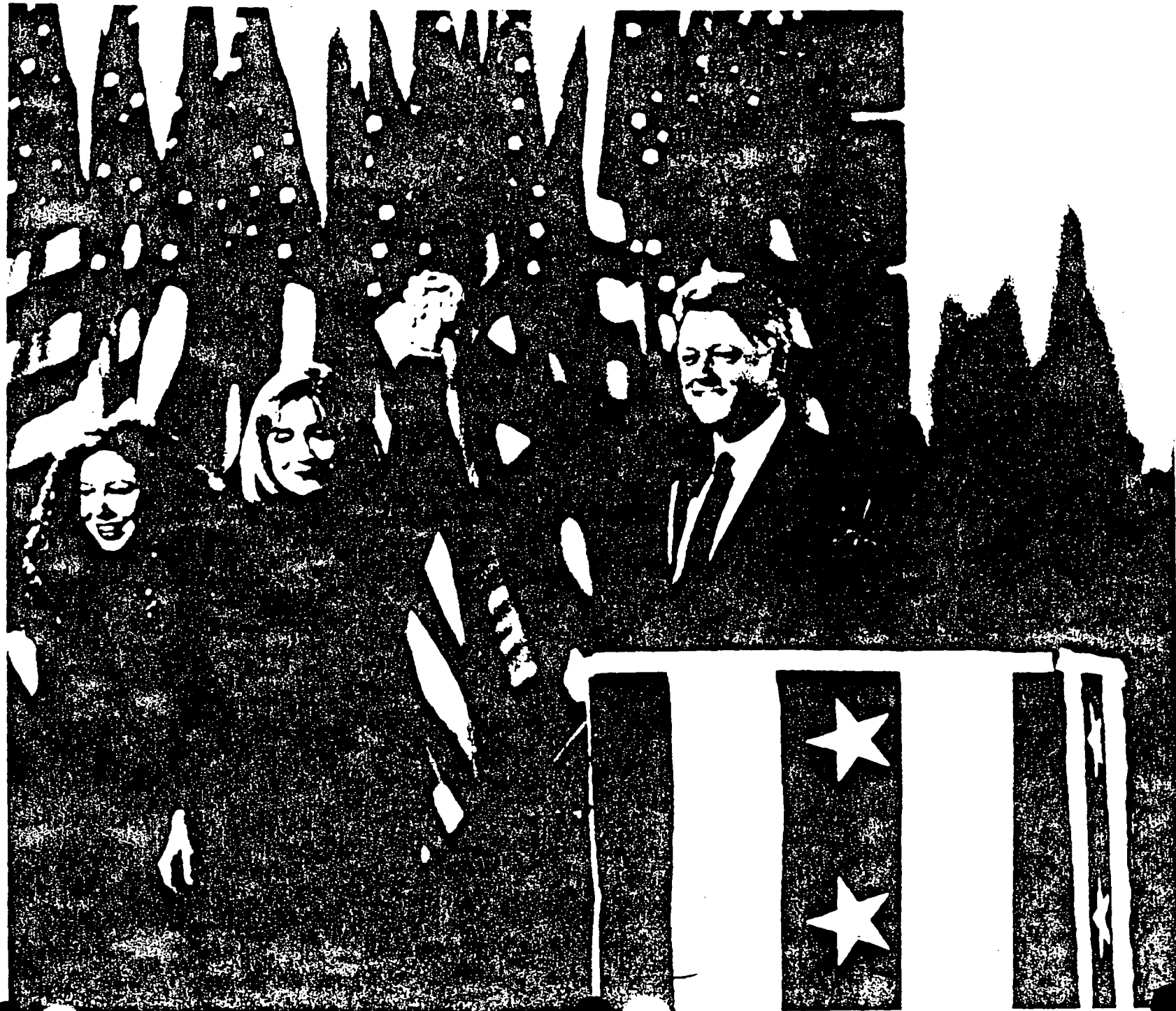
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Hillary Rodham Clinton, the congressional leadership, and President Clinton.

Gore and Clinton having lunch at the White House, February, 1993.



27





from an activist government on jobs, education, training, and investment. "People are anti-government and pro-government at the same time," he said. "This is a complicated notion. Don't confuse the desire for deficit reduction with a presumption that people want small government." Clinton had to convince voters that he would use their tax money more efficiently and effectively.

In his focus groups and polling, Greenberg said, he asked voters to name Clinton's most important promises. The first answer was the promise to create 8 million jobs, the second health care reform, the third welfare reform. All of these ranked above deficit reduction. If deficit reduction was going to require new taxes on the middle class, the president had to be seen as fighting for the middle class in every other way. If deficit reduction had to be emphasized, it couldn't be portrayed as an end in itself, but as a means to accomplish the other promises of the campaign.

Hillary Clinton interjected. The event which had gripped the public most during the inauguration celebrations, she said, was the White House open house, where she and her husband stood for hours greeting the public. People had the feeling that others "like me" were in there, she said. Making it clear she was backing Greenberg's point, she said the people needed to feel that Clinton was in touch with them and their problems, such as jobs and health care.

Clinton then turned to some of the broad themes for his presidency, while others listened or took notes. He spoke of hope and opportunity, and the difference between them: Opportunity, he said, was an objective reality. Hope was the faith that things could be better. FDR created hope long before he created opportunity. Clinton talked about "making change our friend." He reminded everyone that things were worse than he had thought before taking office, that the American people had been misled, and that the economic situation had deteriorated. He wanted to keep faith with the middle class. "It's scary to be a little person," he said someone had told him in the line at the White House. America had a special place in the world, and the eyes of the world were upon them. But more important, he said, "the eyes of our children are upon us." If we do our jobs, and reform health care, he said, "We'll return to office."

Then Hillary took the floor to address some practical questions. The problems from the 12-year Republican mess would not be solved overnight, she said. The administration would have to communicate to people that the country was going on a journey—a long journey, with milestones along the way to mark progress.

Let me tell you how this guy works and how we operated in Arkansas, she said. During his first term as governor, he set about attacking all the

problems all at once. He was the darling of the reform-minded, liberal press. But he didn't communicate a vision or describe the journey he intended. In 1980, she said, when Clinton lost his bid for reelection as governor, the lack of a coherent story had disconnected him from the people he was trying to help. In 1983, when he came back, they had devised a simple story, with characters, with an objective, with a beginning, middle, and end. And it all had come from a moral point of view.

They had taken on education reform, the hardest issue, whose benefits would not be seen for a generation. Talk about a long journey, she said. They realized the need for a story, complete with enemies and villains. They even villainized the teachers' union, which had been their ally, for resisting "accountability" when it opposed teacher testing.

"You show people what you're willing to fight for when you fight your friends," Hillary said. Though the battle was long and a painful political experience, there were benchmarks of progress every two years or so along the way: Class sizes shrank, teacher testing was implemented, reading scores improved slightly. "It took years to see results," she said. But by the end of Clinton's time as governor, people understood his commitment to education was genuine. Isolated initiatives worked less well, she added. "People have got to understand where he wants to take the country."

And in 1985, when they were devising a strategy for economic development in Arkansas, she said, they made sure that Clinton was telling a story to voters, not delivering a speech to politicians. As it went along, they noted the markers of their progress. They pointed out that the state government was sacrificing, too, by limiting perks, and people felt served and included. They didn't avoid fights with the legislature, but rather used them to move the story forward. The overall story, she said, has to be sold before the details are put forth.

In Clinton's acceptance speech at the 1992 convention, he had used that wonderful quote from Isaiah, "'Where there is no vision, the people perish,'" Hillary said. The vision, she said, was in a sense the plan for the journey ahead. They could not get bogged down in bond market talk and deficit reduction numbers. Those were just tools. They were not the vision; they were not the journey.

President Clinton then stepped up and enumerated his priorities. He reeled off a dozen items from the campaign, ranging from a stimulus package for short-term economic growth to health care. Maybe health care could be sent up to Congress, he suggested, to begin the process while lowering expectations on the timing.

Secretary of State Warren Christopher suggested some lawyerly caution. The administration should narrow the priorities, he said, since everything on the list was tough.

Hillary then gave a ringing speech in favor of just the opposite—doing everything. “Why are we here if we don’t go for it?” she asked at the end.

Afterward, Begala almost grabbed the First Lady, taking her aside. She had pinpointed what was wrong, he said. “That’s the problem with the economic plan,” he said. “There’s all this discussion of minutiae.” The news was full of stories about program cuts, possible taxes, Social Security, God-awful numbers upon numbers. The story was precisely what was missing.

“The economic plan is being defined by leaks,” said Mandy Grunwald. The president was being killed for even considering cuts in Social Security, for instance. She knew he was never going to do it, but no one had swatted the idea dead.

Hillary started nodding. Clinton walked up. She turned to her husband and said they were talking about the need for a story they could tell beforehand to sell the economic plan. Thus far, there was no context for people to understand what the new administration was proposing to do. “People can’t process information they don’t have,” she said.

“Why don’t you do it?” the president asked Begala and Grunwald.

Yes, sir, Begala said. At times he thought that without Hillary, Clinton would have wound up as merely the most popular law professor at the University of Arkansas, where he had taught before entering politics.

Hillary turned to Begala and Grunwald. “You write the communications plan,” Hillary said. “You know the journey.” Get some of the Navy guys who run Camp David to drive you back to Washington in a van, she instructed. Take notes, she said, get others involved, and get back with a plan for telling the story. “Can you fax it up to me tonight?” she requested.

Grunwald was delighted to see the First Lady moving things. She was a great planner. In the first days of the administration, with attention focused on Hillary as the potential dragon lady, Hillary had posed for photos in a great dress, the attentive hostess overseeing the kitchen and dining rooms. The photos were intended to soften her image. Now Grunwald could see some of that similar planning would finally be directed where it was needed most, at the economic plan.

IN THE VAN, Begala and Grunwald made some notes. Back in Washington, they called Greenberg and took what amounted to his deposition on the issue. They reached Carville and put him on the speakerphone. Carville said things were spinning out of control. The first week of the administration had been chaos, with all the media attention focused on

the controversy over allowing gays in the military and on Zoe Baird's nanny problems. The White House needed more political awareness, he said.

The four consultants had their assignment and soon were working the problem. It was exciting, just like the campaign. By the end of the day, they had drafted a three-page memo that was addressed only to Hillary at Camp David.

It read: "We need a communications strategy—a campaign to sell the president's economic recovery plan in the days leading up to the Address. . . . Time is extraordinarily limited. There are certain steps that need to be taken immediately. . . .

"First, we need survey research and focus group data to tell us what the American people know about the state of the economy and what they expect from the economic plan—most importantly, if their perceptions and expectations have changed since the campaign has ended. Stan is working on that.

"No matter what, the American people need to be told that things are every bit as bad as we thought they were in the campaign, indeed, even worse." They wanted to recreate the urgency of the campaign. "This piece of information must be communicated *now: before the Super Bowl*"—the football game was to be played the next day—"the President should tell the media the upshot of this working weekend is:

"1. We've inherited one hell of a mess. Layoffs around the country are worse than they should be and worse than we thought they'd be." At the time, the unemployment rate was standing at 7.3 percent, better than the worst months of the Bush administration but still exceptionally high.

"2. The *real* budget numbers are far worse than we dreamed. The government has misled the American people. The President's attitude should be as outraged and betrayed as the attitude of the free Russians when they saw firsthand how the Communists screwed up their country. (Don't forget: FDR dumped on Hoover for years and Reagan *still* blames Carter and 'the bureaucracy.') This can be done without mentioning Bush by name.

"3. Our government is frighteningly ill-equipped to deal with the dimensions of the problems caused by its neglect." The memo turned to some minor but symbolically important examples: "There are six chefs at the Department of Transportation, but not one phone in the White House on which the president can make a conference call." It briefly dwelled on fancy executive dining rooms and limousines, juicy targets to provoke popular outrage.

Begala had come to grips with the fact that the middle-class tax cut

should first pass the economic plan, and then present and pass the health care plan. That way, he could direct his energies at one issue at a time and deliver a one-two punch.

During the transition, a 16-member team had sent an 84-page health care reform memo to Clinton, warning that reform would be expensive and its actual cost would hinge on "the extent to which you employ short-term price controls." It listed four options for proceeding. Each one included an analysis of "1996 election politics," and each forecast a dreary road ahead, with one interest group or another outraged.

Carville saw a way out. "Get this economic plan passed," he explained to Hillary at the meeting, "and get credit for that. And then next year do the health care plan, and you'll get credit for that." The first victory would spill over and help build momentum for the second.

"You don't understand," Hillary replied. "If we don't get this done this year, we are three years away from the benefits. And the only savings will be in the fourth year. So we've got to get it done right away, or we're going to be beaten in 1996."

This was serious, Carville realized. Both he and Begala had one doctrinaire belief about 1996: Clinton could be defeated if people believed he hadn't brought about change. If there were only the same old, stale feeling in the air, Clinton would be doomed.

After the meeting, Carville told Magaziner, "I now see this as real. When I do a campaign and fuck up, someone just loses. But if you fuck up, you fuck up the country." Magaziner just rolled his eyes.

ON FRIDAY, February 5, Bob Rubin sent a short memo to the president saying that the economic team was going to meet over the weekend to discuss Hillary and Ira Magaziner's desire to incorporate health care reform into the economic plan. If Clinton passed an economic and a health care plan in the opening months, he would enter the history books. And failing to pass a health care plan early could be politically dangerous.

Rubin also forwarded a 15-page memo from Bowman Cutter, his other deputy along with Sperling. Cutter's memo laid out the options on the deficit reduction target for 1997, and recommended the second option: cutting the 1997 budget deficit by \$140 billion. Rubin noted that he and McLarty both agreed with its recommendations.

"Greenspan believes that a major deficit reduction [above \$130 billion] will lead to interest changes *more than offsetting* the demand effect," the memo said, referring to the contractionary impact of deficit reduction. "He therefore believes that the probabilities of the program

IN PUTTING TOGETHER the economic plan he would present to Congress, Clinton wanted to be in on all the details. He instructed that the key domestic cabinet members and senior White House staff meet with him days, nights, and weekends if necessary until they had discussed, and he had approved, each part of the plan. The meetings were held in the Roosevelt Room, a large White House conference room decorated with pictures and artwork of both Theodore and Franklin D. Roosevelt. The room, just a few steps from the Oval Office, became the president's base of operations.

On Sunday, February 7, Hillary and Magaziner took their argument for a medical price freeze to the Roosevelt Room. There was lots of resistance from the economic team.

"That's Nixon," said Health and Human Services Secretary Donna Shalala, comparing Magaziner's idea to the Republican president's largely unsuccessful price freeze in the early 1970s.

Hillary argued that an immediate freeze would save an estimated \$28 billion.

President Clinton backed his wife. He wanted to do something and was angry at the resistance. "They'll say this is an admission of defeat," he said. "It's screwing up before we start. We're going to keep screwing everyone."

Alice Rivlin took the president on. "That's not right," she said.

"We're being asked to put health care out in May, not now." Clinton had announced a 100-day deadline to give them time, she said, "in order to avoid a half-baked plan now."

Stephanopoulos suggested something in between. In Clinton's speech to Congress presenting the plan, now scheduled for February 17, the president could say that a health care plan would be forthcoming and it would include still more deficit reduction.

Clinton wasn't buying. "If I don't get health care done," he said, "I'll wish I didn't run for president." He added that he would have to do another huge budget agreement after this one.

Joining health care and the economic plan had the virtue of requiring only 51 votes in the Senate, Hillary reminded them.

Panetta had already pointed out the plain practical problem that health care reform was intricate and complicated, and could not be solved in the next ten days.

"You can wait on health care," Gore said, lining up with those in favor of delay. Congress would take a year or more on health care, and the administration ought to respect that inevitable rhythm. It did not have to be in the February 17 speech, he said.

Hillary backed off a little. "We could signal several themes on the 17th, which would be included in a later health care plan," she said.

Clinton suggested that on the 17th he could say they were putting forward a health care plan that would avoid a rising deficit during the second four years. It was clearly difficult for him to decide. His wife and Magaziner were pushing one way, while everyone else, especially his budget experts, pushed the other. He finally offered his solution: They would have to wait, but it wouldn't be that long.

Magaziner was incensed. Delaying would be costly. Price controls would save everyone \$101 billion over four years, Magaziner said, referring to a thick sheaf of charts and tables. Hillary too was visibly angry.

Clinton was still sorting out the implications of heavy deficit reduction and he moved on to the subject of jobs. "Don't ever say our program could cost jobs in the short run," he said. For one thing, he didn't think it would. Besides, many Democrats would have to run in 1994, and such comments would be free ammunition for the Republicans.

He was also growing uneasy about skimping on some of his investments, and he wanted to underscore his commitment. "If I do too little investment," he said, "then some other candidate won the election, not me."

The meeting turned to a long discussion on freezing Social Security cost-of-living adjustments. Though Clinton said it was the right choice, still supported by Panetta and others, the adamant opposition of the

Greenspan, still a little astounded that the White House would put him on display this way, did not feel he had been politically naive in accepting. He might be indirectly supporting Clinton and his plan, but it was a two-way street. The White House was also conferring enormous power upon him, elevating him and the Fed to a position of even greater prominence and power. If he were to criticize Clinton's speech or plan, he could do great damage. He could almost destroy them, he believed. Clinton had taken an enormous risk.

Greenspan thought that his original political mentor, Richard Nixon, never would have taken such a chance. Nixon would have calculated that he was putting power in someone else's hands. After his resignation, Nixon had said that he had greatly assisted his political enemies. "I gave them a sword, and they stuck it in. And they twisted it with relish." Greenspan realized he had been handed a sword.

Hillary had met with Greenspan recently on health care and had found him appreciative of the tough decisions her husband was willing to make on the deficit. Greenspan didn't seem to be seeking partisan Republican advantage, and seemed to avoid thinking about the 1996 Republican primary in New Hampshire, for example, something that was occasionally on her mind. Hillary did not know that it was Greenspan who had recommended the deficit reduction target of \$140 billion that had been adopted.

She was pleased with the speech and the overall plan. They reflected a coherent strategy, she believed. First, they delivered the goods to her husband's political base. Second, they explained to those in the middle who hadn't voted for him where he hoped to take the country. Third, they were aimed at Wall Street and the bond market. At least they showed that her husband was not a Communist.

Rubin had been meeting with her privately, explaining how the financial markets strategy would work. She believed that Rubin was a true Democrat, who cared about the cities and the poor. He hadn't given them a 100 percent guarantee that the financial markets strategy would work, but he had said it was their best hope. Although she couldn't accept that the bond market was that crucial, she had come to appreciate that other people took it seriously and that it was an important element to consider. Still, at times she found it hard to take the bond market seriously as it responded to absurd rumors, moving up and down for silly reasons, even something that could be a joke.

