

THE ASPEN INSTITUTE

ASPEN IDEAS FESTIVAL 2014

AFTERNOON OF CONVERSATION

Benedict Music Tent  
2 Music School Road, Aspen, Colorado 81611

Monday, June 30, 2014

LIST OF PARTICIPANTS

HILLARY RODHAM CLINTON  
Former Secretary of State  
Author, *Hard Choices*

WALTER ISAACSON  
President/CEO, Aspen Institute

\* \* \* \* \*

## CONVERSATION WITH HILLARY CLINTON AND WALTER ISAACSON

(4:00 p.m.)

(Applause)

MR. ISAACSON: I guess that means you need no introduction. But let me introduce the 67th Secretary of State of the United States, Hillary Rodham Clinton.

(Applause)

MR. ISAACSON: Congratulations. Number one on The New York Times bestseller list next week as well. If I may say so, I'm a fan of memoirs like that from Dean Acheson to the present. And this is a very personal, very beautiful memoir where you actually try to wrestle with the decisions you made. So I have a surprise for everybody here. The secretary of state has signed many copies and at 6:00 o'clock you get them at Harris Hall or at Paepcke. They'll be on sale – signed copies that she brought with this. So thank you for that. So right afterwards get your copies.

(Applause)

MR. ISAACSON: And how's the tour been? You seem relaxed and – fun – is it good being out there?

MS. CLINTON: It is great being out there – back in my own country, traveling around and getting to talk with people and hear what's on their minds. It's been eye-opening in lots of ways. There is a lot of anxiety and insecurity and concern across the country about, I think to sum it up, our economy and our democracy – two pretty big subjects. And the book has been a great way to try to pose hard choices because we have to make them here at home as well as around the world.

And what I've tried to do in the book – and thank you for the kind comments, Walter – is to kind of pull the veil back a little bit because these are hard choices. And I want people to wrestle with them and – not only the ones that are in the book but ones in your own life, ones that will

be coming up in the - our country and the world in the future.

MR. ISAACSON: You know, the notion of hard choices - we've gotten away from that and polarized ourselves as a society. So people automatically think it's one way or the other. How do we get back to knowing that we have to do these complex odd balances?

MS. CLINTON: Well, that is one of the reasons why I call the book *Hard Choices*. Because I think we've got to, number one, start talking to each other again, and number two, begin to rebuild trust, a strategic asset that has been diminished, unfortunately, in our country and our political positions right now, and we have to get back to trying to make evidence-based decisions. Now, that doesn't mean that every decision has a direct line of evidence that leads to the perfect solution - not by any means.

But we need to start with as good a base of analysis as possible. And I talk about some of the problems that we struggled with. You know, I call that chapter on Syria "A Wicked Problem" because it was a wicked problem and still is a wicked problem. And there were some of us who advocated one approach and others who did not agree and advocated a different approach.

And I think what Walter just said is so important - you can't jump to the conclusion, like, we were all right, they were all wrong and - because those - they're too complex. They require really hard thinking. And remember, these are imperfect people making information - making decisions based on imperfect information, doing the best we can to get it before us.

MR. ISAACSON: Let me go right to what you just said, which is the Syria decision because you pulled back the veil on that and all of a sudden you know what it's like to be a secretary of state, a president, national security advisor. You were in favor, you say in the book, of arming some of the moderate Syrian rebels. How did that discussion go and what would have happened had we taken that course do you think?

MS. CLINTON: Well, in the book I write about this difficult

calculation. And I know you're going to hear from Dave Petraeus later – in fact there's Dave Petraeus – you're going to hear from him later. And a number of us were concerned by what we saw as the imbalance between Assad and his forces, the ejection by the Iranians of both personnel from the Revolutionary Guard Quds force and resources, the use of the Hezbollah, Lebanese Hezbollah as another proxy, Russia's strong support for Assad and that if the moderates were quickly diminished, defeated, there would be a vacuum opening up for more extreme groups.

I mean I think part of our effort was always to figure out how to empower moderates and marginalize extremists. And several of us thought – and Dave Petraeus and I got together at my house for lunch one Saturday and kind of went through what it would take to vet the so-called moderates and to provide some kind of train and equip and monitoring for them and how we would work with some of our friends in the Gulf who were just pouring in resources and weapons almost regardless of who got them in order to stand against Assad.

But I have to say, and I quickly do say in the chapter in the book, there was no guarantee we were right. We were making a – what we thought of as – a very careful calculation of the odds and our desire to try to support moderates. Remember, this started with people literally leaving their pharmacies or their businesses or their college campuses and trying to protest for more freedom and democracy against Assad and then taking up arms when the reaction was so disproportionate.

But there was no clear line that, okay, if you do what we say this is what will follow as opposed to taking a different approach and emphasizing humanitarian aid. And that's part of why I want people to read the book and think through these decisions with us. Some of them are maybe a little clearer in hindsight because we're now at a point where the administration has announced that they're going to try to provide arms and training to properly vetted elements within Syria.

We see what has happened with the extraordinary success of the so-called ISIS group. But there are other jihadist extremist groups as well that are pursuing their aim of trying to carve out pieces of Syria or straddling the border now with Iraq to create safe havens. And we've

seen this movie before. We saw this post Soviet Union withdrawal from Afghanistan. So part of the challenge is – in today's world and in decision-making, particularly in our government and especially I would say in national security is that there's so much information flooding in now.

And people are forced to make decisions quickly, even tactical decisions, that we need a better understanding of what it's going to take to make the best possible decision, and we need more understanding of that from the press, the public, and political leadership.

MR. ISAACSON: And you just talked about ISIS and how it's creating both havens now in Iraq and in Syria and redrawing the lines. Those lines are a hundred years old. We just heard Drew Faust who talked about, you know, 700,000 war dead in the American Civil War. Do you think we should make it our national strategic interest to keep those national lines or might there have to be a resorting out in the region?

MS. CLINTON: Well, that's one of those questions I ask myself all the time and I know the people who are still in our government are asking them. And here is how I think about it – go back to first principles. Disunity that leads to extremist governance is not in our interest. If you can figure out a way as to how to avoid that by, for example, taking Iraq and supporting the Kurds because they are now pushing the boundaries of what their territory historically has been. And I don't think there's any turning back from that.

