Nelson: This is the Judd Gregg interview for the George W. Bush Oral History Project. It’s June 2, 2015, and we are in the home of Mr. and Mrs. Judd Gregg. I’m Mike Nelson.

Knott: I’m Steve Knott.

Nelson: And the other voice you will hear is Judd Gregg’s. We usually like to start with how you get to be the person who eventually connects with George W. Bush.

Gregg: It goes back quite a way. Back in the ’70s, my father took the Republican primary and made it an event. The Republican primary got national recognition in 1952, when Robert Taft ran for President. New Hampshire had an early primary. It wasn’t intended to be the first primary, but what happened was that New Hampshire, being a very conservative state at that time, didn’t want to waste money, so we held the primary election the same time as town meeting. Town meeting was the first week in March, so it ended up being the first election in the Presidential process.

The then Governor, Sherman Adams, supported [Dwight] Eisenhower, who was in charge of NATO [North Atlantic Treaty Organization]. He wasn’t even in the United States and he never came to New Hampshire, and Robert Taft, who was “Mister Republican Senator” from Ohio, was running for President. Everybody thought Taft might get the nomination, and then out of the blue came Eisenhower. And the Republican primary here gave him the first lift and first indication that he was going to be basically unstoppable.

Why is that important? My father was Governor after Sherman Adams and he remained for years the force for the primary, keeping the primary visible, actually making it the first primary in the nation. He did all sorts of stuff to make it that way. He created a law that said it would be the first election in the country for primaries, that it had to be seven days before the next election. He was always very active in primary politics. He supported [Nelson] Rockefeller and ran Rockefeller’s campaign in ’64. He ran [Ronald] Reagan’s campaign in ’76.

Then in ’78, and I don’t remember how this happened, he decided to support George H. [W.] Bush, who was by all accounts an asterisk. And George H. Bush and Barbara [Bush] basically came and lived at my father’s house. Every morning George H. Bush would get in my father’s station wagon and they’d drive off and campaign around the state. And Barbara would go to some things with my mother. I was just starting out as a young lawyer, with Kathy [Kathleen MacLellan Gregg], and we all lived in Nashua, New Hampshire. I was an advance man, field person, coordinator, whatever you want to call it, for the campaign. We became very close friends with the Bush family. Neil [Bush] essentially lived at our house along with the President,
because Neil was the family member assigned to New Hampshire. They had others all over the country.

Kathy actually introduced Neil to his first wife, Sharon [Bush]. She was a first-grade teacher in Hollis. I was in charge of the advance team that did the Nashua debate, where the famous Reagan quote, “I paid for this microphone, Mr. Green [Jon Breen],” that won him the nomination occurred. And that was a fascinating event in and of itself.

Throughout his Vice Presidency, the one thing about George H. Bush, about the whole family, is he stayed in very close contact with people he felt had helped him get places, so he was in constant contact with my father. We stayed pretty close to Neil, and in fact Kathy and I went to his wedding, so the relationship was built on that.

I was elected to the House in ’80 with Reagan, and in 1988 when George H. was running for President, I was asked to coordinate the Members of Congress for his campaign. I became the point person between the campaign and the liaison with the House Republicans. In that same year I ran for Governor. But the person I dealt with from the campaign was George.

Nelson: George W.?

Gregg: George W. Not a great deal, but he would come up to Washington occasionally to do things. He would meet with the House Members and I would organize getting people together. That was the first time I ever met him. Then his father ran for reelection and lost. There were the [John] Sununu events in the middle there, where Sununu was Chief of Staff and George W. fired him. So our paths were back and forth. I was Governor at the time, and the next time I came into contact with him was when he decided to run for President. I had virtually no dealings with him in the ’90s. I knew of him, was aware he was Governor of Texas. I had been elected to the Senate in ’92. I was certainly aware of him, and his father and mother, Barbara and George H., remained in close contact with my father and mother, although there was some sketchiness there. But in the end, obviously, we were Bush supporters.

Nelson: What early impressions did you have of George W. Bush?

Gregg: The first time I met him, he came to dinner at our house. Kathy and I lived in Washington. I wanted to be near the kids, so we moved. I had commuted when I was in the House, but when I got elected to the Senate we moved everybody down except for our oldest daughter, who was in prep school. Our two younger kids went to Country Day School in McLean, where we lived. He asked to meet, and I’m pretty sure our first meeting was when he came to dinner at our house. It was he, Kathy, and I. He just drove up in a regular car and Karen Hughes dropped him off.

Nelson: This was in ’88 or ’87 maybe?

Gregg: Oh, this would have been in 1998, ’99. We’re talking about George W.

Nelson: I thought you had met him during—
Gregg: I had met him, but this was the first time since the President—I met him when I was in Congress.

Nelson: Oh, I see.

Gregg: When I was liaison, I dealt with him a little bit. I didn’t see much of him in the 1990s, and the next time that I really came in contact with him was when he came to see us sometime—I would assume it was in 1999, but I can’t guarantee that.

Nelson: I was wondering if you had any memories and impressions of him from those first contacts.

Gregg: No, I don’t. I remember he was there; he was friendly. He was the guy I was supposed to talk to if I had a problem with the campaign, but I never had a problem with the campaign. He would come to be there as the persona for the other Members of Congress to touch base with.

Nelson: One thing that struck me when you were talking about your father’s involvement in Presidential politics—And I’m going to ask this about you. He’s a Rockefeller guy, and then a Reagan guy when Reagan runs against [Gerald] Ford, and a Bush guy when Bush runs against Reagan, in ’80. That’s an unusual pattern. Did you follow him?

Gregg: Yes, I supported Reagan in ’76 and then supported Bush in ’78, because my father was supporting him. I went where my father went. I don’t have any idea why my father decided to support Bush over Reagan. Maybe it was the Yale [University] thing, my father went to Yale. Maybe it was the CIA [Central Intelligence Agency]. My father was a CIA operative, although we didn’t know that until he died. He’d been in the Counterintelligence Corps in World War II and he taught counterintelligence in Baltimore in the Korean war. Throughout the rest of his life—we didn’t know this, but—he was an indirect advisor to the CIA, and the CIA actually used his computers. We found this all out, fantastic! I don’t know what the contact was, but I suspect it was the Yale/CIA thing. That’s always been my guess. It wasn’t philosophy, it wasn’t ideological, and it wasn’t with Rocky [Nelson Rockefeller], either. He just liked Rocky; they were friends, probably from some contact they’d made before.

Nelson: You were talking about that first dinner.

Gregg: So he stopped by. He was very casual, just came in and we had dinner. About the only thing I remember from it—and we’ve always laughed about this since because we’re good friends—was that he hates broccoli and Kathy served him something called chicken divan, which is broccoli and chicken. But he ate it; he didn’t say a thing. We talked about the campaign and what he was thinking of doing and how he was going to organize it. He asked if I’d support him—I said yes—and from there we went on to build a campaign here in New Hampshire, which was a good campaign, but not successful for a variety of reasons, none of which I take credit for, even though I’m blamed for it.

Knott: Could you dissect that campaign for us?

Gregg: At 50,000 feet, the problem was that we didn’t have enough of him. He was running a national campaign. His people didn’t appreciate how New Hampshire had to be hands on. It was
very mismanaged from Texas, in my opinion. They had a guy named Joe Allbaugh. He was horrible as far as we were concerned here in New Hampshire. He was controlling how much toilet paper we could buy for the headquarters; it was absurd.

New Hampshire campaigns require hands on, and what happened was he ran into [John] McCain, who ran only in New Hampshire and did town meetings everywhere, had a compelling way about him, and an unbelievable story. McCain was a force in the state. I’ve been to every town in the state a lot, but he’d go to small towns and hold town meetings two or three times so he touched everybody. By the time the campaign figured out that they were behind, which we explained to them numerous times but they didn’t believe, because of their stupid polls—I’m not a big fan of polls, never used them, but by the time they figured out he was behind, they couldn’t catch up. It was over no matter what they did, because McCain had laid his hands on everybody in the state. He has a great story, a great personality.

If we’d had Bush here, we could have probably competed with that, because Bush is equally personable and great in one-on-one situations, although it took him a while to get up to speed as a candidate. That was inevitable because he was a Governor and not a federal legislator, so whereas McCain would know federal issues cold, the Governor didn’t at that time.

One example: The first town meeting we held was at a fire station in Bow, and we had the fire truck, we had the fire dog, we had the firemen, we had a great background. Everything was great and there was a pretty good crowd of people from Bow. Bow is a big Republican-voting town; there are probably 200, 300 people. One of the first questions was, “What do you think about the land and water conservation program?” He’d never heard of it. Now this is a huge program in New Hampshire; this is a conservation-based state. I’ve been dedicated to conservation for my whole career. It was obvious he’d never heard of it because he was Governor of Texas and they didn’t care about a conservation program; they couldn’t care less whether the federal government had a program. They had oil. So it was things like that. It took a while to get up to speed.

There was the famous question—I think it was in Meredith. They took him aside, and he was interviewed by a reporter from Boston television—You’ve probably already come across this—where he was asked the names of heads of different countries.

Knott: Oh, yes, Andy Hiller.

Gregg: And he stumbled all over them, because he hadn’t lived the national issues the way McCain had. That was an issue of getting up to speed on national issues. He got up to speed on them very quickly, but there were stumbles.

The campaign itself started off weakly, with some irony. The first event we scheduled, he announced in Texas. I don’t think he flew to Iowa. He flew directly here and went up to Kennebunk and came down from Kennebunk. The first event we did was at New Castle, New Hampshire. You can drive by where this happened, actually. New Castle is a pretty little town, oldest town in New Hampshire. We picked out a spot in the New Castle town park, which is a peninsula with the backdrop of a lighthouse. We had gotten a huge crowd together, probably over a thousand people, and he arrives and gets out of his car. We walk down this gauntlet of people, all of them chanting, “Bush! Bush!” We had everybody charged up, had committed the
whole organization to getting this right. We were walking toward the podium and the tent for the crowd and the press, and the fog starts to roll in. We get to the tent and I introduce him and the fog is still rolling in. At this point you couldn’t see the lighthouse, and we had the press probably ten feet away from him. By the time I introduced him, you couldn’t see him. The fog had come in so heavy that literally you couldn’t see the ten feet from the press to him. We should have taken that as a sign that things were not going to go well. That was a classic.

We did a number of other classic events, like marching in the Amherst Fourth of July parade, which is a given. There are three major parades on the Fourth of July in New Hampshire. You can make two of them, but you can’t make all three of them, so you do Amherst and Merrimack, two huge Republican towns. The third one is Gilford; it’s up by the lakes. Every politician marches in one or two of the parades, so we picked Amherst to march in and we went over later and marched in Merrimack. I’d marched in it every year for 30 years and it was probably 100 degrees and the humidity was 100 percent. It was so hot you couldn’t believe it. He still talks about how hot it was. A whole group from Texas had come up to stand on the sidelines and serve ice cream, and all the ice cream melted. And he was just dripping; the imagery was awful, but he went through it. He did the whole parade, shook every hand on the sidelines, thousands of people. It was a classic event.

The real issue in that campaign was that McCain was here every day doing substantive town halls—We might have done 20, McCain probably did 100—and as a result we never got up to speed here, so we ended up losing badly. Most people in the campaign didn’t know the loss was coming, although a number of us had told them they were in serious trouble. In fact, if you read—Who was his campaign manager then, Stuart Spencer? He wrote a book called The Big Banana. [Ed. note: can’t confirm publication] Have you read that?

Nelson: No.

Gregg: About the 2000 campaign. You should read it, because he was the guy who did all the debate prep. I noticed you said that somebody stole the videos. It would have been his person who stole the videos. He wrote this book called The Big Banana, and one of the paragraphs is about how they’d showed us a new ad that they were going to run. Three weeks out they said to us, “What do you think about this ad?” I said, “It’s a great ad, but it’s not going to make a difference. This is over.”

And then they made a big mistake. They brought his father in and his father said, “You have to help my boy,” and that really hurt, because he shouldn’t have been running as “my boy.” That was two days before.

Nelson: Why did that hurt?

Gregg: Because he was running as an individual who had been a really good Governor of Texas. He didn’t need his father to tell people to vote for him. McCain was running against him as “This is just a kid; this is somebody who thinks he’s owed it because his father was President,” so it was the whole Bush mantle thing. We were trying to mute that issue, not make it more visible.

Nelson: Elevate it, yes.
**Gregg:** This not only made it more visible, it blew it right off the charts. All that the press reported for three days was “George H. says, ‘He’s my boy.’”

**Nelson:** It’s an irony of that campaign that McCain, the Washington guy, was able to run as the outsider, and Bush, who was not a Washington guy, got branded as the establishment.

**Gregg:** McCain had made a career of running against Republicans in the establishment. If you watched McCain in the Senate, he was always out there attacking Republicans. You can get great press in Washington if you’re a Republican willing to attack Republicans. McCain—and another guy who did this very well was [Charles] Hagel—got a lot of press doing that. The *Washington Post* loves it, as does the establishment media. McCain understood that type of campaign, but also the McCain story was incredibly compelling. And in a crowd, there are very few people who are as good as McCain. He makes eye contact, he’s humorous, he’s glib but he’s substantive, and people liked him. After you’d seen him two or three times you liked him.

**Nelson:** I’m wondering at this point why you and your colleagues in the Senate didn’t support him for the nomination.

**Gregg:**

**Nelson:**

**Gregg:**

**Nelson:** What was it about George W. Bush that made you think he was Presidential?

**Gregg:** His record in Texas, and he just has a nice way about him. He makes people feel comfortable around him and he’s a natural leader, a charismatic guy. You can tell people who are natural leaders. It’s always interested me, for example, in the Presidential primaries up here, people who have the résumé who you thought would make great candidates, like John Glenn, Bob Kerrey—on our side Lamar Alexander—for some reason they just don’t catch. People just have a natural affinity to some people and not to others, and George W. had that ability of having people have a natural affinity toward him.

**Knott:** After McCain beat Bush in the primary, a media narrative began to develop that New Hampshire voters just did not like the Bush family, and they would point to Reagan beating the father and [Patrick] Buchanan doing some damage to the father in ’92 and then McCain. Is there anything to that?

**Gregg:** That’s absolutely true. The *Union Leader*, which at that time was still incredibly influential, and certainly during his father’s time was dominant, hated the Bushes, and every day when George H. was running, they would have two or three stories on the front page attacking...
him. They eviscerated him, and they carried the same antipathy toward George W. They didn’t do it with the same intensity, but it was equally antagonizing.

Knott: And that’s an ideological disdain?

Gregg: It’s probably both ideological and that they just don’t like people with Ivy League educations. It’s a blue-collar, hard-right antipathy toward people who have gone through the Ivy League background. In a Republican primary, they were disproportionately influential and they aren’t anymore; they’ve muted themselves. But at that time you didn’t have social media. You only had one television station and it was painfully nonpartisan, so the Union Leader had the field to itself to define candidates, and very aggressively attacked the Bush family and probably will with Jeb [John Ellis Bush]. It won’t be as effective, but they’ll have the same attitude toward Jeb. Being run by the same person, it hasn’t changed.

Nelson: I also got the impression from what you said earlier that you felt like his campaign staff in Austin just didn’t realize.

Gregg: Certainly Allbaugh had no idea what was going on, and he was in charge. [Karl] Rove may have. I didn’t deal with Rove at all until I got into debate prep. Karen Hughes traveled with him a lot; she was the press person. I have no idea what she was thinking. She was very good, but the operational people were very difficult to deal with and made my organization angry. I had a really deep organization at that time, and most of my operational people were just plain frustrated.

Nelson: Did you continue to play a role in the campaign prior to debate prep?

Gregg: No. After the New Hampshire primary I was no longer active in the campaign, until I got a call and was asked to play [Albert] Gore.

Nelson: Why do you think you got that call?

Gregg: I had done Gore for [Jack] Kemp.

Nelson: In ’96?

Gregg: In ’96, and Ed Feulner, who was in charge of the Heritage Foundation, and Vin [John] Weber, who was the Kemp guy, both thought I did a good job. I guess Rove asked around and they said I did a good job, so they asked me to do it.

Nelson: How do you start with portraying Gore in ’96? How do you get into character?