REICH LISTENED carefully to the speech from the House floor. He saw for himself the great tidal wave of deficit reduction that had been pound-

phase of the health care task force, but she thought it was nonsense to think of idealism. This was pragmatic problem solving.

Beyond designing policy, they also were designing strategy, which Hillary loved. As with the economic plan, she told her staff, they had to find a story to tell, with heroes and villains.

Bob Boorstin, now working as her media adviser, was undergoing successful drug therapy for manic depression with the controversial drug Prozac. He had seen the price of a Prozac tablet jump from about 60 cents to \$1.10 in just three years, and knew firsthand how drug companies were profiting off the ill. Research showed the enormous profits of drug companies, and Hillary was poised to denounce them.

Hillary wanted to find more villains. She ruled out family doctors, since most people liked their physicians; but she had no problem going after specialists, such as plastic surgeons who performed face-lifts and other expensive cosmetic operations. The American Medical Association, one of the best financed and most powerful lobbying groups in the country, was an obvious, lush target, but for the very reason of its power would have to get a pass. She decided on the insurance companies: They raked in huge profits; they restricted who could get insurance, often preying on the sick; and they saddled people with needless, burdensome paperwork. Her staff would even get the forms from the 1,500 insurance companies and wallpaper a room with them to point up the absurdity of the paper bureaucracy.

On February 25, Magaziner went to Capitol Hill to see some of the key House leaders and committee chairmen. Those in the room were filled with worry that Clinton would propose another tax increase. Representative Dan Rostenkowski, the 34-year House veteran and Illinois Democrat who chaired the Ways and Means Committee, was the most alarmed. Magaziner said that if they didn't solve the health care problem, the economic plan would not work, jeopardizing the Clinton presidency and the Democrats' control of Congress. Some tax increase might turn out to be necessary to fund reform at the outset, he had come to realize.

"You guys don't get it," Rostenkowski shot back. "You can't send up another tax."

HILLARY WAS UPSET about some of the initial media coverage of her reform effort. The coverage often lacked seriousness, she felt, with stories appearing in the lifestyle sections of the newspapers, which traditionally covered First Ladies, rather than on the front pages as a critical

question of national policy. She had learned to detest the media during the campaign, and knew all too well that journalists were drawn to stories about controversy or failure. It spooked her at times. To ward off potentially negative stories, she decided that the meetings with 500 experts who were going to advise in the drafting of the legislation would be conducted in private. She also refused initially to release the experts' names. The cloak of secrecy prompted much criticism and even a lawsuit, bringing health care out of the lifestyle sections onto the front pages. Hillary was upset that the dispute took so much time and attention from the designing of the policy.

UP ON THE FOURTH FLOOR of an annex building to the main congressional offices, Robert Reischauer, the director of the Congressional Budget Office, was going through some very tense days. He had been poring over Clinton's economic plan with his staff for two weeks and had to release a preliminary evaluation. A tall, relaxed old Washington hand, Reischauer was the economic equivalent of the National Bureau of Standards, the ultimate nonpartisan arbiter of budget statistics. With a playful sense of humor and a mischievous smile at the corner of his mouth, he cultivated the air of the last sane man in a town gone crazy. His numbers were the official figures used by Congress, and although they were usually dismissed by the White House, this year in his February economic address Clinton had formally enshrined them as the official administration numbers as well.

Reischauer knew that Alice Rivlin, his old boss when she headed the Congressional Budget Office (CBO), had called the Clinton budget baby beautiful. But Reischauer found some problems. The analysis he and his staff conducted showed that over five years the plan reduced the deficit by some \$50 billion less than the administration had claimed—a point Reischauer was going to state publicly in his official assessment of the plan for release on March 3.

The announcement could be an embarrassment. Reischauer expected real problems, since his assessment would contradict the core of the administration's promise of no tricks or gimmicks. The office Clinton had held up as an authority would be undercutting his own team's figures. After hearing of Reischauer's assessment, the White House prepared a seven-point defense. The defense focused on the deficit reduction for the year 1997, noting that the CBO figure for that year was only \$1 billion off from theirs.

Later Reischauer discussed the numbers with Leon Panetta. We hated

you how I'm going to do it." Drawing on a large manila envelope, he sketched out a complicated amendment tree for the president. Byrd was a master of the Senate's arcane rules of parliamentary procedure. By offering a series of amendments, he explained, he could effectively block all other amendments, ensuring that the bill would be voted on without alteration. He looked at the president wistfully. The House Democrats had delivered for the new president without a single word change. Byrd was going to make sure the Senate did the same.

"Thank you, Mr. Chairman," Clinton said in a businesslike manner. "Let's pass the bill." He had thrown in his lot with Byrd.

ON FRIDAY, March 19, Hillary's father, Hugh Rodham, 81, suffered a stroke and was hospitalized in Little Rock. She went to him immediately. Clinton joined her in Little Rock for much of Monday and Tuesday. The stroke was very severe, and Hillary dropped most of what she was doing in Washington. She stayed out of the nitty-gritty of the economic plan, and even put health care on the back burner.

SOON AFTER the House vote approving the budget resolution, the core members of the National Economic Council gathered in Room 476 of the Old Executive Office Building, next door to the White House. Panetta passed out copies of a sheet that broke down the numbers in the House resolution. Here's what we have, he told the assembled. Heads bent downward as they thumbed through the pages and skimmed over the columns of figures.

Alice Rivlin offered the first endorsement. Look at that, she said. Their deficit reduction was not only completely intact, it was strengthened. She had expected the House to dilute the administration proposal and was delighted to find it was increased. Though the \$140 billion in reductions for 1997 had been the focus of discussions within the White House while the plan was being drawn up, the five-year total reduction proposed had added up to \$473 billion. That five-year total became the basic index. Rivlin noted that the House's version of the five-year package added up to more than \$500 billion in deficit reduction.

You're darn right, said Bentsen, as he hit the table with his hand triumphantly. We held up, Bentsen added proudly. Panetta, too, nodded and agreed, his face breaking out into his Cheshire Cat grin. Satisfaction filled the room. The group seemed ready to break out the champagne.

THE TUESDAY that the Senate adjourned, Hillary Clinton flew to Austin, Texas, to deliver a speech. For the last 18 days her father had lain in a hospital bed. His stroke was so serious that the family was going to have to decide about discontinuing life support—a wrenching decision. Hillary had been back and forth to Little Rock many times. Her father had turned 82 just a few days earlier and had had a long history of heart trouble.

The speech she gave had been germinating for a long time. She called for a national awakening, saying that the country was suffering a “sleeping sickness of the soul.” To counteract what she called a “crisis of meaning,” she called for what would amount to a new politics of kindness. Teenage mothers and “angry boys with guns” were only part of the overwhelming sense of “alienation and despair and hopelessness” that filled the country, she said. The speech was an outpouring of religious ideas and 1960s concepts, full of better-world rhetoric that reached beyond politics to the spiritual.

Her declaration of war on weak morals attracted much media attention, some of it skeptical. *The New York Times Magazine* ran a long cover article about her the next month headlined: “The Politics of Virtue.” She posed for a cover photograph in a pure white satin suit. A drawing inside next to the headline, “Saint Hillary,” showed her dressed as Joan of Arc, replete with sword and halo. Another headline described her as “More Preacher Than Politician.” Some noted that during the 1992 presidential campaign, when Republicans were attempting to stress “family values,” she had said, “American women don’t need lectures from Washington about values,” and yet in Texas she had plunged deep into the question.

Some in the White House, such as Stephanopoulos, were suckers for the theme. Others believed that while the speech was sincere, it was an emotional expression of the distress she was feeling at the moment. “Hillary’s a lawyer, not a philosopher,” said one official who worked with her daily. “She contradicts herself because she’s very good at giving arguments on both sides. She could give the lecture on why lectures on values shouldn’t be given and turn around and give the lecture on values—both with equal effectiveness.”

THE NEXT DAY, April 7, at about 1 P.M., Rubin, Reich, Sperling, and Stephanopoulos went to see Clinton on the investments fiasco. Along with a couple of other top advisers, Rubin was routinely allotted 15 minutes each day on Clinton’s schedule. If he didn’t have a pressing

LATER THAT NIGHT, Hillary learned that her father had died. The next morning, she and the president flew to Little Rock for a memorial service to be held on Friday. On Saturday they flew to Pennsylvania for the funeral, and then on to Camp David to spend Saturday and Sunday nights. The three weeks of her father's illness had stalled the health care task force, "the work-stop phase," some staffers called it. Though planning and briefings continued, nothing of substance was accomplished while she was gone.

Magaziner's strategy on health care reform had been to run two tracks of briefings. First, he held a series of briefings and meetings attended by the Clintons and the administration's key health and economic advisers. For the second track, Magaziner met with just the president and Hillary alone for private briefings, updates, and discussions, as the Clintons had requested.

One day at one of the larger group meetings on the fourth floor of the Old Executive Office Building, Bob Boorstin was summoned away on an unrelated matter. Not wanting to miss what he thought was an important meeting, he complained to Magaziner.

Magaziner said not to worry. The meeting was not that significant. He was having regular private, confidential meetings with the Clintons.

Boorstin knew that the economic team was already deeply suspicious of Magaziner and suspected there were some informal, back-channel

Gene Sperling followed with a political argument for the comprehensive plan. There would be intense opposition to whatever they proposed, he said. And the one thing they had learned since they had been in town was that nothing failed quicker in Washington, D.C., than something that didn't have intense, vocal support. He had in mind Clinton's failed nominee for Attorney General Zoe Baird, but decided not to reopen that old wound. Lukewarm support against intense opposition, he asserted, would spell disaster.

They needed to remember, Sperling said, their proposal would only be their opening bid. It would be measured against plans expected to be offered by Republicans and others. How would they compare? The Clinton administration could become a nonplayer in its own major initiative if its plan did not attract intense support right away. The powerful, organized constituencies, such as senior citizens' groups and unions, wouldn't spend their money or political capital to support a bare-bones plan. And without active financial and other support, it could not survive a long, grueling fight.

Clinton was nodding.

Using the tentative numbers from the bare-bones package, Sperling posed a rhetorical question: Can you imagine, he asked, going before the American people and saying, Here's my great vision of health care? You voted for me in 1992; pass my plan and you'll only have to pay \$1,000 out of your own pocket for limited health care? No one would fight for that, Sperling answered. If Clinton didn't adopt the full comprehensive plan, Sperling said, he would recommend that the president not go forward at all with health care. Instead, he should spend his time on welfare reform.

Clinton was now nodding furiously. The room erupted in applause. Mandy Grunwald said to Sperling, "You're on my side again!"

An open discussion followed, where everyone had a chance to voice reservations or preferences. None of Clinton's senior economic advisers endorsed the bare-bones Plan A, nor did they directly challenge the arguments for the comprehensive Plan B. Instead, the skeptics praised Plan B, qualified with escape hatches such as, "if the numbers work out," or, "so long as it doesn't divert resources from other things we want to do."

At the end of the meeting, Hillary Clinton raised the issue of trust. It was vital that all of those in the room be able to keep confidences. The president, she said passionately, believed in having inclusive meetings such as this, where lots of people could express their views to him and to each other. They must preserve the trust. Do not talk to reporters, she warned. The meeting ended about 9 P.M.

After midnight, Robert Pear, the health care reporter for *The New*

York Times, was calling people about the meeting. He already knew some details. Over the next several days, various accounts of the meeting appeared in the press. Some portrayed what had been a freewheeling debate as antagonistic; others described it as a decision meeting in which Clinton's enthusiasm was registered as anything from a tentative to a final decision for the comprehensive plan. *The Washington Post*, in its lead story on page one, Saturday, May 22, said: "Broad Plan on Health Approved; President Rejects Economic Advisers' Limited Proposal." The next day, Sunday, May 23, *The New York Times* news analysis was headlined, "A White House Fight, on Health Care, It Is Hillary Clinton Versus President's Economic Advisers."

Hillary was furious. Though the meeting had been somewhat mischaracterized in the media, the conflict was real. The economic advisers had deep reservations about health care—its scope, its cost, its timing. They or others on their behalf were leaking. She did not know who, but she voiced the gravest suspicions. "Are these people part of the administration or not?" she asked. "What side are they on?"

"These guys," Hillary told her husband, "are going to derail you." She reminded him that the economic team's limited view of reform was not what they had come to Washington to achieve. "You didn't get elected to do Wall Street economics," she said.

Clinton was also irate, focusing on the leaks. He forbade future health care meetings with so many people in the room. The leaks about possible new taxes on the health care plan could jeopardize his economic plan. Magaziner thought that some leaks were intentionally designed to scuttle health reform, and he considered them pernicious.

He visited Clinton in the White House residence. "Why would somebody do that?" Clinton asked. He seemed despondent.

But Hillary kept at it. On Wednesday, May 26, she reminded a union that represented hospital and nursing home workers of the demons. She lashed out at the "price gouging, cost shifting and unconscionable profiteering" in the health care industry. "We have to be willing to take on every special-interest group," she said.

Gore pressed, but Gergen wouldn't go along. They talked about other possible roles and titles. Gergen wanted something broader, more policy, closer to the center. Gore and Gergen went back and forth on the phone. At one point it seemed that the deal was on the verge of collapsing.

McLarty asked Gergen over to his house late that night. McLarty complained that he had not been able to organize the White House staff the way he wanted in the beginning. Bringing in Gergen would be a breakthrough. Couldn't they work something out? McLarty said he needed help. They reached Clinton by phone. Discussion turned on making Gergen the fifth member of an inner circle of five: Clinton, Gore, Hillary, McLarty, and himself. Gergen assumed it would be an inner circle of six and include Stephanopoulos. Clinton and McLarty continued with a late-night full-court press that did not resolve the issue.

On a helicopter ride to Philadelphia the next morning, Friday, May 28, Clinton called Dave McCurdy. The president said he knew how extremely difficult the vote had been, but they wouldn't have won without McCurdy and the others. Changes were going to be made and McCurdy would not be disappointed, Clinton said.

Clinton also called David Boren to extend an olive branch. He said he knew that the Finance Committee and the Senate were going to change the plan, and they needed to cooperate on those changes, the president said. He added that he probably had been too fast off the mark rejecting the Boren-Danforth compromise. Boren took the remarks as something of an apology, but also as Clinton's acknowledgment that he needed Boren's all-important vote in the Finance Committee.

Gergen was wary, not yet fully on board. He had been burned by presidents, having spent two years defending Nixon on Watergate. Raymond K. Price, Nixon's chief speechwriter and Gergen's boss during Watergate, had once told Gergen that he had long ago realized Nixon had a darker side. Price said it was natural for someone in public life to have this darker side and that one job of his staff was to guard against it. Gergen had never settled his questions about the darker side of public figures. Did they all have such a side? How far should the staff go to protect a politician?

He nonetheless was a student of power, and he asked for a one-on-one meeting with Hillary. Friday evening, Gergen had gone home for dinner, and since McLarty was in Hope, Arkansas, hometown to both Clinton and himself, delivering a commencement address, his deputy Roy Neel was sent out to fetch Gergen. About 10 P.M. Neel took Gergen up to the second-floor residence of the White House. Hillary was wait-

ing up for her husband to return from Philadelphia. Gergen wondered if Neel was going to stay with them and monitor the conversation. If he stayed, Gergen thought, this was one kind of place; if he left, it would suggest it was another. Neel left—an important symbolic gesture to Gergen.

Hillary had known Gergen from the annual Renaissance Weekends. She had discussed the possibility that Gergen would join the staff with her husband and with McLarty, and she approved of the idea. She thought that Gergen was just waiting for Clinton, so they sat down to talk.

Gergen said that he had come to admire her husband over the years and liked him very much. He also shared the president's unease about the country. In conversations with Gore and McLarty, Gergen said, he had been told the White House wanted help with their press problem and whether anything could be done quickly to solve it. What was her thinking on that? he asked.

As negative and unfair as some of the press had been, she said, she was open to changing their approach to the press, opening the door a little wider and increasing access to Stephanopoulos's office. They were planning a big barbecue for the press and would extend dinner invitations to lots of journalists, she added.

Gergen was relieved, suspecting her attitude on the issue was central if not decisive. He turned to the bigger question. The general public perception, he said, was that the president was the moderate and his wife was the liberal, that she exercised a veto every time he tried to move to the center, producing a herky-jerky style of governing. If he came to the staff as a moderate voice, Gergen asked, would he be slamming into her?

Hillary said she had been misunderstood on a lot of these issues. In Arkansas, her work had been very mainstream—volunteer hospital work, the church. She reminded him that she had been a corporate lawyer with the Rose law firm. "At heart I'm a pragmatist," she said. Bill, she said, had been elected on a lot of these New Democrat ideas, and they were essential to his future goals. The proposed economic plan was not what Bill came to Washington to do, she said, but since they needed lower interest rates, they had to please Wall Street and the bond traders.

As they talked about the press and her ideology, she turned to what she said she considered a main issue. The White House had to get itself better organized. They weren't communicating effectively and they didn't know how to handle the attacks that had inevitably descended on them. They were overloaded, too—they had had more mail in three

G ERGEN COULD NOT HAVE JOINED the Clinton White House at a more frantic or desperate time. Having squeaked by in the House, Clinton's economic plan faced an even tougher fight in the Senate. The president's approval ratings were sinking. And personally, Gergen had to tread lightly, knowing a lot of White House staffers resented his very presence.

Gergen thought it important for Clinton to address the public perception of him as a compromiser. The president had to show that he would not run away from the next fight, that he was willing to take a stand. He even had to appear willing to lose a fight if it meant defending certain key principles. Clinton needed to articulate those principles that he would defend. That went to character, Gergen believed.

Having worked in three previous White Houses, Gergen knew that all presidencies had their quirks and intrigues and avenues of powers. But it was apparent to him at once that Clinton's White House was unique. There were three independent power centers: Clinton, Hillary, and Gore. Each of them had played a role in recruiting him. At any moment any one of the three could cut right across anyone else in the White House, including McLarty, or move into any piece of business.

. . .

ON FRIDAY, JULY 2, Greenberg distributed a four-page memo, marked "CONFIDENTIAL," from Begala, Carville, Grunwald, and himself. It was stamped like a sensitive CIA document, intentionally lending an aura of importance. Eleven copies were printed. Each of the first six was addressed to the person by name, with its own number, so that each might be more easily accounted for, or a leak more easily traced:

To: President Bill Clinton (1)
Vice President Al Gore (2)
Hillary Rodham Clinton (3)
Mack McLarty (4)
George Stephanopoulos (5)
David Gergen (6)

The four consultants who wrote the memo received copies 7 through 10. There was one extra. The consultants intended to ring the fire alarm. They began:

"We do not exaggerate when we say that our current course, advanced by our economic team and Congressional leaders, threatens to sink your popularity further and weaken your presidency." Few sentences could have received more attention in the White House.