And frankly I think they've earned it because the Maliki government has been so sectarian and uncooperative in dealing with a lot of the legitimate concerns that the Kurds brought to the table. The Sunnis and – you know, this is one of the great unfortunate tragedies is that when the so-called Sunni awakening – and Dave Petraeus was, you know, our commanding general there – brought together Sunni tribal sheiks to make common cause not only with the United States but also with Shiites to the south against al-Qaida in Iraq, there were certain understandings.

One was that the men who were fighting on behalf of that effort would be included in the military defense operations of Iraq going forward. And Maliki reneged on that. The oil and gas revenues – they're

particularly important to the Kurdish Government because they have some and they want to be able to sell, but it's also important to the Sunni areas because they don't have many and they want a benefit. So there were so many bad political decisions made by Maliki and his supporters.

So when you say, you know, can we just sit by and see Iraq disintegrate, see Syria disintegrate, too soon to tell. I mean those borders, you're absolutely right, were imposed. They cut across tribal lines, sectarian lines, we know that. But we don't know what the alternative is. And I think that what we're trying to do now is to really persuade, in effect force some political change on the Maliki government, including the possibility that there would be a different prime minister – something that I have concluded is probably necessary.

MR. ISAACSON: It took quite a while for us to figure out we needed to replace Maliki, though, right?

MS. CLINTON: Well, I think it was difficult because we did promote a democratic election which by all standards went off well. He – his party didn't get the most votes, but the horse trading that was required to get a government ended up with his party being able to put together the coalition. They just had another election; again his party got the most votes. So democratically – small "d" – if we're talking about how to govern this fractious place, if you believe that you should be following elections, Maliki has won the election.

MR. ISAACSON: But that is what my – that's my question on those – should we always make it the primacy of our philosophy that we should follow elections and have electoral democracies?

MS. CLINTON: Well, we should certainly promote it, but we have many examples where we haven't followed it.

MR. ISAACSON: Yeah. You talk about Iraq a lot in the book and you talk about the fact that you voted for the Iraq resolution not knowing that Bush was going to use it quite as quickly and that you came to think it was a mistake. What was particularly interesting in the book is not that, because you know, a lot of people made that mistake, but how

hard it is in the America system to just say, I made a mistake and here is why. And you explain that process in the book. Tell us about that.

MS. CLINTON: Well, I really – you know, I really believe that I made the best choice that I could at the time, given what I thought would ensue if we passed the authorization. And it quickly became apparent – and during my first visit to Iraq as a senator in 2003 I became – I started becoming worried about how that was being used. And I became much more skeptical of the Bush administration's conduct of the war as well as the original decision.

And there was certainly a lot of political pressure on me, for example, because when I ran for president everybody who voted the same way I did – and of course Barack Obama who wasn't in the Senate at the time – all either repudiated their vote or said I never would have voted for it. I – you know, I have, as my friends say, an overactive responsibility gene. And I didn't want – I said look, if we had known then what we know now we never would have voted.

And I did a lot of rhetorical distancing, but I didn't say I made a mistake. And in part it was because I didn't want to say to the young men and women who were serving in the United States military in Iraq fighting and dying and being injured, yeah, one more person is saying it's a mistake you're there. And so the political pressure was all on me. I mean it – I mean everybody, when I was campaigning for president, said just say you made a mistake, say you made a mistake.

And I was reluctant to do that because of the situation we were in. I knew some of these young men who were serving, and I knew how important it was for them to feel supported. And I was pretty high profile vote for it. So I did resist saying I made a mistake, but not for the usual purposes. I know in our political system you get pummeled either way, but for me it was much more personal and obviously it was a mistake.

MR. ISAACSON: That's why the book is titled *Hard Choices* too. It's a very, you know, intimate book, et cetera, et cetera. I want to talk about Russia because I love your treatment of Medvedev, of Putin – Putin and the polar bears and him inviting your husband to come shooting

with him. This is - I'll tell this one, which is after you try to loosen him up a little bit by talking about wildlife he shows you the polar bears and says, have your husband come shooting and the secretary says, I don't know if he will but I will if you want. And he's a bit taken aback. Would you - what if he said, sure, come shoot polar bears with me, what would you have done?

MS. CLINTON: Well, it was tagging them, not killing them, yeah.

(Laughter)

MR. ISAACSON: Oh, okay. Fine.

MS. CLINTON: I guess I would have been up in the arctic tagging polar bears with Vladimir Putin. I thought it was a pretty safe offer, though, that I made.

(Laughter)

MS. CLINTON: You know, it is fascinating because in those 4 years that I served, we had two very different experiences. When the Obama administration came into office it was only months after Russia had invaded Georgia and taken over two provinces which they declared independent states which are totally dependent upon Russia. And so there was a lot of, you know, anxiety about dealing with Russia because Putin was clearly still calling the shots even though he was not the President at the time. But at the same time we thought we had business we needed to get done with Russia.

It was totally transactional and that's why we did the reset and why I made a big deal out of the reset. Because yes, we were still arguing with them over Georgia and I went to Georgia twice and talked about occupation and stood with our Georgian friends. But we wanted to get international sanctions against Iran to see whether we could bring them to the negotiating table. And we couldn't get them through the Security Council if we didn't get Russia onboard.

We wanted a New START treaty to cut nuclear weapons, and also by the way to restart our examinations of Russian sites in Russia which had been held in abeyance for more than a year because the previous treaty had expired. And we also needed their help in really toughening up and strengthening a northern distribution network across Russia to resupply our troops in Afghanistan. So we had three very specific goals in mind. So we did the reset.

And Medvedev was very interesting. He wanted to lead Russia in a different way. He was very committed to, in his words, diversifying the economy. He was particularly interested in our high-tech world. And we arranged for him to go to Silicon Valley and meet some of our leaders there -

MR. ISAACSON: Meeting Steve Jobs.