Gregg: What I did with Gore in ’96 was a lot different than with Bush. I got the call to play Gore with Kemp probably three weeks before the debate. Kemp was notorious for not preparing. So I had three weeks to get up to speed, and they delivered me all sorts of stuff. I read everything I could about what Gore was saying, and my goal was to say what Gore would say under certain fact patterns in the exact same way Gore would say it—not my way, but the way Gore would—so I had to read it as much as I could. I wouldn’t say I was totally immersed, not the way I was in preparation for George W.’s debate prep, but I was reasonably well prepared. Jack Kemp was an
infectious personality, but he was incapable of saying anything in 30 seconds, 2 minutes, 5 minutes, 10 minutes. He could not confine his thought process to sound bites.

We went down to West Palm Beach. Kemp was staying in Dole’s apartment, and we stayed at some Marriott or Westin Hotel that had 4,000 different types of macaroni in its café. I never saw Kemp until we were going to do the debate prep. I went out, stood on the stage, Kemp comes in. We had done maybe 45 minutes of debate and I was killing him. I have to admit to that. He got ticked off. He gave me the finger, walked off the stage, and that was the end of the debate prep.

**Knott:** Wow.

**Gregg:** That was it. It was ironic when he gave me the finger, because he had had his finger fused so he could hold a football. He’d broken it so many times, being a quarterback, that he had his finger fused. It was hilarious. But that was it for debate prep as far as I was involved, and I guess Feulner and whoever thought I did a good job. I thought it didn’t work out that well. We might have done one more session, but at that point it was pretty well gone.

**Nelson:** So when you watched the debate?

**Gregg:** I was in the theater watching it. I wasn’t watching it on TV [television], so I didn’t sense how badly people thought he was doing. I thought he did a decent job. I was surprised at how he was so panned, but if you watched it on TV, it looked like he wasn’t maintaining his thought process and he was all over the place. Gore was a very effective debater. He’d debated Ross Perot and a couple other people, and I knew Gore very well. We’d served in the House together; we played basketball in the gym a lot. Our kids were essentially the same age and both played baseball, so we’d show up at baseball games together, because his son played for St. Albans [School] and my son played for Potomac [School]. Basketball, baseball, and all sorts of things, we’d end up in the stands together. We knew him pretty well.

**Knott:** The night of the New Hampshire primary McCain beats George W. fairly convincingly. Any recollections of this?

**Gregg:** Yes, that was quite a night. Kathy and I knew we were going to lose, and my people knew we were going to lose. It was pretty clear that most Bush people didn’t know they were going to lose. They were told they were going to lose around four o’clock in the afternoon, as they got the exit polls. I wasn’t in the room, but I guess there was a fair amount of gnashing of teeth and Laura Bush said, “Get it together,” or something like that. So we all get in the car. We were staying down on the Merrimack at some place that had a series of rooms, and they were going to a dinner before the election results were out, where he had the whole family there and a bunch of friends from Texas.

I think it was in the car from the Merrimack rooms to the hotel where we were doing the dinner—Kathy and I are sitting in our car, being driven by my chief of staff, and suddenly the door opens and the Governor gets in. He jumps in the car and says, “I’m not riding with a bunch of crybabies.” And off we went to the dinner. We sat with somebody who was in the family and I can distinctly remember saying to him, “It’s too bad we lost,” and the guy and his wife, I’ve forgotten who it was, were just stunned. They had no idea that we had lost.
The Governor during that dinner was great. He said, “Listen, if we don’t do well here, we’re going to go on and we’re going to win the next stop. And we’re going to learn from this and take this knowledge and we’re going to be better.” Very strong. So we drive around to the back of Saint Anselm’s, where the campaign event was. He was going to give his concession speech, and we get out of the car. We met somebody of some interest who had come from the other direction. It might have been Brad Freeman. We walk in and he gives a really excellent speech. What I remember most is there was a guy who drove the bus, his first name was Lombard. He had bought the bus, outfitted the bus, made it into the “Bushmobile.” I’ve forgotten what he had on the side of it. He drove Bush all over the state for six or eight months in this bus, and I remember looking out in the crowd and he was just crying. He was an older guy; at the time he was probably in his mid-60s. That was touching. He knew. People the Governor came in contact with, who knew him well, were very affected by it, including New Hampshire people. Then they went on, and it probably improved the campaign to lose in New Hampshire, although I’m sure at the time they didn’t see that way.

**Knott:** So it put a little steel in his spine?

**Gregg:** He was a competitor and this was not going to stop him. He shook up the campaign after that pretty distinctly. I know that Allbaugh was no longer running things. They got their act together. At the time I’m sure they didn’t think it was good for them, but in the long run it turned out to be a learning exercise.

**Nelson:** Did you get any feelers from the Bush campaign about possibly being a Vice Presidential—

**Gregg:** One thing he said to me sometime after New Hampshire was, “There are only three important things left in this campaign.” He said, “One is my speech at the convention, two is who I pick for a Vice President, and three is the debates.” He was very focused on this, and of course he picked [Richard] Cheney to vet everybody. I remember driving back with him from one of the debate preps in Austin, and we were talking about the Vice Presidency. I said, “I don’t really care who’s Vice President. What we need is somebody who’s going to give us a state.” He said, “Cheney’s working on this and that,” and I said, “The guy we really want is [Cornelius M., IV] Connie Mack.” He said, “Yes, we tried to get Connie. Connie won’t do it.” I said, “Let me talk to him.” Connie’s a very close friend.

I went to see Connie in the Senate, and Connie’s wife had had cancer and he was just ready to go back to Florida. I said, “Connie, the Vice Presidency is yours if you want it,” and he said, “No, I don’t want to do it.” I said, “Connie, this is a chance to be Vice President of the United States and do some big things, some important things.” He said, “No. I’m going back to Florida.” That was my only involvement with the Vice Presidency: I tried to get Connie to take the Vice Presidency.

**Nelson:** What did you think about the Cheney nomination?

**Gregg:** I was surprised. I didn’t think too much about it. I’d served with Cheney in the House. He was a huge talent, everybody respected him, everybody knew he was credibly substantive, he’d be a very strong President if something happened to the President. He didn’t give us a state,
but considering the fact that I presume other people that they thought were really substantive maybe didn’t want to do it, like Connie, he was a very good choice in my opinion.

Nelson: Going back to that New Hampshire defeat, the famous story about that night, at least in books about Bush, is that his campaign staff thought, *We’re really in trouble now; he’s going to make some big changes*. Instead, he comes in and says, “You didn’t screw up, I screwed up.” That, as people tell the story, really sealed the bond to him. Were you there for that?

Gregg: No, I wasn’t. I wasn’t there for anything like that. After that election night, that was the last time I saw him for a long time, and the last time we heard from him.

Nelson: Back to the debate. I think it’s interesting, your perspective on Gore, because you’d served with him and knew him well. What was your sense of Gore as a potential President and as a candidate, both those thoughts?

Gregg: Al was very enamored of himself at a level that even by Senate standards was pretty high. And he was very enamored of the fact that he’d gone to Harvard [University]. He thought he was smarter than everybody else and he probably genuinely believed he invented the Internet. If you were not of his ilk, he was *extremely* condescending, and that was especially true in the House. I didn’t see that much of him in the Senate, because he was in the Vice Presidency. Very smart. I don’t know what his people skills were. They weren’t very good with his colleagues if he didn’t like you or you weren’t a liberal or a Democrat.

I concluded after studying him in exceptional depth when I prepared for—I can’t remember when they called me and asked me to do Gore, but what people didn’t realize was how early they were into debate prep. I don’t think the press knew that we’d even done any debate prep until the middle of July, and we’d already done probably four major markups of debate by the time the press even knew we were preparing. They called me in April and asked me to do Gore. They told me that the first time they were going to do debate prep would be at Kennebunkport the first weekend in June. I thought this was the most important assignment I’d ever had, because I genuinely believed, as the President did, that the debate was the turning point of this election.

For the next two months I just absorbed myself. Kathy would get in the car and there would be a Gore tape on. Kathy would turn on the TV and there’d be a Gore video on. I read everything, watched everything, learned everything, and I came to some very definite conclusions as to his style, his mannerisms. After a point in time I was able to pick up where he thought he could score points, where he didn’t think he could score points, things that I thought he was holding in reserve that he was going to use, that he tested once but never tested again. I worked very hard to make sure I knew those things and was ready for them. I concluded that he was extremely mechanical in his responses. He used to do note cards and would stick them all over the mirror and read them in the morning.

Nelson: How did you know that?

Gregg: It had been reported somewhere.

Nelson: It rang true when you heard it.
Gregg: I could see that sort of mechanical working. It wasn’t ad lib; it was mechanical. He was predictable. We predicted a lot of things in debate prep that actually occurred. In fact, after the first debate in Boston, Karen Hughes came up to me and said, “There wasn’t one thing that he said that we hadn’t practiced.” And I think she was right. And they practiced. The first debate prep was a disaster, but it got better and better.

Knott: It was a disaster because?

Gregg: He wasn’t ready, he wasn’t up to speed on the issues. He still had a Governor’s knowledge of federal issues and there was a lot of education on issues to be done and a lot of education on how you frame the language. His effort to try to get up to speed was enormous.

The first debate prep was done in Kennebunkport, and I and my chief of staff drove up from here. We went to the building where they were going to do the debate, gave me a stage. There was a podium and a podium. I never saw him until he came in and took the stage. I took the stage, and we went right into it with Stuart Spencer; he asked the questions. He kept a group around him and debate prep was extremely small, intentionally. There were a couple of policy people.

Nelson: Josh Bolten maybe?

Gregg: Josh Bolten and Bob Zoellick and the guy from Chicago who was really good. And then there was Condi [Rice] for foreign policy, Karen of course, Rove, and then this media guy.

Nelson: Was it [Michael] Gerson maybe?

Gregg: No, Gerson was not involved at all. He was involved in [George H. W.] Bush 1. It was Mark McKinnon. So the debate prep started and I started attacking Bush the way I knew Gore was going to attack him. I beat his brains in for like an hour, and everybody adjourned and said, “That’s it for debate prep now,” and they went back and reeducated him.

Nelson: Is that, in a sense, part of the strategy, to give him a dousing in the first debate prep, so that he’ll—

Gregg: It must have been, because that’s what happened. But with every debate prep he got stronger, and we would go over where I thought I was scoring points and what I thought Gore would do to score points. We would talk in depth, just the two of us. In fact, the staff got a little jealous of my access to him. The next two debate preps were done in Austin, and I stayed at the Governor’s house. It was he and I and Laura, and we would talk after the debate prep and go over where we were. Then they’d have a roundtable, of course, the debriefing and then the prebriefing, and we’d do the prep and then they’d do debriefing. When we got out to the ranch, where we did probably four debate preps, he and I would get in the pickup truck and drive around and talk. We’d just BS [bullshit], but we’d also talk a lot about where Gore was going on things and how I thought Gore was going on things. He was very into making sure he was ready.

Knott: When you beat him up in that first practice debate, no Jack Kemp incident of him flipping you the bird?
Gregg: Oh, no.

Knott: How did he handle that dousing?

Gregg: He just left and moved on.

Knott: A better student than Jack Kemp in terms of discipline and preparation?

Gregg: Oh, yes, no question. He knew that I was scoring points and he was going to have to get stronger on issues specifically and on the way Gore attacks. Gore was always on the attack. Gore’s whole debate philosophy was attack, attack, attack.

Nelson: So the debate preps start well before the Democratic Convention, never mind the Republican Convention.

Gregg: Oh, yes.

Nelson: Did you anticipate that Gore would pretty much detach his campaign from [William J.] Clinton? I don’t think he even mentioned Clinton in any of the three debates.

Gregg: We never thought of Clinton as being involved in Gore’s lexicon. I never talked about Clinton in debate prep, I never used Clinton’s name, I never mentioned Clinton. It was about me, Al Gore.

Knott: So that’s typical Al Gore then.

Gregg: Right. “I’m a big ego, I can be myself. I don’t need Bill Clinton around me.” Bill Clinton was history as far as Al Gore was concerned.

Nelson: That’s very interesting. Is there anything else leading up to the first debate?

Gregg: The debate prep was always very interesting and entertaining. The first time I went to the ranch—At that time they didn’t have the new house they built. They just had the original ranch house, which was like a 1950 one-level, three-bedroom house. There was a kitchen and a family area, there was a porch and a little dining room, and then there were three bedrooms and they were all taken. I ended up in the bunkhouse, out in the middle of nowhere. The bunkhouse was the weight room and it was where we were going to do debate prep. So I was sleeping on a couch in the bunkhouse and it was probably half a mile from the ranch. In the middle of the night I woke up because I heard all this noise. I went outside—There’s a little porch. There were all these great big longhorn cattle rubbing up against the side of the building, so I didn’t get much sleep. It was just beautiful. It was a surreal experience.

Knott: A long way from New Hampshire.

Gregg: Yes, a long way from New Hampshire. So we did debate in that little building, and everybody would crowd in. It was the group I mentioned, plus Brad Freeman would be there with some regularity, and Don Evans. I would call them the consiglieres. They were there to make sure that everything went right and that the Governor was number one on everybody’s
agenda. They actually had some really good thoughts on how to approach the issues. Don Evans came up to me during one of the debate prep sessions. I’d been talking to him about how I thought Gore’s style was to be very aggressive and to try to get in people’s faces. He said, “Why don’t we try to do that in this next round? Why don’t you walk right up to the Governor and stand beside him, berate him?” So we did that. I walked right up to him and started attacking him on something he’d just said that I thought was a good opening. He did that little look and kept on saying—which is exactly what happened and I think it was the turning point of the debates myself.

Nelson: The third debate.

Gregg: The third debate, when he did that. I thought that just sealed—it was very clear.

Knott: We need to explain, because when you gave the sort of look, when he looked at Vice President Gore—

Nelson: Sort of dismissively.

Gregg: It was dismissive. It was like, “I’m here to be President, not here to be in some junior high school exercise,” and I think that’s the way it came across to the people: There’s one person here who’s ready to be President and one person thinks he’s still in junior high school. Debates are almost as much about body language as they are about language, and in this case it was more about body language than language. And in the first debate, Gore’s body language was so bad that it really set him back: the hemming and hawing and the “I’m too smart to have to put up with this guy making this statement.” But we practiced it. We only did practice it once, because it was so effective, and everybody said, “That’s the way you have to handle it if he does that,” so we knew that was what we were going to do if that occurred.

The last debate prep before the first debate was a disaster, as you’ve probably read. It was held in a church basement about nine o’clock at night, to try to get the time right. We got him out of the ranch to try to get it more antiseptic. We get in the car: Rove, Josh, Gary Edson, and I. So we drove and drove and we were going to the wrong church. Rove gets this call and you could just hear the crispness on the other side. I’m not sure it was from Bush. It was probably Karen Hughes. We turn around and race down these Texas back roads. We walk into the church and the Governor’s at the podium, everybody’s set up. We were maybe ten minutes late. He was really upset, clearly not happy.

That debate started out and I picked up some lines that I thought Gore was going to use, that he had used once. I thought they were killer lines and I never heard him use them again. I thought, He’s going to come back to this. It was something to do with taxes, how he defined the Bush approach to taxes, and it was really effective stuff. I hit the Governor right out of the box on it and he didn’t respond. Then I hit him out of the box on the next question and he didn’t respond. I hit him a third time and he didn’t respond and Karen stops it. She says, “OK, Governor, he’s attacked you three times at this point. We have to come up with a response. I think we stop the debate prep right here and we move on.” So that debate prep didn’t go very well. That was awful.
The next morning I sat down with him at the breakfast table. I was up all night worried about it, as I think everybody else was. He probably wasn’t too happy about his situation. I don’t know if he listened to this; I think he did. I said, “Let’s go back to just the simple, what’s the message, how we’re going to deliver it, how we’re going to deal with Gore’s unrelenting aggressiveness, which is to basically parry it and move on to our issues.” We talked about that and I had a little card I’d written out four or five things on, gave it to him. The last debate prep, which was done that day—This is the last weekend of debate prep—and he did extraordinarily well. He was clearly ready. It might have been the timing, it might have been that we were late, it might have been just that he was exhausted from campaigning, but that night had not been a good night.

Nelson: Roughly how many debate prep sessions total before the first debate?