"However," the consultants continued, offering hope and a remedy, "we believe if you act boldly, there is an opportunity here to remake your presidency. The current conference debate centers exclusively on taxes—as the primary difference between the House and Senate bills. That course will turn your economic plan, again, into a 'tax plan' and Bill Clinton into somebody who cares about little more than taxes. We cannot afford this dangerous strategy."

The memo said that Clinton had three options: a compromise between the House-passed BTU tax and the Senate-passed gas tax, finally set at 4.3 cents a gallon; the gas tax not to exceed a nickel; and dropping the BTU and gas tax entirely—called the "bold zero option," an obvious jab at Gore and his insistence on a "bold" BTU energy tax.

The consultants strongly recommended the "bold zero option," so that no new taxes would fall on the middle class. They argued that it would show the president in touch with people's fears and able to shift course and lead. Polling showed that approval of Clinton's performance on the economy had recently slipped 4 points, and his overall approval rating was at 45 percent. "There is no momentum," the memo said, stating that the "bold zero option" would set a new and clear course.

Attached was a thick packet of specific polling data and charts. Greenberg had tested the three options in a poll. On the "bold zero option," he had asked the following question to a large sample: "President Clinton may announce important changes in his economic plan in order to address the slow economy, which he believes is not creating jobs fast enough. This is the proposal. First, eliminate any new taxes on the middle class in order to boost consumer confidence. That means completely eliminating the energy tax. All new taxes will be paid by people making over \$140,000. People earning under \$30,000 will get tax relief. Second, Clinton will reduce slightly the deficit reduction goal from \$500 billion to \$480 billion over five years in order to fund new incentives to create jobs." (Of course, the \$20 billion reduction was going to do nothing of the kind; it simply occurred because the gas or energy tax would be dropped.) "The plan will allow tax incentives to small business and technology companies to create jobs once the House and Senate pass his revised economic plan within a month." For this somewhat skewed proposition, 63 percent expressed support and only 28 percent opposition.

Greenberg spoke to Hillary and urged a meeting. He believed the senior White House staff wouldn't want to deal with the recommendation. They would see it as too much of an intrusion on the day-to-day operations.

It was not a good time for the economy. The basic numbers were

lousy—on overall economic growth (a meager 0.7 percent for the first three months of 1993, compared to 4.7 percent for the last three months of 1992) and on unemployment (up to 7 percent, the first rise during Clinton's presidency). Clinton's approval rating had shot up 11 percent the previous week only because he had launched a massive Tomahawk missile attack on the Iraqi intelligence headquarters in retaliation for an alleged Iraqi plan to kill former President Bush. This was precisely what the election had *not* been about. He needed approval for his economic policies. He was hoping that the prospect of his plan passing would boost the economy. As sluggishness prevailed, he peppered his economic advisers regularly with the simple question, "When is it going to work?" No one knew.

Hillary spoke with McLarty. It was panic time. They had barely survived the House and Senate the first time. How were they going to get it passed on the final vote? What was the plan? They had to get organized to sell it, and she had some of her own ideas. McLarty called a meeting with the president and Hillary for the next day, Saturday, July 3, at 5 P.M. A dozen of the president's key advisers were to attend.

The meeting was to be held in the White House solarium, a sun parlor or summer room with bays of glass windows on three sides, perched on top of the White House. Calvin Coolidge's wife had called a smaller version of the room the "sky parlor," and President Nixon had called it the California Room. During the 1992 transition, President Reagan had told Clinton that the solarium was his favorite White House room. He had recovered there from his bullet wound after the 1981 assassination attempt, Reagan had explained. For Clinton and his longtime advisers, the room most resembled the informality of the basement of the Arkansas Governor's Mansion. A kitchenette and a large, PTA-sized coffeepot substituted for servants. Fritos, the favorite junk food from the Governor's Mansion basement a year before, were set around.

Upon coming to the White House, Hillary had noted how faded the furnishings were up there, so she had had it redecorated. It was so pretty now and she wanted every possible meeting held there. The Clintons also liked the solarium as a way to limit attendance. In the White House, dozens of staffers had all-access passes, and some would come in and sit down in the Roosevelt Room or Cabinet Room meetings. No one would know who had invited them or whether they had been invited at all. Several became experts at attending any meeting that included the president or Hillary. So a few weeks earlier, the important political meetings had been moved to the solarium because those admitted had to be on a special list prepared for each meeting.

HILLARY CLINTON had been relatively quiet throughout most of the meeting. She often held back during large meetings to get a sense of the discussion and the various positions. Her role as First Lady was somewhat strange, she realized, and she knew that some people liked it and some didn't. She considered herself a peer of her husband's advisers—not set apart, not omnipresent, but a full participant.

Over the last months she had reached some conclusions. The burden of carrying out the administration policies was too much on her husband, she felt. He was the chief congressional lobbyist, the chief message person, the policy designer, the spokesman—he carried out all the functions. Too many senior people in the administration and on the staff were stopping short of full preparation. The president invited this slacking off in some ways. Because he wanted to hear all the points of view and was very hands-on, lots of them would just take problems to him in midstream, knowing he would have thought about it and would have ideas and questions they might not have considered. Issues and work often landed in his office prematurely. Hillary's body language began to signal her frustration.

"This isn't working," she said finally, her voice sharp and direct, "and we're not selling the plan, nobody knows what's out there." To those less familiar with her style, it seemed she was popping off. Those from the campaign were almost certain her anger was calculated and purposeful. "Six months into it," she said in bewilderment, "the American people know nothing about it?" All of them were there to help the president communicate his policies and philosophy, and yet the country knew nothing. "He's out there every day," she said, referring to her husband.

Carville could see that she was at the end of her rope. They had been talking privately and both had commented on the low quality of work coming out of the White House staff. She had privately told him the meeting was going to be about having a plan and an overall strategy, not about settling on a nickel or 7 cents or 4 cents in gas tax.

"This is unacceptable and unfair to Bill," Hillary added, in a lawyerly closing statement. "It's not right to dump it all on him." She pointed to some of the economic team and said, "You're not serving him well by not knowing what they are doing," and directed her attention to the consultants. "And they have to know what you're doing." Then pointing again to the economic people, she said, "You do wonderful policy, but you don't think enough about how to explain it . . . every time you make a policy decision, you've got to figure out how to explain it."

She addressed both the political and economic policy groups. "You people need a process to talk to each other," she said.

She said that on the health care task force, they were always thinking about the link between policy and message. "You all have to figure this out," she summarized. "It's not Bill's job. This has to be coordinated." They were not organized to present it. She said with biting sarcasm that she spent more time deciding on a Friday-night movie than they had spent devising a strategy. "I can't believe that we're not capable of coordinating this among ourselves," she said. Quit talking about it, she said. Put something down on paper saying where we are going and what Bill's going to say, what each of us is going to say and do.

"First, we need a War Room to coordinate this," she said, all but dictating that command and communication authority be invested in one group that would work out of one room, similar to the campaign war room Carville and Stephanopoulos had run in Little Rock. She believed that the White House was dysfunctional in its use of physical space. For three months, she said, she had done a lot of work to get a War Room together for health care. Her team had been physically separated, making it impossible to coordinate. Getting the phones and office space had been a huge undertaking, but people with comparable functions had to be grouped together the way they had in the campaign. She volunteered her room. "Take the War Room and do something with it," she said.

Her husband had become, she said, the "mechanic-in-chief," put in the position of tinkering instead of being the president who had a moral voice, who had a vision, who was going to lead them on this journey. The economic plan wasn't about budgets and numbers, she said. It was a values document, she said. It was to help working people and small businesses, the effort to begin to reverse the greedy 1980s. That's what he should be talking about, she added. "I want to see a plan." She wanted everybody involved. "As we develop these policies, we have to decide how to explain them."

As had happened many times before, her anger ignited his. As Clinton had listened to Carville's message prescription and Hillary's critique, their state of unpreparedness became all too evident. Nothing was ready. Clinton rose to his feet. He was seething, and he just started yelling. He picked up where Hillary had left off, reinforcing her points. ✓

Stephanopoulos almost tuned out. He had seen and experienced Clinton's temper tantrums so many times before. Others called them "purple fits" or "earthquakes." Stephanopoulos simply called it "the wave," an overpowering, prolonged rage that would shock an outsider, and often was way out of proportion to what caused it. He couldn't listen to the precise words, which really didn't matter anyway. The words were also

best unremembered. The point was simple: They had to move, get something done.

"I'm leaving and I'm going to Tokyo," Clinton yelled. He turned to McLarty and Gore. "Mack and Al, you two, I want it solved. I want it done before I get home." He didn't resist adding some instructions. "I want you to meet on this and I want you to meet every day. Don't wait for me to get back from Tokyo."

There were lots of mumbled "yes sirs." The order was clear. The sudden silence meant the meeting was over. Clinton didn't storm out. The wave had passed. But his peremptory, almost bitter rebuke sent the others out down the solarium ramp somewhat battered. Though his eruption carried the emotional punch, it paled compared to Hillary's withering analysis. There was no denying the critique—most pointedly, a scalding indictment of McLarty. At crucial moments like this, Hillary was often the *de facto* chief of staff.

PASTER AGREED with the criticism of McLarty. But Paster was, once again, amazed at Clinton's willingness to allow these extended debates where they essentially talked to death the inevitable. Clinton was always trying to pick out a new course, move the debate or the policy slightly. The dynamic had a pattern. Clinton, unaccepting of the conventional wisdom, especially about Congress, would test the edges of what was possible, stretching the boundaries of the Washington and congressional playing field. Clinton wanted to have an outsider administration, adeptly playing the insider game.

In the hall outside, Stephanopoulos and Greenberg walked together. It looked like agreement on the nickel gas tax, Greenberg said.

"We don't have closure," Stephanopoulos said pessimistically. He was upset. "Gore still has room to lobby this issue and take it further."

Gore was being humored, Greenberg said. He would talk to the leadership and they would tell him it would stay at 4.3 cents.

No, Stephanopoulos said gloomily. Clinton had not actually said that this was the decision. Gore still had maneuvering room. His appointment to work with McLarty on the plan would certainly keep the debate alive. Worse, Stephanopoulos said, they certainly didn't have a consensus on what the message was or even what the essence of this economic plan was.

Greenberg realized that Stephanopoulos had much more experience and knew how to read both White House meetings and Clinton.

Stephanopoulos also spoke to Carville. Carville said that the business

revolution in the Caribbean. He had also said that eliminating the tax would not only double unemployment in Puerto Rico, but could vastly increase immigration to New York, and that the increased welfare and other social service costs would outstrip the savings achieved from abolishing the tax. This was another argument that could not be made publicly.

Clinton earlier had invited three House members who were Puerto Rican down to the White House: Representatives Luis V. Gutierrez of Illinois, and Nydia Velazquez and Jose Serrano of New York. They adamantly opposed elimination of the tax credit. They said they were Clinton's best votes, which was true. They were with him on every vote, which was true again. They gave him solid majorities in their districts as did Puerto Rico—also true. They weren't pressing to have the tax credit fully preserved; they just didn't want to see it gutted entirely.

It was a real gimme, and Clinton had promised the three representatives to retain some of the tax credit. The three votes were secure.

MARTIN LANCASTER, a soft-spoken North Carolina Democratic congressman, had known Bill and Hillary Clinton on a first-name basis from years of attending the New Year's Renaissance Weekends. Lancaster, 50, had been raised on a tobacco farm, and had been asking Hillary about the reports that her health care task force would recommend a tobacco-tax increase. One report said the Clintons were going to seek a \$2-a-pack tax hike. She said some cigarette tax was more than likely. Lancaster replied that it was only fair that other products that contributed to increased health care costs also be taxed, such as high-cholesterol foods, and certainly alcohol. That way the burden would not just fall on one region of the country. Hillary said she understood his point of view, but made no promises. Lancaster tried again several times but could not get any assurances.

As the final hours approached, Lancaster had not declared his position on the economic plan. Nor had another half dozen representatives from such tobacco states as Kentucky, South Carolina, Georgia, and Virginia. Though Lancaster did not have the proxies of all of them, he was effectively their spokesman. On the final day, he informed the White House that his vote for the economic plan depended on absolute assurance that Hillary's health care proposal wouldn't single out tobacco for additional taxation.

Hillary called him from her car phone that afternoon. She agreed to his terms. If the task force recommended a tobacco tax, she said, it would include some other tax as well. She could not state for the record

what that tax would be, but she understood and agreed with the principle that one product and one region should not carry the new burden alone.

If that was the case, Lancaster said, he would be able to support the economic plan. He would inform the others in the loose tobacco caucus of the good news. He wanted a guarantee that he would be given advance notice of the details on health care taxation proposals. Hillary agreed.

In the Oval Office, Clinton called Lancaster, summoning him off the House floor to a telephone booth in the cloakroom. The president said he was calling specifically to reaffirm the deal that Hillary had made, and to thank Lancaster and the others for their support. Lancaster's Democrats in the House would vote for Clinton.*

THAT AFTERNOON, Senator DeConcini, who had announced the day before that he would switch and vote for the plan, called Altman. An editorial that day in the conservative *Arizona Republic*, the state's largest newspaper, attacked the deficit reduction trust fund, quoting Alice Rivlin's remark months earlier calling it a "display device" and a "gimmick." DeConcini was furious. He was not being given the political cover he had been promised and desperately needed. Rivlin's on-the-record words were undercutting him.

"We will correct that," Altman pledged. Rivlin immediately dispatched a letter to the *Republic* saying her words had been distorted. "I did use the word 'display,' but not as a criticism," she said, and her use of the word "gimmick" had been directed at an earlier Bush proposal. "Senator DeConcini's vote for the President's plan is a courageous decision," the deputy budget director said.

By late afternoon, Clinton had lost 7 previous yes votes in the House, but won back 6 no votes. But his tally stood only at 208.

Gore, very tense, came into the Oval Office. Bentsen, McLarty, Stephanopoulos, Altman, and he all crowded around the desk where Clinton stood. Gergen, his tie loosened, towered over the others. A half-filled plate of cookies sat on Clinton's desk.

* The next month, when the health care plan was unveiled, it recommended a cigarette tax of 75 cents a pack and a 1 percent tax on large businesses that chose not to join the proposed pools of insurance buyers called "alliances." Lancaster was furious and he called Howard Paster to charge double cross. He warned that the North Carolina congressional delegation, which had unanimously supported Clinton on the big votes, could no longer be counted on. He spoke later to Hillary, who told him that the administration had lived up to its pledge. "Tobacco has not been singled out," she said. The conversation was on the phone, and Lancaster wondered whether she made her assertion with a straight face. Hillary had not been specific, and she believed people often heard what they wanted to hear.

funding for reform would *not* come from any major tax hikes other than on cigarettes. The money would have to come from cuts in existing government health programs such as Medicare and Medicaid, and from reduced costs resulting from government-enforced competition.

As Clinton reviewed the numbers, he grew furious. The memo presented five scenarios for controlling costs. A table on page 5 showed that even under the most radical and aggressive scenario for government intervention, total national health care spending would still rise from the current 14 percent of the entire economy to 17 percent in the year 2000. How could he justify this to the American people? he asked. The most radical version would do no more than *slow* the rate of growth?

Also, according to the charts, total costs for 1996, his reelection year, would go up more than they would *without* reform.

Health reform could become a political loser. Clinton began to joke grimly that the savings and benefits would not be realized until, perhaps, a second Gore administration. If they couldn't save money, what's the purpose? he asked.

Clinton's key economic advisers and others also had their doubts and challenged the health care plan being devised by Hillary and Magaziner. Bentsen was disturbed that health had not been subjected to the collegial deliberative process of the economic plan, but was handled back channel with Magaziner trying to keep all the information to himself. He argued that the resulting plan was not politically attainable in Congress. Clinton could have a great victory with a smaller, less ambitious plan, and afterwards win more reforms incrementally. Altman said privately that the emerging plan was "too big, too expensive and too fast." Rubin invoked the law of unintended consequences, arguing that such rapid change for so much of the economy was impossible and that to attempt it could prompt unanticipated and harmful results. Tyson wrote memos to Hillary recommending moderation.

Gergen was mystified by the decision making. At one meeting, five possible options were to be discussed by the advisers but the more free-market options were summarily dropped. Then at the next meeting, Hillary unilaterally announced the decision for an option that called for a bigger government role than Gergen thought wise or possible. Where did this come from? he wondered.

Clinton had worked it out with Hillary and Magaziner. The president finally convened his key advisers. "We can fight like crazy about this, but when we're done and we make a decision," the president said, "we've got to pull together like we did on the economic plan. Not everybody was happy with the economic plan. Even I gave way on some things that I might have preferred differently. We have all got to go

His voice was weak from a cold, and he choked in a wheezing gasp a number of times. During his short remarks he paused three times, losing the natural rhythm of his speech. All elected officials, Clinton said, including himself, had abandoned certain personal characteristics—humbleness and honesty, for example. Twice, as if speaking to himself, he said it was important to learn the art and courage of self-forgiveness.

"It requires that we give our bitterness and our resentments up," he said. "We have to find the courage and the faith to forgive ourselves and to forgive our foes. . . .

"We all spend so much time obsessed with ourselves and how we stand on the totem pole and how we look in the morning paper. Five years from now it will be nothing," he said, a raspy intensity to his voice as if his conviction could will it to be so. "Five hundred years from now, the papers will be dust."

LATE IN THE WINTER OF 1994, after their first full year in the White House, Hillary Clinton felt deeply frustrated with the way she and Bill were being portrayed. She liked to think she was from what she once called "the other-shoe-will-drop school of politics." Lately, all the shoes seemed to be falling. Reading the newspapers, she tried to figure out what would stand the test of history, what was really important. She felt Bill's presidency was being trivialized. No one could ever see him or know him as well as she did. Bill was such a complex person. Nobody had described the whole man. People kept trying to chop him up into little pieces. It couldn't be done, she knew. Yes, he was an intellectual, she believed, but he was so much more complicated than that. He was also earthy, grounded, and highly personal, a temperamentally rare combination. He could quote Aeschylus and talk about the human journey one day, and the next day go bowling and slap people on the back.