MS. CLINTON: - met Steve Jobs. And he was thrilled, because you know, he started to build - you know, it was artificial in a sense, but it was a start. He tried to build a high-tech campus outside of Moscow to keep a lot of the talent that was leaving Russia inside in order to try to replicate something of a Russian high-tech industry. And so when he and the President would meet or I would meet with him, it was a very open conversation - didn't always agree.

He had to complain about the stuff he had to complain about, we had complain about the stuff we had to complain about, but we had a good dialogue going. So you fast-forward - it's the fall of 2011 and Putin makes the announcement on the big stage standing next to Medvedev - as I recall, they're both in, like, black leather motorcycle jackets - and Putin says he will be President, Medvedev will be Prime Minister. And I'm sitting here thinking, man, that is great politics. I mean really - just stand up and announce, here's what's going to be your leadership going forward.

And then they had a parliamentary election in December and Putin expected with his announcement that he was coming back and his strength and the way people looked at him would lead to a big victory for his party. In fact there was a lot of fraud, a lot of irregularities, and tens of

thousands of people in Saint Petersburg and Moscow and other cities went into the streets to protest. And it just – you could see pictures of Putin, I mean he looked shocked. He couldn't kind of accommodate what was happening. And I criticized him.

As secretary of state I basically said it's very troubling that they have these elections filled with fraud and irregularity, Russian people deserve more. So then he attacked me. He attacked me saying that I was responsible for causing the demonstrations, that it was all my foreign hand, you know, getting people up in the morning and pushing them out of their apartments on to the streets. And it began to be a much more difficult relationship.

MR. ISAACSON: Did it really get personal?

MS. CLINTON: It got – it did get personal. It got personal in a couple of ways. It got personal because he was formally reelected in the spring of 2012 and it was right before a G8 meeting that President Obama was hosting. And it was going to be a working meeting, so it wasn't a big, elaborate kind of gathering. It was the leaders and their key staff, and they were meeting at Camp David. And so Putin basically said, I can't make it, you know, and his excuse was I have to put our government together.

Shortly after that there was a G20 meeting in Los Cabos, Mexico. And we had reached out so that the President, President Obama could meet with then President Putin. And it was a very difficult meeting. It was a small meeting on their side and our side. And you know, we were pushing them on Syria because we made the case that this argument Assad was making – fully supported by the Russians – that if Assad negotiated with the – his own people that would leave the door open to terrorists. And we kept saying that's exactly what's going to happen if you don't. It was a very tense, unsatisfying meeting. So I'm still criticizing him.

And then he launches some of these really cynical crackdowns. He kicks USAID out. You know, USAID had been there for years, we had helped them start a mortgage system, we'd helped them with environmental issues – kicks us out. Then he starts advocating for really

strict laws against the LGBT community so that people can't even meet in public. And it's just so cynical because it's not like some of the other leaders who are genuinely bewildered by the rise of LGBT rights. This is a deliberate political act.

MR. ISAACSON: Didn't you poke at Lavro, your counterpart, on that?

MS. CLINTON: Well, I poked at Sergei a lot over the 4 years because he's a very accomplished diplomat, he served Medvedev well. Then when it was back to Putin he pivoted and he serves Putin well. And he is someone who is really smart and we engage in a lot of, you know, verbal back and forth. But I was meeting with him in Saint Petersburg, and I describe this in the book. And so it's again a small dinner that he's hosting for me and my delegation and our counterparts.

And we're - and I'm saying to him, I'm saying, Sergei I don't understand what your government is doing. What do you hope to achieve by discriminating against gays. And then he starts, you know, well, you know, these people, they shouldn't be proselytizing, they shouldn't be out in public, they should be, you know, behind closed doors. And I say - you know, I said, Sergei, I was just at the Hermitage, and if my memory serves me right, a lot of Russia's greatest artists might have been gay. Well, that was then, this is now, you know, they were not in public. I mean it was just an absurd conversation.

MR. ISAACSON: But I'm taking you in this direction so we could talk about the role as you did of promoting basic human rights as something that you brought to the portfolio of secretary of state.

MS. CLINTON: Well, it was very important to me personally, but I also thought it was one of our core values. Because when I became secretary of state we had two wars going on and we weren't particularly popular anywhere in the world either because of them or because of the economic collapse. In fact there was an enormous amount of hostility and even anger toward the United States blaming us for all kinds of problems.

So part of what I thought we had to do was to reassert our

values in a way that could be digested by not just leaders but by publics. And we began to do that. And this is one of the big balancing acts that stands behind any hard choice. We obviously want to promote our values, which is really America's signature characteristic – who we are, what we stand for, but we have to pursue our interests. And sometimes values and interests are in conflict. And then of course we have to protect our security. And sometimes security may be in conflict with both values and/or interests.

So part of what I tried to do is to get out there and lay down some markers on values. Now, women and girls was a key component of my foreign policy. And I was thrilled that President Obama supported it so strongly. Because we now have evidence that where women are given the rights that they should have as citizens, they are able to contribute to a country's economy, they are able to contribute to other forms of productivity. So it is a win-win.

And I wanted to embed the rights of women and girls and their full participation into our foreign policy. I also worked very hard on religious freedom which is at the core of so many of our worst problems right now. And I worked closely with the Organization Islamic Countries (sic) because for years they've been promoting religious defamation. They wanted the Human Rights Council to go on record against insulting religion.

And the argument I made was that's very close to stopping free expression. So what we want to do is try to get more free expression. We want people to be more respectful of each other's religion, but we don't want to criminalize criticism. And then thirdly on LGBT rights I went to Geneva and made a speech to sort of lay that out as an American interest because it's a human rights issue.

MR. ISAACSON: Let me get you right back to the book, because you talk about the conflict sometimes happening between our values and our interests. One of the most dramatic scenes in the book is one of these great conflicts that happens instantly and you've got to settle it in 20 minutes which is the blind dissident in China, Chen, circling around our embassy looking for asylum just as you're going into an economic

summit with China. And they call you up and you don't even have Obama on the phone or anything. It's your decision to make if you'll let him into the embassy. It's a dramatic part of the book. Tell us about that.