Gregg: I would say we did seven full debate preps, which would be two days of debate prep, debate, and then two days of issues. After the debate and before the debate we would sit around in a circle and talk through issues. If it was foreign policy, it was Condi talking; if it was domestic policy, it would be Gary and Zoellick and maybe me. The media guys would step in a lot. It was always on topic, always “What’s the substance of the answer that we want to do and how do we present the substance and how do we deal?” And they would say, “How is Gore going to react to this issue?” And I would say it and then we’d go through that. It was a very deep and orchestrated effort.

Nelson: How often would you do a full-scale mock debate?

Gregg: Twice during every—These were two-day events every time, except for Kennebunk, although at Kennebunk I might have come out the second day on that too. I think there were two days at Kennebunk too. I just drove back and forth, but they were two-day events. We’d do one full mock the first day, analyze it, go on to some other issues that might be floating out there, and then one full mock the second day. We did that in Austin twice, we did it at the ranch three times, and then we did it in Kennebunk once, so that’s six. We must have done it at the ranch four times. Once Kathy came down for it, and once I brought Josh [Gregg].

I brought Josh, my son—He was in high school. Kathy tells a very humorous story about that. Josh was there and he sat in on the debate prep in the little cabin. And when Kathy came down—We stayed in the little ranch house, but our room was right up against his and Laura’s room, and beside us was Condi’s room. I told Kathy she was going to have to stay awake all night to keep me from snoring so that I didn’t keep the Governor up. She didn’t take that very well. She tells a story about when we came back from the debate prep, when Josh was down there. She asked, “How did he do?” He said, “Dad got the Governor really angry.”

Knott: About four days before the election was the revelation of the then Governor’s previous drunk-driving arrest up in Kennebunk.

Gregg: Yes, in Maine.

Knott: Any memory, any recollects?

Gregg: No, none. I remember the event, that it was an issue, but I don’t remember that it played any role at all in what I was doing.
**Nelson:** I want to go back to the first debate.

**Gregg:** Oh, one more thing. Throughout this debate prep, Laura was the quiet person, but always very attentive. I think she and he talked a lot, but she never said anything among us.

Another humorous story. We’re down there with Kathy and the Governor let Spotty out. He wasn’t supposed to do that. Spotty comes back in, and it’s Kathy, Condoleezza, me, and the Governor. Laura had gone to bed. We’re sitting around, everybody’s sniffing, and Kathy says, “I think Spotty got into a skunk,” and he said, “Oh, my God!” So he picks him up, takes him outside. Kathy goes and gets tomato juice. “Laura’s going to be really upset!” Pouring tomato juice all over the dog. It was very funny.

**Nelson:** That first debate, you were watching in the hall?

**Gregg:** That one I watched on TV from the holding room, I think, but I’m not sure. I may have been outside. I remember standing in a hallway and watching it.

**Nelson:** Gore apparently thought the rules were no cutaway shots, no reaction shots.

**Gregg:** Yes, right, no double shots.

**Nelson:** So were you surprised when there were reaction shots and they showed—

**Gregg:** Not at all. In fact, one of the things I’d said from the beginning of debate prep is there are no rules. Nobody lives by any rules in these debates. They can say there are rules, but there won’t be rules. I had been through the Reagan-Bush debate in Nashua that I’d advanced, and we had a lot of rules, like there weren’t going to be any other candidates on the stage. Everything was agreed to and there were no rules. I’d made that point over and over again, that this is not a conflict in which any rules of engagement apply. We presumed everything was available to be used and would be used by the Gore team. I didn’t think we’d end up benefiting from it.

**Nelson:** I don’t recall that Bush did anything in the debates, though, that broke any of the rules.

**Gregg:** No, he didn’t; it was Gore who did. When he walked over to Bush, that was against the understanding that nobody would get in anybody else’s space. But we’d assumed that, we had practiced it.

**Nelson:** So as you’re watching the debate itself, what are you thinking?

**Gregg:** I’m thinking, *He’s killing him.* I’m thinking, *This guy hasn’t laid a glove on the Governor and the Governor is just hammering the ball.* I hadn’t expected all the sighs and moans. That I did not expect. I honestly didn’t do that in the prep. I had expected the arrogance to come through, and in fact I practiced the arrogance, but I didn’t expect the sighs and moans.

**Nelson:** But the second debate had a very different format.

**Gregg:** Yes, very much so.
Nelson: How did the preparation for that go?

Gregg: We didn’t change, interestingly enough. We didn’t do any audience questions; we didn’t do any sort of—

Nelson: The second one was sitting around the table.

Gregg: Oh, yes, sitting around a table.

Nelson: And Gore had a very different demeanor. Did you anticipate that?

Gregg: Absolutely. Oh, yes, we knew there was no way he was going to repeat his earlier mistakes, and he did much better. At best that was a draw, but we didn’t practice it around a table.

This is Kathy Gregg. We were talking about being down at the ranch and Spotty the dog got out and got in the skunk.

Kathy Gregg: The President and Judd—Can I tell what happened then?

Gregg: He was the Governor then.

Kathy Gregg: Governor Bush and Judd and Condi Rice went out to walk Spotty just before bedtime, and they came back in and sat down. Laura went to bed and the President was sitting there with Condi and Judd and me. All of a sudden I thought there was this peculiar odor in the room, and then I thought, I know that smell, because we have dogs also.

Gregg: And we lived on a farm.

Kathy Gregg: We lived out in the middle of the country. All of a sudden I said, “Oh, my gosh, did Spotty get into a skunk?” The Governor jumps out of his seat, “Laura, the goddamned dog!” He picks him up, runs out, and puts him in the shower, and he’s going crazy. Then just the three of us, Judd and Condi Rice and I, are sitting there. I looked at Condi and said, “I’m glad it was the dog. I wasn’t really sure who smelled.” It was funny. He’s just so full of life, you know? There it was, ten o’clock at night and he’s jumping around and grabbing the dog, throwing him in the shower. “Where’s the tomato juice?” Always fun to be with, really perky.

Gregg: And what did Josh say when we came back from the debate once?

Kathy Gregg: That was when you were doing the debate prep. Judd had prepared himself, thinking that Al Gore is going to do something like this, so Judd, as Al Gore, walked right up to the Governor, got right in his face with some piece of paper or something or other. When Joshua and Judd came back, which actually wasn’t that early, I said, “Joshua, how did it go?” He said, “Oh, Governor Bush got so angry with Daddy.” I said, “Oh, that’s terrible, what happened?” He explained the situation and he said, “And he just stormed right out of the room.”

Gregg: That wasn’t the one I walked up to him, but it was another point.
Nelson: Election Day, where were you and what was your take on how things were unfolding?

Gregg: We must have been in New Hampshire. I don’t remember a great deal of specifics about it. I remember the Florida recount, thinking that maybe I should go down and help Jim Baker out and just be a body, but then I concluded that I would have been more in the way than helpful, so I didn’t go down. I sort of regret I didn’t. I think I might have been helpful, and I watched the participants.

Knott: How do you think you could have helped? What did you have in mind?

Gregg: I’ve been through four major recounts, including the closest Senate race in history, which was won by one vote back in 1974, [Louis] Wyman-[John] Durkin. That recount went on forever, finally ended up getting thrown to the Senate. The Senate recounted it and I was the chief lawyer on that. My father was in charge of the recount and he had me as the primary lawyer. I’d been through two major recounts with my father and one of another close friend. I never had a recount. I’d done a lot of recounts and I thought maybe I could be helpful, but of course Florida law is a lot different, and it was all about hanging chads and everything.

Knott: Al Gore had first conceded and then withdrew the concession. Did that fit with your understanding of Al Gore, that this would be a guy who would take it to the max?

Gregg: If I’d been Al Gore I would have done the same thing, so I certainly didn’t begrudge him that. Nobody knew who won Florida.

Nelson: Inauguration Day, any memories of that?

Gregg: Gosh, I should ask Kathy again. We had a whole bunch of friends down and we traveled around as a group. I don’t think we saw the President close up on Inauguration Day. I’m pretty sure we didn’t, other than from the platform. I could be wrong about that; Kathy might remember. I think our son, Josh, went to the White House that night, because he was dating Marvin’s [Bush] daughter a little. They weren’t really dating; they were just friends. He actually ended up maybe seeing the President. I don’t recall anything unique, other than traveling around with a bunch of folks from New Hampshire who were friends and having a good time, but I don’t remember anything special.

Nelson: During the transition period, between the election and the inauguration, were you consulted at all about appointments?

Gregg: Not that I remember. We did go up for his first trip to Camp David. Kathy and I, Karen Hughes, her husband, and her son, Robert [Hughes], Condi. I’m trying to think if it was Andy Card maybe? Would he have been the Chief of Staff then?

Nelson: Yes, he was the first Chief of Staff.

Gregg: So Andy was there. I don’t think Rove was there. He may have been, but it was the weekend that the Chinese force downed the intelligence plane, so it was quite a memorable and important first small crisis of his Presidency. We happened to be in the room when the word came in. We talked a little bit about it.
Nelson: The transition is complicated in the Senate, right? Because it’s a 50-50 Senate, with Cheney having the tie-breaking vote.

Gregg: Right.

Nelson: And you’re senior Republican on the Health, Education, Labor and Pensions Committee, the HELP Committee. How did that situation get clarified, as to what your—?

Gregg: The President had all the leaders of the educational committees in the Congress down to Texas before he was inaugurated.

Nelson: Democrats and Republicans?

Gregg: Yes. [Edward] Kennedy was there and George Miller was there. [John] Boehner, me, [James] Jeffords. There were quite a few. The purpose of the meeting was to say one of his primary initiatives was going to be education. He wanted to work with everybody; he was going to make a big bipartisan push in education. It was a “kumbaya” meeting, get everybody comfortable with everybody. Kennedy made a very eloquent statement about how he was there to be helpful, to govern. He wasn’t going to give up his principles, but he was there to govern. That was a good meeting, and out of that meeting came the framework for moving forward on No Child Left Behind. Margaret Spellings was there, of course.

A decision was made early that I was going to run the substance of it, even though initially Jim was going to be visibly in charge. That decision was made between me, the President, and Margaret. They asked me to do it. Jim handled that situation well. He did not resist the fact that it was clear that I had the portfolio, at least publicly and with me. We used to meet a couple of times every week in the Senate Library. When we got into really serious negotiations, we started meeting in Kennedy’s office, in his hideaway, which wasn’t really a hideaway. It was a massive suite on the third floor of the Capitol Building, a beautiful room. The first group of meetings, Jeffords was the titular head, but Margaret and I were carrying the water for the administration. We negotiated very aggressively and then it moved into a small group with Boehner, Miller, Kennedy, and I negotiating with Margaret, and the five of us meeting a couple times a week for extended periods of time, going word by word as to how we were going to do this. We had some big hang-ups, but we got through it.

During that period, Jim was really constructive. His decision to change parties was a surprise to me. It was a surprise to his wife, I think. It was obviously a frustration that had been building, and it fundamentally changed things.

Nelson: Why do you think he changed parties?

Gregg: Because in the caucus we had started to elect some people who were very aggressive in berating people they didn’t agree with who were moderates. Olympia [Snowe], Jim, Susan [Collins] when she finally arrived, they were really—

Gregg: Chafee. Not John. John was too strong. Nobody messed with John. When John was there, the moderate force in the party in the Senate was still big enough that we had something called a Thursday Group, which met on Wednesday. It became the Thursday Group, but it met on Wednesday in opposition to the steering committee, and they were probably equal in numbers. There were five of us in my class who were Republicans. There was [Dirk] Kempthorne, Paul Coverdell, Lauch [Duncan] Faircloth, me, and Kay Bailey [Hutchison] came later.

Coverdell and I decided it was stupid to have these two groups meeting in contention, and we were not going to participate. We forced the moderate group, as it was described, to move their meetings to Thursday so they were in seriatim, and then you got a large percentage of the steering committee that came to the Thursday meetings. Some of the really hardcore folks didn’t, because they didn’t want to be identified with—But most of the steering committee came to the Thursday meetings, and that’s the way it is today. Some of them don’t, but most of them do. There were just a few people who were part of the Thursday Group who didn’t come to the steering committee, but by the time I left, that didn’t even happen. Everybody who came to Thursday Group came to Steering, including Susan and Olympia and Lincoln. And I think he got tired of being berated in these caucus meetings.

Trent [Lott] worked very hard to include him. He set up this—What did they call themselves? They were four senior Senators. He specifically wanted the group—He didn’t care about the group. He wanted the group because he wanted to make Jeffords feel part of the team, and it was him and [John] Ashcroft and Larry Craig, who at that time was probably the head of Steering. That was an attempt to keep Jeffords in the group. As Trent would tell you, Jeffords had a terrible voice and he had to cover for him. This was Trent’s attempt to keep him in the group, and at some point Jim woke up one morning and said, “I don’t need this,” and the Democrats offered him everything short of the sun to switch.

Knott: Were you ever the target of any of these attacks?

Gregg: I used to take on the folks who were of that opinion very aggressively. I was sort of the other side of the coin. I had a very aggressive approach to people I thought were being—I suppose I was being difficult, but people I thought were not being fair to our more reasonable—I was very aggressive when they would attack Lincoln. I’d say, “He’s coming from Rhode Island.” People don’t understand what it’s like from Alabama when you come from Rhode Island. You can’t be voting for all sorts of things that sell in Alabama. So I relished the fight, actually, with some of my former colleagues, especially Jim DeMint, who I found to be totally wrong on most things.

Nelson: There was such a bad feeling after the election got resolved, among Democrats in particular, that this guy is not really the one who was truly elected President. And yet the contrast is dramatic when you’re talking about working on education, where it seems like, as you’ve described it, there was good spirit from Democrats and Republicans and from the beginning a real effort to get to an agreed-on policy. Why did that work so well in education?

Gregg: Because all politics is about leadership, and especially in our system, people do not appreciate how important the personalities are to how you get things done. Ted Kennedy, for all
his verbosity, was at his core a person who wanted to govern. He and I would have shouting matches—I was his Chairman and he was my Chairman, and we would have knockdown, drag-out shouting matches about philosophy. But we both wanted to govern and understood you can’t govern if you don’t reach agreement. He was probably one of the best Senators I ever came across.

I would say Bob Dole was the best, and he would understand that he was going to have to give if he was going to get. There was no transgression on principle, it was just on education you didn’t have to—The big fight in education was over something called supplemental services and portability of payments, so that you could move a child around and have the money follow the child. I gave on having the child go to private school and that pretty much allowed it to occur, so we could move around the public schools. That was the big compromise, the one that got it over the hump. But Kennedy wanted to govern, and the same with George Miller. George Miller was even more verbose about his positions than Kennedy, and it was entertaining. Boehner would just sit back and let George and me duke it out. But it was a good group. It was a group of people who wanted to get something done, and the President was totally invested through Margaret, who was an exceptional talent.

Nelson: What made her exceptional?

Gregg: She knew how to make people feel comfortable but still maintain—She had that Southern way about her, making people comfortable even though she had steel for her positions. You didn’t feel antagonized by her. You felt that she was attempting to work with you even though she didn’t agree with you. She was a very effective negotiator for the President. They had a purpose and they got probably 90 percent of what they wanted out of No Child Left Behind. They didn’t get the ability to carry the amount of money you can spend on the child to private schools, but they got pretty much everything else.

Knott: Going back to Jim Jeffords. How plugged in was the White House, and were they attempting to—

Gregg: I don’t know. I really don’t know what the final hours of that discussion were. I have to presume there was a lot of frenzied activity.

Knott: So Senator Jeffords’s real concern was just within the Senate. It wasn’t so much the shift of direction of this Bush White House?

Gregg: It may have been. I don’t think he was upset with No Child Left Behind, the final product. I suspect he voted for it, just about everybody did. The social issues and the way they were carried by some of the people from other states really probably peeved him, and he did like to spend money, so he was not a fiscal conservative.

Nelson: When he makes the switch, you go from being Chair of the HELP Committee to being—

Gregg: No, I went from being Ranking [Member] of the HELP—I was second to Jim; Jim was Chair.
Nelson: OK, my mistake. The bigger question I want to ask is what was the difference, being at least nominally in the majority and now you’re in the minority?

