GEORGE W. BUSH ORAL HISTORY PROJECT

FINAL EDITED TRANSCRIPT

INTERVIEW 3 WITH JOSHUA BOLTEN

September 26, 2016
Washington, D.C.

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Riley: This is the Josh Bolton follow-up number two—

Perry: Second follow-up, third total interview.

Riley: This is for the George W. Bush Oral History Project. Again, thank you very much for your time. I'll make one further note. We had a brief conversation before we were on the tape about the sequence of things that we'll talk about. What I didn't mention was a reemphasis of our ground rule, which is that nobody here is going to talk about this when we leave. You're free to tell anybody you like, but we're not, again as an inducement for you to speak candidly to history. You'll get the transcript and if you want to put a hold on some things, you have the right to do that.

Bolten: And before the tape turned on the record should note that you indicated that you have no recollection of anything I said [*laughter*] at any time.

Riley: Thank you so much. So for long-term historical purposes people will know that Riley had the terrible memory, which is both a burden and an advantage to somebody doing oral history.

Bolten: As does Bolten.

Riley: So we're going to start with Iraq? Does that make sense?

Perry: Yes.

Riley: The last time we sort of put a bow around 2001. There had been excursions into the future in some of our discussions, but not really much about Iraq. So maybe the way to phrase a question to you is how early do you recall Iraq being on the President's radar and how do we move—particularly after 9/11—from a situation where, as I understand it there's a meeting at Camp David fairly soon after somebody made a pitch for doing something about Iraq and the response was that needs to wait. So where does this become a focal point of the President?

Bolten: It was on the President's radar screen very early on, probably from the beginning because Iraq was a serious and ongoing problem, having of course been the focus of 41's [George H. W. Bush] term. Then the Iran-Iraq war and then the implementation of a sanctions regime, persistently violated by Saddam Hussein, with relatively little consequence through the course of the [William J.] Clinton administration.

It had not been a particular focus of the campaign or campaign rhetoric, but it was part of the critique that President Bush made in the 2000 campaign of Clinton/[Albert, Jr.] Gore foreign

policy that the United States had been—I don't think we used [John] McCain's word—but feckless in the exercise of American power and authority and had allowed a situation to fester in Iraq that a stronger U.S. foreign policy posture—not necessarily more aggressive, but a more determined foreign policy posture—could ameliorate. So it was on the radar screen from the beginning.

I don't think—as a lot of psycho-historians have suggested—that 43 [George W. Bush] was preoccupied with Iraq because of his dad's unfinished business, or even Saddam Hussein's apparent plot to assassinate his dad. I never had that sense that he was [Captain] Ahab and Saddam Hussein the whale [Moby-Dick]. But it was a regular portion of the whole breadth of what are the dangerous spots in the world that could get a whole lot more dangerous. So that's my recollection of the posturing of Iraq pre-9/11. Then post-9/11, in the immediate aftermath of 9/11, the focus obviously goes immediately to Afghanistan.

Then the whole NSC [National Security Council] focus begins to go more broadly to the Middle East, to radical Islam, to the dangerous places that, like Afghanistan, had become a haven for terrorist threats to the United States.

Perry: Josh, you used the term "ameliorate," that Iraq was seen as this ongoing problem.

Bolten: And getting worse.

Perry: Getting worse, needed to be ameliorated. But in the—I'm just thinking about the term ameliorate in reference to the President's views on so-called regime change in the 2000 election. So do you have a sense that there was a view of what that amelioration would be pre-9/11 and post-9/11?

Bolten: No, and we were in the awkward spot of, in the 2000 campaign, having taken the campaign posture of a tougher foreign policy on the one hand that would be a stronger support to our friends and a greater deterrent to our enemies, but at the same time saying that one of the errors that the Clinton administration had made was to put too much emphasis on nation building. We were not nation builders. Subsequently it became sort of an awkward contradiction in the actual policies.

But I think in reality that was more—that was both intended and an actuality during the campaign. It was more of a philosophical attitude rather than a specific policy prescription. We had wanted to convey the kind of President that Bush would be, which was less involved in everybody else's problems except where vital U.S. national interests were involved. Where they were involved, more robust. I think I remember the phrase that either Condi [Condoleezza Rice] or one of the speechwriters came up with—the iron in the velvet glove or something. They didn't come up with the phrase, but we came up with some variant of it. It was just toughness in foreign affairs.