Yes, Bill confused people, she thought. His style created dissonance. If people saw him being serious, they concluded that his back-slapping out in the crowds was calculated. Or if they believed he was sincere when he was hugging some old woman whose story had moved him, they didn't understand his serious purposes. She agreed with Stephanopoulos that someone would have to spend three months straight with Bill to see each piece and get it right. It had been a long time since the country had a president with these dimensions. Nearly all the great presidents had been complex human beings, misunderstood in their own times.

After her own speeches and public appearances, she was the first to

call the White House. "What do the wires say?" she asked, insisting on precise details.

When the going was particularly harsh, however, Hillary just stopped reading the newspapers. As the one who managed the family finances, she came under intense scrutiny and criticism in Whitewater. She tried at times to see the lighter side, joking that she was living in a bunker. She was going through what she called one of her "not-reading phases" in March 1994 because of what she called "this little Whitewater thing." Most distressing was that she and Bill were being charged with being greedy, of having used his office as governor and her law practice to wheel and deal in a real estate venture to get rich. But they lost money. Yes, they would prove it. The disclosure that she had made nearly \$100,000 trading in the highly speculative commodity futures market in the late 1970s also upset her.

Part of what she and Bill were up against, she theorized, was that people were still trying to absorb the 1980s. The public, Congress, and journalists worked on timelines, she had concluded. All had been surprised and caught short by the Savings and Loan scandal of that earlier decade. She and Bill were being hammered on Whitewater because the public, Congress, and media all had failed to pay attention to the S&L crisis early on. Now it seemed everyone was obsessed with it. It was a kind of payback time. The president was trying to turn around the greed of the 1980s, change the values, move the country into a new era, still unknown and still not fully defined.

In a larger sense—and maybe this was what it all meant—she and Bill were transitional figures. She was a transitional First Lady, taking on a new, bolder role as woman, mother, and policy maker. Bill was a transitional president for a new generation. They were paying the price of being transitional figures. She tried to convince herself that she didn't resent that, and that she understood that was what happened when you were on a historical cusp. But it made their jobs so much harder. It was almost as if they didn't yet have the language to communicate effectively with people. Everyone was playing catch-up.

She felt that people had voted for change, but in a nebulous way. They didn't know exactly what change meant. They could not agree on an agenda. Although Bill was trying to begin to present pieces of what change meant, she felt, the story was so big that people could only grasp small pieces. It all became tied up with the unfinished business of the past. As people worked through the political, cultural, and social changes, they were bound to have their resentments. The more personal they made those resentments, the better they felt. Of course, others missed the entirety of Clinton, of his presidency, of his journey, and of

the times they lived in. Nobody else understood. Nobody else really knew. She knew.

To those who thought there was too much of a campaign mentality in the White House, she said, "I think you have to run a campaign for policy just like you do for elections." She, Bill, and the staff couldn't go off on a hilltop by themselves, come down with answers, and expect them to be accepted. They had to sell the public and Congress. As she spoke and answered questions around the country, she found that some confused her vigorous advocacy on behalf of certain points of view, especially on health care, with inflexibility, or, of all things, idealism.

This was politics. Bill and she felt that the barrage of attacks—both on their policies and on them personally—were politically motivated. Too much of the media had become tools of the political opposition. On her good days she tried not to take it personally. "It's not personal," she said at one point, as if trying to convince herself. "*I mean it really isn't.*" On her bad days, there was no other way to take it, as she crossed the pain threshold.

She connected the current troubles to a call that she remembered Bill telling her about in the summer of 1991, just as he was deciding to run for president. She recalled that he reported a direct threat from someone in the Bush White House, warning that if he ran, the Republicans would go after him. "We will do everything we can to destroy you personally," she recalled that the Bush White House man had said. It was the same organized opposition, she felt, that had attacked him during the campaign and was now trying to tear down his presidency. Others from the campaign and the White House, however, remembered the call very differently—as neither stark nor threatening. The story had grown much better in the telling and in her memory. One campaign veteran thought it might be apocryphal or the message something between a political chat and a threat. She was not viewing things with her usual cold and clear eye. She was talking, at times, as if they were being persecuted.

She told herself that the avalanche descending upon them could not be motivated simply by a fear of Bill personally. No, these people were afraid of his *ideas*, she concluded. He was trying to overturn their philosophy and all their work. The vehemence of the attacks reinforced her belief that Bill and she were on the right track, fighting vast and entrenched interests. She even tried at times to see the intensity of the working-over they were getting as a great compliment.

They had done much since the day in August 1991 when she awoke with the realization that he would run and win. In the spring of 1994, they were out publicly talking up the successes—the economic plan,

trade agreements, other legislation, and health care, which was still to come. In private they talked about the pressures and attacks. So on one hand it was better than ever; on the other, worse than ever.

"We're going to keep on going," he said to her one day. "They're never going to stop us."

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ON THE EDGE

THE CLINTON PRESIDENCY



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ELIZABETH DREW

On the Edge: The Clinton Presidency
Elizabeth Drew

<u>Tab</u>	<u>Pages</u>	<u>Subject</u>
1	22-24	HRC's role in admn.
2	28,33,40	HRC's transition job
3	51-52	HRC's role in admn.
4	61-62	HRC as advisor
5	78	HRC as advisor
6	92-93	HRC & family privacy
7	101-104	HRC's image shift
8	131	death of Mr. Rodham
9	178-79	HRC & travel office
10	187	HRC and Gergen
11	194,196-97	HRC on healthcare
12	226	HRC's staff demands
13	229	HRC, POTUS & VPOTUS
14	223	HRC & POTUS marriage
15	240	HRC as advisor
16	300	HRC & redecoration
17	301	HRC as advisor
18	305	HRC on healthcare
19	311	HRC on the Hill
20	363	HRC and Les Aspin

<u>Tab</u>	<u>Pages</u>	<u>Subject</u>
21	388-90	HRC & state troopers
22	397-401	HRC and Whitewater
23	434	HRC on healthcare

people in to watch sports events on television. He was particularly hooked on basketball.

Clinton had pledged to announce all of his Cabinet by Christmas, and that goal was soon in jeopardy. The meetings sometimes began an hour or two late, and they usually commenced with Clinton and Gore talking about what was going on in the world, or a discussion of whether Clinton should call Boris Yeltsin, the Russian President, or some such. Clinton would talk discursively about what he thought a given Cabinet department's mission was, about people he knew, about the past. Sometimes he'd break off to phone someone he knew to talk about who had served in certain positions before. Eventually, Warren Christopher would prod Clinton to discuss particular candidates, and Clinton would lead a discussion about the principle of getting the right people for certain jobs. There was a certain lack of confidence to the exercise. The Democrats had been out of power for twelve years and didn't have a deep talent pool.

There were also long discussions in Little Rock among the Clintons, their friends, and their advisers about what, actually, Mrs. Clinton's role was to be, and though it was never announced, she was basically put in charge of domestic policy for the administration. Economic policy excluded, she would oversee the agencies (Health and Human Services) and issues (children, welfare) she was interested in. Her formal role in health care would be announced later. That would give her a specific project and some protection from the idea that she was corunning the government. Mrs. Clinton had served on the board, and as chairman, of the Children's Defense Fund (CDF), a child advocacy group. Her opinion was deferred to on appointments in this field. When Clinton named Donna Shalala, an official in the Carter administration and now chancellor of the University of Wisconsin, as Secretary of Health and Human Services, he picked someone who had served with Mrs. Clinton on that board. On many issues, Shalala was to report to her. So would Carol Rasco, who was chosen as chief domestic policy adviser. Rasco had worked for Governor Clinton in the statehouse and was very close to Mrs. Clinton. They had children the same age. Other White House staff members who dealt with the issues Mrs. Clinton was interested in—immunization, Head Start, and so on—were to report to her.

But this large role was kept under wraps. A lengthy debate took place in Little Rock, and among Clinton's friends around the country, over whether Hillary Clinton should have a title. Some of her friends thought she should; others thought that the country wasn't ready for this. The title Domestic Policy Adviser was seriously considered, but it was decided that Mrs. Clinton would essentially have the role without the title—it would be less threaten-

ing. Some of her friends and advisers felt that if she didn't have a "real" job, she would be seen as a full-time meddler. She was worried that she might be seen as a Lady Macbeth figure. A close friend remarked, "Hillary had to pick and choose, and wanted to focus on an issue, and the quasi Chief of Staff role would have been attacked viciously. For those two reasons—one is enough—she decided to do health care." Taking the health care job seemed to solve a lot of problems at once: the issue would need a great deal of attention and visibility, and she would have a specific task. A friend of both Clintons said, "She decided not to be clandestine. It was a risk she was willing to take."

Fairly early in the transition it was also decided that Mrs. Clinton would have an office in the West Wing, where the President and his top staff had their offices. The decision—which would break the tradition that First Ladies' offices were in the East Wing—had been the subject of controversy in Little Rock. Vernon Jordan strongly opposed a West Wing office for Mrs. Clinton because he thought it was, in effect, an announcement of a copresidency and was too much to spring on the public. But Mrs. Clinton's advisers—Susan Thomases, a New York attorney and a close friend (who also served on the CDF board), and Margaret Williams, who was to be her Chief of Staff (Williams was a former staff member of the CDF)—were insistent, and they (and Mrs. Clinton, of course) carried the day. Williams was to serve as an assistant to the President as well as the First Lady's Chief of Staff, another innovation.

This decision had all sorts of implications, as did other early ones about real estate generally. In December, Susan Thomases went to Washington to get a floor plan of the White House offices. "That sent a chill through everyone," a transition adviser said later. Thomases, a blunt, strong-willed, and controversial figure in the campaign, drew her power from her close relationship with Mrs. Clinton and had used it often to second-guess other campaign officials. There was a rebellion against her, and campaign officials took the issue to the Clintons. Thomases was forced to draw back some, but no one doubted now that she had tremendous power in the formation of the Clinton White House.

Mrs. Clinton and Williams chose prime office space, limiting the space for the President's staff in the West Wing. They would also have offices in the Old Executive Office Building, next door to the White House. A transition adviser said, "It was a statement from which other things flowed: Hillary was the first First Lady to not only have her own office but also have an office for her Chief of Staff in the West Wing. This had important implications for Hillary's role."

A friend of both Thomases and Mrs. Clinton said later, "Susan gets into

everything, protecting Hillary Clinton. She's her campaign manager for President of the United States, and I'm not kidding. Susan believes that somewhere down the road Hillary will be the first woman candidate for President of the United States. She's positioning her. Not that anybody thinks it's a bad idea—it's just a little early."

Mrs. Clinton was vested by her husband with selecting an Attorney General, and she and Thomases were to choose not only the person to fill that role but also the other major Justice Department officials. It was understood that the Attorney General would be a woman. For a while, Thomases herself entertained the idea of taking the job—only a very tight group knew about this—but then it was decided that the fact that she had no experience at the criminal bar was too big a hurdle. Thomases had also harbored the idea of becoming the President's Chief of Staff, which would certainly have led to a revolt among other Clinton advisers, but the idea was never seriously considered. Thomases had a young child. Anyway, Clinton had his own thoughts about that position.

It wasn't long before Clinton's pledge of a diverse Cabinet, one that "looks like America"—a pledge that was strongly backed by Mrs. Clinton and that soon caused problems. No formal presentation of nominees could have on display only males, and this led to scrambles to get the right combination before the cameras. And the interest groups kept up the pressure. In Washington, on December 21, Vernon Jordan was visited at the transition offices at 1120 Vermont Avenue by a delegation representing a half-dozen women's groups, which demanded that one of the "big four" Cabinet posts—State, Treasury, Defense, Justice—be a woman. Afterward, outside the transition offices, the members of the delegation complained that Clinton had set a "glass ceiling" of three women in the Cabinet. After the visit by the women's groups, the Clinton camp began to leak the names of possible women for Attorney General, giving the impression that Clinton, who in his campaign had successfully avoided being tagged as the candidate of the Democratic Party's interest groups, was, at this stage, yielding to their pressure.

Women's groups weren't the only ones who went to see Vernon Jordan to demand adequate representation in the Cabinet. So did Hispanic groups and environmentalists.

As a result, there arose early the sense that Clinton could be rolled—and that he was, or would act as if he were, beholden to the party's interest groups. Sensing that he might be able to recapture the White House for the Democrats after a long hiatus, these groups had held back their demands during the campaign. But they had supported him, and now they wanted to

wasn't seriously considered. Bradley's stock had fallen after he won reelection in 1990 by only three points, and he hadn't made himself much of a presence in the 1992 Presidential campaign.

Clinton finally settled on Christopher, whose role was to be to not let foreign policy get in the President's way as he focused on domestic policy. Clinton felt he could trust Christopher on this score.

There was never much question that Anthony Lake, a former Carter administration official and professor of international relations, who as Clinton's foreign policy adviser during the campaign had successfully kept Clinton out of difficulty, would be the National Security Adviser. He had the same assignment as Christopher: keep foreign policy from distracting the President from his domestic agenda.

The job of ambassador to the United Nations was first offered to Ronald Brown, to whom the Clintons were very grateful for the way he played his role as Democratic Party Chairman in 1992, but Brown wanted to be Secretary of State. He felt that in the UN job he would be just another in a line of blacks who had filled the post, and he turned it down. After it was made clear that the State Department wasn't to be his, he accepted Secretary of Commerce. The Clinton people had thought of offering the UN job to Condoleezza Rice, who had served on the Bush National Security Council staff and was an eminent black woman, but they finally decided to stay within the party. Clinton named Madeleine Albright, a professor of foreign policy who had worked in the Carter administration and the Dukakis and Clinton campaigns.

After Clinton interviewed candidates, his wife interviewed them. Delays occurred because someone didn't do well in an interview or because Clinton didn't like the list of four or five candidates presented to him for a certain job. He would ask for more names, saying that the list didn't have enough people of stature or didn't contain the name of anyone who had helped him get elected. Sometimes he thought that the vetting report on a candidate didn't make the case for choosing that person. "His indecision was about a lack of knowledge," one adviser said. But sometimes Clinton's indecision stemmed from his own indecisiveness.

On occasion, Gore, to get closure on a nominee, would say, I think we should go for so-and-so. Gore and Clinton brainstormed about each person, saying what they knew about him or her, and sometimes Mrs. Clinton joined in. Sometimes Neel or McLarty was asked his view. McLarty's presence at the table was the first clue that he would play a role in the administration.

Not only was there a lack of a deep bench to pick from, but generally speaking, people who had served in the Carter administration weren't held

confirmed later, "Nobody in the transition thought it was a problem." No one in the small group sitting around the table at the governor's mansion sensed that it would be a problem to appoint as Attorney General someone who had violated the law. (This was an even more fundamental point than the fact that she had violated a law that would be under her jurisdiction.) Besides, they were in a rush.

And so, on Christmas Eve, Clinton announced his last set of Cabinet appointments: Baird, Espy, Babbitt, Pena, and Kantor. He had just made it under the wire. He had obtained his diversity, though too publicly, and this diminished some of the people who got the jobs.

After the new year—the Clintons kept up tradition by attending the Renaissance Weekend—Clinton had still to select his White House staff. Harold Ickes had been asked to take on this job a couple of weeks after the election, and had been working with Susan Thomases and Mrs. Clinton on drawing up the list. Bruce Lindsey, who was close to Clinton and knew his wishes, had a quiet voice in the matter, as he would on most things.

It was all very casual. No "cluster group" had been established to study the White House, as there had been for the departments and agencies. The Clintons didn't want anyone to get ideas. The Clintons and Susan Thomases were focused on not having people on the White House staff who were independent powers. They said frequently that they didn't want "a Darman"—referring to the freewheeling and talkative (to the press) Richard Darman, a White House official in the Reagan administration, later Bush's budget director.

Almost all of the people working on staffing the White House were inexperienced in Washington, and Mrs. Clinton—to an extent that was not yet understood—and Thomases felt hostile toward Washington and were determined that the Clinton administration wouldn't come under its spell. The only experienced Washingtonian (other than Stephanopoulos, who had worked on Capitol Hill) chosen for the White House staff was Howard Paster, a lobbyist who was to be the legislative director. The Paster exception was in part a reaction to the Carter experience of putting in the job someone from Georgia who was too unfamiliar with Congress and didn't work out very well. Also, it was understood that numerous people from the campaign were to come into the White House. Bruce Lindsey later explained why so few people with Washington experience had been chosen. "We came here, we thought, to change things," he said. "Some people whose life has been around here don't want to challenge conventional wisdom. If Washington, D.C., had decided who would be President, Bill Clinton would not have been President." (Lindsey was correct on that

also given a job in the counsel's office, and Webster Hubbell, who was made Associate Attorney General, the number three job in the department and, under the circumstances, a very powerful position. On Inauguration Day, an administration official said, "Webb went over to Justice and planted the flag.")

Mrs. Clinton may not have followed the dictum that a President should pick an Attorney General who's close to him, but she did other things to see to it that her husband's—and her own—interests would be looked after. Not only did she put her Rose partners in strategic places, but she had known Nussbaum, a corporate-takeover lawyer in New York, since she worked for him in 1973–74 on the legal staff of the House Judiciary Committee's impeachment proceedings. They had stayed in touch over the years, and Nussbaum had contributed to Clinton's campaigns. One day, Ickes suggested Nussbaum as White House counsel, and Mrs. Clinton and Thomases concurred. Nussbaum, reached in New York, got to Little Rock that same day.

The President, sitting in the Oval Office, looked glum. The First Lady, McLarty, Paster, and Stephanopoulos were also there. Clinton addressed Nussbaum: "It looks like Zoe Baird isn't going too well. What do you think I should do?" Nussbaum replied, "I think you should fight." Paster said that he thought they had a serious problem. Nussbaum and Paster were dispatched to Capitol Hill to meet with Baird and her husband and make sure they understood how serious the problem was.

Baird said she wanted to fight. Paster canvassed several senators on and off the committee and, returning to the White House, reported to the President, "We're losing ground." The committee Democrats weren't happy, he reported; the White House would have to depend on Republicans just to get her cleared by the committee for a vote in the full Senate. McLarty called David Pryor, a Democratic senator from Arkansas, who was trying hard to help his friend the new President. Pryor said, "Cut your losses."

Meanwhile, Biden had decided, "This thing is over." In the early evening, the President called George Mitchell, the Senate majority leader, to get his assessment, and Mitchell called Biden. Biden had kept the hearing going that night until matters got settled at the White House, as senators asked Baird softball questions, which Baird misinterpreted as a sign that she was doing well. Biden thought that if the hearings went over to the next day, matters would only get worse. From Mitchell's office the two men called Clinton. They couldn't get through to him. Biden told Mitchell to tell the White House that if they didn't get a call back from the President within fifteen minutes, he would go public with an announcement that Baird's nomination was finished. Biden and Mitchell then called Paster to tell him

people thought. The attempt would lead at times to a bifurcated Clinton: a Clinton who was trying to get things done in Washington and a Clinton who attacked Washington; a Clinton who had to work with the barons and other congressional powers to get his program through Congress and a Clinton who called for political reform.