MS. CLINTON: Well, I was home and 9:30 o'clock – 9:30 or so at night. One of those secure phones that they put in your house when you get these jobs rang. And one of my closest aides was on the other line. And he said, we've just heard from our embassy in Beijing, the blind dissident, Chen Guangcheng, has escaped from house arrest and he's made it to a safe haven where he's been picked up and human rights activists are driving him toward Beijing seeking refuge in the American embassy. And they need to know right away whether we will let him in.

So here's the setting. I mean I'm being asked to make this decision about this one man. Obviously our values are very much in favor of supporting human rights and supporting someone who's been quite brave in standing up against oppressive Chinese policy. The other hand I'm on my way to China for the strategic and economic dialogue that we have worked on all year and where we have a lot of agreements that we're trying to bring to fruition. And obviously I knew the Chinese would not be really happy if we took in this escaped dissident.

But it – you know, this was a hard choice, but it ultimately was a clear choice for me because I think who we are and what we stand for is really our strength in any kind of international setting. So I said go get him. And they went and they got him and they brought him into the embassy. And he had injured his foot, he needed medical care. And then we started talking to him about what he wanted. He did not want to stay in the embassy, he did not want to leave China, what he really wanted – and I found this with a lot of Chinese activists.

They wanted the central government in Beijing to know how they were being mistreated by local government officials. There was this very strong belief that if only President Hu or Prime Minister Wen knew, then they would discipline these local officials and things would improve.

MR. ISAACSON: By the way, are they right?

MS. CLINTON: I think in a few instances they are right. I think that, you know, I mean – you know, we also took in for a period of hours the police chief who had served Bo Xilai who was fleeing him because he knew that the – that Bo's wife had killed that English investor and he had come with reams of material. And he was in our consulate. And I write about this because this was right before the Chen incident. So we've got the police chief in there and all of a sudden our little consulate is ringed by security officials from Bo.

And the one thing – and we kept saying – you know, this was not a human rights activist. He had been a full participant in a lot of the corruption and the abuses that had occurred. And we said you can't stay here, you're not somebody who's eligible for amnesty, and so what do you want. And he said, I want to go to Beijing and make sure that the top levels of our government know. And that led to trials and persecutions and the toppling of Bo – now it was convenient because he was a rival to Xi Jinping. But nevertheless, it did show that from their perspective the system was working.

And so when we took Chen in, we immediately notified the Chinese government. We said, look, what he wants is to be relieved from the oppression of the local officials, and he wants to go to school because he's a self-taught lawyer. And we began negotiating. The Chinese were not happy. And we sent in some, you know, terrific negotiators – Kurt Campbell who is my assistant secretary, Harold Koh who is the legal advisor, Mike Posner who is the head of our democracy human rights and labor. We were all in the room.

And then when I landed, you know, one of my close aides, Jake Sullivan – and we basically worked out a deal. And this is why these are always hard choices. So we worked out a deal that the Chinese would let Chen stay in the country, go to a school – we even had the school named – study law – joined by his family because he'd been separated from them. Everything was going fine. He had to go to a hospital because we were limited in what we could do with his injuries. He's happy. He's in the car with our people.

He calls me on the cell phone saying, I could kiss you, I could

kiss you, it's so exciting. So he gets to the hospital, he's joined by his wife, and his wife says, are you sure this is a good idea. And all of a sudden Chen goes, well, it seemed like a good idea. And his wife goes, I wouldn't trust them - and this is sort of a familiar conversation I'm sure to many people. And so all of a sudden there is this, you know, disagreement. And he cuts off communication with us while he and his wife are trying to figure out what they're going to do next. And when we next hear from him he says I'm not - I don't want to stay in China, I want to leave China and go to the United States.

Well, we so we tried to go back to the Chinese and say Mr. Chen has changed his mind, and they look at me and they look at my team and they go, no, no, no, no. I mean, you know, everybody was getting very agitated. So I said, okay, everybody just calm down, well, just wait, kind of let time go by, then we'll re-open negotiations. So the next morning I'm going to a business meeting for investments with Dai Bingguo, the state councilor in charge of foreign affairs. And as I'm walking out the door I learn that Chen using the cell phone we had given him so that he would be in touch with his family and friends has called into the United States Congress where they have held the cell phone up to the microphone -

MR. ISAACSON: Republicans are holding a hearing.

MS. CLINTON: Republicans are holding a hearing and he says I want to come to United States, I don't want to stay in China. So all of a sudden I'm being accused of, you know, railroading this poor man so that he really wants to come to the United States and I'd arranged for him to stay in China. And anyway it's going on and on.

So I do the meeting with Dai, and I say to him I need to talk to you, State Councilor. So we go in a small room and I say, look, this can be a win-win, you are agreeable, you were willing to let him go to school, he will just go to school first in the United States and we will take his family, we will take responsibility.

We already had reached out. NYU was terrific and they agreed to take him and he knew actually one of the faculty members

there from previous experiences. So I said let's just let this happen. And Dai is looking at me and his negotiators are shaking their heads no. They're so furious because we shouldn't have taken Chen in in the first place in their opinion. And then I said, and besides, you know, State Councilor, Chen, called into a congressional hearing yesterday. His eyes grow large. I mean, things like that do not happen in China.

And so finally we reopen negotiations, we get a new deal and I was confident that Chinese would keep their end of the bargain and that we would be successful, but it was one of these high-stakes diplomatic exercises. I just want to add one thing because even though Dai turned and said, well, see if you can, but there was no guarantees. I had pre-existing meetings with Hu Jintao and Wen Jiabao. And then I had a lunch for our people-to-people exchanges. And so Dai said don't mention this to President Hu or the premier. I said I will not mention it.

So I'm sitting there trying to have one of these very formal conversations in these gigantic Chinese meeting room and my team is rushing around the back over to the Chinese, the Chinese are rushing across, you know, the cell phones and everything are working. So I knew they were negotiating. And we finished those meetings. Then I go to the national museum where Madam Liu who is the highest ranking woman who is my counterpart in the people to people is holding a lunch.