Gregg: It’s a huge difference, because the Chairman of the committee controls the agenda before the committee, and the HELP Committee is an interesting committee. It’s the first choice of numerous Democrats, because it has all the touchy-feely, feel-good social justice issues, education issues, all these issues that they just love. Where on the Republican side, you have to drag people kicking and screaming to get them on it, because nobody wants to deal with those issues, and everybody knows that with Kennedy in charge of it, it’s going to be just one after another of issues you really don’t want to spend time on. That’s why I rose so quickly to be ranking. I got on the committee and I immediately was like number three. So it’s two different personalities. When Kennedy chaired the committee, it was his committee, it was his bailiwick. In fact, when I was Chairman of the committee, they still called it the “Kennedy committee.” He ran it for 30-odd years. He used it as a forum to get up all these issues that are such hot-button issues to their constituencies. When he was Chairman, he’d roll out one issue after another that we as Republicans were resisting aggressively, because we thought it was usually excessive government, intrusive government, or just misguided government.

Nelson: Anything else from 2001, before we turn to 9/11? There was the tax cut, the stem cell research policy.

Gregg: Those were all big fights, but I don’t remember too much about them. The President and Laura were very nice to have Kathy and me with some regularity to private dinners at the White House and then up to Camp David. They stayed in personal contact. I used to call him around 6:30 in the morning. He would always call me back before his security briefing. He’d call me back around 6:40 and we’d shoot the breeze for a while about what was happening. I tried to give him some knowledge about the Senate that he wouldn’t get through his senatorial liaisons, about who’s doing what, what has people charged up, what doesn’t have people charged up. Give him a little political intelligence that was useful, and we would bat around ideas on some things, not too many. He’d always take the call. I didn’t overuse it. I’d probably do it once a month, every other week, something like that.

Nelson: It sounds like you’re forming a friendship.

Gregg: We had a very close friendship after the debate prep. The debate prep was a searing experience. New Hampshire was sort of a searing experience, too, but the debate prep was a positive searing experience. We spent a lot of time together in his pickup truck or walking around the ranch, thinking and talking, telling stories and tall tales.

Nelson: Tell us the story of 9/11 as you experienced it.

Gregg: Like everyone else in America, it was a traumatizing event that changed the culture of the nation and certainly was an event that nobody will ever forget. I was in my office. I would go in and work out early and I’d get to the office by about seven. I was watching TV when the first tower was hit and I thought the plane had fallen off course and hit the tower. It didn’t affect me too much. The second tower was hit about 20 minutes later and I said, “We’re under attack; this
is a terrorist attack.” I called Kathy and said, “There’s a terrorist attack going on in New York. I’m going to call my daughter.”

Nelson: She was in New York?

Gregg: She’s in New York, she lives downtown, SoHo. Interestingly enough, during this period I’d been Chairman of the Commerce, Justice, Science Committee, and I’d become very upset by our inability to figure out who was in charge if there was a terrorist event. We held joint hearings with the Intelligence Committee. Barbara Mikulski and I, she was my ranking, and Pat Roberts, and I’ve forgotten who was his ranking, we called up all the agencies, FBI [Federal Bureau of Intelligence], Department of Defense, Secret Service, DEA [Drug Enforcement Agency], the Attorney General. We had every agency up and we worked them over on how were they going to handle a major terrorist attack, who was in charge.

Nelson: When was this?

Gregg: This was about four months before.

Nelson: Really? What got that onto your radar screen at that time?

Gregg: There had been some other event that I was really worried about. I can’t remember whether it was Yemen or Oklahoma, but I had come to the conclusion as head of the—I had DEA and the FBI and Justice, and there were these silos. These guys weren’t talking to each other. I asked them, “Who’s in charge in an event?” Nobody knew. Everybody said they were, but they weren’t, so we were trying to sort that out. Mikulski and I worked very hard to try to sort out who was in charge, and then we set up something called—we had a name for it, Operation something or other, where we simulated attacks on the United States. We did two of them before 9/11. One was on biochemical and one was on some other major attack. We had simulated events in Denver and in Portsmouth, and we were trying to get all the different agencies to figure out how they would handle such an event. And then 9/11 occurred.

Nelson: What did you learn from those simulations?

Gregg: That nobody knew what they were doing. Nobody. It was total chaos.

Nelson: When you would talk with the President, would you say, “Look, this is something—” Did you put this on his agenda prior to 9/11?

Gregg: I can’t remember that I did. I think we were doing it ab initio from the Senate, and we were getting, because I controlled all their money, the attention of the agencies that I needed. They did one here in New Hampshire because I was Chairman of the commission. Actually, the only people who knew what they were doing was the Office of Emergency Management in New Hampshire. They at least got it right. But we had simulated dead people and wounded people in the street. It was quite something.

We had spent a lot of time, so I was stunned but not overwhelmed. I realized what had happened. I didn’t know who was behind it, but I knew we were under a major terrorist attack. So I called our daughter Molly [Gregg], who worked for an investment house in New York, and I said,
“You know you’re under attack.” She was very concerned. I said, “Do not take the subways; do not go on a subway.” Her office was uptown and I said, “Even though it’s going to take you a long time, walk.” So she started walking. Then I called Kennedy. His office is around the corner from mine. Mrs. Bush was going to come up and testify before the committee.

Nelson: Right.

Gregg: We had a major hearing, with her leading the testimony. I’ve forgotten what the subject was. I said, “Ted, obviously we’re having a major issue here. We can’t hold this hearing.” And he said, “I think she’s in the building.” I said, “OK, I’ll come down to your office.” So I went out of my office, around the corner, down the hall. My office had been Al Gore’s office and Richard Nixon’s office, interestingly enough. I went down the corner and into Ted’s office and Mrs. Bush arrived almost simultaneously, so the three of us were in Ted’s office. We were watching the TV, and he starts talking about—He has all these pictures of his brothers, and he starts talking about his brothers. It was just plain surreal. I was looking at Mrs. Bush and she was looking at me and we were thinking, Wow, he’s remembering what happened. He was talking about his brother John [Kennedy], about his brother Bob [Kennedy], so we decided we’d better say something.

All the press was in the hearing room. Nobody knew what was happening yet. The towers had not yet collapsed, I don’t think. We went across the hall to what is the famous Russell hearing room, where they had the hearings on Watergate. All the press was there and Ted made a brilliant opening statement about “When the nation is under attack, we pull together, and this is something we’ve been through and we know how to handle it.” It was very uplifting. And Mrs. Bush did the same thing; she made a really strong statement. You should get that and read it into the record. And then I said something inconsequential.

We get out of the room and we’re walking back over to Ted’s office, and the Secret Service comes running up and says, “We can’t take you back to the White House, Mrs. Bush.” Ted had broken off somehow and gone into his office, and now we were walking up the hallway. I said, “OK, why don’t you come to my office?” So we go down the hall, turn the corner and go into my office, which isn’t very big, and we sat down and watched the towers come down. She tried to call her daughters, one of whom I think was in New York too, I’m not sure. She tried to call the President. I stepped out of the room. I assume she got in touch with all of them. Then I came back in and we sat there and talked for probably 30, 40 minutes. We were just talking about what was happening and what it meant, hoping that our kids were OK. Then they cleared the buildings because they knew there was another plane, and at that time the plane had hit the Pentagon. Finally, the Secret Service came in and said, “We’re going to take you off.”

Nelson: Mrs. Bush?

Gregg: Mrs. Bush. At that point, my administrative assistant and I were the only ones left in the Russell Building. We were it, and I told her to get out of there. She left and I was the only one left in the Russell Building, so I went down to the garage, drove out of the place, and drove over the 14th Street Bridge. There was no traffic at all, and I could see the Pentagon burning. I drove back to McLean, and during this time I finally tracked Molly down again. She said she’d been stopped four or five streets from her apartment, and the police officers wouldn’t let her go any
farther. I said, “You hand your phone to the police officer,” and I said to the police officer, “This is my daughter. I’m a United States Senator. If you don’t let her go to her apartment, then you are going to be personally in charge of her safety.” So he let her go.

Then all that night, it was pretty amazing. They had the F-14s flying all night long and for the next few days. The President and Mrs. Bush have told us stories about what happened to them after that, but that would all be hearsay.

Nelson: The simulations you had run, were they bioterrorism related?

Gregg: One was bioterrorism and the other one was some sort of a nonbioterrorism event. I don’t remember what it was. It wasn’t a nuclear attack. The one in Denver was definitely bioterrorism and what we found out was that none of the health people would show up for a bioterrorism attack. The one in Portsmouth, I’ve forgotten what it was about. It was some violent bombing event, probably like an Oklahoma City–type thing.

Nelson: As you’re trying to make sense, like everybody else, of what happened on 9/11, and then what might happen, are you thinking about subsequent terrorist attacks?

Gregg: Oh, yes. That’s where Bioshield [Project Bioshield Act] came from. We were looking at places where we thought we had tremendous vulnerabilities. I worked very closely with Dr. [Anthony] Fauci over at NIH [National Institutes of Health], because he was very worried about this. After a lot of back-and-forth, we finally got a program up and running to deal with chemical and biological attacks.

Nelson: One criticism of the Bush Presidency was that it didn’t take the threat of terrorism seriously enough before 9/11, despite Richard Clarke and others urgently pressing that. Do you feel that was a fair criticism?

Gregg: I think that’s a fair criticism of the entire government. I don’t think it was unique to the Presidency. I don’t think the Defense Department or the intelligence agencies—I don’t think anybody foresaw what a threat these people were. This was a cultural event of incredible depth, and because we’re a nation that inherently thinks good of people, I think it was a cultural thing. We always think of people as having a better nature. As a culture we don’t think people are fundamentally evil, and we still don’t, thank goodness, but we’re aware that they are now. It was a fundamental change in our approach to the world and to our own culture, that people would be this evil. I don’t begrudge it against anyone; I don’t hold anybody responsible. They could have come at us any number of ways. There would have been any number of things they could have done. They were just smart enough to use airplanes as missiles.

[BREAK]
Nelson: George W. Bush was so clearly elected with a domestic policy agenda and now there’s this dramatic transformation. Do you think it was a smooth transformation in the immediate aftermath of 9/11, or was it bumpy there for a while?

Gregg: You’re absolutely right. He came on with a very aggressive domestic agenda. He wanted to bring the country together under compassionate conservatism, for lack of a better word. He had a whole series of things he was going to try to move on, especially education and inner-city development, economic activity. He was really interested in immigration reform. He was interested in transforming the country and the party, and then 9/11 occurred and he became a wartime President. He immediately understood he was a wartime President, that everything else was gone; they were on an entirely different agenda. I think that transition was smooth, but the actual transition to executing a wartime Presidency had its successes and its failures, and we’re still dealing with them.

Knott: Did you notice any personal changes in him after 9/11?

Gregg: In the time immediately after 9/11 there was no question that he was tense beyond any comparison before. He realized he was holding the responsibility of the United States’ future, and it was really tense. There was high intensity and there was the attempt to bring the nation together, give the nation a sense that we’d get through this as a nation and as a people. Clearly his statement on the ruins of the World Trade Center captured it perfectly, and then throwing out the ball at Yankee Stadium, things like that. But I’m sure it was also true for FDR [Franklin Delano Roosevelt] that moving to a wartime footing is a very complex and difficult exercise for a democracy. We do it well once we get started, but it takes a while to do it, and we were moving to a wartime footing. We are still at war. Unfortunately, there are a lot of people who don’t appreciate how serious the situation remains, because we haven’t been attacked again, but I think there were good steps and bad steps.

Nelson: What were the good steps and bad steps that stand out in your mind?

Gregg: We took advantage of the fact that the world supported our efforts, and we essentially moved aggressively to make it clear that the Bush Doctrine would be enforced: If you’re a terrorist and threaten us, we’re going to find you. And if you support a terrorist, you’re our enemy. That doctrine was very effectively stated and carried out. In retrospect, Iraq should have been handled differently, but that’s Monday-morning quarterbacking and it’s not appropriate to Monday-morning quarterback a decision like that. That would be like Monday-morning quarterbacking D-day.

The biggest misdirection—which he appreciated—was the failure of the Congress to appreciate that this was an intelligence war. The way you win this war is to know who they are, where they are, and go get them. He appreciated that, but I’m not so sure the Congress appreciated it at the level that we should have, and it still doesn’t appreciate it. We are allowing too many bad people who want to do us serious harm to function basically freely around the world. We know how to find them, but we’re not using our capabilities to find them.
**Knott:** Can you tell us about your role in terms of passing the [USA] Patriot Act [Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001]?

**Gregg:** I wasn’t involved in the Patriot Act. John Sununu was very involved in that, my colleague, but I didn’t get involved.

**Knott:** You supported it.

**Gregg:** Yes.

**Nelson:** His domestic policy agenda continues, and certainly one of the big first-term items was prescription drug coverage, the creation of Medicare Part D. Could you talk about your role in that?

**Gregg:** I didn’t agree with it. I felt it had to be paid for and it wasn’t paid for. This was a Karl Rove “let’s get reelected” exercise. I was happy to have the program, but we should have paid for it. I made that very clear to President Bush, to Karl Rove, and to anybody else who asked me, as Budget Chairman. It was an $800 billion bill that was going to be put on our kids’ backs and was a direct income transfer from our kids to our seniors. If we were going to do it, we should have come up with some way to pay for it. I thought doing it made sense, and in retrospect I was wrong as to the cost. It has been less costly than I thought it would be, but it’s still been extremely costly and it still should have been paid for.

**Nelson:** So you’re Budget Committee Chair because the Republicans regained the Senate in ’02.

**Gregg:** I had a choice of staying at HELP or taking Budget. I took Budget.

**Nelson:** Why did you make that decision?

**Gregg:** Because I’ve always been fiscal policy oriented; that’s always been what I most enjoy and where I spend most of my time.

**Nelson:** And did you find that there were more Republicans who wanted to serve on Budget than on HELP?

**Gregg:** Yes. First, Budget is not like a traditional legislative committee, because Budget doesn’t have any legislative authority. It does a budget; it can do reconciliation. All a budget is, is top numbers. In other words, you’ll do a budget and you’ll say X dollars should be spent on this many aircraft carriers. You’ll say all that, but it means nothing. All you do is you give a top-line number to the Appropriations Committee, a 301-A, 302-A, and then you give a bottom-line number to the 12 subcommittees of Appropriations, 302-Bs. Those are the numbers, then the Appropriations Committee and the Authorizing Committee go out and spend up to that number however they want. So the budget is a 50,000-foot cap on discretionary spending.

Then on the entitlement side, there’s something called reconciliation, which gives you the right to go in and change entitlement programs so they have to save money or change taxes, so they have to raise taxes. That is all the Budget Committee does, but it had unique power in that it
becomes the center of the discussion of fiscal policy. If it does a reconciliation bill—and the only reconciliation bill that’s been done that actually cut spending was done while I was Chairman—it can adjust entitlement spending, and we did that, but not as much as I wanted. We started out at $80 billion, we ended up with 35, I think, or 38. It was the first and only reconciliation bill in the last 20 years that actually cut spending. Obamacare was done under reconciliation. It was a total fraud and bastardization of the process.

I worked with the President’s people when they’d send up budgets, but the President’s budget is not definitive. In fact, what most people don’t know is that the President doesn’t sign the budget. It’s not a bill. The budget is totally an animal of the Congress. It’s a resolution. The House passes it, the Senate passes it, we conference it, we reach agreement, we pass it again and that’s it. The President doesn’t sign it. The President really doesn’t have a role other than that, under the terms of the law, you’re supposed to send up his budget. But we tried, as Republicans, to follow the President’s proposals. I strongly resisted Part D and voted against it and told the President a number of times that I thought he should pay for it.

**Nelson:** What you said earlier suggests that this was a political strategy more than a policy?

**Gregg:** It was a good policy, but it was driven by the political strategy of the next election, where they wanted to say, “We did this for the seniors.” They were going to take on Social Security, which was right, and they wanted to be able to say, “We’ve done this for seniors.”

**Nelson:** I mentioned the ’02 midterm. Bush played a very active role in that campaign, more than any previous President ever had, in terms of the amount of money he raised, the number of campaign appearances. It really seemed to have been an unusual thing for a President to work that hard and then to achieve gains in congressional elections at midterm. Did you have a sense of him as a party builder, so to speak, as somebody who was helping you and your colleagues get into the majority?

**Gregg:** No, I wasn’t engaged. I wasn’t up for election and I wasn’t overly focused on it.

**Knott:** One of the criticisms that you heard of President Bush, particularly from conservatives, was that this was an administration that didn’t seem all that concerned about deficits and debt. As somebody who was in a position on the Senate Budget Committee, it was obviously a concern for you. Is that a fair criticism?