The next panel at the Camp David retreat, shortly before noon the first day, was billed in the program as "A free-flowing discussion of how the Government, the Nation and the World will be different as a result of the Clinton-Gore administration."

Clinton told the group, "If we have a vision, it enables us to make it through tough times." He went on, "For twenty years, our ability to generate opportunity and to live together has been eroding." This led, he said, to the importance of inspiring hope, then of providing opportunity and of pulling people together. He added that opportunity is not enough, that they had to change things, help people take responsibility for their own lives.

"The key vision," Clinton said, "is that at the dawn of a new century we can make the twenty-first century an American century." He added, "We must be driven by something that is bigger than ourselves. We must find ways to make people triumphant in the face of change, make our major institutions friendly to change and change friendly to them." Someone had told him, he said, that it's scary to be "little people."

Gore said that the process of governing is different from the campaign, where there is a defined "enemy"—"a way of thinking" that doesn't care about people. But, Gore added, there is a way for an administration to provide focus on an enemy. We must achieve a new way of thinking about the future, and make the government work. We are at a crossroads, Gore said.

Then Mrs. Clinton addressed the group. Hillary Clinton spoke to this group in a way no previous President's wife, however influential through her husband—or even, like Eleanor Roosevelt, in part on her own—would have found imaginable. It made very clear the strong and central role she would be playing. She pointed out that in Clinton's first term as governor of Arkansas, he had tried to do too much in too short a span of time, but that after he lost after one term and recouped by changing his approach (and his wife changed her last name from Rodham to Clinton), they had focused on education reform. (Mrs. Clinton had taken on the project.) She said that they had made "the enemy" the educational establishment. (Establishing opponents of Mrs. Clinton's goals as "enemies" was to be a feature of the Clinton Presidency.)

In her charge to the group, Mrs. Clinton said that the story of what we

want to accomplish has to be written before the plan; then we must fill in the details, and be sure to make that story human. We need an administration that is responsive, she said, that makes people feel included, involved in the process. Perquisites should be limited, she said; there should be few differences between people in and out of government.

At a later point in the program, Mrs. Clinton instructed the group, "Don't believe what the press says or writes that someone on the team says about you."

In another session, Clinton laid out his five priorities for the first year. It was an ambitious list: a stimulus program to reinvigorate the job base; an economic program that reduced the deficit and shifted priorities from consumption to investment; a political reform bill, including reform of campaign financing and new restrictions on lobbying; a national service bill; welfare reform; comprehensive reform of health care. Beyond this list, Clinton said, there were other things the government could do: work on policies that protect the environment and sustain jobs; teach everyone who works to read; stress training and apprenticeship programs; adopt a trade policy that recognizes the competitive dimensions of world realities; reduce the homeless population.

That evening, after a long day, there was a fireside chat in a living room setting in Laurel Lodge. The two facilitators—Gore had proposed one of them, a management consultant who had worked with his Senate office on "team building" and other organizational problems—led a discussion in which these assembled leaders of the world were to tell something about themselves that people didn't know; tell some ways they would like to change; and say how their subordinates, the people closest to them, would reflect their management style.

As the forty-odd top officials of the new administration, all of them casually dressed, sat around an open fire, Bill and Hillary Clinton on one side of the fireplace, Al and Tipper Gore on the other, with Cabinet members and White House staff seated on couches or on the floor, they made their confessions. The President revealed that he had been taunted in school when he was five and six because he was a fat kid. Donna Shalala said people didn't know she was a twin. Henry Cisneros revealed that even though he lived in Texas, he had been a Washington Redskins fan for twenty years. Richard Riley, bent from a spinal disease, said he had been cocaptain of his high school football team and had never lost that competitiveness. Warren Christopher, the seemingly buttoned-up Secretary of State, said that he liked jazz and enjoyed going to piano bars.

The bonding went on over Sunday, with sessions on Connecting with the

is the first chance we've had as a party to fix this problem." He told Clinton that "We all believe in the micro things that you've talked about—training, education, infrastructure, health care reform, and more government backing of high-tech research." And he added, "But we'll never get to those things unless we solve the larger economic problems." He argued, "As difficult as it is, as nasty as it is, we have to do it." The Clintons nodded their heads in agreement. Gephardt added that the House Democratic leaders had met with the freshmen, "and they felt we had to do it."

At the dinner, Foley, too, emphasized that the freshmen were particularly keen on making deficit reduction a priority. Many of these freshmen had been elected with the support of Perot voters as well as Democrats—and thus they had higher margins of victory than Clinton, and they wanted to retain those margins. (In all, sixty of the sixty-four Democratic freshmen had run better than Clinton in their districts.)

Introducing a factor that was going to be a source of tension after Clinton got to Washington, Foley advised him not to listen to the urging of those who told him that he should "take on the Congress." Foley said that traditionally, the incumbent President's party loses seats in midterm elections, and the losses are blamed on the President. Therefore, Clinton shouldn't go out and weaken the Congress by attacking it. So Clinton was to be torn between two poles: the large swath of the electorate, including the Perotites, that was fed up with the Congress; and the Congress, upon which he was dependent on getting his program through. At this dinner, Foley also persuaded Clinton to drop his pursuit of the line-item veto, which would enhance the power of the President by allowing him to zero out any item in an appropriations bill rather than force him to veto the entire measure. Clinton complied, and this backtrack on his part was noted by other politicians.

On the occasion of this dinner, Hillary Clinton's deep involvement in her husband's activities got its first postelection public airing. The subject was of all the more interest because of the public role Mrs. Clinton had played during the campaign. After coming under criticism for her unusual aggressiveness (as candidates' wives had gone) and her famous line, "I suppose I could have stayed home, baked cookies, and had teas," she had switched to the role of the demure spouse, nodding her head in agreement during her husband's speeches and sometimes holding an umbrella over him. (Actually, the line was longer and in a context that was lost. She also said, "The work that I've done as a professional, as a public advocate, has been aimed in part to assure that women can make the choices that they should make—whether it's full-time career, full-time motherhood, some combination, depending on what stage of life they are at—and I think that is still difficult

for people to understand right now, that it is a generational change.") Clinton, asked at a press conference after the dinner whether his wife had been there, replied, "She was. She stayed the whole time. She talked a lot. She knew more than we did about some things. I think they would agree with that." In fact, Mrs. Clinton had weighed in on a number of subjects, and her political acumen was clear on several issues, including the question of what to do about remaining S&L problems—a subject that, as it happened, she knew a lot about.

There were also strong pressures on Clinton from within his new economic circle to emphasize deficit reduction. Panetta and Rivlin had long been advocates of reducing the deficit, and both were pushing an energy tax. (During the campaign, Panetta, as House Budget Committee chairman, had openly criticized candidate Clinton's budget as not adding up.) Both Bentsen and Rubin argued that only if Clinton was seen as serious about deficit reduction would the financial markets have confidence in his program—and lower interest rates—and would the Federal Reserve keep rates down. They warned that if nothing was done, there would be a real risk of a financial crisis.

The economic situation that Clinton had inherited was daunting. Unemployment was 7.7 percent, growth was erratic. The recovery was shaky, and it wasn't producing jobs. Corporations had "downsized," suggesting a fundamental change in the employment structure. Worldwide growth was stagnant. The questions facing Clinton and his advisers were how to spur investment without igniting inflation and how to eliminate a significant portion of the deficit without contracting the economy too much. To ward off the latter, he and his advisers were considering a program to stimulate the economy in the short term, largely by spending to create jobs; the idea was received wisdom among many Democratic economists and had been given a large boost at the economic conference.

On January 7, Clinton held his first meeting with his economic team, at the governor's mansion in Little Rock. (Reich, undergoing his confirmation hearing in Washington, was hooked up by speakerphone.)

Rubin, anxious about having such a short time to prepare a new budget, was facing the NEC's first meeting with the President. He had rehearsed his troops carefully at preparatory meetings in Washington. Having obtained a commitment for five or six hours of Clinton's time for the meeting, he said to his charges, several times, "We have five or six hours to discuss three months' work. If you go off-subject, or if you go overtime, I'll cut you off."

Just before the meeting, Rubin, who was beginning to know his new boss's ways, told the President-elect how important it was to stay on sched-

too much work to do, Hillary took charge. She read the draft out loud, and people would make suggestions. Groups would go off to rewrite the opening, the close, and flabby parts." Mrs. Clinton did some rewriting herself. Clinton himself spent a lot of time rewriting certain sections. In midafternoon, Anthony Lake, the National Security Adviser, offered what became a key line (and a Kennedyesque one): "The test of our program cannot simply be what is in it for me; the question must be what is in it for us." At a 6:30 P.M. practice session, Clinton made several ad-libs, which were incorporated into the text. There was a 7:30 P.M. version of the speech, and then an 8:30 P.M. version. Clinton didn't leave the family theater until twenty minutes before the ceremonies were to begin, at 9:00 P.M. He continued to work on the speech as his limousine made its way to Capitol Hill, and as he waited in the Speaker's office, just off the House floor, for the moment he was to enter the House Chamber.

As Clinton entered the chamber of the House of Representatives, he was given a warm reception. Familiar as these ceremonies had become, there was still an excitement to them—especially when a new President made his first such appearance. The presence, according to tradition, of the Cabinet, the Supreme Court, the diplomatic corps, the top military officials, all added to the sense of occasion. As Clinton, at the podium, acknowledged the ovation, the frenzied TelePrompter operator was still making changes. Mrs. Clinton, in a bright red wool dress with a high neck, her hair swept up, looked triumphant. She had worked for this as hard, and as long, as her husband had. On one side of her was John Sculley, the chairman of Apple Computer, who symbolized the affinity between the Clinton campaign and the high-tech industry. On the other side was Alan Greenspan, the chairman of the Federal Reserve Board. (There was some criticism of Greenspan afterward for appearing to lend himself to the Clintons' cause.) Also in the First Lady's group were Vernon Jordan and his wife, Ann.

And then the fresh-faced young President took over the hall. At first his delivery was flat and he stepped on applause lines. He said, in what was intended as the defining phrase but was little remembered, "Our nation needs a new direction." Then Clinton seemed to grow more confident and to speak more energetically. And he ad-libbed extensively. His obvious command of the material and his almost physical relationship with his audience, his clear and urgent call for change, lifted his speech from its prosaic text. He laid out the "four components" of his program: "It shifts our emphasis in public and private spending from consumption to investment"; It would honor "work and family" (by which he meant a substantial

House came when, at the end of a mid-February visit by Michael Dukakis, Clinton offered to walk him back to his hotel and got as far as the White House gate, where a Secret Service agent told him he couldn't go any farther. So Clinton and Dukakis stood inside the fence and talked for about ten more minutes, the President captive within his own grounds. When the President wanted to go anywhere, it took thirty minutes to "move" him: station agents along the way, check his destination, load up the long motorcade.

One evening in March, Clinton, having been back and forth on the matter all day, decided he wanted to go to a book party for his friend Strobe Talbott (then ambassador at large for Russia and the other former Soviet republics) and Talbott's coauthor, Michael Beschloss. The party celebrated the publication of *At the Highest Levels*, an account of the relationship between George Bush and Mikhail Gorbachev. But though the event was being held only three blocks from the White House, by the time Clinton decided he wanted to go his transportation couldn't be arranged to get him there before the party was over. Later, after he complained, the time needed to "move" him was reduced.

Mrs. Clinton occasionally managed to go out in enough disguise to remain undiscovered. (Once, she and Chelsea did this at Disney World, where Mrs. Clinton was to make a speech, but after a couple of blissful hours a German tourist recognized Chelsea.) In the early months, the Clintons' entertaining was quite casual. They would invite friends, many of them from Arkansas, in for small, informal suppers—usually with Chelsea and perhaps one of her friends present. Often, the meal was followed by watching a basketball game, or a movie in the family theater—a small viewing room in the East Wing. Sometimes they had people in for a movie and popcorn, peanuts, and diet Coke. The Clintons often checked to see who was in town—whether old friends or someone they didn't know but would like to meet—to invite to dinner. And they liked going out for dinner to Washington restaurants, usually with friends, and, when they could, did so about once a week.

From early on, the Clintons were attracted to Hollywood figures. Harry Thomason and Linda Bloodworth-Thomason, who stayed at the White House frequently (and had passes entitling them to go anywhere in the building), were of course old friends. They had even bought a beachfront house near Santa Barbara for the Clintons to vacation in—the unwisdom of which the Clintons didn't grasp at first. (They spent the Thanksgiving weekend there in 1992.) The Clintons gave a birthday party for the actress Mary Steenburgen, an old friend from Arkansas. Singer Judy Collins was an over-

night guest, and so was Barbra Streisand, who made herself something of a fixture on the Washington scene, discussing issues with officials. A stay at the White House was such a status symbol that one prominent Hollywood couple wrote a friend a condolence note on White House stationery. (The friend was enraged when she discovered that the note was not from the President.) Bill Clinton in particular evinced a notable interest in meeting celebrities—another perquisite of being President. The poor boy from Hope could now meet anybody in the world. Though Clinton occasionally had scholars in for dinner, to discuss a particular subject (say, Russia), usually before a trip, these were set pieces; generally speaking, the Clinton White House wasn't a place of intellectual ferment or much high culture.

In part the difference between the way the Clintons and their predecessors entertained was generational. It was to be a long time before they had a state dinner (the large formal dinner given for Kim Young Sam, the President of South Korea, at the end of November 1993, and even this was technically not a state dinner). In part it had to do with their concept of Clinton's job. In early March, a friend of theirs said, "He understands why he got elected. The country wanted action. He's going to give it to them. Coming down the stairs to a state dinner isn't about action." It wasn't until June, after some urging by friends and staff, that they began to have larger dinners of about forty people, including journalists. The idea was, among other things, to get to know people and enlarge their network and build a constituency in Washington.

The Clintons'—in particular Mrs. Clinton's—hostile view of the press was a hangover from the campaign. She remained angry over the hard time her husband had been given in New Hampshire about Clinton's alleged affair with Gennifer Flowers, the onetime lounge singer and then Arkansas state employee, and about whether Clinton had tried to avoid the draft during the Vietnam War. The odd thing about the Clintons' view was that much of the press was highly (and sometimes overtly) partial to Clinton's candidacy; some reporters even brought pressure on their colleagues—successfully—to put an end to the questions and stories about these subjects. An adviser said, "They both carry that in them about New Hampshire, her more than him." An aide said that Mrs. Clinton also felt "seared" by the criticism of her during the campaign.

Some advisers tried to convince the Clintons that this attitude was self-defeating, but to little avail. In fact, it had led to one of the big controversies of the early months—the closing of the corridor between the press briefing room and Stephanopoulos's office. The Clintons didn't want the press to have access to Stephanopoulos's reception area, because he was to be in-

Capitol Hill on March 16. (Clinton swore him in in a Portland, Oregon, hotel room, en route to the summit. Since no Bible could be found, Talbott solemnly rested his right hand on briefing books. A proper ceremony took place in Washington later.)

The strict conflict-of-interest rules and the lengthy forms kept some people away from government jobs, and the long wait for a decision on whether the job was available caused some people to give up. The fact that Clinton valued Bruce Lindsey's company, and wanted him along whenever he traveled, contributed to the pileup on and around Lindsey's desk. A friend of the President's urged him to leave Lindsey at home when he traveled, and the President replied, "I *need* Bruce." When they traveled, Lindsey and Clinton played hearts—at which Clinton was fiercely competitive. Lindsey was the President's political radar on the road—and in the White House as well. A friend of both men said that Clinton also looked to Lindsey to tell him how he had done at a certain event or in a certain situation.

Senator David Pryor, a friend of both men, said, "Bruce Lindsey is Bill Clinton's conscience. Bruce can get in his head. He knows how he thinks, knows how he's going to react, what he's going to do." Pryor said it was Lindsey who rescued Clinton at what was one of the lowest points in his political life—when Clinton had just given the disastrously long and strangely ill-suited speech nominating Michael Dukakis. Pryor said, "He literally picked him up, got him out of bed, and made him face people. It was Bruce who got him to go on the Johnny Carson show [where he played the saxophone to show what a regular guy he was]. It was Bruce who made it clear he had to handle it with humor." Lindsey watched out for Clinton's political network and commitments, and kept his secrets. Pryor said, "Bruce and Clinton can communicate with body language or facial expression. Bruce can wiggle his eyebrows in a certain way, and the President will know whether he's on board or not."

Another friend said, "Bruce Lindsey is more and more able to challenge the first conclusion about something. He's also a security blanket. That's why the President wants him on trips."

Mrs. Clinton's abandonment of the pretense of her role in the latter part of the campaign—as the adulatory and largely silent wife—was complete once she reached Washington, and, to many people, jarring. Her reinstitution of her maiden name, so that she was now Hillary Rodham Clinton, was a strong statement—too strong for some—and her staff was busy trying to get across that this didn't represent a change, even though, of course, it did. There were some transparent efforts to try to keep things in balance. The

first press interview she gave was with the food correspondent of the *New York Times*, whose front page displayed an evening-gowned Hillary checking the place settings for the Clintons' first large, formal dinner (for the governors). The story was about how much Mrs. Clinton liked going over menus for dinners and wanted more emphasis on American dishes and less on the French cuisine that had been in vogue during the Republican reign. (Later, she fired the chef.) One morning in early February, Mrs. Clinton's social secretary, Ann Stock, was on all three networks' morning shows, talking about how much Mrs. Clinton loved her role as hostess.

But Hillary Clinton remained involved in most major decisions made by her husband—and some minor ones as well. Whatever the state of their marriage at any point, they had long been a political team; Bill Clinton valued and even needed her advice. And some of the staff wished that she were even more available, because of her effect on him. A former campaign aide said, "He was never focused on health care in the campaign, but he began to see this as a monster, and he saw Hillary as his smartest, toughest adviser. She is his closest adviser. She's terribly well organized and always pushes him to more decisive action. Part of his deliberative process is to keep everything open as long as he can. Everyone realizes they have to keep Hillary informed and posted, and they do that. If they don't, he'll always ask her for her opinion anyway. It's not that she forces her way into the process. He invites her into the process. They talk about every issue—they enjoy it. They sit around at dinner talking policy."