I do not recall in the campaign having articulated a much more precise view on what needed to be done in Iraq about regime change, which was—at that time—U.S. policy, statutory policy. So we weren't about to go out and campaign, "No, we're for softening up on Saddam Hussein." I do not recall the campaign having a focus on any particular policy prescription in Iraq. The focus on a specific policy prescription I think emerged much more in the post-9/11 era—

Riley: Right.

Bolten: —of looking over the whole region and trying to prevent the next disaster rather than just be prepared to respond to it.

Riley: Were you aware of any pressure coming from any sectors within the administration to try to take a more aggressive posture on Iraq?

Bolten: You're asking about [Richard] Cheney, I assume.

Riley: Cheney and the people at DoD [Department of Defense].

Bolten: Maybe dimly. I have to say in the post-9/11 period, just as far as my own experience is concerned, in the aftermath of 9/11 I became heavily focused on the domestic aspects of the response. In fact I think as we talked about when we discussed the creation of the homeland security office in the White House, ultimately the Homeland Security Department, I can't remember whether we talked about the days immediately after 9/11, beginning the next day when Condi Rice and Andy Card came to me and said there's a lot on the plate—there is probably too much on the plate of the NSC. We can't prosecute the War on Terror and deal with the response and hardening at home.

So while we're in transition, setting up these new mechanisms—and I don't think at that point we had even decided on having a homeland security advisor—I took the role of leading the domestic consequences policy committee, the DCPC.

Riley: We did—we touched on this; I wouldn't say that we went into it.

Bolten: I'm raising it now just to say that that was my focus post-9/11 and while I was always welcome in the NSC process, I found that it was not a useful—it was not the best use of my time because the NSC process is very meeting intensive. That is to its detriment I would say—a whole different subject.

Riley: Flag that though for me when you get to be Chief—we'll want to come back to it. Go ahead.

Bolten: Even as Chief I didn't mess much with the NSC. Although my remit as Deputy Chief of Staff for Policy technically extended to any policy, there was a tacit but clear understanding that Condi and Steve get to run the NSC the way they run the NSC; I had much more to do with supervising and directing the other policy units outside of the NSC. I was always welcome, I felt welcome to participate. I was the one who gave the NSC their time on the President's calendar because I still had control of the policy time. They got whatever time they asked for typically. I just needed to shuffle around the timing and so on.

I tried to keep myself informed. I wasn't able to be a participant in the deputies committees—I typically sent Joel Kaplan to the Deputies Committee meetings to take a back-row seat. I might not even have been invited consistently to the actual NSC meetings. Andy Card would have had his own seat at the NSC table. It may be that I went occasionally, but for the most part I wasn't a participant there.

Riley: So you've—

Bolten: So my knowledge of the debates and the decision making leading up to the decision ultimately to invade Iraq is quite limited. I was certainly aware of it and looked in.

Nelson: Can I ask you this about it though—and that is, those making the case for extending into Iraq, did that case rely on their finding some connection between al-Qaeda and Iraq, or was the case being made independently of that, or both?

Bolten: Mike, I can't say I recall well.

Nelson: OK.

Bolten: But I can say this, which is it was a collection of elements. I took it as sort of accepted wisdom that Iraq risked becoming a haven for some form of terrorism or torment to the United States. I certainly took it as accepted wisdom, and I don't think anybody in the administration that I was aware of actually doubted that Saddam Hussein was working hard to develop nuclear weapons or some weapons—we always use "weapons of mass destruction." Now it may have been my naiveté, but I assumed that always meant nuclear capability.

I assumed that he had bio and chemical weapons. They had been used in the Iran-Iraq war. I assumed he had stockpiles of them. I do not recall any serious internal dissension about whether that was in fact true or not. Now there may have been and I just wasn't around for it, but as I thought about—the portion of my brain that wasn't focused on things I was actually responsible for good decision making on—as I thought about it, I don't recall ever doubting that Saddam Hussein was—had a robust nuclear capability program underway.

Riley: Did you have any window at all into the President's decision to proceed with the invasion? Was there a sense that this was something that was avoidable if Saddam had altered his behavior, or were there—?

Bolten: I have read that the President was determined to invade no matter what. That doesn't ring true to me. I always had the sense that the President was prepared to pull back on the invasion had Saddam indicated some willingness to stand down and in particular to open up to real nuclear inspection.

Riley: Did you have any window onto the inspection process—not the process itself, but the way it was being viewed within the White House? Was there a confidence in that or was there a sort of dismissive attitude about these international organizations?