**Gregg:** You have to understand that in 2000 when he took the Presidency, the big issue wasn’t deficits. The issue was that we were running such large surpluses that Alan Greenspan would come to the Budget Committee and say, “Our big problem is we’re going to run too big a surplus, and there aren’t going to be enough Treasury notes around the world to keep the world liquid.” That was the actual testimony, so it was reasonable that he cut taxes. And in fact, it was a very smart thing to cut taxes. First we had the Internet bubble, and then we had 9/11, and the recession that followed those two events would probably have been a depression had those tax cuts not been in place. They were very good public policy, and they were done in the context of running these huge surpluses. Then we got 9/11 and the Internet bubble, and the surpluses disappeared and we ended up with a recession. It was driven mostly by the country trying to adjust to 9/11. The bubble was a big part of it, but really it was the 9/11 adjustment.
Was he attentive to deficits after that? Up until that point he didn’t have to be; he had a surplus. After that, no. The administration was controlling spending, but it wasn’t doing the big things that needed to be done to adjust entitlements, to get the long-term house in order. Now, he took a run at it and he doesn’t get credit for it, by trying to convert Social Security to a more stable structure, where you own the assets you put into it. That got pilloried and vilified by the left as being an attack on senior citizens, which happens to Republicans whenever they try to do Social Security. It’s always used as a bludgeon by the Democratic Party. So he picked the wrong topic to get into. The big dragger on deficits is health care. He should have done a major health-care-reform/Medicare-reform initiative, but he had a few other things on his plate. Specifically, we were at war in two places and all over the world. This was not a domestic agenda-driven Presidency after 9/11, and the war costs were not going to be paid for or offset. I suggested they be offset a couple of times, but nobody was about to do that because we were at war. So I don’t begrudge where we were on the deficits. When he left office, the deficit was $450 billion. That’s not a big number compared to where we’ve been for the last six, eight years. It was less than 2 percent of GDP [gross domestic product]. Of course it spiked radically with the bank crisis.

**Nelson:** I guess it was after the midterm that Strom Thurmond has his 100th birthday and Trent Lott makes comments that eventually lead to him being replaced as Republican leader. Could you talk about that, and how you perceived what was going on from your vantage point in the Senate?

**Gregg:** From 1994 on, I was in the leadership as an unelected member of the leadership. I was initially in the leadership as Chief Deputy Whip for Trent, who was the Whip. He beat Alan Simpson by one vote. After Trent became leader he made me—He called me his contrarian, but basically I was there to give thoughts outside the box to the otherwise elected Members. [Bill] Frist kept me on in the same role because we were very close friends, and Mitch [Addison McConnell] kept me on in the same role.

**Nelson:** What was the role?

**Gregg:** It was a nonexistent role of what you might call consigliere. My basic job was to go to the leadership meetings, which involved about eight people, and shake them up with some thoughts that they hadn’t considered. I did that with great relish.

**Nelson:** For example?

**Gregg:** I would suggest tactics that maybe somebody hadn’t thought about. But I did it well enough that people kept me around. I wasn’t that close to Mitch and he still kept me around. I became very close to him, probably his best friend in the Senate. The Trent situation came out of the blue.

**Nelson:** Did you think he had been a very good leader?

**Gregg:** He’s superb, he was incredible. He is so Southern; he knows how to make people feel good while he’s—and he always had six more agendas than anybody else even knew about. He ran circles around everybody and still does. He’s probably the best lobbyist in Washington. In the House, I’d been his Chief Deputy Whip, so we were pretty close friends. Then, that event, I don’t remember how it came onto my radar. I remember being a little surprised about it, because
I thought what he said at the birthday party was “Gee, it would be great if he’d been President,” or something like that. It really seemed like it wasn’t over the top, but I don’t remember what it was. I guess he was running as a Dixiecrat, on the segregationist ticket, or something like that.

Nelson: It struck me as over-the-top praise.

Gregg: Yes, it was typical Trent Lott. He always made everybody feel like they were a man for all seasons. He would tell Joe Schmo that he was the greatest baseball player in history. It’s just Trent, it was just Southern. Anyway, the national press, especially the mainstream national press, does not like Republicans, and they saw an opening to vilify Trent and they did. And maybe he gave them the opening. I never followed up on what the actual language was, but Trent was in Pascagoula and clearly he did not get on it fast enough. Maybe he was in Florida and he came up to Pascagoula, but he didn’t get on it fast enough. Those are the issues that move very quickly, they’re wildfires, you have to put them out. You have to get to the press, you have to do a public event, you have to reform that debate, and he didn’t do it. The press went wild and everybody was calling him a racist, and Trent is just the opposite. He built his career by building up the African American community, and Mississippi has been an incredible benefactor of thousands and thousands of people. It went totally out of control and his effectiveness as leader was seriously damaged. Whether it could be restored was doubtful. Actually, I was the guy who called him and said, “Trent, you’re going to have to suck it up and step down.”

Nelson: And had you had any conversations with President Bush or people in the White House?

Gregg: [REDACTEDTEXT]

Nelson: [REDACTEDTEXT]

Gregg: [REDACTEDTEXT]

Nelson: Was it clear that Frist would be the new leader?

Gregg: No. [Donald] Nickles wanted to be the leader and would have been, but Nickles jumped on Trent too early. Nickles came out of the box and said publicly that he should resign and that really pissed Trent off. Nickles was number two, he was the Whip, and he was very popular, a very talented guy. Then John Warner, who was sort of the godfather of the caucus, stepped forward. He didn’t say outright that Nickles couldn’t have the job, but he essentially did. He said, “Let’s go find somebody else,” and he picked Frist. And Warner built the momentum for him. Frist was well liked, well respected, and had done some pretty interesting things with his life, but also as a Senator. And even though he was very new to the job, there was a consensus immediately built around him. Nickles backed out, said he wouldn’t run for the job. I think he stayed as Whip, because he knew he couldn’t get the job now that he’d said publicly that Trent shouldn’t have the job. It was very surprising that Nickles said that, because all he had to do was sit there and wait. Nickles was much smarter than that. So Frist took the job.
Nelson: This is all happening in the span of a few days, and yet the fact that Lott was a little too slow to get on top of it, and Nickles was a little too quick to—The timing seems to have really shaped what you’re describing as the flow of events.

Gregg: Absolutely. If Trent had handled this correctly, he would still have been leader. He couldn’t have put it to bed, but he could have muted it enough so that the people who were calling for his scalp wouldn’t have been successful in damaging the party. They would have just been seen as partisan. But it became a bipartisan event—a jumping on—and once it went bipartisan, it went viral. There was no way Trent was going to survive it, and that’s what I told him.

Nelson: This is getting ahead of the game chronologically, but this was part of the problem that President Bush had with Katrina, right? It just seemed a little slow.

Gregg: Katrina is totally different. Trent’s failures were minuscule compared to the administration’s failures in Katrina, and stunning because—if you want to get into Katrina?

Nelson: Go ahead.

Gregg: Stunning, because Bush had been a Governor. The number one rule as a Governor is when you have a physical crisis—a flood, a fire, a major violent event—you go personally to the site. You show up, you take charge, you show the people that you’re compassionate for the people who were harmed, and you’re going to go after the people who are doing the bad things, if that’s the case. That’s rule number one as Governor. You learn it the first time you have a prison riot or the first time you have a flood, and he had to have learned that. He should have said, “Put this plane down right now. I’m going in there and I want the 101st [Airborne] with me.” That’s what he should have said, and I don’t know why he didn’t. I’ve never talked to him about it. I’m sure he was being told by the Secret Service and all these other purveyors of security that he couldn’t go in or that he would have slowed down the process of getting relief there. That may or may not be true, but that didn’t matter. He was President and he should have gone. He knows that, I’m sure. It was the biggest mistake of his Presidency.

Nelson: He has the Governor of Louisiana saying, “I don’t want you to federalize the National Guard.” He has [Donald] Rumsfeld saying, “I don’t want you doing this.”

Gregg: He sent in the 101st finally.

Nelson: Finally.

Gregg: He should have taken them in the next day. He should have been landing helicopters with supplies in that stadium, and he should have been on the first helicopter. That’s how I would have approached it, and it surprises me that as a Governor he didn’t. I could see a Senator not understanding that, but a Governor, rule number one: go to the crisis.

Knott: You didn’t reach out to him at this time?
Gregg: No. I was not here, unfortunately; I was in Europe. Had I been here, I don’t know whether I would have or not. I like to think I would have called him and said, “Listen, you have to get down there now,” but I’m not sure.

Nelson: He talked about Social Security in 2000. He didn’t really talk much about it in 2004. Did that affect his ability to bring about Social Security reform?

Gregg: By that time, the ability to do Social Security reform the way he wanted to do it was lost. To move to what were pejoratively called private accounts would have meant you would have gotten to keep the money that you sent to Social Security and it wouldn’t have been spent for the day-to-day operation of the government, which is what happens today. Every dollar that goes in gets spent on government operations. All Social Security has is an IOU [I owe you] for our kids, which they have to pay taxes to pay off. You needed a huge pile of money for transition to that type of program. That pile of money didn’t exist after the recession, driven by 9/11 and the bubble breaking, so you couldn’t do that transition any longer.

Nelson: When could he have done it?


Nelson: So the mistake was timing?

Gregg: The inability to do the actual proposal. You couldn’t score, we never scored. It would have scored as a massive increase in the deficit.

Nelson: When he proposed it as this big out-of-the-box item, and in the second term, did you think he was on a wild goose chase?

Gregg: I thought it was politically naïve and substantively right. The first time I ran for reelection after I was elected to the House, I had a chance to play golf with Tip [Thomas P.] O’Neill, who was Speaker of the House, down on the Cape. He didn’t know who I was, didn’t know my name—didn’t know I was in the Congress, for all intents and purposes—but a friend had set up this match. So about the 17th hole, I got up the courage to ask him a question. I said, “Mister Speaker, what are we going to hear about in the next election?” He said, “You’re going to hear about about three things, son. Social Security, Social Security, and Social Security.” And that’s been the template for electing Democrats for as long as I’ve been in politics and it still is, demagoguing the issue of Social Security, scaring seniors, and not telling them the truth about how totally—There is no trust fund, and what we’re doing is borrowing from our kids’ future, and the whole thing is going broke by 2030.

Knott: Could we talk about the Iraq War and the run-up to the Iraq War? Your recollections of the debates and your position on the issue?

Gregg: Like everybody else in the Senate, I was very engaged in the Senate in trying to figure out what was going on. The case against Saddam Hussein having nuclear weapons, or building a nuclear weapon, was pretty sketchy. They would show us pipes and things, but he had used at least chemical and maybe biological weapons against Iran, so it was pretty obvious he had that
I was very much committed to the Afghan initiative. My view of fighting terrorism was and still is that you find them where they are and you attack them. You cause them so much harm that the people who support them don’t want to back them. I actually thought John Kerry had it right. He had this over-the-horizon philosophy, where you come in, you find where they are, and you attack, and then you go back over the horizon, but you leave a message that you’re coming back if they start again. I thought nation building was a mistake. People said we weren’t going to get into it, but we did, and that was our big mistake. The Bush Doctrine was absolutely right: find the terrorists, bring them to justice where they are, and if a country supports the terrorists, they become our enemy too. But the corollary to the Bush Doctrine, which became Iraq and Iran, was nation building, which didn’t work. First, some of them are not nations, and second, they don’t adjust to Western values as a way of governance.

Nelson: So was the mistake in Iraq the invasion, or was it trying to make things right after the invasion, or not trying hard enough after the invasion?

Gregg: There are easy ways to Monday-morning quarterback, and you could argue that the mistake was that we stayed around, that we should have left, that we should have partitioned the country. There are all sorts of things you could say you could have done differently. The initial attack I supported. In retrospect, the way it was handled, we made big mistakes. It was hard not to support the initial attack with the information we were getting from intelligence agencies. That probably would have been a violation of your obligation to protect the United States, not to support the initial attack.

Knott: So the idea that Bush lied and people died, that’s not what you were—? You were hearing the same information that he was.

Gregg: Anybody who says that is a revisionist teacher at Harvard.

Nelson: You mentioned John Kerry, and maybe that should take us to 2004, because once again you’re the Democratic proxy in debate prep. Could you talk about that experience?

Gregg: This was much more casual than Gore, for the very simple reason that you didn’t have to educate the President on anything. He knew who he was, he knew what his Presidency was about, he knew all the issues. My only job was to present to him what Kerry was going to say his positions were and stylistically how Kerry would handle himself.

Nelson: You knew Kerry pretty well.

Gregg: Very well. Probably not as well as I knew Gore, but I knew him very well. We maybe did three debate preps; there were very few. It wasn’t like the first time around, where we basically huddled for two days and did high-intensity discussions. It was a much more “All right, I know what I’m going to say, now you tell me what Kerry is going to say.”

Nelson: You had a take on Gore and a prediction about what he would say and how he would conduct himself. With Kerry did you do anything like that?
Gregg: Yes. I thought I had Kerry pretty well understood. I certainly studied him as hard as I studied Gore. I felt I knew him. I once told him, “I think I’ve got everything down about you, John, except your sense of humor.” He didn’t laugh.

Nelson: So what did you think?

Gregg: John is another person who is very self-absorbed and very sure of himself. He’s very smart. I think he’s more substantive than Al, in that he really knows issues. Al knew them, but he knew them off his cue cards. Kerry knew them in an ad lib way. He could talk well about almost anything extemporaneously, so he was very—I thought he was a much more dangerous debater than Gore, and he proved to be a more dangerous debater than Gore.

Nelson: Bush’s first debate, Obama’s first debate, there’s now a theory that first debates are almost intrinsically dangerous for an incumbent President, because they know the issues so well and because they don’t feel like they have to do the kind of preparation about how to handle those issues in a debate situation. Did you feel like they were not taking Kerry seriously enough?

Gregg: I don’t know that I’d put it in that context. They were very comfortable with where they were and what they were going to say. I think they looked beyond Kerry in the debate. They were thinking, I’m going to talk about who I am and what I’ve done and where I’m going to take this country. And this fellow I’m running against, we’ll just let him talk about whatever he wants to talk about.

Nelson: Was that a mistake in strategy, because the first debate certainly wasn’t a home run?

Gregg: No, I don’t think so. I think he was out of practice. Debating is something you need to practice. It’s like playing golf; you can’t just step up and hit the ball. He hadn’t had the on-the-ground campaign activity that he’d had in the first campaign. Nobody ever tests the President in town meetings anymore; and if they do it’s all stylized. Press conferences are one question, one follow-up, that’s it. So he was not ready in the sense that he wasn’t practiced; he was ready substantively. He just hadn’t figured out how he wanted to say things, and then Kerry caught him leading with the wrong foot and he never got back on tempo.

Nelson: Were they debating a kind of caricature of Kerry? That he would be long-winded?

Gregg: I don’t think so. I don’t think they thought about Kerry as their issue in this debate. Their issue in this debate was how the President was going to present himself on the issues of the war and what he’d done. Kerry was there as a foil to it.

Nelson: What did you think while you were watching that first debate?

Gregg: I thought we got hammered, and I thought, Jeez, we have to get a little sharper here. But he got sharp and he did it on his own. I don’t think I participated very much in getting him sharp.

Nelson: Really? There was no—

Gregg: There was another debate prep as I recall, but not the same seriousness of effort that we did with Gore. We spent a couple days at the ranch. Most of the time we talked about who would
be in the next administration, who he wanted here, who he wanted there. We’d go fishing, we’d talk. But the activity around the actual debate, when we did the mock debate—He had built a new building, and it was much more pro forma than the stuff we’d done before.

Nelson: Did you worry that he would be equally unprepared for the second debate?

Gregg: No, I didn’t.

Nelson: How come?

Gregg: Because he never makes the same mistake twice. He is myopic about straightening out things where he knows he hasn’t done well. I had total confidence that he’d right the ship and get back to being himself. That’s what he needed to do, get back to being himself. He was all tensed up in that first debate, it wasn’t him.


Gregg: Edwards was on the HELP Committee with me and I’d dealt with him. I found him to be a total demagogue, a person with absolutely no ethical values or moral integrity, a rare exception in the Senate, actually. Totally untrustworthy as a person to deal with on issues. He took credit for things he knew nothing about and had nothing to do with. I really disliked him as a Senator.