It was understood within the White House that Mrs. Clinton ferociously protected her husband and that aides would have to answer to her for any perceived misservice to him. She reviewed his schedule, and told staff members off for setting up events he wasn't prepared for. Later in the year, an aide said, "She has sometimes felt that the President's schedule was abusive to him and harum-scarum. She concerns herself with the overall management of the White House and what she feels is a failure to integrate the President's politics into the workings of the White House. She expresses frustrations about the loose management of the White House and the inability to hold some people accountable." The aide pointed out that on occasion Mrs. Clinton was part of the problem, since she herself encouraged criticism from the outside, including from Susan Thomases and the consultants. Another Clinton adviser said, "McLarty is not prepared to force any issues with her. A first-rate Chief of Staff would do something about this. She has a vested interest, and a deep conviction that this guy [her husband] should get the very best, but it sends a confusing signal."

A Presidential aide, describing Mrs. Clinton's style of criticism, said, "In any number of meetings she has metaphorically pounded the table—she doesn't have to literally because of the force that she has. She'll argue that there is no plan, there's no strategy." The aide continued, "I want to put this carefully. She has in many cases served functionally in the way a Chief of Staff would in terms of accountability and discipline and sometimes unruly organization. She has made the point openly in his presence. What she does privately I can only imagine."

Another adviser said, "More than anyone else in the building, she wants to see him reelected."

No one doubted that Mrs. Clinton was in on anything she wanted to be in on, and some made their arguments to the President through her. One Presidential adviser said that he could usually tell when the President was passing along a thought Mrs. Clinton had given him: the President wouldn't mention his source—as opposed to saying, I was talking to Senator X last night and he said . . .

All of the President's aides knew that Susan Thomases had the First Lady's ear. Having been closely involved in the selection of the White House staff, she kibitzed and second-guessed various White House activities—especially the communications and scheduling offices. It would become known not only within the White House but around Washington when Thomases was "down" on some member of the White House staff. Thomases publicly denied that she had such clout, but many people knew that she did. It was enough to unnerve some White House aides. At a June "roast" of James Carville, with whom she had done battle during much of the campaign, Thomases elaborately thanked Carville for being kind to Hillary Clinton during the campaign. She also thanked him for getting tears in his eyes during the Clintons' taping of their famous appearance on *60 Minutes*, where Clinton admitted that he had caused "pain in my marriage." "I appreciate that, James," Thomases said.

The real state of the Clintons' marriage was something known to very few people, most of whom didn't talk about it. It was known to have been turbulent in their pre-White House days, and therefore, inevitably, there were rumors during Clinton's first year and a half as President. The rumors were a cottage industry, but nothing was proved. There were aspects of the marriage that close observers could talk about with some validity and that gave clues about the way they governed. One longtime friend of theirs said, "They really are each other's best friend—the smartest person each of them knows. They love to discuss books, but for them discussions are very passionate, very confrontational. They probably have one of the most

multidimensional marriages I know, because they turn to each other for virtually everything. They get into tough arguments about a book they've read, or what Chelsea should wear to school. They act the same way with political strategy. They don't do anything with each other without tremendous emotion behind it. They scream and yell at each other, but it's not in anger. Well, yes, there's some anger too. Chelsea participates in these passionate discussions. Hillary protects Bill's time with Chelsea. Bill gets real out of sorts if he doesn't have his Chelsea fix every day."

In early March, an item in *Newsweek* recounted that one day at school, when Chelsea needed an aspirin, a school official said she would call her mother, and Chelsea replied, "Call my dad; my mom's too busy." A White House aide remarked that the story, which made the rounds, was true. Clinton later tried to explain it away (on MTV) by saying that this happened because Mrs. Clinton moved around and traveled a lot because of her work on health care, but they always knew where to find him.

The longtime friend said that the Clintons did love each other, and added, "But it's a very taxing relationship. Hillary is better at seeing ramifications and implications; Bill is better at vision and in dealing with people." This person elaborated, "It's a more taxing relationship than most because they're so enmeshed. Neither can go off with others for the things they deal with. It's a very taxing relationship because it's so enmeshed and emotional."

In the early months, the Clintons were feeling shakier about their new roles than they let on. Their close friends knew it. One said, "As smart as they are, and as much as they knew about governance, it's impossible to anticipate the enormous pressures of that job." The fact that the Clintons considered themselves so smart made the bumpy transition from Arkansas to Washington, and the enormity of the difference, all the more disorienting. They had traveled in national policy circles and governed a small state, and they'd groomed themselves for the White House for a long time. None of this prepared them for what they faced. Some say that no one is prepared for the Presidency (though Vice Presidents have a good foundation), but for the Clintons, who wanted to do so much and had so ill equipped themselves to do it by picking such an inexperienced staff, the beginning was particularly difficult.

It was to be a long time before any repair work was done (not until mid-1994, when Clinton's Presidency seemed to many people, including some of the Clintons' intimates, dead in the water). Within the White House and outside it, there were questions from the beginning as to whether Mack McLarty was up to the job of Chief of Staff, and—especially on the outside

to deal with the White House, and also some White House aides, to distraction. The White House was "run" by what one top aide called "ad hococracy."

April was an unhappy month for Clinton in several respects. On April 7, Mrs. Clinton's father, Hugh Rodham, died of a stroke, in Little Rock. His final illness had caused her to be absent from the White House for a lengthy period of time, starting in late March. Her long vigil by her father's bedside distracted the President and deflected his attention from some important matters. And her absence reduced the amount of advice the President got from her. (It also, as Mrs. Clinton's staff knew, shifted the image of her, softened it by showing her vulnerability and the priority she put on her family.) During his father-in-law's illness, Clinton himself went to Little Rock one weekend, and he told aides later that he had found it "restful" to be away from the White House and among friends. The Clintons' joint distraction impeded work on a number of issues and bollixed the schedule. Gearan said, "It got us off stride."

A lot of things went wrong for Clinton in April. On Monday the nineteenth, FBI agents conducted a raid on the compound in Waco, Texas, of the Branch Davidians—a religious cult led by David Koresh, who said he was the Messiah—that ended in a conflagration. Eighty-six men, women, and children were killed in the fire. There was reason to question the judgment of Janet Reno—who became a national hero by appearing on numerous television news programs on Monday evening, taking responsibility for the event—as well as that of the President and his advisers. Reno was a shrewd politician (she had been elected five times as state attorney of Dade County, Florida), and as she must have figured, the public was very impressed with anyone in Washington who would stand up and take responsibility for some untoward event.

The White House tried to give the appearance that the President hadn't known anything about the proposed raid until Reno briefed him on the plan on Sunday. Actually, the plan for the raid on the compound—driving the cult members out by ramming their building and creating a hole through which to inject nonlethal gas—reached the White House the previous Wednesday, leaving plenty of time for it to be considered. Bernie Nussbaum had known for some time that the Justice Department was working on a plan to raid the compound. During the week before the raid, Lindsey, Nussbaum, Vince Foster, and Webster Hubbell met in Nussbaum's office to discuss the matter. They had been informed that the FBI had recommended such a plan to Reno and that she was considering it but hadn't made a decision. Lindsey and Nussbaum told the President about the plan. Nuss-

going through the Attorney General.) On May 13, Watkins asked the accounting firm Peat Marwick to do an audit of the travel office.

Though Mrs. Clinton's role wasn't known at the time of the controversy, she took a real interest in the matter. Thomason, who saw Mrs. Clinton fairly often, had standing as a longtime friend who had been helpful in the campaign and the inauguration. And he knew about the travel business.

At the time, Thomason had an office in the East Wing and a pass giving him entrée throughout the White House complex, and an open-ended role of trying to improve the staging of Presidential events. "Harry was more the instigator," a White House aide said afterward. "It was as if someone put a lever under the boulder and it started down the hill and hit the village at the bottom of the hill."

Thomason's urgings that something be done about the travel office were heard seriously by the First Lady. Mrs. Clinton was already suspicious of the permanent White House staff—the people who kept the place running from administration to administration. And she felt that Clinton's own White House staff hadn't been responsive enough about uncorroborated rumors of temperamental behavior on her part, printed in *Newsweek*, that were said to have originated with the Secret Service. She also thought that the Clinton group had left holdovers in too many jobs. (Later Mrs. Clinton fired a White House usher, which was usually a career job, because of her suspicions of him.)

The first public indication of Mrs. Clinton's role in the travel office affair was a May 17 memo from Watkins to McLarty, with a copy to her, that was published in a White House report on the matter issued in early July. (Copies of the memo were in about a half-dozen files, so it had to be published.) The memo itself was misleading: it suggested, incorrectly, that the inquiry into the travel office had begun "as part of the National Performance Review" (the "reinventing government," or REGO project, being undertaken by Vice President Gore). Mrs. Clinton told people looking into the matter later that she had no recollection of specific conversations in the period leading up to the firings. She was angry that a report on the travel office affair was being prepared at all and considered it too tough on various people's actions. One White House aide said, "She felt it went way too far." Members of her staff, who were presumed to be reflecting her opinion, expressed the view strongly that the travel office incident should be dismissed out of hand. Mrs. Clinton argued that there was no reason to apologize for the dismissal of the travel office people. The President felt this way at first, but in an attempt to calm things down, on May 25 he asked McLarty to look into the matter.

This was not the first, and it was far from the last, collision between the

Clintons—especially Mrs. Clinton—and the Washington culture. In Mrs. Clinton's view, the correct thing had been done, and there should be no apologies. Her husband was often bothered by Washington, but he didn't resist it as fiercely. In Washington, overreaction, loss of perspective, invasion of privacy (or what the Clintons considered privacy), were all realities and had intensified over the past couple of decades. This wasn't altogether a good development, but there it was. Worldly as the Clintons had seemed, or thought they were, they had a hard time adjusting to this.

However valid the criticisms of the travel office were, the matter couldn't have been handled worse. The picture that was drawn was of cronyism and looseness with the truth. It apparently didn't occur to anyone that hiring the Little Rock company and putting the cousin—distant or not—in charge wouldn't look particularly good. McLarty said later that he had approved the firings and had known about the hiring of the hometown travel agency but not about the cousin.

There was a systemic failure within the White House. The matter of the travel office had been dealt with haphazardly. It wasn't brought up in a senior staff meeting. On Monday, May 17, Watkins sent McLarty the memorandum (the one that also went to the First Lady) stating that he was going to "terminate" the travel office staff the next day, hire World Wide Travel on a temporary basis, and put Catherine Cornelius in charge. Later that day, McLarty went to see Watkins in his office in the White House basement; Watkins explained his plans, and McLarty concurred. That was it: no meeting, no aeration of the plan, no consideration of how it might go over in the press. McLarty and Watkins, after all, had known each other for a long time. Like the President and McLarty—and like Vince Foster as well—Watkins was from Hope, Arkansas, a tiny town of about eight thousand. There were, in fact, three Hope High School student body presidents in the Clinton White House: Watkins, McLarty, and Foster. So at the core of the Clinton White House was a group of people who had known each other for a long time and saw little reason to question each other's judgment.

No one anticipated the reaction. The travel office had done a great many favors for members of the press, facilitating their travel, making it as pleasant as possible, and helping reporters get around customs officers. After the uproar began, no one at the White House seemed to know how to step in, gather the relevant facts and get them out to the press, and put a quick end to the matter. Instead the story went on for days, each day bringing new revelations.

On Friday, May 21, at a much delayed late-afternoon briefing, Stephanopoulos, who had been closeted in meetings all day, announced that World Wide had been dropped. He also released the Peat Marwick study, which

met with Mrs. Clinton at about 10:30 P.M. He told her that many people on the outside thought her husband was a centrist and she was pulling him to the left, and that this was what was causing some of the zigzagging on policy. Mrs. Clinton replied that it was a complete misunderstanding; she had taken a centrist position many times in Arkansas and was very pragmatic. When the President returned, late that night, he and Gergen went over the same ground. Clinton told Gergen, "I'm way out of position, I'm way off to the left. I want to get back to the DLC."

At six-thirty on the Saturday morning of the Memorial Day weekend, Gore sat at the word processor in Mark Gearan's office and wrote out a statement for Clinton to make that morning. A leak on Friday afternoon that Gergen was coming to the White House forced an announcement. Members of the White House staff were shaken. The Clinton White House was often damaged by leaks that it should have anticipated and preempted.

Clinton's announcement was made in the Rose Garden at 7:30 A.M.—an odd time for an announcement, but things had got out of hand. His statement left ambiguous the question of whether Gergen would take charge of communications. McLarty said that the communications office would report to Gergen. The picture of Stephanopoulos standing there, his head bowed, as the President implied—despite his praise of Stephanopoulos—that he was firing him from his communications job, was painful. Clinton was graceless in the handling of one of his most loyal and talented aides. A large number of aides felt great loyalty toward Stephanopoulos and would long resent his public humiliation. It seemed that Clinton wanted the world to know that he was removing Stephanopoulos from his job. The aides' anger was compounded by background statements to the press from presumably older White House aides, who said that the change was aimed "at the idea that we need some adults here." The resentment spilled over into a grudge toward Gergen and a widespread feeling that Stephanopoulos was taking the fall for the mistakes of the elders. Nevertheless, a Clinton adviser said later, "He isn't taking the rap for things other people did; he is taking the rap for not communicating well about them."

Stephanopoulos's new role, as Clinton described it, was the right one for him. Clinton said that he "will work with me more closely, as he did in the campaign, on important matters of policy and strategy and day-to-day decision making." A Presidential adviser said later, "Someone had to be sacrificed. The pressure was building. Somebody had to be changed."

McLarty was in on the changes in order to shore up his own position as well as the President's. "Mack has never felt that he had all the help that he needed," a Clinton aide said. McLarty hadn't been able to select his own deputies, which rankled him more than he let on. Over time, McLarty built

was pragmatic. Also, she saw the managed-competition approach as a possible opening wedge for a single-payer plan.

Shalala also came under sharp internal criticism for floating the idea, in mid-April, that the health care program might be paid for through a value-added tax (a consumption tax on most goods)—this at a time when the administration was still struggling to save its stimulus bill. In a most unusual event, Shalala was even called on the carpet by McLarty. But what she said was accurate: a VAT *was* being considered. Clinton himself had been a bit loose-lipped on the subject.

Another source of discomfort at the health care meetings was Mrs. Clinton's presence. Some of those who attended found her intimidating—hard to argue with and uninterested in the points they made. Mrs. Clinton's style was very direct. She told people straight out what she thought. She'd say, "You're right," "You're wrong," "That's the way to proceed," "No, that's not right." One person said, "There was a little feeling on her part of 'You're not in my caste, and I'm not going to debate you'—even when she'd said, 'Great, let's debate this.' You can't debate across caste lines." Mrs. Clinton displayed a certain impatience. And her humor was biting. When the President attended, he was slower to raise questions than at the economic meetings. He knew this subject less well, and he deferred to his wife.

A showdown meeting between the economic camp and the Magaziner camp, which included Hillary Clinton, took place in late May. Before the group were two health care proposals, one (Magaziner's plan) far more generous than the other, at least at first. The less generous plan—a variation on a major-medical plan—favored by the economic advisers, would have phased in the program more slowly, eventually ending up with the more generous benefits. The issue was drawn by setting up debate teams, but the arrangement fell apart because the President asked a lot of questions. A senior economic official said later, "The process was horrible. There were fifty-some people in the room, a very high proportion of them not above kindergarten age. All of them were for the larger package. There were cheers and groans and hissing. When you have that many people in the room, senior people aren't going to conduct a real debate in front of the junior people. There are too many possibilities of press leaks, especially if you know you're talking about something the President disagrees with, and the President is volatile, and the First Lady is emphatic. You go into that room knowing that the President, the First Lady, the Vice President, and Tipper are all leaning toward the larger plan. The issue was benefits versus economic realities. In that setting, Bentsen isn't going to stand up and say, 'Mr. President, this throws into doubt your entire economic plan.' Rubin isn't going to stand up and say, 'Mr. President, if you do this, business will

For various reasons, not all of them attributable to Magaziner, it was to be months before a health care plan was ready to be presented to the Congress. It was also a very long time before Mrs. Clinton gave up on the idea that it could be passed in 1993.

In April and early May, in anticipation of the health care proposal's being ready, Mrs. Clinton's advisers, who guarded her carefully, agreed—with her approval, of course—to make her available for numerous major articles. The result was cover stories in *Time*, *People*, *Parade*, *Family Circle*, and the *New York Times Magazine*. The essence of these articles was a portrait of a whole woman: a working mother who struggled to keep all her roles intact, a normal, warm person. An anecdote about Mrs. Clinton making scrambled eggs for an ill Chelsea was featured in three of the articles, which served only to suggest how rare this kind of thing must have been. The softening of her image from the sometimes chilly and remote person that much of the public had perceived was obviously, and not too subtly, designed to give her more of the benefit of the doubt when the health care plan was unveiled.

The exercise raised some questions about Mrs. Clinton's judgment. She allowed herself to pose for the cover of the *Times Magazine* in a white voile suit. She couldn't necessarily know that the article would be entitled "Saint Hillary," but she did of course know what she had spoken about with the author of the article. Mrs. Clinton's (and her staff's) judgment also came into question later when, clad in a black turtleneck velvet dress, she posed for *Vogue* in provocative positions. Mrs. Clinton was breaking the mold on First Ladies, and on occasion she went too far, doing something that undermined the larger point she was making. But she was experimenting. Like her ever-changing hairdos, the white-clad Hillary and the black-clad Hillary suggested that she was less centered than she professed to be.

In the *Times* article, Mrs. Clinton gave voice to a set of concerns about moral and spiritual decline, and to her searching for a political response that encompassed virtue and a greater sense of community. This was yet another Hillary Rodham Clinton, first unveiled in a speech she gave in Austin, Texas, in early April, shortly after she'd left the side of her dying father. She said that the United States suffered from "a sleeping sickness of the soul"; there was a need for "redefining what our lives are and what they should be." She used the phrase "politics of meaning" (coined by Michael Lerner, the editor of the liberal Jewish bimonthly magazine *Tikkun*, with whom she had consulted), which stuck as the definition of her search for an overarching philosophy to guide Americans toward a more noble calling and way of life.

In talking about the need for larger values and a greater sense of community, Mrs. Clinton was on to something, and she did have an authentic spiritual side, but the way she talked about it in public came off as somewhat unformed. Yet there was also a shrewd political calculus behind such talk: it was a way of no longer ceding the issues of morals and values to the right, and perhaps even preempting it. Mrs. Clinton was explicit about the necessity of not leaving these themes to the right wing. The communitarian movement that she was tapping into was very much about responsibilities as well as rights, and therefore compatible with her husband's central (if sometimes strayed from) political theme. For good reasons and otherwise, talk of "values" was becoming increasingly fashionable. In a different form, her husband was to do a similar thing later in the year.