Now, I know some - you know, some observers, some commentators are very dismissive of either smart power which includes soft power or sort power in and of itself. But I will tell you, I saw - I've seen it in action many time, I saw it that day. So I'm sitting at the head of the table next to her, the American delegation on one side, Chinese on the other and we have two young students, an American young man who had studies in China and a Chinese young woman who had studied in the United States.

The young man stands up and, I'm told, in perfect Mandarin talks about how meaningful it was to study in China, to make friendships, to make a better future. Then the woman stands up and in flawless English basically says I'm so grateful I got to study in the United States, I learned so much, I want our countries to be friends. And I'm telling you, I've sat there

and I looked at the faces of the Chinese and I saw them just like recalculating, like, oh, is it worth blowing up the relationship over this or should we make a deal. And within a few hours we had a deal.

So there were a lot of moving parts to that one, but I was walking into the museum on the way to lunch and Kurt Campbell, you know, who kept offering me his resignation and I kept rejecting it, he said to me, he said, look, you know, Madame Secretary, you know, you're just sick over this, just give you a pit in your stomach. And I said, you know, Kurt, I make a lot of decisions that I stay up all night worrying about, this is not one of them, I think we did the right thing and I think we're going to come to a good conclusion, but it was a real nail biter all the way to the end.

MR. ISAACSON: You know, we're doing this with Facebook as you may know. I just went on to the Facebook page, there you are, look here is our Facebook page. And they have some questions that they wanted to submit from there, if you don't mind. But one of them is from Rodrigo Suoto which is what is the main thing the United States should do to address the issue of growing income inequality.

MS. CLINTON: Well, I think here at home which has to be our primary focus is that we have to have a concerted effort to meet a consensus about how to deal with this. This is not an issue that's going to go away, in fact it will only get worse unless we address it now and try to have something resembling a consensus.

As I've traveled and talked and obviously reacquainted myself with a lot of people, as I said in the very beginning, so many Americans are really, really nervous, they feel like they're falling behind, that at best maybe they're running in place. They don't think the economy has recovered in a way that has helped them or their families, they worry a lot about affording college, assuming they can even try to do that. Retirement is just, you know, a dream for most people. So there is an economic issue, but it's an economic issue that I argue effects our democracy because we've always been very proud of the fact that we had an upwardly mobile expanding middle class society.

And yes, it was largely because of the engine of economic growth and millions and millions of individual decisions that business owners and entrepreneurs and employees made, innovation like your latest book, Walter, people were free to think creatively, to collaborate creatively as you point out.

So we've had this American dream embedded in our DNA and people -

MR. ISAACSON: You talk about it too personally -

MS. CLINTON: Yes, absolutely. I mean, you know, I'm a product of it. And of course, you know, Bill and I are so grateful for the success we've had but we remember, you know, where we started and where we came from and what the contributing factors were that gave us the opportunity to be successful. And we don't want to see that lost, you know, I am going to become a grandmother in the fall and I want that -

MR. ISAACSON: (Inaudible).

MS. CLINTON: Yes, I'm thrilled by it to be, you know, not too excited, but, I mean, I want that child to have that same sense of possibility that I grew up. Of course you have to work hard, of course you have to take responsibility, but we're making it so difficult for people who do those things to feel that they are going to achieve the American dream.

So, you know, I'm thinking a lot about what we might do and how we can do it. And I will say and I, you know, obviously I will say it with a big bias, we know there are certain government policies that work better than other government policies. If we compare just in terms of inequality, if we compare just in terms of job growth, the eight years of the Reagan administration and the eight years of the Bill Clinton administration, what do we see, we see a 100 times more people being lifted out of poverty in those eight years.

We see an economy that was creating jobs and we see a balanced budget with a surplus at the end of it. So we know that there are certain decisions that are very hard choices, and they've become

harder than they were even, you know, 15, 18 years ago. We know that certain decisions by government is – are more likely to help the private sector than others. Predictability, for example, you know, knowing what to expect. And there are changes that will please Republicans and changes that will please Democrats but at the end of the day we're all on the same team, we're on the American team and we've got to do a better job of getting our economy growing again and producing results and renewing the American dream so that Americans feel that they have a stake in the future and that the economy and the political system is not stacked against them because that will erode the trust that is at the basis of our democracy.

(Applause)

MR. ISAACSON: Thank you.

We have a couple of other Facebook questions. And I know Sheryl Sandberg and Mark Zuckerberg and Jessie Covey (phonetic) would want us to get it in. This is from Karen Muller and she says, how can an ordinary citizen work for positive change in our society other than our regular duties. And of course we've had Stan McChrystal now this year talking about a national service year, and I know you've been talking to General McChrystal about the service year concept.

MS. CLINTON: Right. Well, I fully support the idea of a national service year. And I don't know if Stan McChrystal is still here but we are working with him and with Aspen through the Clinton Foundation. My daughter is kind of taking the lead on service for that. We just think it's an important element to kind of rebuilding or really repairing the fabric of our society. So we're fully supportive of that.

But I think that there are other ways. In addition to the potential of a year of national service there are so many ways that Americans can volunteer and can serve and frankly get out of our comfort zones to see what's happening in our country.

You know, I was talking at lunch with some people. One of the most disturbing statistics that I've run across in the last months is that if

you're a non-high school educated American woman, your life span is actually decreasing. That has never happened. And the only other big population we saw that in were Russian men after the collapse of the Soviet Union because the combination of poverty, lack of opportunity, mental and physical problems, depression, huge issue.

And I think that it's really important for people like all of us who get to enjoy an incredible event like the Aspen Ideas Festival to really try to empathize, to put ourselves in the shoes of other Americans. And one of the best ways of doing that is through volunteerism, and it's, you know, something Bill and I've done our whole lives, something that we instilled in our daughter.

But I don't want to overlook the regular order, and that means some people have to vote. And we have to make it frankly as easy to vote as possible.