Bolten: No, it wasn't dismissive. There was skepticism about both the efficacy and the fairness of the people—the international organizations doing the inspecting when they eventually got in. But that's after the war that they got in.

Riley: Right. OK.

Bolten: If you're talking about the decision to go in, I don't think that was a big factor because nobody was thinking about that, because Saddam wasn't allowing people to inspect or if there were inspections allowed, it was quite limited and evasive. Let me leave it at that.

Riley: OK. Was there any other piece of this we haven't touched on in terms of what you might have had on your portfolio? The general answer is this is going on in a separate component. We've asked you to give us your perceptions as a close outsider of what's going on, but if there is not much more there, then there is no need to—

Bolten: I think that is probably a good description of me as a close outsider.

Riley: OK.

Bolten: Actually, I do want to mention one vignette that has come back to me several times that I don't think I've ever mentioned. I'm curious whether you've had time with Karen Hughes, who was the President's communication director and a very close advisor to the President and sort of his barometer to the real world. She always described herself as the soccer mom. She just had a way of looking at stuff and questioning accepted wisdom, usually in a very refreshing and useful way. It may have been the day before the President announced the invasion—it might have been the day of—she walked into my office, the Deputy Chief of Staff's office. She said something to the effect—these aren't her exact words, but something to the effect of—"You know, I've always considered you one of the smart people around," which she had on the campaign, because it was my job to be the smart person. [*laughter*]

She was tough on the campaign, but she was always very courteous to me. She said, "I've always considered you one of the smart people around; is this the right thing to do? Have we thought this through? Are we doing the right thing?" I was just shocked by the question and a little bit embarrassed because I didn't know. I said, "I don't know, but I have a lot of confidence in the judgment of the good people who are deeply involved in this, starting with the President, Dick Cheney, [Donald] Rumsfeld, [Colin] Powell, Rice, [Stephen] Hadley—all of those folks are top tier. I have confidence in their judgment on this one.

Riley: In one of the earlier interviews, Kristen [Silverberg] said that it was not uncommon for the President to grab somebody and put them in the limo for a quick trip, just to pick their brain—what do you think about X, Y or Z? Did the President ever pick your brain about this?

Bolten: I don't think so; I'd probably remember it if he did. But he was—he was particularly careful with respect to war planning about not engaging in or tolerating loose talk.

Riley: Gotcha.

Bolten: So he might just grab an ordinary—he might grab a staffer or Kristen or me and ask us what we thought about prescription drugs, knowing that we're not experts but just what do you think? He wouldn't do that about war planning.

Riley: OK.

Nelson: You said something during the first interview—I wonder if this might be an occasion to bring it up.

Bolten: Did I mention the Karen thing before?

Riley: No, this is the first time.

Bolten: I hadn't mentioned that then.

Riley: No.

Bolten: It has come back in my head any number of times.

Riley: Karen would have been gone by then and back?

Bolten: No.

Riley: I can't remember when she left.

Perry: I think by '03 wasn't she back in Texas and advising from a distance?

Riley: Yes, it was like telework.

Perry: She went back pretty quickly to be with her family.

Bolten: Maybe I'm thinking of Afghanistan.

Riley: No, she would have been—she was back with some frequency because she still had a portfolio as an advisor.

Perry: You're right.

Riley: I think your recollections are absolutely correct.

Bolten: That conversation definitely occurred, so maybe she was—

Riley: She would have been in her capacity and going back and forth at the time.

Perry: Before we leave Karen Hughes—did she elaborate when she came in to you to say are we doing the right thing because you said she was such a good barometer for the President and could bring presumably things from the outside, especially since she had gone back to Texas and was with her family? Or did she just ask you that question and full stop?

Bolten: Probably. I don't remember more of the conversation.

Perry: You probably would remember if she had said, "Because I'm talking to So-and-So and So-and-So back in Texas and they're saying the following." Then do you have a sense that because she had decided to go back and wasn't in the White House 24/7—Was that a handicap then for the President? If she had been serving as this barometer for him, as the soccer mom—Or

were they in close enough contact that she could still do that? As Russell said, she still had her portfolio.

Bolten: I don't think—if Karen had been forgotten then she was gone by then. But I don't think if she was fully present it would have made any difference to the course of the decision making.

Nelson: The question I was going to ask was about a statement you made that—I'm quoting now—"A lot of the national security decision making was done in a way to spare the President some difficult decisions and resulted in compromises that actually weren't the best policy. Because we were often trying to bridge a gap between Powell and Rumsfeld and avoid the President having to make a tough call between them."