But because her "politics of meaning" was widely mocked—by cynical and elitist journalists, her aides insisted—it played no prominent role in her subsequent speeches. However, she did continue to touch on it, as in an October speech in which she spoke of "the need for a new ethos of responsibility and caring... the need to restore the importance of civil society and community." Her search, and her self-definition as something beyond a crafty and ambitious believer in government programs, went on.

economic program. Mrs. Clinton was especially forceful. She demanded that upon the Clintons' return, the staff have a plan ready for winning the final reconciliation bill. They hadn't had a plan before, she said, and now there must be one. "We want this," she said. "When we get back, it has to be there." She commanded the staff to establish a "war room" for the final fight, modeled on the famous "war room" of the campaign, presided over by Carville.

At the solarium meeting, an internal battle that had been taking place in the White House all week was resumed. Key House Democrats had called for dropping the energy tax altogether. They didn't think it could get through the House. Stephanopoulos had taken up their cause and was accurately reporting opinion on Capitol Hill. He backed dropping the energy tax but keeping the same deficit reduction target, for fear of losing moderate Democrats if the target was lowered. The energy tax was the one tax on the middle class, and the amount it would raise wasn't worth it, he argued. Moreover, he didn't want to see much of the rest of the summer taken up with an argument over what could be portrayed as the President's trying to raise taxes on the middle class. As a fallback, Stephanopoulos suggested that the administration not try to raise the level of the energy tax beyond the Senate's number.

Gergen agreed that dropping the energy tax should be considered seriously; his concern was that raising too many taxes might hurt consumer confidence and thus the economy. Rubin, Bentsen, and Tyson opposed dropping the energy tax, as did Gore.

In the solarium meeting, Deputy Treasury Secretary Roger Altman (sitting in for Bentsen) and Panetta argued that the revenue from the energy tax was needed. Paster argued that having urged both chambers to vote for such a tax, the administration couldn't walk away; further, the money from such a tax was needed, otherwise no deal between the two chambers could be cut. "How can we ask them to cast hard votes after that?" Paster asked. "You have to look beyond the next day's event." Greenberg presented polling data that said that the energy tax was hurting the President a lot. Since it raised only \$24 billion, it wasn't worth angering the middle class, he said, and he argued strongly for dropping it. But Greenberg's research also showed that people thought Clinton wasn't tough enough and didn't fight enough for his positions.

The political advisers agreed that the tax should be dropped—all but Carville, who argued that it would raise new questions about the President's commitment to principle. Clinton wouldn't look like a leader, Carville warned. Gore argued that Clinton should stand on principle and stay with

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President's. Their roles made for a complex management situation, which bedeviled McLarty and his deputies. Around the White House, Gore was known for being aggressive about his areas of interest. He got the idea early that, just as Mrs. Clinton had her own special project, he should have his. He tried for welfare reform, but Carol Rasco, who was in charge of domestic policy, and other senior staff members were wary of the Vice President's being handed such a role. The President, reluctant to decide between Gore and Rasco, let it be known that he would handle the issue himself, and Gore was eventually given "reinventing government," or REGO, as a consolation prize. Gore told his staff, "Health care has four hundred people; I want two hundred." (He ended up with two hundred sixty.)

The Clintons and the Gores had hit it off during the campaign, and the couples remained close. Some of Hillary Clinton's friends thought it unlikely that the intense Hillary and the ebullient Tipper Gore would become close, but that underestimated Tipper Gore's intelligence and her serious side. Hillary Clinton needed all the friends she could get (and trust), and Tipper Gore became one of them. But as with the two men, the relationship between the couples was complicated. A Clinton aide said, "All things being equal, they'd be equal: if they'd all graduated from college together and gone to the same law school, they'd be close friends. But one couple's the President and First Lady, and one's the Vice President and Second Lady. At night they're friends, and in the morning it's, Is mental health [a Tipper Gore interest] going to be in the health program or not? One is the boss."

In late June, the Clinton administration engaged in some international muscle-flexing that left a number of people wondering whether the real purpose was to show that it could flex muscles. On Saturday night, June 26, between 1:00 and 2:00 A.M., Baghdad time, United States Tomahawk missiles launched from ships were fired at Iraq's intelligence service complex in downtown Baghdad. The raid was in retaliation for an alleged plot by Iraq to kill George Bush with a car bomb during his visit to Kuwait in mid-April. In a televised address at 7:40 P.M., Washington time, Clinton said that the administration had "compelling evidence" that the plot had been "directed and pursued by the Iraqi Intelligence Service."

The plan had been for Clinton to go on television an hour after the raid. But since CNN wasn't on the scene, one official said, "We didn't know what the hell we'd hit." At 6:30 P.M., Clinton asked Gergen, "Are we going on the air without saying what we've hit?" Gergen called Tom Johnson, president of CNN, in Atlanta, who told him that one of their people in Amman said a relative in Iraq had called and said that the intelligence facility had indeed been hit. With that, Clinton went on the air.

was asked why Clinton didn't talk about core principles more, he replied, "Because he wants to be all things to all people."

Another person who had known Clinton for a long time said that Clinton "needs reinforcement all the time." He added, "He selected people like Mack, Gore, and Gergen to provide credibility to himself rather than manage the White House. They're people who will tell him he's doing a good job. When you see this neediness in a leader again and again, you wonder why it's so necessary—and it suggests a certain malleability. Other people are in a position to give him confidence or deny it. It's always surprised me how he looks for affirmation in even the smaller things." At one meeting Clinton said, "We had a good day yesterday, didn't we?" One attendee said later, "I was surprised that a President has to have a good day." The friend added, "Sometimes you can see that Clinton needs this affirmation and Hillary doesn't give it to him. During the campaign you could see her be aloof when he needed, at that moment, just a little warmth. She can be very cold. He's alone a lot. Hillary isn't the one to provide approval. He's a very nice person, but he also works at it, so that it's a lot of effort, a lot of energy drained going into being so balanced." Notwithstanding the temper, which the public rarely saw, Clinton was very warm; the hugs seemed genuine to the recipients. He listened and focused on what guests or other casual acquaintances said—a trait that also seemed to take a lot of energy, since there was so much going on in his head. He looked at the other person intently, seeming utterly focused on what he or she was saying. The reaction this produced was, "He's really listening to me. Great. Wonderful that a President is doing this." And then one saw that he did this with everyone.

He performed more than the political average of thoughtful gestures—making a considerate phone call, doing something special for someone who had been slighted.

What part genuineness and what part need and what part political calculus lay behind all this was impossible to know. The way he dealt with long-term friends also showed his warm and thoughtful side. This helped explain why so many people who knew Clinton well liked him, even though they were sometimes exasperated by his flaws.

Sometimes these traits also detracted from his Presidentialness. They projected a certain softness. People want a President to appear tough and strong. One of his close associates said to him midyear, "You have to be seen to have a cold edge. The country needs to see you as ruthless." But Clinton never pulled this off. In his television appearances, even when he was expressing anger about something, he smiled.

At a Cabinet meeting (such meetings were rare), he would go around the

"might make some decisions from memos and options, but on major things he wants to sit down for two or three hours and talk to people about it. You need to create structure that enables him to do that. Yes, he is working from documents more, but he's not going to make policy decisions without talking to people." There were still too many meetings, and it still took too long to get decisions. And Clinton wasn't happy about it.

A lot of people blamed the lack of structure at the White House on McLarty, but that wasn't quite fair, since Clinton had chosen not to have a hierarchical structure. And McLarty was chosen late—giving him little time to prepare—"because," one Clinton adviser said, "the Clintons didn't want it to appear that some people had the inside track." The adviser said, "There was a confusion of private-sector management and knowing about government. 'Honest broker' is not the description of a Chief of Staff. Other people wanted someone who wouldn't get in their way. By the time Mack was named, there were a number of people with a direct line to Clinton, and he never empowered Mack."

In turn, though, McLarty never empowered Neel. He wasn't given real authority to do what he was supposed to do—impose order and accountability on the White House staff. Later in the summer, a senior official said, "This place isn't conducive to the charter Roy was given. The Clintons didn't want a structural, hierarchical place."

The Clinton White House was characterized by circles. One aide said, "There are circles within the White House. The first circle is folks who came from Arkansas and some people on the periphery of that circle—such as George Stephanopoulos. There are the people he respects and looks up to—Christopher and Bentsen. Tony Lake doesn't care; he's more grounded than most. Bob Rubin doesn't care, he thinks of himself as an observer on Mars. Some people it bothers—the attitude that 'We got here without you and we can do without you.'"

Political meetings in the solarium continued, held once or twice a week. Mrs. Clinton always attended, and the President did frequently. Also attending were McLarty, Stephanopoulos, Gergen, and the four consultants—Greenberg, Begala, Carville, and Grunwald. Mrs. Clinton played a prominent role at these meetings. "Hillary's the closer," someone who attended them said. "Sometimes she won't say much at a meeting at all, but when she does say something she says it with meaning. She'll say, 'This is serious,' with clarity and forcefulness. There is no beating around the bush. Her advice frequently is, Do the right thing and damn the consequences." She had been an advocate for keeping up the fight for the stimulus bill rather than cave. She argued for a stronger proposal for campaign-finance reform than the President's political advisers were urging. (She won only a partial

Carter took on Perot, saying, "We have a demagogue who has unlimited financial resources and who is extremely careless with the truth, who is preying on the fears and uncertainties of the American public."

As a result of internal arguments, and because of press reports that the White House was planning to give only one day to the rollout of NAFTA, thus demonstrating its lukewarm interest, a second day of Presidential activity had been laid on. And because the first day was given over to the elites, the second was to showcase labor, with Clinton making an appearance at the Port of New Orleans. But the event was rained out, and no alternative venue had been planned. Clinton returned from the long journey in a foul mood and blew up at his staff. An aide said, "When the President has a bad day, you have a bad day. You can see advisers physically pull back away from the table when he's complaining about something going wrong, as if to say, 'I didn't have anything to do with it.'"

mtc ll.
mob

In the midst of the rollouts, the White House unveiled the redecorated Oval Office, done by Little Rock decorator Kaki Hockersmith. The soft colors had been replaced by strong ones, making the room look garish. The rug was now a plush and loud royal blue, with a center medallion of a Presidential seal surrounded by fifty white stars. The sofas were covered in strong burgundy and cream stripes, and other chairs were covered in deep blue with a gold and burgundy motif—a design called "Little Rock Diamond." Blue-trimmed cornices had been added to the gold curtains. Aides were reduced to giggles about the Oval Office's new look. One said, "No one likes it but the President, and he loves it." Mrs. Clinton's office had told the press that she had had "no major input" in the redecoration of the Oval Office, which Clinton's aides didn't believe for a second. Other rooms in the mansion—the President's residence study, the Lincoln sitting room, as well as the personal quarters—had also been redone, with much the same effect, bold colors and noisy.

The health care rollout was the most elaborate of all. Lead-up events featuring the President, the First Lady, and the Vice President started five days before the planned Presidential speech. A health care war room had been set up. A two-day "health care university" for Members of Congress to learn about the plan was laid on on Capitol Hill, and the Clinton people were excited by the large turnout. But the problem with the staged events—the Clintons sitting with people who told of their health insurance problems, the President and Gore at a children's hospital decrying paperwork, Clinton at a hardware store—was that they looked staged. The stunts were beginning to wear thin. Radio talk-show hosts were invited to come to the

White House for briefings on the day before the President's speech, scheduled for Wednesday, and to broadcast on the day after the speech from the North Lawn—which would trample the White House's grass and its dignity. (The place was a sea of tables, microphones, headsets, and administration officials being interviewed.) On the same day, on the South Lawn, a thousand people were to be gathered in a canvas tent for a health care rally.

As Clinton's health care speech was being prepared, the customary crisis atmosphere prevailed at the White House, with Mrs. Clinton playing an even larger role than usual this time. The day before the speech, the President's wife called Gergen and Stephanopoulos and said that the President had gone to bed very discouraged, that the speech wasn't in his voice, and once again he'd have to write his own speech. She had got up at four in the morning and sketched out what she thought should be in the speech. The speech was rewritten, and as usual, as Clinton went through the rehearsal in the family theater, he made a lot of changes, and asked for new information and facts, as well as some redrafting, and the rehearsal wasn't over until 7:30 P.M. David Dreyer, who had worked on the rewrite, had to incorporate all the changes, get the facts checked, type out the latest version on Gearan's word processor, and rush the new draft to the President as his limousine was preparing to depart for Capitol Hill for the 9:00 P.M. speech. And a disaster was in train.

Dreyer handed a copy of the diskette containing the speech to Andrew Friendly, the President's personal aide, put a spare diskette in his own pocket, for later transfer to his computer, and while in the motorcade to the Capitol, for his amusement transferred the speech onto his laptop computer. When Dreyer and Begala reached the Capitol, they were met by an agitated Paster, who said that the members didn't have copies of the speech yet and asked if they could print some up. So Begala and Dreyer went to Gephardt's office in the Capitol (where they had both worked) and, using the diskette that had been in Dreyer's pocket, made copies. Begala then went off with the diskette, to have a copy of his own, and Dreyer went off to find Stephanopoulos, who was supervising the TelePrompter operator from the White House Communications Agency (run and staffed by the military) as the operator typed handwritten changes made by the President in the limousine. Once that was finished, Dreyer and Stephanopoulos went into the House Chamber to watch the President deliver the speech. Dreyer handed a friend the shoulder bag holding his laptop, to store along the side of the chamber.

That afternoon, the TelePrompter operator, lacking a copy of the President's health care speech with which to test the machine, had called up the

program. "She was always of the 'big bang' school," an official said. She scathingly dismissed behind their backs those who wanted to go slower—mainly, the economic advisers—as "the incrementalists." While dissenters tended to fix the blame for such an ambitious program on Ira Magaziner, there is no evidence that either the President or his wife wanted anything less. There had been epistemological arguments within the administration over whether it was a good idea to be bold with questionable numbers, and do you want to be bold when the public is down on government and suspicious of big plans. Clinton had urged his advisers to come up with a big, bold program and was as convinced as anyone that large amounts of "waste" could be wrung from the system. Also, he understood that Congress was likely to whittle down whatever he proposed. Both Clintons indulged Magaziner in his tendency toward complexity, his insistence that the only way to deliver broader health care insurance was through an overhaul of the entire health care system (if you want to do A, you must also do B, C, and D), his taste for huge projects, and his mind that understood systems better than it did human nature. The result was that they came up with a plan that few, even in their own administration, comprehended or could explain.

A Cabinet-level official said, "Ira's modus operandi for a long time is to convene a gigantic group of people and produce a result that by its size and thoroughness overwhelms people. The problem on this one is that you had five hundred people dealing with one of the most complicated subjects in America and coming out with thirteen hundred pages of legislation which you can't explain. What Ira lacks is a sensibility about the American people and how it will react."

The question was why the Clintons didn't see the danger of coming up with such a complex program. The answer probably lay, beyond their indulgence of an FOB, in their sense that they were smarter than anyone else. For people who considered themselves masterly politicians with a fine feel for the public, and people who were of considerable political talents, they misjudged probable public reaction in this case and failed to see the material they were handing opponents. And Magaziner's view that it was the Washington establishment and entrenched interests—"the same ones who caused gridlock all those years"—who were opposing their bold endeavor undoubtedly was met with agreement on the part of the Clintons, especially Mrs. Clinton. They were reinforcing each other.

One high official had argued that the administration shouldn't be in a rush to get a program out in 1993: they should take more time to hone the program and the arguments, and prepare officials for defending it. Another

ton sold like mad. He concluded, "Let's start with this bill and start with this plan and give the American people what they deserve: comprehensive, universal coverage. That's what we got hired to do, to solve the problems of the people and to take this country into the twenty-first century." The bill was 1,342 pages long.

The multiple demands on Hillary Clinton were taking their toll. She was frustrated that the day before she was to begin testifying before Congress about the plan, she had to go to New York for the President's speech to the UN General Assembly and attend the requisite head-of-state wives' luncheon. After returning to Washington, she attended a parent-teacher meeting at Chelsea's school and didn't get home until 10:00 P.M.

Mrs. Clinton was privately amused by the "My, the little lady is really articulate!" greeting she got from the male members of Congress when she testified on behalf of the program before four committees or subcommittees in the last week in September. At the end of a Ways and Means Committee hearing, Dan Rostenkowski, the beefy old pol from Chicago, kissed her. Most of the members were so afraid of her, and afraid of seeming to be tough on the First Lady, that the hearings were something of a sham. Still, though Mrs. Clinton seemed to answer the mostly soft questions easily, it wasn't as easy as it looked. She was conscious that a misstep by her could jeopardize the program. The rougher questions came for the next witnesses—and Donna Shalala, who, to the fury of the White House, fumbled some answers (after all, the program was still being written), was the first victim.

By late September, the President was exhausted once more, and the mellow mood had vanished. Attempts had been made to organize his time better and give him more free time in the afternoons to make phone calls and meet with people he wanted to talk to: longtime friends, such as David Pryor, whom he could brainstorm with; black ministers (an aide said, "He's always felt he got good advice from black ministers"); someone who'd written a book he admired; members of the Cabinet who'd held elective office and whom he especially respected (Cisneros, Riley, and Bentsen); political contacts he wanted to stay in touch with (especially from states that he'd won or almost won and were important to him, such as North Carolina, Florida, and, of course, California).

But the improvements in how things worked within the White House were marginal. Clinton still got tired and frustrated. He hankered to go out and play golf on a weekday afternoon (he told an aide that he'd read that Eisenhower played four hundred rounds during his Presidency), but he

the edges of meetings—they had no one-on-one meeting until the end—Clinton made it clear he felt that Somalia was a real political problem for him. He asked what could be done to make foreign policy work better. Aspin told Clinton bluntly that the policy of going from cooperation with Aideed to going after Aideed, without serious consideration, "was a real screwup—the most serious one."

On November 19, Hillary Clinton made a ninety-minute tour of the Pentagon, keeping a promise she had made to Alma Powell, the wife of Colin Powell (now retired), to speak at a lunch of the Joint Armed Forces Wives. The impression of Aspin she brought back to the White House wasn't good. Toward the end of her visit, Aspin had joked awkwardly, as he was wont to do at times. As the *Washington Post* reported the visit, a reporter asked Mrs. Clinton whether she had tried out the hot line to Moscow. "Mrs. Clinton did not know quite what to say about that, and Aspin just couldn't help himself. 'Incoming missile!' the Defense Secretary said. 'She started the war!'... Mrs. Clinton gave Aspin a funny look, and there was a brief awkward moment before she laughed."