Nelson: So you were surprised when he was selected?

Gregg: No, not at all. He had made his case, and he’s right out of that school of populist demagogues that this country has produced year in and year out. We have one running in our party right now called Ted [Rafael] Cruz. They fool a lot of the people a lot of the time, and he’s one of them. Huey Long, Joe McCarthy, they’re all cut from the same cloth. People of very low ethics who will say whatever it takes to get elected and they know how to say it in a way that resonates with people, who trust everybody has a better nature. I really disliked John Edwards and had a fair number of run-ins with him.

Knott: Policy disputes?

Gregg: Policy mostly, but also just the way he handled things. He would literally take credit, from other Senators, for things he had nothing to do with. An unethical guy, a cavalier in the worst sense.

Nelson: I’m trying to think of the last Senator who ran for national office who had the enthusiastic respect and support of his colleagues. Dole, I guess.

Gregg: Yes, Dole. A lot of people have a lot of respect for Rand Paul right now and for Lindsey Graham, certainly. I wasn’t there at the time, but I think Birch Bayh, Howard Baker.


Gregg: Ted Kennedy, yes, highly regarded by his peers.
Nelson: None of these folks ended up getting nominated.

Gregg: John Kerry is well liked; he got the nomination. John had a big ego, but he was a highly respected Member of the Senate and a substantive guy. John Kerry would call me up and ask me questions about the budget. That’s pretty startling. I’m the Republican Chairman of Budget, and he’d call me up and say, “Tell me how this works.”

Nelson: We had another suspenseful election night in ’04, mostly because of those early exit polls that seemed to show Kerry winning everywhere. Were you following that on election night?

Gregg: No.

Nelson: Did it turn out the way you expected?

Gregg: I always thought Bush would win easily. It was a lot closer than I thought.

Nelson: We’re near the end of the first term and this is a broad question, take it however you want. Over the course of the first term, who were the people in the Bush administration that you found to be most impressive and, maybe in contrast, least suited to their job or least able to work with others?

Gregg: He came in with a superb team of people. You watch Presidents and most of them come in with superb teams, and then it narrows radically as the Presidency moves on. Have you noticed that? I’ve found that to be consistent and the Presidencies tend to narrow their sources of information and the people they have confidence in. I’ve thought a lot about why that happens. I think it’s because every day so many people come through the door of that office and start telling you what you should do or what you’re doing right and what you’re doing wrong. After a while you get tired of it, and you start listening to fewer and fewer people. But like Reagan, like [Barack] Obama, Bush came in with a first-class team of people around him, really talented, and I respected them all, with the exception maybe of [Paul] O’Neill at Treasury, whom I dealt with. He thought he was the President. But other than that, I found the Bush team to be very talented, especially when you got to the operational people like Nick Calio and Margaret Spellings. And who was OMB [Office of Management and Budget] at the time, Bolten?

Nelson: Josh Bolten.

Gregg: Those types of folks were truly substantive. And of course Karen Hughes was exceptional in my opinion, as were Rove, Card, and then he had Colin Powell and Condi Rice. There were a lot of superb people around him.

Nelson: Rumsfeld, Cheney.

Gregg: Rumsfeld, yes. Cheney. These are talents. You may not agree with them all the time, but you respect them for being serious people who know how to govern.

Nelson: What about the tensions within that foreign policy group, Rumsfeld, Powell, Rice?
Gregg: I had no dealings with that.

Nelson: But this general pattern you described, did you see this happening during Bush’s first term?

Gregg: No, during the second term. All these people started to drop off. Having Karen Hughes go back to Texas was a huge blow to how that White House handled its image and its persona. She had an intuitive ability to see problems before they happened, handle them well, get the message right, do it effectively. That was a big loss.

Nelson: Can you give an example of that?

Gregg: Just everything, she just was good.

Nelson: She was gone—

Gregg: She was gone very early, because her son, Robert, didn’t like Washington. Bush kept his group functioning, but by the end it was down to a few, as with every President, I suspect.

Knott: How influential was Laura Bush?

Gregg: She makes a conscious effort to look like she’s not participating in policy, that she’s just sitting back doing those issues she’s interested in. My knowledge is that she knows everything that’s going on and gives very good, thoughtful advice, especially, interestingly enough, on politics, who’s running for what. She was very attentive to those issues. She still is, actually. She’s a quiet Southern voice. She made a point of always calling him Mr. President. Even having dinner with just the four of us, it would be “Mr. President.”

Nelson: Really? Interesting. Vice President Cheney during that first term especially is emerging as a very different kind of Vice President, more influential—how influential is a big question—not interested in a further political career. You talked about the Presidency. Could you talk about the Vice Presidency?

Gregg: Dick Cheney had a lot of friends on the Hill, and he came to every Republican policy lunch, every one.


Gregg: On the Senate side. That I can remember. If he was out of the country he wasn’t there, but other than that he was always at the policy lunch. He would sit quietly, rarely said anything. Once or twice, on really big issues, usually national intelligence issues, he might say something. But he was there for Members to talk to and communicate with and express their angst, their anger, their disappointment, or their feelings of success relative to the administration’s positions. I thought that was incredibly effective for the President, to have that happen.

Nelson: Your colleagues felt that they could—

Gregg: They had direct access to the Vice President every Tuesday at noon.
Nelson: And through him to the President?

Gregg: That was presumed, and I presumed that’s true, if he felt it was valid.

Nelson: Can you think of a time when you talked with the Vice President in that way?

Gregg: No, I never did. I used to talk to him, but I never actually—I might have said something about Part D premiums not being paid for, but I don’t think so.

Nelson: Both he and President Bush, in their memoirs, say that there was some thought to putting somebody else on the ticket in ’04, that Cheney essentially volunteered and Bush took him up on it to the point of thinking about it.

Gregg: I had no input on that.

Knott: There was a highly publicized incident involving the Vice President and Senator [Patrick] Leahy. The Vice President told the Senator to eff off, or something to that effect.

Gregg: That was pretty funny. I wasn’t on the floor at the time. I arrived on the floor a few minutes later and everybody was talking about it. There was a buzz, “The Vice President came down on Leahy—” It’s entertaining, it’s good politics, that’s the way politics should be. There should be a little venting on occasion when you think you’ve been—I certainly did it on occasion and other people did it to me. I don’t see it as bad and I think it’s probably part of the process of a democracy. You move on.

Knott: What are the qualities that go into making someone an effective United States Senator?

Gregg: First, you have to gain the respect of your colleagues, that you’re honest and that your word is your bond, that when you say something, you’ll do it. If you ever don’t fulfill a commitment, you’re in serious trouble. Second, you have to be extremely knowledgeable on the issues where you have taken possession. You can’t be on all issues, so the good Senators are really good on their issues, like McCain, for example, on national defense and international policy. If I have an issue on national defense or international policy, I’m going to listen to what John McCain says, because I know he knows it and I know he thinks somewhat as I do on those issues. You have to know the floor rules to be good as a Senator. The rules are arcane; they’re not written in many instances. You have to know how to protect yourself on the floor and how to eviscerate your opposition using the rules, and it doesn’t come easily. It takes a lot of study, but once you really know the rules, then people don’t mess with you on the floor, and they don’t try to game you with amendments and procedural things. It’s very important to know the rules, but the most important thing is personal integrity and substantiveness.

Nelson: It sounds like the difference between a workhorse and a show horse.

Gregg: Some show horses had that same—Nobody was better at substance and integrity and knowing the rules than Ted Kennedy, and he was the ultimate show horse. Bob Byrd falls into that category, and McCain is a show horse too. So there are some who are able to also carry the public persona, but a lot of the really good Senators you don’t hear too much about.
Nelson: New Hampshire was one of three states that switched in 2000, in 2004.

Gregg: I thought it was the only one.

Nelson: I think there were two or three. I think Iowa was one, and some other state switched the other way. Could you talk about your role in New Hampshire in ’04?

Gregg: We were going to lose New Hampshire because New Hampshire was vehemently anti the war. We got destroyed as a party up here for two elections in a row, purely on the issue of the war.

Nelson: And Kerry is from Massachusetts.

Gregg: It wasn’t Kerry; it was the war. The state was very supportive, very patriotic. When troops went, people supported them. When the National Guard and everybody went, people were there for them. When troops died, everybody went and tried to be helpful to the families, but there was real antagonism in New Hampshire toward the war, and it cost us. The House of Representatives, for the first time in a hundred years, went Democratic on the war issue.

Knott: Is that right? Wow!

Gregg: We lost county offices on that issue. People voted straight Democratic.

Knott: It was strictly the war, or was it also some of the—Was it Abu Ghraib and Guantanamo?

Gregg: I’m sure you can add those in, but it was really that people strongly opposed the war. All that stuff is part of the mix.

Nelson: The second term, we’re ready for that. You mentioned earlier your involvement in the reconciliation process, in a way that you thought made a difference. Is that the 2005—?

Gregg: The 2005 budget, 2006 bill?

Nelson: Yes. Could you talk about that process?

Gregg: It was the first time that the budget—To use reconciliation, you have to have a President of your party and both houses, and you have to be willing to take on entitlements. Nobody’s ever used it, because having those factors all together is very rare. It was a very tough situation for a vote, but I felt very strongly, as did the leadership, that we needed to get some control over our spending and the debt. The issue was whether you could use reconciliation, which was designed to adjust entitlement programs, and what we tried to change was the Medicare Program. The initial savings were going to be $80 billion. That was the reconciliation structure.

Nelson: Over ten years?

Gregg: Yes.

Nelson: From where? How do you save $80 billion? Is that $80 billion from the projected increase?
Gregg: Right. Basically, it would have been less than a 1 percent reduction in the rate of growth of Medicare, or maybe it was 2 percent. It was a very small amount.

Nelson: Where would it come from in Medicare?

Gregg: That was up to the authorizing committees. All the budget did is say that you, Finance Committee, must find $80 billion of savings in Medicare, Medicaid, or other entitlement programs. We may have assigned some to Agriculture too. But we never got the $80 billion, because Republicans revolted against it, because, of course, the special-interest lobby led by AARP [American Association of Retired Persons] was torching Republicans, and you had a bunch of Republicans who came from reasonably moderate states, where they were just getting killed. Gordon Smith would be an example, from Oregon, Olympia, Susan. These folks just didn’t want to make that vote, so by the time we ended, we were down to $35 billion or $38 billion in reconciliation directions, which is the first time it had been done since probably the 1980s. Reconciliation had gone through a lot of mutations, but this was the first real reconciliation bill directed at adjusting entitlement spending so you would reduce spending. It came down to a tie vote, and Cheney had to be brought up to break the vote, to pass it.

Nelson: A lot of people look at the reconciliation process as having enormous potential, because you don’t need 60 votes; you can do it with 51 votes.

Gregg: I wrote a piece for the Wall Street Journal that pretty much debunked that idea.

Nelson: If you’ll repeat yourself for us.

Gregg: Reconciliation is a vehicle that by definition is an extraordinarily partisan event, because it means you’re going to jam the other side. To do it, you have to have the Presidency and both houses, and you have to have the capacity to pass the reconciled event, which means you have to have 60 votes in the Senate. The budget can pass with 51 votes, but the actual law that changes has to get 60 votes. It’s a huge lift to pull off, and there are very few fact items that will allow you to adjust big programs like Medicare, Social Security, Medicaid, or taxes in a way that’s totally partisan. Because Americans require, as almost an entry-level test for those big programs to be adjusted, that the adjustments be seen as fair, and fairness is defined as bipartisanship in our society. If you’re going to ram through a partisan event, you’re not bipartisan.

That’s probably the single thing that damaged Obamacare the most. They rammed it through in a partisan way, so you had pretty much half the country thinking, We just got it tucked to us; this wasn’t fair. And no matter how good certain elements of Obamacare might have been—and there were a few good things, I know most of it was a disaster, but—it had no credibility, and no credibility in the marketplace of public ideas because it had been jammed. You can do that in a parliamentary system, but in our system, which is built on checks and balances, any big issue has to be dealt with bipartisanly.

So reconciliation doesn’t have all the firepower. The way I described it, it’s like playing Russian roulette with a fully loaded gun. Unless you control all the levers, and even then it’s a very dangerous exercise, because for Republicans you’re taking on things where we’re inherently suspect anyway—entitlement programs for seniors, we’ve always gotten beaten up on those: Social Security, Medicare, and Medicaid. You start taking those on in a partisan way and you’re
in trouble. Simpson-[Erskine] Bowles [National Commission on Fiscal Responsibility and Reform] did it the right way. That was a bipartisan effort and it adjusted these major programs, especially Social Security, but because it was bipartisan, everybody was protected. You have to have everybody hold hands and jump off the cliff together on these things.

**Nelson:** But your use of reconciliation ended up triggering a partisan division, right?

**Gregg:** Very much partisan, we lost a couple Senators over it. Gordon Smith. He voted against it and he still lost.

**Nelson:** In accomplishing reductions through reconciliation, was your success proven out?

**Gregg:** It was a Pyrrhic victory. We lost more than we won, and we hardly even changed the programs that needed to be adjusted significantly. There are ways to fix Medicare, and I’m spending a lot of time working on that right now through the Fix the Debt group and the Dartmouth [Institute] group that I work with. You can get consensus around it, where you deliver better quality at lower cost, by changing the way you reimburse and incentivizing it differently. You can’t come at it with a sledgehammer of partisan policy. We did it and we passed it, but we didn’t get much for it.

**Nelson:** With the second term, I’m really intrigued by your comment earlier about how the range of people the President spends time with narrows and the caliber of the people as well.

**Gregg:** The caliber in his case didn’t narrow, but the number of people who had caliber narrowed. The number of people walking into the Oval Office who were true talents was fewer, although the people who were still walking in were very talented. Talk about caliber, he radically increased the caliber in the Treasury Department when he brought in Hank Paulson. That was like bringing in Babe [George] Ruth. So I don’t think caliber went down. It’s just the number of people you listen to as a President starts to narrow, and you start listening to three or four people instead of five or six people. Margaret Spellings wasn’t there. She was over at the Department of Education, but she wasn’t in the room. There’s that famous saying by Stuart Stevens, “If you’re not in the room, you’re not in the campaign.” If you’re not in the briefing room, you’re not in the Presidency. And the people around him in that briefing room, every President gets narrower. This President is now down to one person, it looks like.

**Nelson:** Who’s that?

**Gregg:** Valerie Jarrett.

**Nelson:** Why do you think that happens?

**Gregg:** Presidents get tired of having everybody walking in that door telling them how to run the country and what they’re doing wrong. They get tired of the constant berating and instruction and second-guessing. They figure they’ll do the job on their own.

**Nelson:** So they’d rather be with people who will not tell them things that will upset them?
Gregg: No, I don’t think the people they keep don’t tell them. I think they have many fewer people who question what they’re thinking or where they’re going. After a while, a President thinks he knows how to do the job.

Nelson: Were you paying attention at all to the Supreme Court appointments?

Gregg: Not much.

Nelson: Or the general controversy over judicial confirmations?

Gregg: I was very involved in the nuclear option.

Nelson: Could you talk about that?

Gregg: That was a huge issue when Frist was leader, as to whether we’d go to the nuclear option. I very much opposed it. I thought it would do violence to the purpose of the Senate, and it did when the Democrats went that way. The fundamental purpose of the Senate is to protect the right of the minority to have a voice and to get amendments up and then to lose. There’s no place else in our system where the minority has a voice. Actually, the Senate grew out of the fact that the small states didn’t want to be rolled by the big states, the Connecticut Compromise. And now it’s evolved into the place where the minority gets to say what they want to say, amend bills the way they want to amend them, and then it gets beaten if the majority is any good.

The filibuster rule is critical to the importance of protecting the right of the minority to get its say, whether it’s on appointments or on legislative activity, because otherwise you end up with a 51-vote house and you might as well be the House of Representatives. I very strongly opposed it. It was hotly debated in leadership meetings for months. Came very close to doing it. The reason we didn’t do it in the end was because Ted Stevens, who was the Senator pro tempore and would have had to make the ruling, when the challenge was made to the rules, said he wouldn’t do it.

Nelson: Why would he have been in the chair instead of the Vice President?