When did you start thinking that? Was it in this instance, that decisions were getting—?

Bolten: I think that's a view I developed in retrospect. I don't think I was close enough to the actual back-and-forth to understand that at the time. I was—I only subsequently learned of the disagreements between Powell and Rumsfeld, which sort of became more open and sort of spread to their staffs in the aftermath of the war. I do remember—it may have even been the President telling me, before he issued his decision to proceed with the invasion—inviting Powell to come up to the Residence and just giving him a chance one-on-one to express any reservations or objections.

At least in the telling I heard, and it may have been from the President, that Powell had issued none—that he was on board. I had always respected Powell a great deal. I remember subsequently feeling less and less—well, being more and more disappointed in Powell's approach on this. He seemed, particularly in the aftermath as things were not going well, he seemed more and more in the mode of trying to give people the impression that he had resisted the invasion. Now he may have in the NSC meetings and so on, and I think the President understood that and called him up to the Residence precisely to give him his chance and maybe even be persuaded. Bush had a good habit of wanting to hear from the best possible, strongest spokesperson for a position adverse to his own to see if that could change his mind.

Powell evidently passed on the opportunity to do that, but then subsequently was pretty clever in leaving everybody with the impression that he had been an opponent of the invasion. I mean, I view him with some sympathy because he was a victim. Besides the President he was the most public victim of faulty intelligence. So I'm not unsympathetic to Powell, but in this respect I was disappointed.

Riley: As somebody on the close periphery did you have an—did you make an evaluation of that intelligence process? I mean, you're somebody who is very careful. Was it as tight as it could have been?

Bolten: I have no idea. That would have—to actually evaluate the raw intelligence, that would be a full-time job. I think people made strenuous, honest evaluations about what was going on. In the aftermath of the discovery that the intelligence was faulty, as I searched for the reasons for that, I thought that the light bulb first went off for me probably belatedly. I think a lot of other people had understood this, but belatedly when the President met with—I think it was an FBI [Federal Bureau of Investigation] agent who had been Saddam's debriefer. The President visited

with him and described how Saddam had intentionally given the impression that he was much further along with a nuclear capability program. He wasn't really afraid of an invasion; he was more afraid of people thinking he didn't have nuclear weapons.

Anyway, that's—I'm sure others understood that long before I did, because that meeting with the FBI guy must have been years later. I've always had a lot of sympathy for the intelligence community and the evaluators of the intelligence when you suspect somebody of something that normally you would expect them to try and hide and they're trying to convince you that in fact your suspicions are true. Let me make one other comment.

Riley: Please.

Bolten: I remember a conversation with Mike Gerson, who—he and I were on the periphery of the intelligence and the Iraq decision making. We went out for a walk, or were having lunch together or something. We had gone days without the inspectors finding anything, you know, finding any evidence of weapons of mass destruction. So there was doubt beginning to creep in, which was shocking to me and I think it was to Mike as well, doubt beginning to creep in about the existence of the weapons of mass destruction. At that point I was still convinced that they were there, but they had done a very good job of hiding them, or the inspectors weren't looking particularly hard.

I remember one of us making a comment that—I think I was making a political comment to the effect that if they don't find those weapons, the President's reelect is dead. Mike made the comment, "Reelect? If they don't find the weapons, he'll probably be impeached." We sort of—I remember we kind of laughed nervously. [*laughter*] I was still convinced that they were there, we just weren't finding them. I didn't think at that point that it was a serious prospect that they wouldn't be found.

Riley: The tracking from that point through to the end of the administration, do you ever recall the President himself voicing aggravation with the process that convinced him that this was true and it wasn't?

Bolten: The process meaning the intelligence itself?

Riley: Yes.

Bolten: Yes. I don't remember specific episodes, but yes, he was aggravated. Wouldn't you be? He always had a lot of respect and deference for both military and intelligence people. It gave him a healthy dose of skepticism, not about the people, but about the efficacy and reliability of intelligence.

Riley: Were there steps taken, as you recall, to deal with that in particular?

Bolten: I don't recall all of the machinations that had to do with his interactions with the Agency, with—it's now a blur, the back-and-forth between him and the CIA [Central Intelligence Agency] Director, George Tenet.

Nelson: This is speculative perhaps, but if—

Bolten: By the way, I really liked Tenet and Bush liked Tenet a lot.

