



CONVERSATION

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Bill Clinton on Obama: *"I think he'll be re-elected"*

SUMMARY

In an interview with Judy Woodruff Friday, former President Bill Clinton discussed his new book, "**Back to Work: Why We Need Smart Government for a Strong Economy**" his new collaboration with President Obama to promote energy efficiency and create jobs, his 2012 predictions and his relationship with GOP candidate Newt Gingrich.

TRANSCRIPT

JEFFREY BROWN: Now, to our interview with former President Bill Clinton. Judy Woodruff sat down with him in Washington earlier this afternoon, discussing his new book, "Back to Work: Why We Need Smart Government for a Strong Economy."

JUDY WOODRUFF: President Bill Clinton, thank you very much for talking with us.

FORMER PRESIDENT BILL CLINTON: Thank you, Judy.

JUDY WOODRUFF: So your book, "Back to Work," is about jobs, it's about how to get the economy going. Let me ask you about today's numbers for the month of November -- unemployment numbers. The picture is improving a little bit. What does the jobs scene look like to you?

BILL CLINTON: Well, I think what you're seeing is, the economy got way down with the double whammy of the financial collapse and the mortgage crisis, and the natural rhythms of the American economy, plus the benefit of the payroll tax cuts, which I do think helped a lot to maintain a certain level of consumer spending, a certain level of confidence. And small businesses have been saying for months, about 40 percent of them, they would have hired more people if they could get credit -- and you just felt this building up. So I feel good about it.

Now, also what's happening is more jobs are created in the private sector and the government sector has been shrinking steadily as the stimulus plays out. And all these states are on balanced budgets and they're still in trouble because the economy is still down, so their revenues are down. So we actually had 140,000 new private sector jobs and lost 20,000 government jobs.

JUDY WOODRUFF: Now, one of the things you talk about in the book is something that you highlighted today with President Obama, and that is retrofitting or making buildings more energy-efficient, and in the process creating, I guess, tens of thousands of construction jobs. President Clinton, that's an area that clearly was hard hit. But this kind of project is short-term, isn't it?

BILL CLINTON: Not if we do as much as we should. That is, this is the nearest thing that America's got to a free lunch. That is, you can - if you can set up a financing mechanism where you let the people who own the building - whether they're schools, state, county or local buildings, federal buildings, museums, hospitals or big commercial buildings like the one the president and I visited today -- with no debt -- if you can set it up so they can pay that money back only from their utility savings, then you can create jobs and there's no net out-of-pocket cost to the people who own the buildings. And when the debt's paid off, they have a huge drop in their utility bills.

It's the nearest thing we got to a free lunch. And the return is very high. For every billion dollars you spend on building retrofits, you get between 7,000 and 8,000 jobs.

JUDY WOODRUFF: One of the central theses -- thesis -- the central thesis of the book is that you can't really grow the economy unless the government is involved. This project today, private-public partnership -- is -- was it your sense that this message was just not getting across from President Obama and his administration --

BILL CLINTON: No, I --

JUDY WOODRUFF: -- that you needed to write about it?

BILL CLINTON: I think -- my sense was that he was -- as you see from the book, I agree with the general thrust of his policies. And I think, particularly in the energy area, he's done a very good job. My sense was that the partisan political climate in Washington was such that the only people listening to either side were people that already agreed with them.

And so what I wanted to do was say, look at the last 30 years. Look what our competitors are doing. There is no example on the planet of a successful economy with broadly shared prosperity and a shrinking, weak government. You can have a small, lean government. But they're all strong. They're all working in partnership. What works are these partnerships, these networks.

For example, Delaware is doing a lot of building retrofits now because the government of Delaware issued a bond and sold it, which will pay the contractors a guaranteed return. And then the -- the government will receive re-payments from the people who own the buildings from their savings and pay bond holders off. So that's the kind of thing -- that -- that's not big government, small government; not liberal or conservative; it puts people to work. It creates jobs. It's the kind of thing that we ought to be doing.

And we can create -- I think for three years you could have a million more people in the construction industry employed just doing this if we can work the financing out everywhere. That's why the AFL-CIO has already raised more than a billion dollars from pension funds to put into this. They can get a more reliable return from this than they could investing their pension funds through the stock market.

JUDY WOODRUFF: And is that a message that's received well on both sides of the political aisle?