Gregg: It would have been done with a Senator pro tempore in the chair. They would have put Ted in the chair. They would not have had the Vice President in the chair for something like this. When you’re playing parliamentary games, you put your Senator pro tempore. We eviscerated the rule on amending appropriations bills by mistake. Kay Bailey Hutchison challenged the ruling of the Chair. She wanted to put authorizing language on an appropriating bill. You can’t do that. She challenged the ruling of the Chair—It was popular enough language, so she won—and the rules were suddenly changed. That screwed up the whole appropriating process because everybody could now amend appropriating bills with authorizing language, and that caused chaos.

Trent and I decided we had to fix it, so we went to Fritz [Ernest] Hollings, who was my ranking and a fairly thoughtful and substantive guy, and we said, “We’re going to throw a little amendment in here, and we’re going to challenge the rule. We’re going to have the Chair uphold the amendment as being out of order.” And we put Ted in the chair and we changed the rule back. Nobody knew it happened until it was over.
Nelson: But if the Vice President shows up and says—and presumably, this would have been the strategy, right, for the nuclear option?

Gregg: I don’t think we would have used the Vice President. I don’t think we would have put him in that position, and we didn’t need him.

Nelson: Explain that.

Gregg: Because the way you do the nuclear option is you challenge the ruling of the Chair that it takes 67 votes to change the rules of the Senate, with a 51-vote challenge to the Chair. We had 51 votes, so all we needed was for the Chair to rule that it took 67 votes. You challenge the ruling of the Chair, you get 51 votes, the ruling is gone, it’s now a 51-vote event.

Nelson: Did we talk enough about Katrina? The point you made about Katrina was that it was a mistake for the President not to go there.

Gregg: The worst picture of his Presidency was him looking out of the plane down at New Orleans. You have that picture of Jimmy Carter running up the hill in the marathon he ran in and he looked like he was going to die, and you have the picture of Jerry Ford stumbling coming down the plane steps, and then you have this picture of the President looking out of the—Those are memorable. Those are visual things that freeze in people’s minds.

Nelson: President Clinton hugging Monica Lewinsky on the rope line?

Gregg: Yes. She’s Monica Lewinsky.

Nelson: Was there any way that the President could have recovered from that?

Gregg: Yes. If he’d landed in Washington and somebody had come up and said, “No, we’re going back.”

Nelson: So once he didn’t go there—

Gregg: He should have been physically on the ground there. And I’m sure he was told by all the people around him, “We’re just going to mess up the relief package; we can’t give you the security you need.” When I was Governor of New Hampshire and I had things like that, they told me the same thing.

We had a terrible storm over here where four people died in what amounted to a tornado that came through, which is very unusual for us. I went over and everybody was saying that I was in the way. I went back to my house, got my chainsaw, and came over and started cutting up trees. That’s what you do. I started clearing people’s driveways.

Nelson: Midterm election, Democrats take over in ’06. How did that change the relationship between the Senate and the President?

Gregg: With Harry Reid it became very antagonistic very quickly, and we went into a holding pattern on the domestic agenda.
**Knott:** You saw 2006 coming; it came as no surprise.

**Gregg:** Not in New Hampshire it didn’t. We knew we were in trouble up here.

**Knott:** Any involvement on your part, in terms of Iraq is going south and the President opts for this surge strategy?

**Gregg:** I honestly didn’t understand it. I remember thinking, *Gosh, I hope [David] Petraeus knows what he’s doing, because I just don’t understand it.*

**Knott:** What would your advice have been?

**Gregg:** I wouldn’t have given advice. This was something that was totally military, and I didn’t understand all the dynamics. I had been to Iraq, but to claim that I understood what was going on there, with all the different factions—I relied on people who I thought knew what they were doing, and I certainly had great respect for Petraeus.

**Knott:** And you’re still supporting the war at this point?

**Gregg:** No. If I had to second-guess, I’d say we shouldn’t have gone to war in Iraq. We should have gone in and probably eliminated Mr. Hussein and then moved on, not tried to nation-build at all. I think the same of Afghanistan. Ten years from now, Afghanistan will be a disaster. I do think one thing Kerry got right in retrospect was the over-the-horizon approach, but you have to be willing to find the people, and that means you have to have a robust intelligence capability. Unfortunately President Obama has really undermined our intelligence capability in his first four years. He’s starting to build it back up, and now you have the Congress undermining it with the debate over NSA [National Security Agency].

**Nelson:** I want to get us to a series of events that you played a major role in, and that was the financial crisis, but before that, could I just touch on immigration reform. Was that a lost opportunity?

**Gregg:** I was very involved in rebuilding the border patrol capability. I chaired the committee that had funding, and we poured huge amounts of money into that. I was not involved in the issue of how to handle the illegal immigrants who are here until the Obama administration, where I’ve been very outspoken in supporting Marco Rubio’s approach and Jeb Bush’s approach. It was really Kennedy and McCain who that did that bill. I would presumably have been in support of it, I can’t remember. But I thought the first thing we had to do to get credibility was secure the borders in a way that the American people appreciated that nobody else was going to come in illegally if we dealt with the people who were already here. We poured huge amounts of money into border security and obviously it hasn’t worked, even though we’ve quadrupled the size of the border patrol.

**Nelson:** Financial crisis?

**Gregg:** That was as big an event in my political career as anything, from a standpoint of—Maybe being Governor I had more crises, but they weren’t as pervasive as a national crisis. Certainly, New Hampshire went through a deeper crisis when I was Governor.
I got drawn into it. I’d been saying for a while, at our leadership meetings and in the conference, that we were headed into a very severe fiscal situation. I’d been pointing out in the conference and in leadership meetings that we needed to get ready for the fact that we were going to have a very significant disruption in our financial situation. This was in May, June, and July.

**Nelson:** What were you seeing that your colleagues weren’t seeing yet?

**Gregg:** I paid more attention to this as Chairman of the Budget Committee than my colleagues did. I was getting constant input from folks who were on the front lines in the financial industry that things were not comfortable. We’d had Bear Stearns [Companies]. You could see that there was serious financial disruption, not of the nature that came, I never saw that, but that something bad was going to happen. We were going to have a definite downturn of some sort. I didn’t think it would be cataclysmic the way it was, but I certainly was warning people that we needed to get our house in order financially, so the fiscal policy was set to handle a financial downturn in revenues. I’m not talking about the banks; I’m talking about federal revenues.

I’d become a voice on the issue, and then when it came, I wasn’t on the Banking Committee. Paulson wanted this chunk of money with the ability to use it as he dealt with what was a lot of buildings on fire. He went up to meet with the House and [Nancy] Pelosi and made this proposal on a Saturday or Sunday, and then they started negotiations on how they would structure this. The negotiations sort of flopped along for that week, and then on Thursday morning there was to be a negotiation session. Mitch called me and said, “I want you to go in and straighten this out.”

**Nelson:** Mitch McConnell?

**Gregg:** Yes. He said, “We have all sorts of issues on our side, nobody’s coherent. Go in there and try to get this under control.” So I went in and it was me and Bob Bennett and [Richard C.] Shelby from our side. [Bob] Corker may have been there, but I don’t think so. No, he wasn’t there. On the other side were Barney [Frank], Chris Dodd, [Dick] Durbin, [Charles] Schumer, and a panoply of people. The House had Spence Bachus there. This negotiation took place in the Foreign Relations Room, and there were some agreements on how we would go about setting the table for how we’d go about getting a bigger agreement. We walked out of the room and Bennett, for reasons I’ve never understood, took the microphone—I was just standing in the back—and started talking about how an agreement had been reached.

**Nelson:** Do you mean saying this publicly?

**Gregg:** Yes, and all the people were standing around. He said, “An agreement has been reached,” and there had been no agreement. There had been an agreement as to how to get to an agreement. McCain and Obama had both suspended their campaigns to come back to Washington to work on the issue. I hope I’m getting the sequence right. I’m not absolutely sure I am. So we had Thursday lunch, Republicans, and we were supposed to report at that time as to what had gone on. Shelby would have done the report, because Shelby was ranking on Banking, but all of us were supposed to speak. McCain comes storming into the meeting with Lindsey Graham, who’s his alter ego, and he starts berating the entire caucus about “How did you reach an agreement without me in the room? How can an agreement have been reached? This is inexcusable! It undermines my campaign for Presidency. I’m not going to take this from you...
guys. You guys don’t know what you’re doing; you’re going to cost me the Presidency.” And then he slams something down and walks out of the room.

They had a meeting set up at the White House in the afternoon, with the President and the leadership of the two banking committees and the leadership of the Senate and the House, and McCain and Obama were supposed to go. That was where the agreement was supposed to be reached, and McCain was going to be shown as the great conciliator. Anyway, this all came out of Bennett’s comments, and at that point Mitch pulls me aside and said, “This isn’t working. Shelby doesn’t want to be involved in this, because he doesn’t want to have to be involved in the issue of putting up $700 billion,” or whatever we were going to put up. “It’s just not his philosophy. I want you to take charge of the negotiations. We’re not going to have any of these other guys in negotiations.” So I ended up with the ball. I didn’t go to the meeting at the White House. The meeting at the White House turned out, from reports, to be a total disaster.

**Nelson:** For McCain.

**Gregg:** For McCain, yes.

**Nelson:** And otherwise?

**Gregg:** It was reported as being chaotic and that everybody jumped on McCain and McCain jumped on everybody else. But that night I was downtown with Kathy. We were at a black-tie dinner, which I rarely go to and always dislike, and around nine o’clock Mitch calls me and says, “I need you up here in 15 minutes.” I thought, *That’s great, I’m getting out of this dinner.* So I go up to the Capitol, still in black tie, and we were sitting in S-219, which is right off the Senate floor. It’s Chris Dodd, Kent Conrad, Schumer, Barney, Spencer Bachus, and me, and Reid comes in with McConnell. Reid says, “In about five minutes, the Chairman will be here, along with the Secretary of Treasury, and you need to listen to what they’re going to say.” They walk out of the room.

**Nelson:** The Chairman of the Fed [Federal Reserve]?

**Gregg:** The Fed. About five minutes later [Ben] Bernanke and Paulson come in, and they have maybe two staff each with them. They sit down at the table—it’s sort of a [Edward] Harkness table, an oblong table—and there was no introductory comment. Bernanke simply said, “If you don’t give Hank Paulson what he needs within 72 hours, the entire banking system of the United States will fail. All the banks in the entire world will fail with it.” It made you think. From that moment on, there was virtually no partisan discussion. Everybody was stunned. Spencer Bachus got up and left the room. He said, “The House probably wants nothing to do with this.”

**Nelson:** That sounds like partisanship.

**Gregg:** That was their philosophy. It wasn’t partisan. They just philosophically did not want to be doling out hundreds of billions of dollars, period, especially to banks. From that moment on, we negotiated continually—all night, all day. Paulson had told us if we didn’t have an agreement by Sunday afternoon, when the Asian markets opened, that the game was over, everything went down. The negotiations were herky-jerky. If you’ve read his book you know that. You had his book in here.

Gregg: They were back and forth, up and down. Probably ten different Democratic Senators showed up to negotiate, and some of them didn’t know anything about the issue, nothing, and some of them were there to grandstand, and some of them were truly in it to get it done, like Chris. At one point, Bachus starts gratuitously berating Paulson, and I leaned over to Chris and said, “Chris, are you trying to blow this up?” He looked at me and said he hadn’t really focused. And from that point on Bachus was out of the room. Everybody who was being disruptive was out of the room, and it was basically Kent and Schumer.

Nelson: Was anybody saying, “Bernanke and Paulson are exaggerating and we shouldn’t believe that we’re—”

Gregg: No.

Nelson: So that was taken as—

Gregg: They had given us examples that were so startling you could not believe they were exaggerating. In the meeting either Bernanke or Paulson said, “Last night, one of the most successful worldwide companies in America could not move money around its franchises because no bank would trust any other bank to move money around. They won’t be able to open those franchises beginning next week if we don’t do something.” It was big stuff.

Nelson: Is their persuasiveness because of the evidence they present or because of confidence in them?

Gregg: It was almost entirely because of confidence, especially in Paulson. Everybody knew he’d been there, he’d done that. This was not a staffer. This was a guy who understood what was happening. And Bernanke, as a specialist in depressions, which is what they were saying was coming, had a lot of credibility. I think that was the reason.

So we negotiated and got down to about four core issues. How you pay compensation was a big one; restitution was a big one; how much flexibility you give the Treasury Secretary with the funds was a big one. We broke into groups and negotiated, and at about 12 o’clock at night we had almost everything wrapped up. Paulson had a heaving attack; Rahm Emanuel was representing the Speaker and he was great. She had a senior staffer, whose name I’ve forgotten, who was very disruptive to the exercise because he was really hard-over partisan. The House replaced Bachus with [Roy] Blunt, and he was very good, but he didn’t want to have his fingerprints on anything. The House Republicans had come up with some cockamamie idea about insurance. We were back and forth, meeting constantly in different rooms, and about 12 o’clock my issue was how we’d deal with the banks to get them to pay back the money. I’d made a proposal, Hank and I fleshed it out, an idea I had earlier in the day.

They’d rejected it and rejected it, but about 12 o’clock Barney got really tired. Everybody was exhausted, but he got really exhausted and he finally said about 12 o’clock, “It’s over, done. I’m not going to do this; we’re not going to reach an agreement. It’s done, we’re finished.” And I’m sitting there myself, Rahm, and Barney, outside the Speaker’s office, and I said to Rahm, “It can’t be over.” And Rahm said, “No, it can’t.” So he gets Barney and says, “Barney, let’s go
over here.” So they went in the other room, and I had not seen the Speaker all day. I guess she’d been talking with Hank, but I hadn’t seen her. They go in there for ten minutes. In ten minutes she comes out with Hank and Barney behind her. She looks at me and says, “Judd, we’re going to do this the way you want to do it, and we’re going to do it now and this deal is done.” And she closed it. I always respected her for that. Then they went down and had their big press conference.

**Nelson:** What role was President Bush playing in this, and what role was Senator Obama playing in this?

**Gregg:** Hank was keeping the President informed on an hourly, at minimum, basis, but the President was saying—at least this is what was represented to me, I got told in confidence—“You need to do what you think is right.” I also know that Hank was talking with Obama with some regularity throughout this. He wasn’t talking with McCain too much. He’d found McCain very difficult to talk to.

**Nelson:** Did you come out of this with a different opinion of Obama?

**Gregg:** Yes. I thought he’d been incredibly constructive throughout the whole effort, but the same was true of everybody in that room. It was just amazing to see our government work the way it worked. In crisis it does work. There was virtually no partisanship. There were a couple of guys who got out of control, like Bachus, but in the end there were just people trying to come up with a way to do this that they were comfortable with. It was very complicated stuff. Whether you’d have warrants, whether you would make banks pay back with interest, whether you would tax the banks, whether you would kill all the golden parachutes that were pre the event. It was complicated stuff and we had exceptional staff working on this too; they did an exceptional job.

An interesting vignette here. I asked Hank, “How did you come up with $700 billion?” He said, “I was coming up here in the car, and I was thinking $300 billion. Then I said, ‘I think I’ll go to $700 billion.'” I said, “Why?” He said, “Because I wanted to make it clear to the world that nobody could short the United States. No short sellers were going to beat us.” It was a pretty good point. He wanted to make it clear that nobody was going to short American banks because the United States is going to stand behind them. That was a brilliant strategy and what he wanted. He wanted two things: He wanted $700 billion, with maximum flexibility as to how to use it. Initially, everybody thought we were going to buy the bad assets, take them off the books, set up good banks and bad banks, the same way it had been done with the Resolution Trust authorities in the ’90s. But the thing deteriorated so fast in the next two weeks that they had to do capital infusions.

It was interesting, a couple of Democrats had said to me when I was negotiating it, “What are you doing this asset thing for?” And I said, “Because that’s where we’d done it in the past and it seems to work. You get the bad assets off the books, and the banks become solvent again.” They said, “No, we should just capitably infuse them.” Of course, they were also thinking of nationalizing them, but that was their idea and that’s where they ended up.

**Nelson:** These are vivid events in memory, but I’m thinking in a sense a bookend to 9/11, because you have this dramatic crisis and a politically unnatural pulling together, putting aside
what had been the day before partisan rancor, because the problem is so severe it’s like that’s a luxury.

Gregg: Absolutely, that’s a good description. You could say they were bookends, and they were both crises of immense proportions probably not seen in our country since World War II or the Great Depression. Those level crises, potential crises, were really staggering in the implications.