Nelson: If President Bush had thought they didn't have—if he had been told by the intelligence agencies, "We don't find any evidence that they have these weapons"—do you think we would have gone to war?

Bolten: I don't know, but I doubt it.

Nelson: So the other reasons that were—

Bolten: Or at least we might not have gone to war at that moment; we might have played the string out. But there was a very keen sense that I remember within the whole White House process of there being a ticking clock and that time was not on our side. So those were the circumstances in which the decision to invade Iraq was made, of a deteriorating and worsening situation that required some intervention before we got past some very difficult tipping point.

Riley: PEPFAR [President's Emergency Plan for AIDS (Acquired Immune Deficiency Syndrome) Relief]? Can we go back—are you OK to continue? Do you need a break?

Bolten: No, fine. Let's do PEPFAR.

Riley: I'm trying to decide how best to deal with this. Is it possible for you to give us a 60-second scan of the Millennium Challenge to PEPFAR? The evolution? Then maybe I can figure out where to dig in.

Bolten: In this case, may I grab—it will help me a bit with the timeline.

Riley: You're grabbing President Bush's memoir.

Bolten: Yes, and my recollection is that there's a chapter on this, probably called the Lazarus effect. As I'm turning to the page, my recollection is that it's really a three-step process, not two.

Riley: OK.

Bolten: I'm having trouble recalling the order as between—of course naturally President Bush's memoir is not chronological. It begins in 2008 and then goes back to 1990.

Perry: Part of the discussion in his book is in our briefing book. We start at 336, and that is the Lazarus effect chapter. I don't know if you wanted to start any earlier than that.

Bolten: No but—the Global Fund—I wasn't sure whether MCC [Millennium Challenge Corporation] or the Global Fund came first. This makes clear that the Global Fund came first. That was, the President got some briefings and had a visit from Kofi Annan, and Powell and Tommy Thompson were supportive. Condi was very supportive of the U.S. playing a substantial role in efforts to stanch the pandemic in Africa. That was a—I don't want to say slow-moving, but not a dramatic crisis that had just been rolling along for a number of years. It was, in human terms, really tragic.

It captured Bush's attention. I think Condi Rice and Colin Powell had captured the President's attention more on Africa, more than one would have otherwise expected. He just seemed to have an affinity for the issues, not so much from a geopolitical sense, but from a sense of moral obligation and the greatness of the United States as being the only power that might help prevent disaster.

I see here that the first meeting with Kofi Annan on this subject was in March of '01, so that puts it very early. I'm trying to place in time, Barbara, the Millennium Challenge.

Perry: Yes. [pages ruffling]

Riley: Josh, let me see if maybe an alternative way of doing this is to ask you about your major recollection—you said your observation when I raised this today was that this was a big thing on your agenda for a good long while. The timeline is fixable. Anybody who wants to work on this in the future—

Nelson: The Millennium Challenge—It's March of 2002 that he announces the Millennium Challenge account.

Bolten: This was after the U.S. made a commitment to the Global Fund.

Nelson: Yes. You're identified as having come up with the idea of involving Bono [Paul Hewson] to promote the Millennium Challenge?

Bolten: Ha, I don't remember if it was my—

Nelson: It is in Condi Rice's book.

Bolten: OK.

Perry: You're not denying it.

Bolten: I don't remember. Condi and I were the objects of Bono's lobbying.

Riley: How does that manifest itself?

Bolten: He came to see me. He came to see Condi.

Riley: Do you remember the first time you saw him?

Bolten: No, but he made several visits during '01 and '02 to the White House and—

Riley: This is a typical Republican constituency group, is it?

Bolten: No, but that's what made him effective. He and his, at that point, relatively small team, had formed a group called DATA—Debt Aid and Trade for Africa or something like that [ed. note: Debt, AIDS, Trade, Africa]. I admired the way they had approached issues. They had lobbied strenuously on behalf of debt forgiveness for Africa through the end of the Clinton

administration and early in the Bush administration and been successful. I don't know if DATA folks and Bono deserve full credit for their success, but they deserve a lot of credit.

I had admired both the lobbying effort and the policy effort. I thought it was smart policy.

Nelson: This wasn't Elvis [Presley] showing up at the [Richard] Nixon White House and deciding he wanted to be a special drug agent. Bono had sweat equity here.

Bolten: He had a lot of sweat equity. He was, in my view, the best lobbyist I saw in my eight years at the White House, or before or since.

Riley: How so?