(Applause)

MS. CLINTON: The idea that we're going to restrict people from voting in America, you know, having now visited, worked and talked to leaders in autocratic, phony democracies, free democracies, you know, we really have always valued our vote. And people didn't have to if they didn't want to but the fact that we're making it very difficult for them in a lot of states I think is contrary to our national interest as well as to our values. And so for me it's very important that we have more people, Republicans and Democrats alike, standing up against restrictions on voting. And I personally would like to see every 18-year-old American automatically registered to vote when they turn 18 and feel they have that responsibility.

MR. ISAACSON: We have one that just came in about an hour ago on Facebook which I'll read, which is about the Hobby Lobby decision, I'm not sure you've been briefed on it but it was five to four, that the corporation could deny contraceptives to women under healthcare if it was a family-run corporation.

MS. CLINTON: Well, I obviously disagree, I disagree with the reasoning as well as the conclusion. Just think about this for a minute. It's

the first time that our court has said that a closely held corporation has the rights of a person when it comes to religious freedom which means that the corporation and closely held are often family based, not exclusively, but usually, that the corporation's employers can impose their religious beliefs on their employees. And of course denying women the right to contraception as part of their health care plan is exactly that. I find it deeply disturbing that we are going in that direction.

(Applause)

MS. CLINTON: And, you know, part the reason I was so adamant about including women and girls in our foreign policy, not as a luxury but as a central issue, is because they're often the canaries in the mine. You watch women and girls being deprived of their right, some of them never have them, some of them lose them. And among those rights is control over their bodies, control over their own health care, control over the size of their families. And it is a disturbing trend that you see in a lot of societies that are very unstable, anti-democratic and, frankly, prone to extremism where women and women's bodies are used as the defining and unifying issue to bring together people, men, to get them to, you know, behave in ways that are disadvantageous to women but which prop up them because of their religion, their sect, their tribe, whatever.

So to introduce this element into our society – look, we're always going to argue about abortion, it's a hard choice and it's controversial and that's why I'm pro-choice because I want people to be able to make their own choices.

(Applause)

MS. CLINTON: And it is very – it's very troubling that a sales clerk at Hobby Lobby who needs contraception, which is pretty expensive, is not going to get that service through her employer's health care plan because her employer doesn't think she should be using contraception. You know, I know it's a spectrum, but all these kinds of decisions about women and women's rights and women's bodies and women's roles are on that spectrum. You know, thankfully we're far away from a lot of countries that don't even issue birth certificates to girls because they're so

worthless, why record their births. So we're very far from that.

But this kind of decision raises serious questions. And I, you know – and one of the – one of the concurring opinions basically said, well, if the government wants to provide contraceptive insurance or free contraceptives to women, the government can do it. That, you know, that's a kind of odd conclusion because there are –

MR. ISAACSON: (Inaudible).

MS. CLINTON: One of the concurrences. And it was five to four and so it was, you know, pretty much a split between the so-called conservatives and so-called liberals. But that raises all kinds of issues. So does this mean that whoever wrote that concurrence is in favor of a single payer system for contraception? I think there are lot of interesting questions. But before we get to the interesting questions I think there should be a real outcry against this kind of decision. And there will be many more now, many – look, I mean, many more companies will claim religious beliefs and some will be sincere but others maybe not, and we're going to see this one insurable service cut out for many, many women. And there is a lot of other things.

You know, there are companies that may be closely held by employers who don't believe in blood transfusions, that's a religious belief that certain people hold. So does that mean if you have need for a blood transfusion your insurance policy doesn't have to cover it? So, I mean, this is a really bad slippery slope as we say.

MR. ISAACSON: But let me just push back for a minute because it was under an act signed when your husband was president.

MS. CLINTON: Well, it was never, you know, and Ruth Ginsburg points that out, this was the Religious Freedom and Restoration Act, and the reason that was passed and Bill signed it in the '90s was because at that point there were legitimate cases of discrimination against religions. You know, the people who wanted to build a church or a synagogue or a mosque in a community and they fit into the zoning but the community was saying we don't want one of those in our community, you

know, that was blatant discrimination on the basis of religion.

MR. ISAACSON: So this is a perverse use of that law.

MS. CLINTON: This is certainly a use that no one foresaw. And Justice Ginsburg, you know, makes that very clear.

MR. ISAACSON: By the way, questions in the audience here, raise your hand real quick, I'll go back if not but I don't want to keep this all on my own.

So Ken Davis, yes, Mount Sinai Hospital.

MS. CLINTON: Yes -

MR. DAVIS: As you look at what's happened to the ACA as it plays out, what do you wish we could have done differently?

MR. ISAACSON: The Affordable Care Act, for those who didn't hear the beginning of it.

MS. CLINTON: Well, you know, I think Ken leads a great hospital in New York, Mount Sinai, so he sees it all firsthand. Look, I have three basic points that I would make quickly, one, there wasn't anything else that could pass. I mean, this was, as you often see in legislation, if we want to try to ensure more Americans and create an insurance system that will be incentivized to ensure middle income working people, there are not many ways to do it. And if we're going to extend Medicaid so that more working poor people get access, it was cobbled together. Everybody who worked on it would tell you it was cobbled together.

There were a lot of aspects of it, however, that were really popular and remain so, you know, ending discrimination against pre-existing conditions, putting young people on their parent's policies for a number more years so that they can be insured while they're trying to find a decent job with insurance and looking at more transparency and more data collection that can then be used for health purposes, a lot of good aspects.

But like any complicated piece of legislation, it's going to need careful analysis and revision. So I think the question should be thrown into the future, you know, given where we are now, given the fact that at least the latest analyses I've been seeing are quite positive, people feel that they are getting insurance, that they can rely on at affordable prices in most cases. Now, remember, about half the - little less than half the states aren't doing it so we don't have that data. And the Medicaid numbers are really proving that people are finally getting healthcare that maybe they never had before, they postponed. So the story is becoming a more positive story but there are still problems and there are still elements of it that have to be implemented.

So I think we need, if we can do such a thing, we need an evidence-based analysis and then try to figure out what needs to be done to try to satisfy legitimate concerns.

But, you know, the - I think that the argument over repealing it is over. I mean, there are some hardcore folks still making it but I think that argument is over.

MR. ISAACSON: Given what you just said, what are a couple of things that you would hope a functional government might be able to fix in the future?