Nelson: And to have this taking place during an election campaign, which you’d think would make it harder—

Gregg: Once McCain got himself calmed down, he was constructive. For example, the House voted it down. What happened was it goes to the House on Monday, and the House is supposed to vote on it first, constitutionally. I know exactly what happened, although I haven’t discussed this with too many people. All these guys came over thinking a no vote is the best political vote on both sides of the aisle. And they’re figuring their leadership, because the leadership on both sides supported it, had the votes to pass it. So all these guys come in and they’re casting their votes, and they disappear so they can’t be found. By the time the leadership figures out what’s happened, they can’t bring the people back to correct the vote. So it loses. Then the market falls 900 points and everybody goes apoplectic and hearts stop. Then, to Harry Reid and Mitch McConnell’s great credit, they simply stay. I was in the room when this happened and I said, “We have to do something,” Chris and I both said, “We have to go,” and Harry Reid and Mitch said, “We’re going to vote on this thing now.” They brought it up, 79 Senators voted for it, passed it, and the House came back and passed it. There were some questions about whether they had the constitutional authority to do that, but they did it.

Nelson: So the fact that the Dow [Dow Jones Industrial Average] drops that much changes the political consideration.

Gregg: Radically. People started to see it was real.

Knott: You see a lot of opposition from Members of your own party, particularly in the House, I believe.

Gregg: Yes. And since then the word TARP [Troubled Asset Relief Program] has become a pejorative.

Knott: Yes, very much so.

Gregg: But it did exactly what it was supposed to do. It saved the financial industry and in the process made the taxpayers $20 or $30 billion. It was not supposed to do the auto industry.

Nelson: Where does the automobile industry bailout fit into all this?

Gregg: I was not in the room for the automobile decision. Nobody who did TARP in the original round—and when we set it up and passed it—thought the automobiles were involved. It was banking. I believe it was an inappropriate use of the funds, but it was legal. They got it to be legal. The reason the Bush White House signed on to it was they did not want GM [General Motors] and Chrysler failing in the last week of their Presidency. That’s my view of why it was
done. When Obama came in, they took what Paulson had done and increased it by an X factor and did some really inappropriate stuff, like putting the labor unions ahead of the bondholders and things like that, all using TARP funds.

But to his credit, he appointed [Timothy F.] Geithner; he continued the effort. He really handled the post–financial crisis management, which was still very dicey then, with the exception of his stimulus package, which was very poorly handled. We needed a stimulus package; we didn’t need walking-around money for every Senator who had a pet project. He handled that period very well.

[BREAK]

Knott: Mike, did you guys interview Hank Paulson?

Nelson: I didn’t. I don’t know if they’ve done Paulson or not.

Gregg: I was just saying the interviews must be fascinating.

Nelson: Bush and Clinton, and Margaret, by the way, was the one who honchoed this, created this Presidential leadership scholars program. They got 60 high-flying young professionals from around the country, and they had events at each of the four Presidential libraries in Texas and Arkansas. I was part of the Clinton event and got to know some of the folks. I heard that Paulson, who was at the George W. Bush Library, was stunningly impressive. These are sharp people.

The Dow went down to 6,500 in March. It wasn’t as if this thing didn’t take a while to play out. And I vividly remember our basketball coach at Rhodes [College], who wanted to retire. He said, “What do I do?” because nobody knew where the bottom was. So it’s Dow at 6,500; it’s his retirement money. “Do I sell now, just to keep from losing it all?” It was a terrifying time for a lot of people.

Gregg: Definitely, it was.

Nelson: And students now are young enough that they didn’t understand it when it was going on, and they didn’t feel that sense of fear, trying to re-create what a terrifying thing that was.

Gregg: The same is true with 9/11.

Nelson: I don’t think any of our folks have really talked about Camp David and the Presidency. It seems like almost an alternate universe for Presidents, to be able to leave Washington.

Gregg: It is, and especially for the Bushes, it was just great. Of course, he was totally into physical exercise, biking especially. I didn’t do mountain biking, but he had to go mountain biking. It was totally relaxed. We’d sit around a big breakfast table, a big lunch table, dinner table, whoever was there. He usually had maybe 15 guests, and the topics were always jovial.
discussions, nothing too serious. Sometimes he’d bring up something serious in a quiet setting, with three or four people together.

They have a little three-hole golf course. It’s not a golf course; they have three greens that are probably 70 yards apart, and you’d go out and play that. He would stand on the last green holding the pins, saying, “Try and hit me.” Nobody would come close.

**Knott:** The Secret Service must have loved that.

**Gregg:** It was a nice bonding experience. Condi and Kathy would head off and play tennis, and I’d go shooting with somebody. It was fun. It was a nice way to spend the weekend, to say the least.

**Nelson:** You mentioned the Secret Service in conjunction with the decision not to go to New Orleans. In the post-9/11 period, are Presidents too cocooned? Is the Secret Service prone to be too cautious, in ways that seal them off?

**Gregg:** I guess the answer is no, because if they’re wrong once it changes the world. But there’s no question, the President has no access to anyone other than a very small group of people, and he’s really a prisoner. In George W.’s situation, he’s a prisoner post being President, because there’s nobody al-Qaeda would more like to kill than George W. Bush. He doesn’t have the freedom that a Bill Clinton has.

**Nelson:** Even now?

**Gregg:** I don’t think so. They do a good job of trying to balance it. I’ve been around many times when the President does this, the President does that and they try to adjust, but their job is a very difficult job. The lone wolf, where the organized person wants to change history, all he or she has to do is kill the President. You can’t begrudge the Secret Service what they do, as much as it is a frustration, especially if he’s on the campaign trail.

**Knott:** You pointed out in the house a couple of letters and notes that you received from the President that reveal his sense of humor, including one from the State of the Union Address, where I think it says something to the effect of “Thank you for staying awake during my speech.” Could you give us any other examples of this man’s sense of humor? Just to get a feel for this person.

**Gregg:** He’s very humorous and very witty. He’s constantly cracking jokes and making fun of people in a nice way. He has a nickname for everybody.

**Knott:** Did you have a nickname?

**Gregg:** He calls me “Juddly.” I don’t know where he comes up with these names. Kathy probably would remember, because she and he are always making fun of each other for something. I’ll have to ask her.
Knott: The gap between the public image of a President who occasionally had trouble with the English language and maybe came off as a little stiff in a formal speech setting, that’s not the person you saw.

Gregg: Just the opposite. Very affable, outgoing, a very good command of language and how to use it effectively to have fun, make fun. Extremely compassionate and concerned about other people. He’ll always ask how the kids are by name, what they’re doing. He keeps up to date on them, even the grandchildren.

Knott: How do you explain that gap, or do you have any theories as to why the guy you know behind the scenes seems very different from the perception that the public had of President Bush?

Gregg: Good question. Some of it is that he’s Republican, and the mainstream media loves to caricature Republicans more aggressively than Democrats. Some of it is that he was a wartime President, and he had to feel the need to be serious so much of the time. I don’t know what the real conduit is.

Nelson: Do you have any basis for comparing him with Jeb? Did you know Jeb at all?

Gregg: No, I don’t know Jeb.

Nelson: How about with his father?

Gregg: A lot more outgoing and charismatic and hail-and-farewell type of guy than his father. His father’s got a great sense of humor too, a really funny guy, and very attentive to people who helped him. He wrote thousands of notes to everybody, including my parents. George W. is also much more philosophical, much more ideological than his father. His father was in politics for a lot of the reasons my father was in politics. They just loved the sport. They loved the sport of politics and they loved public service, whereas George W. had a very distinct ideological agenda, which unfortunately got totally sidetracked by 9/11, and then he became very ideological on the issue of fighting the war.

Nelson: This takes us way back to Bush in New Hampshire. It’s a very different state than Iowa, for example, or the entire South. There isn’t as big an evangelical Christian presence in New Hampshire as there is in the rest of the Republican Party. Is that true?

Gregg: Yes.

Nelson: And did that affect, to some extent, the fact that New Hampshire didn’t vote for Bush? They thought he was too religious or the compassionate conservative thing was too faith-based?

Gregg: No, I don’t think it had any impact at all, because he doesn’t wear it on his sleeve. He’s very deeply religious and has deep faith, but he doesn’t wear it on his sleeve, and he doesn’t expect you to agree or disagree with his faith. I don’t think people sense that he was what you might call a Christian-right Republican. He didn’t do well here because the Union Leader eviscerated him, as they did his father, made him out to look weak and liberal to all intents and purposes, even though he wasn’t. And he physically wasn’t here as much as McCain, who was a
very attractive candidate and knew how to run a campaign when he was running in one state versus the country.

**Nelson:** You flirted with service in the Obama administration. Where did that story begin?

**Gregg:** I was walking across the floor of the Senate during the transition period before Obama was sworn in, and Harry Reid was talking to John Kerry. He waves me over; Harry was a friend. He stops talking to Kerry, but Kerry kept talking and he leans over to me and says, “Do you want to be Secretary of Commerce?”

**Nelson:** Are you serious? When was this? December?

**Gregg:** Probably early January, or maybe December. And I said, “I’ve always wanted to be king of the mountain” or some flippant remark like that. “I’ve always wanted to be Babe Ruth.” And he said, “No, I’m serious!” I said, “I’d consider it maybe.” Then Rahm Emanuel got in touch with me, whom I’d obviously known from the TARP crisis.

**Nelson:** You thought a lot of him, didn’t you?

**Gregg:** I have great regard for Rahm. He asked me if I’d be willing to consider it and I said yes, I’d consider it. That’s how that got started. We met only once to discuss it, and that was at the place where they were staffing the transition team. It was the President-elect and Rahm and I, and we talked about what the Commerce job would be. They said they were going to take control of the census and pull it into the White House. We had an exchange—would I be supportive of the President?—and I said, “Yes, that would be my job.” And then he said, “We’ll get back to you. We’re considering somebody else, but we’ll get back to you.”

Ironically, this must have been the week before the President went on his last trip to Camp David, because I went up to Camp David and told the President that I might be offered the Commerce job and should I take it. And the President said something very interesting. He said, “They will destroy you if you cross them.” And I said, “Oh.” And then I said, “Josh, I’ve been asked if I want to do the Commerce job. Should I take it?” And he said yes. Hank Paulson was up there too, and I said the same thing to him and Hank said, “Yes, I think you’d be great; you ought to do that.” Kathy and I were struggling with it, but we decided to do it, even though I had this feeling in my stomach that maybe it was a mistake, because ideologically I didn’t think I was in the same place on fiscal policy. The other issues I didn’t get too charged up about.

The number one job as a member of the Cabinet is being 100 percent with the President 100 percent of the time. We were out in Middleburg at lunch, and he called me up and asked me if I’d do it. I said sure, yes, I’d do it. So I went down and we did the press conference. Then I came back up and Mitch told me he accepted the fact that I was going to do it, but he said he didn’t think it was a good decision. I said, “I’m going to recuse myself from votes during the confirmation process.” So we get deep into the confirmation effort, about two weeks into it, and they sent up their stimulus package. I looked at the stimulus package and said, “This is stupid.” What they’re doing is they’ve let loose the Appropriations Committee to spend $1 trillion on whatever they had as a project that they couldn’t get through. And that’s what it ended up being, walking-around money for the appropriators. I was for a stimulus package, but it should have been directed 60, 70 percent on infrastructure, and about 16 percent of it was infrastructure. It
was a bad package, and I said to Kathy, “This isn’t going to work. I’m not going to be able to say these things are good ideas when I know they’re terrible ideas.” The health care hadn’t even come up yet.

I called and told Rahm I couldn’t do it. He said, “Please don’t say that.” They’d had problems, of course, with [Tom] Daschle, who had been knocked off because he’d had tax issues. Bill Richardson, who they wanted to have as Commerce Secretary, got knocked off because he had some issue. I was going to be a black eye to them and I knew that, and I felt terrible about it. I said to Rahm, “I’ll take all responsibility for this. It’s my stupidity for having done this, getting you into this position, and I’ll take full responsibility, but I just can’t do this, it would be wrong.”

I went down and met with the President and he was very cordial and gracious about it, although he said he really didn’t want me to do this. One comment he made I thought was very interesting. He said, “I’m willing to be a one-term President to get done what I want to get done. That’s how strongly I feel about how I’m going to approach this job.” I thought that was the right way to approach the job. I was impressed, but I said, “This isn’t going to work. I can’t be 100 percent with you 100 percent of the time. I know with fiscal policy, things are going to happen that affront my basic fiscal conservative views.” So I now said I wasn’t going to do it and took all the blame, as I should have because it was my fault, and he was very gracious and nice about it. Somebody in his operation sent his staff out to do a hatchet job on me, but that was to be expected. That’s politics.

**Knott:** President Bush said to you, “Don’t cross them, they’ll destroy you.” Looking back now, does that strike you as accurate?

**Gregg:** That was predestined; he knew it. That was something I hadn’t even thought about. They didn’t, because fortunately people in New Hampshire didn’t take—The haters took up the issue, but most people said, “No, that’s not Judd Gregg.” They never got much traction out of their little effort to try to nudge me. I don’t lay that at the feet of the President, that’s probably just the political operation.

**Nelson:** It’s like what happened with Jeffords when he switched. The White House was putting out all sorts of stories. That he didn’t get seats at the Kennedy Center or something like that.

**Gregg:** That’s what political operations do, they’re inherently mean-spirited.

**Nelson:** That last visit to Camp David, was that your last conversation with Bush while he was President? Did you get a sense of how he looked back and assessed his time in office?

**Gregg:** Since then we’ve been together often.

**Nelson:** Oh, OK.

**Gregg:** We go down every year and spend the weekend with him and Laura and usually Don Evans. Who else comes to Florida?

**Kathy Gregg:** Donnie and Susie [Evans], Anne and Clay Johnson, whom we love, and that’s it.
Gregg: Do you remember any humorous episodes where the President was uniquely humorous and said something humorous?

Kathy Gregg: When?

Gregg: Anytime.

Kathy Gregg: He’s always funny.

Gregg: Yes, he is.

Kathy Gregg: He always makes fun of Judd.

Gregg: He does that a lot.

Kathy Gregg: He calls you “Juddly.” “Juddly, what’s happening?” We have a lot of fun playing golf.

Gregg: Yes, we make fun of each other.

Kathy Gregg: He makes fun of your swing and you make fun of his whatever, and he always seems to win.

Nelson: Gee. Even now that he’s not President?

Kathy Gregg: Yes, he always seems to win. I have a funny golf story about Laura. So we arrive at the house—we were with Anne and Clay Johnson—and the President said to Anne and me, “You girls are going to have to play in front of us, and don’t be slow, because we have to hurry. We have to be at dinner at 6:30 at the inn.” So I said to Anne, “Maybe we should just play nine and not get in their way,” and Laura said, “Oh, no, play 12.” Are you golfers?

Nelson: Yes.

Kathy Gregg: Nobody can say, “Play 12.” So we just laughed, she said, “What’s so funny?” I said, “Laura, nobody can say, ‘Play 12.’” So Anne and I went down and the pro took us down and started us on seven or something. He said to come out and start here, and we played that and then we finished up at 18. I looked at the scorecard and we’d played 12 holes. That was funny.

Nelson: In conversations you’ve had with him since he’s left office, does he look back with pride, wistfulness, regret, some mix of those things?

Gregg: You know, we never discuss it. Now we look forward, but I think I can say with some confidence that he looks back with considerable pride at having been dealt a very bad hand and having kept the country safe, which I think is a pretty good recommendation. Who knows how many more times we might have been attacked if we hadn’t had him as President?

Knott: He doesn’t worry about the judgment of historians?
Gregg: I think everybody does, but he feels comfortable with what he did as being what had to be done in the context of the time that he was there. I’m absolutely sure of that. He was thrust into difficult decisions and feels that he handled them as best he could. And I think the proof is in the pudding. We were never attacked again and haven’t been. I’m not so sure what’s keeping us from being attacked. I think it’s still a legacy of his, more than a legacy of the present President.

Nelson: Steve, I think we’ve subjected this man to enough enhanced interrogation here.

Gregg: It’s nice of you to come all the way up here.

Knott: This was great.

Nelson: This was an unusually good interview.

Gregg: I’m glad to hear that. Hopefully, it will be useful.

Knott: It will.