Bolten: Starts out by being Bono, which is a big leg up. Then he was passionate, persuasive in the way that many Irish people can be. Most important, exceptionally well informed. You rarely had a lobbyist and never a celebrity lobbyist come in and know as much about the issue as Bono did and know which points somebody like me might not have heard or focused on, know which points are likely to be most compelling to somebody with my political persuasion. So he came in and made a very compelling case for additional assistance, especially on the AIDS issue, but they also lobbied on assistance generally.

For Bush, who had much sympathy for the cause and much sense of American moral obligation, it is politically and philosophically very difficult to say, "I just got elected as a true Republican President and one of the early things I want to do is spend more on foreign aid." Bush very wisely always asked the question about what's wrong with it? Why doesn't it work? There was a long history of foreign assistance not working, of money being spent, during the Cold War anyway, in ways that were not really focused on humanitarian relief, but on maintaining some balance with communism in the region. So we ended up lining the pockets of some pretty bad people.

Bush was aware of this history. Bush, by the way, was always a pretty astute and keen reader of history. I don't know specifically what he may have read about Africa, but he always knew stuff. You could say "the Scramble for Africa" and he would know what you were talking about. The dilemma for the Republican was how can he go to the Congress and ask for additional assistance when every Republican and most Democrats believed we wasted vast sums of the taxpayers' money. Now, it turns out the perceptions were always exaggerated about how much money we were spending, but even so, when you're talking in the billions, that's serious money.

So he went along with the Global Fund idea and U.S. contribution, but it had to be matched by others and so on. It just moved really—as he predicted and the cynics expected—it moved very slowly. Other people didn't give, and so on. He found that not unexpectedly dispiriting and frustrating. But he also, as time went on, was developing more of a sense of importance and urgency to the mission in Africa. He asked for ideas around how can we spend the money we're spending better? Why don't we get results for the billions we do spend on foreign assistance?

That's what led to the creation of the Millennium Challenge Account, which Bono and his team supported. They came with ideas, they came with encouragement, they came with heartbreaking stories. Bono himself, having spent a fair amount of time in Africa, could always speak about the

child he held and that kind of stuff. In fact early, before he was really Bono, he and his wife had gone to Ethiopia—I think, the famine in Ethiopia in the '80s—and worked in a refugee camp and so on. He had stories going way back in his career. It wasn't a sudden passion.

The NSC staff, led by Gary Edson, who was the Deputy National Security Advisor for International Economic Affairs, dual hatted—he also reported to the NEC, the National Economic Council. He was the straddle between international and economic affairs. He was tasked with producing a Bush plan to—not to cut back on foreign assistance, but—to make foreign assistance work properly. He produced the outline of the Millennium Challenge Account.

Bono and his team negotiated with us for Bono's support. Why did we want Bono's support? He was a validator with a large portion of the public and the Democratic caucus on the Hill. If Bono says you're doing the right stuff, it's pretty hard for the Democrats to say, "Bono is a sellout."

Anyway, I recall the first meeting with Bono, which is recorded in this book. It took Condi and me a long time to persuade Bush to meet with Bono, but eventually we wanted to get his support for what I believe at the time was the Millennium Challenge Account idea. It was sort of a bold, new proposal from the administration on how to do foreign assistance and make foreign assistance OK for Republicans. So Condi and I with a little bit of effort actually persuaded the President to meet with Bono. He didn't like meeting with celebrities. His attitude was they're coming here just to enhance their celebrity and they're going to walk out and trash me. I will have just given them a stage to promote themselves and talk trash about me. So we persuaded him that Bono wouldn't do this. He basically said OK, I'll hold you to that. [*laughter*]

I went in—this is all recorded in the President's book, I think candidly partly because I gave it to him.

Riley: We'll know where to look for the authoritative account.

Bolten: I mean, he remembered meeting him, but he didn't remember any of the details of it; at least I don't think he did. I briefed him beforehand. I said here's what Bono wants; here's what we want from Bono. Here's where we are on the numbers and so on. He typically read the briefing papers so he'd be doing something else and nodding—yes, got that, got that. Before I left, I said, "You do know who Bono is?" He said, "Yeah, yeah, yeah, Irish rock star." I said, "OK, thanks."

As I was putting my hand on the door to go out and get Bono, he said, "Used to be married to Cher." [*laughter*] So I looked back at him and he showed no sign of kidding. I said, "No, that's Sonny Bono. This is Bono. Different guy."

Riley: Was he kidding?