MS. CLINTON: Well, I think denying Medicaid on totally political grounds is really unfair. So you have a -

(Applause)

MS. CLINTON: You know, when the Supreme Court upheld the Affordable Care Act, Justice Roberts writing for the majority said we're upholding it, it is within the constitutional authority of the Congress. However, mandating Medicaid coverage is not so it has to be left to the states. And many states have jumped at the chance to actually fund hospitals like Mount Sinai, a research hospital, by getting a steadier revenue stream. Some very notable states, Texas being the largest have said no, we're not going to provide insurance through the exchange and

we're not going to expand Medicaid. So we're going to have a real-life experiment going on and I think it's going to be quite interesting.

So when you say what can you change, I want to see the evidence. If we – if as we believe we're going to see better health outcomes and gradually more cost-effective pricing of insurance and better control over big costs within the Medicaid system because of getting Medicaid patients into the healthcare system, then we're going to be able to better judge what needs to be fixed and what doesn't.

Now, some things have been postponed like this small business requirement and that's going to be difficult because, you know, we're going to have to see how much the market can bear. But a lot of the states have done a much better job than anybody predicted and they're usual states. I mean, two of my favorite examples are Kentucky where the governor of Kentucky took this on and implemented a Kentucky health care plan that includes both insurance and Medicaid for some of the poorest people in America. And it seems to be really working well.

Now, it's the same problem I found when I worked on health care, you know, people would say in big settings like this keep the government out of my health care and I'd say have you ever heard of Medicare. And for a lot of people that just didn't add up, they didn't think of Medicare as being a government program. And so there was a lot of disconnect in understanding what we were trying to accomplish.

And then in Arkansas, by a huge bipartisan majority, the state put the Medicaid program out to private insurers and are having a competition over it. So we're learning what's working and we're seeing, you know, a big state like California see what they come with in terms of cost compared to a big state like Texas or a big state like New York. So we're going to have a lot more information in a year or two than we do right now but I think we should be mending it not ending it going forward.

(Applause)

MR. ISAACSON: Thank you. That would require, and this is not a trick question that are you going to be the next president, but that

would require presidents who could work with Congress. What have you learned as a diplomat that helps you in figuring out in the future could a president work with Congress? If you can work with Dai, the Chinese foreign minister, and get a blind dissident to NYU.

MS. CLINTON: Well, speaking hypothetically -

(Laughter)

MS. CLINTON: - I've learned a lot of lessons in the last 20-plus years. It seems like ancient history now but, you know, my husband actually had some really serious problems with the Congress when he was in office. They shut the government down twice, they impeached him once. So it was, you know, not the most pleasant of atmospheres, but I will say this, Bill never stopped reaching out to them.

And, for example, Newt Gingrich who led the government shutdown a lot of other things that I don't particularly want to remember, he would be on TV all day just going after Bill and lots of times me and then around 9:00 o'clock he'd kind of sneak into the White House as best you can sneak into the White House, he would come up to the second floor of the residence and he and Bill would sit and talk for hours about, you know, how they were going to reform welfare, how they were going to try to put in pieces to get to a balanced budget where, you know, our goals would be preserved but obviously the Republicans would enough so that they would go along with it.

And, you know, they came up with a Balanced Budget Act and a lot of other very consequential legislation because you can't ever stop. I don't know if any of you either saw the Spielberg movie about the Thirteenth Amendment or the play about LBJ all the way. But I found both of them very realistic inside looks because human nature hasn't changed. If you're going to get something done you have to persuade, and sometimes you have to persuade by giving something to somebody they want. That's why everybody who is running for office today, and I hear them on the TV saying they will go to Washington and never compromise, they should be automatically disqualified from your consideration for voting.

(Applause)

MS. CLINTON: So, I mean, that is the kind of language I heard in a 112 counties, you know, from people who believed they had a direct channel either to the supreme leader or the divine and therefore they knew what should be done.

The second point I would make is, you know, building relationships takes time and patience. And I think we as Americans, we want to cut to the chase, we want to, let's get to the bottom line, what are you going to do for me, here is what I'll do for you, let's negotiate a deal. That doesn't work so much any more, it doesn't work in politics and diplomacy, at least in my experience. You have to build a relationship and it - there are no shortcuts to it.

I mean, part of the reason I was able to resolve the Chen situation, I invested a lot of time and effort in my relationship with Dai Bingguo, with Yang Jiechi and with others and it was over meals, lots of meals. You know, when I got to the State Department I think as a budgetary item, we didn't offer guests anything. If they asked for a glass of water we'd give it to them. And I said, you know, we go to these other countries, we sit down, they have tea service, coffee service, you know, sweets and nuts and other things. I mean, think how they feel, they come to the United States of America, they're in the State Department and we're not giving them - offering them a cup of coffee or cup of tea. So I had to get extra money to pay to give visiting dignitaries coffee and tea and occasionally I'd buy some cookies, you know, that we could throw in.

And I say that because it's laughable but it's what other people expect, it's a sign of respect, it's acknowledging, you know, their dignity. And so building those relationships even with recalcitrant members of Congress is something that there is no rest from. And I know President Obama has worked so hard and has reached out so often. And it gets discouraging because you don't feel like you're getting much back but I don't think you can ever stop and I think that's part of what whoever the next president is just has to be ready to do.

(Applause)

MR. ISAACSON: Well, we actually do have Newt Gingrich coming to Ideas Festival and he's told that story the other way too. In other words, the exact same thing you said which is even when he was fighting with your husband, late at night he would get the phone call and come over. So he will be around later this week.

MS. CLINTON: Well, you have to ask him, what we heard was that after he had negotiated with Bill for a few times, and I can understand this completely, his -

MR. ISAACSON: I will go there.

MS. CLINTON: Yeah, his top lieutenant said we're never letting you see Bill Clinton alone ever again.

MR. ISAACSON: All right. Final question. Actually, okay, I got one of the Bezos Scholars with a hand up and then I'll, yeah. By the way I'm going to have you come when we finish, I'm going to go down. These are the Bezos Scholars. People come from around the country. We'll have you shake their hands. But ask your question and then we move on.