BILL CLINTON: Well, I don't know. I hope so, because there's no tax dollars involved -- that is, you don't have to appropriate or raise taxes. And as I said, it's pretty close to a free lunch because the utilities benefit too. That is, this building, this big, 1964-office building is being retrofitted. They're going to cut their energy use between 40 percent and 50 percent. That's like giving a tiny power plant back to the local utility. And for that amount of energy, it's a lot of cheaper to get it that way than to build a new power plant. You just give it back to them and they accommodate more growth in the area.

JUDY WOODRUFF: So is this -- again, this central message here that government needs to be involved to get the economy growing?

BILL CLINTON: Yes.

JUDY WOODRUFF: Is that a message that people are hearing and accepting, do you think?

BILL CLINTON: I have no idea. I just thought that -- in the 2010 elections, I thought it was people were angry and frustrated and scared, and I think the Republicans won because they thought the Democrats had given them a lot of government and maybe a little too much, and people didn't feel better.

But these things, historically -- these financial meltdowns take five or ten years to get over. When real estate's involved, it's closer to ten. And what the president is trying to do is to beat the five-year limit. He's trying to -- but nobody could get it done by 2010.

So I thought, well, I'm not running for anything anymore. I work with Republicans. I get a lot of support from Republicans through my foundation work, and people around the world. So I just tried to lay out, here's what's happening in the rest of the world; here's the people who are doing it better than us. Every one of them has a -- a government that is not under assault but is in partnership with the private sector.

JUDY WOODRUFF: How much of a drag is unemployment and the economy broadly going to be on President Obama as he runs for re-election, do you think?

BILL CLINTON: I think -- well, I think he'll be re-elected, because I think the unemployment rate will continue to drop some. I think that, as we all know, it's a little understated because about 6 percent of the people who were in the workforce in 2000 have dropped out; they've quit looking for jobs. And we know there's a huge number of Americans with part-time jobs who really want full-time jobs. But it does show progress, and it shows progress in the private sector.

So if we can continue this, I don't think it'll be a big drag because the American people are kind of recalibrating. And when -- right now, President Obama is going to have to run against himself. In tough times, nobody can defeat himself. That is, you're -- he's running against everything everybody felt when -- before the financial crash. When we get a choice, I think he'll do fine.

JUDY WOODRUFF: And I ask because people say, yes, he's been out there talking about the economy, but the message isn't being heard -- that people are so concerned and focused on how bad things are.

BILL CLINTON: Well, a lot of people, they can't hear things because they're scared, they're worried. I had two women come through a book line in Orlando, which is one of my success stories I feature in there. I talk about all the government-private cooperation there and why they have a hundred -- a hundred computer-simulation companies in Orlando alone.

And anyway, these two women, one of them said, my husband's been out of work six months; I hope you have some good advice. And she was clearly in her fifties somewhere.

Next lady comes through about two people later. Same age. My -- I'm here because my husband -- because I sent him home to bed because he was out of work for eight months, and his first day on his new job is tomorrow.

That's what's going on in America. So it's hard to get rational discourse through. And I wanted to just say, here's a short book that'll tell you about the last 30 years, where we are and how to get out of it.

JUDY WOODRUFF: More on politics. How do you size up the Republican race right now? And who's the toughest person for President Obama to face?

BILL CLINTON: It's hard to say now. I'm not all that surprised by Gingrich's resurgence. I predicted it after he crashed, because the far right of the party keeps wanting an alternative to Gov. Romney, for all kinds of reasons. And he keeps doing well in the debate trying to hold on. And -- and in a primary where the party moves so far to the right -- as Joe Klein famously said, they all have to empretzel themselves to try to be acceptable. And so - and now it looks like a Gingrich/Romney race.

I wouldn't be surprised if it doesn't look like that at Iowa caucus time. But how it comes out depends upon now how Mr. Gingrich conducts himself from now until -- through the process, and how Romney responds to the challenge. It's going to be interesting to watch, but I don't know enough about their calendar or how much electability is going to figure in to the Republican caucus and primary voters to know.

JUDY WOODRUFF: Well, you worked with opposite sides of the political aisle, but worked with Newt Gingrich. He's actually been saying nice things about how willing you were to work with Republicans when you were president. You've said some nice things about him, a man of ideas; what sort of president do you think he would be?