Bolten: He claims in this book—

Perry: Did you put that in the book or did he say that in the book?

Bolten: His version of that is in the book; I'm going to take him at his word that he knew the difference between Bono and Sonny Bono. He certainly knew who Sonny Bono was. He was a

Congressman. His widow was at that time sitting in the seat that her husband had held. So he knew that. He may have known who Bono was; he had teenage daughters. Interestingly, he was too old for Bono and his daughters were too young for Bono. Somewhere in between. My demographic.

Perry: And your musical interest.

Bolten: And younger than I. Anyway, Bono comes in and he's wearing the usual Bono gear; at least he had a suit on. He had a black suit and a black shirt, no necktie. Bush had a rule of a necktie in the Oval Office and a jacket; he always did. So no necktie but OK; he had the earring and the shades. He walks in and the President looks at me.

Riley: I'm sorry the look cannot be captured on tape.

Bolten: The look conveys you're responsible if it doesn't go well and I'm doubting that it's going to go well. Bono walks in with a gift. People often bring gifts into the Oval Office. They get handed off to the personal aide who then writes a thank-you note, or reminds the President that So-and-So brought this and suggests what the President might say on a thank-you note if you're actually going to have the President write a thank-you note, which you usually don't—otherwise they'd spend all their time writing thank-you notes.

Instead of it getting handed off, they sit and talk about it, because Bono has brought an Irish Bible. They spend the first 15 minutes of their first ever conversation talking about religion and faith and the importance of faith in their lives, because it turns out that Bono is a person of deep faith. He doesn't advertise it because it's not like great on the rock-and-roll circuit. So having begun with this conversation about faith and moral responsibility, then to roll into a conversation about U.S. responsibility, they then had their conversation about the MCA [Millennium Challenge Account] and so on. What rolled on from there were pretty tough negotiations with Bono about what the price for his support was.

I'm pretty sure the principal price for his support of the MCA concept was that it would be in addition to current levels of foreign assistance, it would be a plus-up and not a carve-out from existing levels of foreign assistance, which of course agitated the budget director. It wasn't a huge amount of money. We were talking a billion or two billion dollars at that point. That's a lot of money, but in the context of a $3.5 trillion budget it's not a huge chunk.

The President was prepared to go along with that for proof of concept. The idea was that this wouldn't just be an add-on on top of an otherwise dysfunctional system. It would prove that there was a better way to do foreign assistance and that the MCA principles would then spread to the rest of the foreign assistance budget, as they have done.

We didn't know it at the time, but it turns out to have been a really well-crafted, well-timed policy gambit and we ultimately persuaded Bono to show up with President Bush at the announcement of the MCA program. I think it was done at the Inter-American Development Bank. We also got Cardinal [Theodore Edgar] McCarrick to go with President Bush. So pretty good validators while he's announcing this program.

The side story that I think Bono has talked about and published somewhere is that he had a conference call with his board at the time, of DATA. One of his big funders was George Soros, who objected strenuously to any cooperation with Bush, whom he hated. There were mutual feelings there. He told Bono that he had sold out for a plate of lentils. Bono actually does a great George Soros imitation, "Sold out for a plate of lentils," and he withdrew his support from the organization. But Bono stuck with it.

Nelson: You said he was a tough negotiator. Who were the negotiations with?

Bolten: He wouldn't really negotiate with the President; you would kind of lay out—but it would have been with me and with Condi and ultimately probably with the leaders of DATA and not Bono with Gary Edson. There was a guy named Jamie Drummond, Bobby Shriver was heavily involved; I don't know if Bobby was actually in the meeting, but Bobby was one of the founders of DATA, with Bono and Jamie Drummond.

Perry: So this is Sargent Shriver's son, eldest child?

Bolten: Yes—is he the eldest?

Perry: Yes.

Bolten: Very funny guy, very effective.

Perry: Funny witty?

Bolten: Yes.

Nelson: Was this a case of compassion and conservatism being sort of—looking for a way to manifest that in foreign policy if not in domestic policy?

Bolten: Yes. If you look at the initial AIDS support for the Global Fund and then there was a follow-on when Bush kind of got frustrated. I think it was probably Gary Edson who crafted the mother-to-child initiative. So we carved out a particular area where we thought a relatively confined amount of money could make a big difference. That was on mother-to-child transmission. It turns out that the drugs that had recently been developed—if you just gave those drugs—had a great deal of promise as a long-term treatment for AIDS, which heretofore had no treatment, was a death sentence. Those drugs, if you just gave those drugs during pregnancy, and particularly right before delivery, you would dramatically cut the level of transmission of the virus from the mother to the child.