SPEAKER: Thank you. Hi, Secretary Clinton. My name is Paul Milwaukee (phonetic) and as Mr. Isaacson said we're - I'm here at the Bezos Scholars Program, and I'm sure with your travels around the world you've seen the effects of climate change and so in light of President Obama's recent initiative to reform the guidelines in power plants, what do you believe are the next steps that we can take to address this global issue?

MS. CLINTON: Boy, thanks for asking. Thank you so much.

(Applause)

MS. CLINTON: You know, I have a whole chapter about climate change, who is in the room, because when President Obama and

I went to the first climate conference that was held after he became president, it was in Copenhagen in December of '09, we had two goals, we wanted to try to get the developing countries to agree that they would be held accountable for their emissions, something that they had resisted and which Kyoto had not required of them and we wanted to get money on the table or at least the beginning of a fund to help countries that were most at risk.

So when I got there I announced a \$100 billion-fund over several years and the United States would be partners but others would have to be. And it would be particularly aimed at low-lying counties and islands. And then we wanted to get an agreement with the Chinese, the Indians, the Brazilians, the South Africans, the BRICS group so to speak, about agreeing to be monitored. And we couldn't find them anywhere. I mean, we kept calling, we kept calling, we said, you know, President Obama and I want to meet with the prime minister of China, the prime minister of India, and we were told they were gone, they were leaving, they had left. So we sent out scouts to this huge convention center. We said see if you find them anywhere and they found them. They found them up a back staircase in a room covered with blue drapes, guarded by Chinese security, meeting to figure out how they were going to reject our proposal.

So I look at the President, the President looks at me, are you thinking what I'm thinking, yes, so off we go, and we go marching to the back of the convention center, we go up the stairs, the Chinese guards are going, oh, stop, stop, and we get to the door and the President, you know, walks in and I duck under and we say hi, we've been looking for you. And so we sat down and we began to negotiate.

And it wasn't a huge step forward but it was a significant step forward because for the first time they agreed to monitor their emissions. So fast forward, we've made very slow but some progress in the succeeding climate conferences. And in 2015 there will be a very significant one which will be the one with leaders similar to what we had in Copenhagen.

So part of what President Obama is doing, and I fully support

it, is making it clear that the United States is going to act. We've done work on mileage, now with the EPA rules on coal-fired plants, and a very creative American solution, having different states figure out what they can do to try to lower their coal-fired emissions. But then the Supreme Court just agreed that the government has the authority to regulate carbon.

We're looking at methane, I started a group, the Clean Air and Climate Coalition because we wanted to work on methane and black soot and other things. And we started a group on clean cook stoves, something that a lot of people thought was, you know, another one of my, you know, favorite ideas, but it also was because a couple of billion people cook on open fires and that contributes to black soot and greenhouse gas emissions and alike. So we are moving but we need to do so much more. But the United States cannot go to an international forum unless we've done more. And I think what President Obama is now doing is laying down here is what the United States of America is going to do, what are you going to do and being able to bring people around the table by 2015 so maybe we can stem off what will be a terrible, terrible outcome for our world.

MR. ISAACSON: Thank you. Let us end with this. This is a spoiler alert because it's on the last page of your book, but people will get to it which is it's really wrong to ask somebody are you going to run for president, you say. You say that's the wrong question. You say the right question, and those of us who are moderators are always looking for the right question, is what is your vision for America, what is your vision for the American dream and why does America matter. So why don't I let you add to that and then we'll meet the Bezos Scholars and move on.

MS. CLINTON: Well, that exactly right. I mean, people ask me all the time are you going to run, and then occasionally if you run are you going to win, as if I could answer the second question even more than the first.

But it isn't the right question. I mean, nobody should run for president, having done it, having watched my husband, having observed it closely, unless you really believe that you have a vision for where our country should be headed and that you can lead us there, because

otherwise it's just the same stale political debate over and over again, and it doesn't create the consensus for action that any future president desperately needs of whatever party or political persuasion.

So part of what I have tried to do in this book is to make two sides of the same argument clear. America matters to the world and the world matters to America. We matter to the world because despite our problems, and we get so frustrated with ourselves and our political system drives us crazy, we have such a historic responsibility because of who we are and what we have built first and foremost to our own people and future generations of Americans but also to people yearning for freedom hoping for democracy, standing up for human rights across the world.

And the world matters to us here is America despite some of what I hear in the political dialogue about how we can withdraw from the world, we don't want to be involved in the world because there is no escape in an interdependent world. We are either going to be affected by or we are going to help shape and even manage the world as we find it.

And so for me it's try to make the case to the American people that we matter to ourselves and we matter to the world and therefore we have to make some hard choices at home, particularly affecting our economy and our democracy. But the world also matters to us and we need to stay engaged and involved. And there are many ways of doing that.

I was as proud of our development projects as I was of our young men and women in uniform. And I could see the impact both were having because they were devoted to serving this country. And so I want to be sure that – it should start in this election, frankly, we have a big consequential election in November which could determine all kinds of things, particularly control of the Senate, which I obviously have a bias in favor of where we are right now, not changing. But that's going to be up to millions and millions of voters who have to make the decision that America matters enough to them that they're actually going to get out and vote in these November elections.

And I think that Mississippi runoff election was of major historical importance because the Republican party of Mississippi expanded its base, it reached out to Democrats, and particularly black Democrats, and said join with us, Thad Cochran is a better choice, and they succeeded. Now, there is a lesson in there, expand your base, get out of your comfort zone, actually talk and listen to people you don't agree with and build back that sense of trust which is the glue of any democracy so that we can start making the hard choices that will give us the American dream for this generation and all generations to come.

MR. ISAACSON: Thank you so very much.

(Applause)

MR. ISAACSON: Why don't I bring you down if you want.  
Meet some of our -

MS. CLINTON: I'm going to go down -

MR. ISAACSON: Yeah -. For those of you who want -.  
Thank you. After General Petraeus' talk there are going to be books signed by her which I've just looked at both at Paepcke and at Harris Hall.

\* \* \* \* \*