BILL CLINTON: It depends upon the turn his life has taken since he left public life. That is, I always liked working with him. And he had a real good feel for foreign policy when I was president. And he generally wanted to do what was best for America and what would advance the cause of freedom and shared prosperity in the world, even though I thought a lot of his domestic ideas were wrong and bad for the country.

That's why I vetoed those budgets, and that's what led to the government shutdown. But the thing that bothered -- I saw where Mr. (inaudible) jumped on him today -- the former congressman from Staten Island. What made people nervous the first time was the same thing that made them nervous about Mr. DeLay. They said -- they thought they'd go overboard in the use of their authority. And a big part of being a good president is not just what you do, but what you won't do.

So, on the other hand, when Hillary was a senator from New York and on the Armed Services Committee, she and Newt worked together on the military modernization committee the Pentagon set up. And they enjoyed working together -- she enjoyed it.

JUDY WOODRUFF: So you --

BILL CLINTON: So we -- he -- the pressure of the campaign has a wonderful way of revealing your strengths and weaknesses. And we just need to let the Republicans have their race and see how it rolls out. I have no idea what's going to happen.

JUDY WOODRUFF: And his strengths and weaknesses? You said, good on foreign policy.

BILL CLINTON: He's good on foreign policy. He has -- he's thinking all the time on domestic policy; like, I think that if you're going to be a Republican in 2012, where he came down on immigration is about as far as you could go. But he's got to know that one of the advantages America has, even with the retirement of the baby boomers, is that our average workforce is still younger than Europe or Japan.

And within a couple of decades, believe it or not, because of the "One China Policy," it'll be younger than China's. And that means immigrants flowing into this country who can contribute to the economy. So that's the kind of thing I wanted to see. Let's just watch it play out and see what happens.

JUDY WOODRUFF: Of course, it was Newt Gingrich who led the Republicans when the House of Representatives impeached --

BILL CLINTON: Yeah.

JUDY WOODRUFF: -- you as president. And it was discovered later that while Speaker Gingrich was doing that, he was engaged in an extramarital affair. Some say this is -- this was hypocrisy on his part. How do you see that?

BILL CLINTON: That's up to the Republicans to decide. But I think -- I'll never forget the conversation he had with my then-chief of staff, Erskine Bowles, after we won the midterm elections in '98. They outspent us \$100 million. And they ran on impeachment and we ran on issues. We ran on saying what we wanted to do for America, we -- all the Democrats. And the prevailing opinion of the press was, we would lose 25 to 35 seats in the House, four to six seats in the Senate. We lost no Senate seats, even though we had twice as many in play, and we won five House seats.

And so Newt called Erskine and said, you know, this is an unbelievable, historic achievement. He said, I think you got to go back to 1822 since the president won seats in the House in the sixth year. It's stunning. But he said, you'll never get credit for it because we got the press to say we were right. So they'll never tell you how important this is. And we're going to impeach him anyway.

And Erskine said, but Newt, there's 50 of your members in our fort. He said, I know. We'll break them off. He said, by the time we get through taking their chairmanships and their subcommittee

chairmanships and getting the primary -- (inaudible) -- and all that. And he says, but when are you going to do it? Don't you think it's hypocritical? He said, sure. What's that got to do with it? And that's what I was saying to you -- and I still kept working with him, because I knew they weren't going to pass in the Senate, not if the GOP's going to do it.

He thought -- that he said -- that'll be the first line in his obituary, and that's what he gets for beating us twice. That's basically their attitude. You can't do that when you're president. You can play politics as speaker of the House if you want. When you're president, you've got -- the Democrats got to feel good when they walk in the door if you're a Republican; if you're a Republican -- if you're a Democrat, the Republican has to feel like you're listening. And you should be listening.

And so that's going to be the challenge that he faces. That's what Molinari was trying to get at. That - but, you know, he's older now. He's been through a lot of things. He may be a different person. And I still enjoyed working with him when we were working together, and we did a lot of good things together.

JUDY WOODRUFF: President Clinton, we're talking about politics and about your new book, "Back to Work." Thank you very much.

BILL CLINTON: Thank you, Judy.

JUDY WOODRUFF: Good to see you.

BILL CLINTON: Thanks.