"That was a stark reminder," a Presidential adviser said later. "Les behaved funny when she was there. He didn't do too well. He clowning a bit, was ill at ease. Think of that event as giving it sort of a push."

The second meeting of the search group with the President, over breakfast in the family quarters, took place on Thursday morning, December 9. By this time, the President had talked to Lake (he told the group that he couldn't proceed without telling Lake). Clinton also reported that Nunn thought selecting Inman was a good idea.

Gore spoke enthusiastically in favor of Inman. The decision, of course, had been made. No one else was interviewed for the job. The President wanted to know if anyone had changed his mind, but there was no suggestion about thinking it over further. But there was a lot of discussion about whether this was the right thing to do to Aspin. Was there a way to frame this so that it wouldn't be so damaging to him? Crowe was worried that the President would look as if he was hand-wringing when he let Aspin go. He argued that the President simply had to stick his chin out and say that he had decided to make a change. This was the President's prerogative as Commander in Chief. Anything else would be transparent. Talbott called Christopher, who was in the King David Hotel in Jerusalem, to tell him about the breakfast decision.

On November 11, Gergen paid a visit to Crowe in his office on K Street. (Crowe, the chairman of the President's Foreign Intelligence Advisory Board, which examined various intelligence matters, was soon to be named

troopers. Betsey Wright, Clinton's chief of staff in Arkansas for several years, a damage controller during the campaign, and now a Washington lobbyist and still very loyal to Clinton, was dispatched to Arkansas. Soon stories were appearing in the papers about alleged transgressions on the part of the troopers. But the White House was particularly worried about the charge that Clinton had offered jobs to troopers if they didn't talk. At Wright's urging, and with Lindsey's involvement, trooper Danny Ferguson signed an affidavit saying that Clinton "never offered or indicated a willingness to offer any trooper a job in exchange for silence or help in shaping their stories." When the affidavit was made public, a White House aide said, "We've been waiting for that affidavit." Subsequently, however, Ferguson essentially took it back, telling the *Los Angeles Times* that all he meant was that Clinton "didn't say those words." Ferguson had told the *Los Angeles Times* that Clinton had discussed jobs for him and for Perry, the other trooper who went on the record, and he stuck with this even after the affidavit was issued.

That the troopers weren't without fault, and might have been elaborating at least some of their story and been in it for the money, didn't automatically make the gist of the story untrue. Nor did the fact that, as the White House kept pointing out, the troopers were being managed by Cliff Jackson.

The troopers story caught on and took more of a toll than most of Clinton's aides had expected. It had been receiving minor coverage (except in the tabloids), and the White House devoutly hoped that it would die by Tuesday, December 21. But on Tuesday, the *Los Angeles Times* story was published, and also on Tuesday, contrary to plan, Mrs. Clinton talked to wire services and attacked "outrageous, terrible stories" about her husband, charging that the stories were politically motivated. The "outburst" had been thought through. She was trying to redirect the story to the motives of the President's accusers, leaving out the matter of her husband's calls to the troopers and the alleged job offers. Mrs. Clinton also employed the standard line: "I find it not an accident that every time he is on the verge of fulfilling his commitment to the American people"—at what other points this was the case she didn't say—such stories come out. They were politically motivated, she said. She said that she was "bewildered" by the continuing interest in Whitewater and saw no reason to make any of the relevant files public. She said, "I think what we've said is adequate."

Mrs. Clinton's comments led the network news programs that night and put the story on the front page of the *New York Times*, which until then had run only a wire service report, on an inside page.

Aides were loath to confront her for not following the script—which was to say nothing in the hope the story would die. Her combative side and her

anger got the best of her, not for the first or last time. Someone who knew the Clintons said, "They can be very hard to argue with. He says, 'I'm the President and you're not,' and she says, 'I'm the First Lady and you're not.' " This was a hazardous but not uncommon way of thought for Presidents (and First Ladies). George Bush used to tell his aides, "If you're so smart, why aren't you President?"

Though White House aides tried to brush off the troopers story (with telltale bravado), they knew it was damaging. The story became the stuff of late-night talk show jokes. And each reminder of the "character" question was erosive. Though people might have said that they knew Clinton had been unfaithful to his wife, the story was sleazy even if the troopers were elaborating. Each trivialization of the Presidency undermined both the Presidency and Clinton's moral authority, which could have real consequences.

The much planned year-end interviews with the Clintons were turning into a major headache. The network morning shows all canceled scheduled interviews with Mrs. Clinton when her staff stipulated that the questions be confined to celebrating Christmas at the White House. In a radio interview on Wednesday, Clinton, asked if he denied the whole troopers story, stammered and hesitated as he didn't on any other subject. When the tape was played on one of the network news broadcasts, the effect was very damaging.

Through the exercise of impressive foresight—he thought—Mark Gearan had arranged for Arkansas reporters to come to Washington (with enough warning that they could purchase low-fare tickets) to interview the Clintons on December 21. Mrs. Clinton passed Christmas cookies. After her outburst to the wire services, White House aides were tempted but didn't dare to cancel other interviews.

While the Republicans, wisely, kept silent about the sex issue, within a day of the "missing file" story, Robert Dole, on December 21, called for "some independent review" of Whitewater. If there were to be no congressional hearings, he said, an independent counsel should be appointed to investigate the matter.

Amid all the turmoil over the troopers issue, the Christmas celebrations, the year-end interviews, the Clintons and their staff had been immersed in an internal struggle over how to handle Whitewater—in particular, how much information to make public through the release of private papers.

The argument broke down largely but not entirely as one between, on the one hand, the Arkansans, including Lindsey, and most of the lawyers, including Nussbaum and Clinton's private attorney, David Kendall—all of

whom saw it as a matter of damage control, and in terms of legal tactics—and, on the other, those who saw it as a political issue. An exception among the lawyers was Joel Klein, the new deputy counsel. Klein, forty-seven, had previously practiced law in Washington. His general view was that the information was going to become public at some point anyway; the defensive posture wasn't the best one for the Clintons to be in; and when you govern and refuse to turn over information, that only ratchets up interest in the information. Others who pushed for making information public were Stephanopoulos, Gergen, and, interestingly, McLarty. A colleague said, "Mack was just using common sense."

Mrs. Clinton's reaction was much like the one in the case of the travel office, writ large. She was strongly opposed to making any information public. She bristled at being told that she had to conform to the Washington culture and felt that the White House had been too forthcoming with the press. The irony about Mrs. Clinton's rebellion against the Washington culture was that, in the main, the best advice she was getting was from the aides most experienced in Washington. She argued that if the Whitewater papers were released, there would simply be more questions (she may have had special reason to think that); there would be no end to it.

She was right, but that didn't solve the Clintons' political problem. The impression began to grow, the charge began to be made, that—in a reach back to an earlier time—the Clintons were "stonewalling." The Watergate vocabulary was too easy to draw upon. On the basis of what was known, Whitewater was by no stretch of the imagination of the dimension or seriousness of Watergate—a constitutional issue of the abuse of power by a President. Nonetheless, term inflation was on the rise, as was disproportionality. The words "impeachment" and "cover-up" were tossed around. As of then, at the least, there was no sign of a cover-up. The Madison case had proceeded. No Presidential misconduct had been alleged.

A White House aide said later, "We treated it as a legal rather than a political issue." Another said, "Hillary reacts with her defense lawyer training: you hold things tight, you manage it closely, you reveal only what you have to." And whatever else was going on between them over the troopers story, each Clinton tried to protect the other on Whitewater. An aide said, "There may be ups and downs in the relationship, but a lot of what drives her is trying to protect him. And he won't do anything about Whitewater unless he feels she's comfortable with it." People who were looking for differences between the Clintons over how to handle Whitewater were looking for the wrong thing. The President may have seemed more "relaxed" about the issue of taking matters public, and about Washington, than his wife was, but he would let no one see any distance between them on

Mrs. Clinton complained strongly that there was no long-term plan or central mechanism for dealing with the Whitewater problem. Lindsey had tried, but now the subject had gotten too big, and Lindsey didn't have authority over the rest of the staff. Therefore, Ickes was to take charge. Ickes could force decisions and enforce discipline. He could cut off rambling discussions, and stop people from talking at once. "I have only one good ear," he'd say, "so I can only hear one person." The fact that he could be direct with the President and his wife, and was trusted by them, gave him power among the diffuse staff.

After his arrival, Ickes convened regular meetings on Whitewater twice a day in the Ward Room. Carville and Begala got very involved, as did Stephanopoulos.

The immediate question after the holidays was whether the Clintons could or should avoid the naming of a special counsel to look into Whitewater. Again there was a division. On one side were most of the Arkansans and the lawyers (including Lindsey, Nussbaum, and Kendall, but not Klein)—who argued against a special counsel. On the other were the people who understood more about politics and communications—Stephanopoulos, Gergen, and Ickes, plus McLarty—who said a special counsel was inevitable and they might as well ask for one. Greenberg weighed in in favor of asking for one. Nussbaum was adamantly opposed. He and Kendall argued that going for an independent counsel wouldn't solve the problem. They were right, but the status quo was politically untenable.

Nussbaum also argued vehemently that the standard for appointing a special counsel or special prosecutor—a criminal charge brought by a credible source—had not been met, and going for a special counsel under those circumstances would break precedent. He had a point. (Nussbaum often had a point that was technically correct, even based on principle, but politically blinkered.) Nussbaum said he preferred hearings, distracting as they would be, over a special counsel. Klein argued that there was already an investigation under way by a career employee of the Justice Department; the information was going to come out anyway, so why draw the line there? Vernon Jordan argued for going the special counsel route; Susan Thomases' advice varied, depending on Mrs. Clinton's mood.

Mrs. Clinton felt, with reason, that a special counsel process would take a long time and be distracting and draining. Neither she nor her husband had done anything wrong, she argued. When, at a meeting of Mrs. Clinton and the staff shortly after the holidays, Stephanopoulos laid out the reasons for asking for a special counsel, "Hillary jumped down his throat," a staff member said later. "She yelled and fussed. What she was bothered by was the

notion that they had to have a special counsel. She wanted a plan for handling it." In the meeting, Mrs. Clinton asked, "Well, what's the next thing?"

There was another factor, which at the time was kept well within the White House walls. A special counsel process could cost the Clintons a lot of money. Williams & Connolly, Kendall's firm, was expensive, and the process was likely to be a long one.

Mrs. Clinton argued that just because the press was clamoring for a special counsel, that didn't mean that the President should request one. She was infuriated by advisers' saying, Yes, this is an invasion of your privacy, and yes, no formal charges have been made, but that's the way this place is, and you have to do it. She argued that this wasn't something you did just to "get it behind you—there are consequences." A Clinton adviser said, "There is sort of a feeling in this town, having gone through some things in the past, that once this steamroller starts to roll, roll with it." Mrs. Clinton resisted that view.

She angrily told people, and seemed quite convinced herself, that the President's troubles were being stirred up by longtime opponents of Clinton's in Arkansas—both Cliff Jackson and Sheffield Nelson, an old political rival—who were working with right-wing groups to destroy his Presidency. And there was evidence that she was right about that. The Citizens United Organization, headed by Floyd Brown (famous for producing the Willie Horton ad in 1988) and David Bossie, his lieutenant, operating out of offices in northern Virginia, supplied news organizations with the latest goods—conspiracy theories and what have you about Whitewater, alleged sex scandals, and Foster's death. The right-wing talk show hosts—Rush Limbaugh and the evangelist Jerry Falwell and others—kept up an incessant patter, purveying salacious rumors, against the Clintons. One old enemy, bankrolled by a right-wing group, went like a troubadour from show to show, peddling lurid lies. There was no precedent for this kind of operation against a sitting President. But it didn't explain all of Clinton's problems.

The President himself felt that his staff had failed to mount a defense early in the fall. But he and his wife had rejected proposals that might have helped. A successful defense would have required getting out all the relevant information—to the extent that it was still available—and staying ahead of, or at least abreast of, the questions. The Clintons had hoped to keep the issue narrow by making it a legal one and assigning it to Lindsey. "They kept thinking they could contain it," a Presidential adviser said.

Both Clintons had a gut reaction against not fighting back. They had been that way in the campaign, when they insisted that a charge should never go unanswered, and they carried this thinking into the White House. Much of

the "campaign mentality" that outsiders attributed to the Clinton staff actually stemmed from the Clintons themselves. One aide said that Clinton was happiest on the attack. The President was no happier than his wife at the prospect of people's pawing through their financial papers. Clinton displayed more equanimity, but he was plenty distressed about the situation, and he didn't display equanimity all the time. He said to his staff, vehemently, "I'm not going to be a punching bag. We just can't take this lying down."

The Clintons felt that it was wrong that they were working so hard to get things done and yet were confronted with such tangential issues and personal malice. They believed, with some justice, that opponents were using Whitewater to block the President's progress on substantive issues, to delegitimize his Presidency.

As Mrs. Clinton became increasingly upset about the assault on her as well as on her husband's character, she took to staying in the East Wing, working there rather than in her West Wing or OEOB offices. Her staff threw up a protective cordon around her. Maggie Williams suspected (not without reason) that other White House aides would leak things about Mrs. Clinton's business dealings.

The Clintons saw themselves as moral, religious people, dedicated to the public good. (The religious aspect of Clinton's life had been pumped hard by his staff in December.) That their ethics were being questioned offended them deeply. The contrast between their self-portrait—and Bill Clinton's campaign denunciations of the "greed" of the eighties—and the possibility that the Clintons had cut some corners in order to gain financial advantage was too tempting for their political opponents to let go of.

Much analysis attempted to explain Whitewater in terms of the incestuous nature of a small state capital. Arkansas was being caricatured. There were aspects of state capitals, especially small ones, that bore on the case, but the deals the Clintons appeared to have accepted from people in a position to help them out were little different from the kinds of deals that politicians anywhere might get into. Politicians who aren't rich have a lot of dealings and socialize with people who are, and are thus in a position to ease their way. They are frequently offered help in making money. The temptations to accept such favors are great.

In early January, some Democrats joined in the calls for a special counsel. The motives of these Democrats—who included Senators Daniel Patrick Moynihan, Bill Bradley, and Bob Kerrey—were mixed. They felt that Whitewater was becoming too great a distraction, and they also worried that the appearance that the Clintons were trying to hide something would rub

to avoid protracted congressional debate on the Clintons' case while the independent-prosecutor law was being considered. (The resignation of Webb Hubbell in mid-March of 1994, ostensibly because of a serious dispute with the Rose Law Firm over billing practices, but perhaps also because of his own work on Madison when he was there, left the Clintons feeling personally bereft and even less protected at the Justice Department. Now the only Rose partner left in the administration besides Mrs. Clinton was William Kennedy, who in March 1994 had his duties reduced because he, who had vetted job candidates, was himself delinquent on Social Security taxes for household employees and had botched the clearing of White House staff members for their permanent passes—leaving about a hundred staff members still using temporary passes and not having been subject to a background check.)

Mrs. Clinton and some White House aides believed that there would be a greater chance to limit an investigation by a special counsel appointed by the Attorney General than that by a prosecutor appointed by a court. "She thought she could control things," one adviser said. But another argument for going for a special counsel, and forestalling the appointment of a court-appointed independent prosecutor, did hold sway. Research and memories informed White House aides that court-appointed prosecutors tended to take longer with their investigations. Their nightmare was Lawrence Walsh's seven-year investigation of the Iran-contra affair. Finally, Kendall became convinced that if they didn't accept a special counsel, an independent prosecutor would be forced on them. That brought Mrs. Clinton around.

The President's advisers considered having the Clintons issue the relevant papers and submit to a long, long press conference, which would continue until the questions were exhausted. This was the device used by the Mondale-Ferraro campaign in 1984, when questions arose about Geraldine Ferraro's husband's business practices. The idea was that Ferraro would sit there until there were no more questions, and it worked. In Ferraro's case, however, all of the tax returns were available; while in the Clintons' case, some Whitewater documents were missing. (During the campaign, McDougal said he had sent some documents to the governor's mansion, which Mrs. Clinton said were lost.) Also, some aides thought such an appearance would draw too much attention to the subject. Stephanopoulos likened it to a "Super Bowl." On-and-off plans for the Clintons to air their Whitewater goods fluctuated according to White House assessments of how great the public's interest was at any given moment. White House aides tended to measure the problem (as they did other matters) in terms of whether they had had a good week or a bad week, rather than in terms of its cumulative

which was supposed to begin in mid-August. But the health care bill wasn't going anywhere anyway, and, if anything, the dramatics over the rescue of the crime bill masked the trouble over health care. The Clinton plan was dead, and the Clintons were becoming less and less a factor in what, if any, health care program ultimately passed.

With the President's plan foundering, the Democratic leaders had gone to the White House on the night of July 21 and told the Clintons that their bill could not pass and that the leaders would try to wrest some new health care plan from the Congress. Administration officials, with straight faces, called this a "relaunch" of the health care bill (the third or fourth, depending on how one counted). When House Majority Leader Dick Gephardt unveiled his plan, he was at pains to say that it wasn't "the Clinton plan," and he had charts at his side enumerating the differences between his proposal (which had an employer mandate in five years, to cover eighty percent of the cost of premiums) and the Clintons'. The mandatory "alliances," or large purchasing cooperatives, in the Clinton plan, with their bureaucratic overtones, had long since become politically dead, and the "employer mandate" of the Clinton plan was in serious political trouble, as, therefore, was the goal of universal coverage. Majority Leader Mitchell worked to come up with something he thought he could get past his chamber but also met the President's minimal requirements. In the White House meeting, Mitchell, depressed by how far he seemed to have to go to compromise, said that he doubted he could get the Senate to agree to a "hard trigger," the automatic triggering of an employer mandate if a certain level of coverage wasn't reached by a specified year. The President and others persuaded him to try. Finally, Mitchell came up with a proposal that provided that an employer mandate to cover 50 percent of the costs wouldn't come into effect until the year 2002 if it was found that fewer than 95 percent of a given state's citizens were covered. His proposal was a long way from the Clinton plan's "universal coverage" by the end of 1998.

It was a low moment at the White House, especially for Mrs. Clinton, who was severely disappointed. Through a series of misjudgments—not having a bill ready in time for its big rollout, producing a bill that was highly complex, far-reaching, and nearly impossible to explain, being unwilling to compromise for too long—the Clintons had undermined their own major initiative. Rejecting the advice of McLarty, David Gergen, and others, Mrs. Clinton for too long resisted negotiating with moderate Republicans such as John Chafee of Rhode Island, or Democrats such as Representative Jim Cooper of Tennessee. She preferred to proceed with a "fifty-one-vote" strategy: get enough votes from Democrats (with one Republican ally, Senator James Jeffords of Vermont) to pass something as close to the administra-