The thing that really grabbed people's hearts, especially Bush, were the babies that were born with AIDS. So here was a relatively confined area of this vast problem spinning out of control that with a relatively simple intervention could save a lot of babies. Mom would still die, but the baby had a better-than-even chance of not catching AIDS from the mother. So we did that program. Those I think were not especially foreign policy focused; they were more a sense of just American responsibility. But that's a good transition, Mike, to the PEPFAR story, where President Bush, having grown kind of frustrated with the Global Fund, and having been encouraged by his collaboration with folks on the Hill, with Bono and with Republicans led in

the Senate by Dr. Bill Frist, who had himself spent a lot of time in Africa, so there's a champion up there.

The President, encouraged by all of this, was taking a keener and keener interest in what bigger can we do. The President has in the book here a moment when he calls me in and says, "Go bigger." That sounds—I mean, the passage in the book says, "I called Josh Bolten into the Oval Office. This is a good start but not enough. I told him go back to the drawing board and think even bigger." That sounds roughly right. This sort of makes it sound like there was some moment when that happened after the mother-to-child thing. I think that's appropriate for the book. I think the reality was that there was an evolution, where his thinking was evolving. He was thinking more ambitiously. He was feeling encouraged that there were things like mother-to-child that could be done that weren't being done. He was encouraged by the political support he could get.

At the same time—what is the date of the mother-to-child announcement?—maybe that's reflected in the book. It was June 2002. So at the same time we're now getting deeper into the War on Terror, conversations about Iraq I think are well underway at that point. There's a sense, there's a political sense and a political resistance building to Bush the war monger whose only concern for foreigners is in dropping as many bombs as possible on them.

I think in the NSC and with Bush himself they felt that along with this moral responsibility, this moral imperative to do what we could about the health crisis in Africa, it was also important to show the world and particularly areas like Africa, where there was great risk of failed states to become another Afghanistan, a feeling that it was important to show them the good heart of America as well as the iron fist.

Mike Gerson and I—that started some conversations that the President had triggered with his mandate to me in June of '02—I may have even participated with the President in targeting that as a pivotal moment, which I think occurred immediately after the Rose Garden ceremony. After a ceremony like that, as the policy guy, I would walk with him back into the Oval Office and we'd chat. "Gosh, that went well, Mr. President." Yes, yes. But he would usually have a thought about it or some follow-on. That is a moment when he gave me the mandate and said, "Think bigger, I want to go bigger."

At the same time Mike Gerson had had a conversation with me about how he thought there was much more that could be done, and that not just for humanitarian reasons but for political and foreign policy reasons we needed to balance off this growing impression of the United States and the Bush Presidency. Mike at that point would already have been starting to think about the '03 State of the Union. We did not leave these things for the last minute. States of the Union in the Bush administration were actually pivotal organizational moments, which I liked from a policy standpoint because it gave us a moment of focus from which we could then go back and plan, and we would have the entire apparatus pulling in the same direction—the communications, the speechwriting, the policy, and the political, the legislative. They would all come together in truly setting the agenda. The Bush White House was a pretty well organized operation and serious about its business. So it was not unusual that in the summer of '02 Mike Gerson is talking to me about the State of the Union in '03.

Mike was also looking ahead to what most of what the '03 State of the Union was going to be about, which was the War on Terror. He says, "If we can balance that with a big initiative that shows America's good heart, I think that would be a big win for the President and the Presidency and the whole agenda." That was apart from Mike coming from a Catholic, social welfare philosophy. He was a big supporter of that.

In any event I took the mandate from the President and I called together in my Chief of Staff's office Gary Edson, whom I had asked to lead the undertaking, which he was doing with Condi Rice's blessing and I think sort of the blessing although not particularly involved the then head of the NEC, which would have been Larry Lindsey. But really Condi was the one who had an interest in it and was glad to have Gary engaged. Gary worked with Kristen Silverberg in my immediate office. In fact Kristen and Joel were in my immediate office as well as my executive assistant. So I had a grand staff of three.

Perry: You said called into your Chief of Staff office—

Bolten: Deputy Chief of Staff office. I remember us sitting around in there. For the West Wing a lavish space but not a big space, and set off a series of meetings involving Gary and Kristen from the domestic policy staff because there was a significant health component to this. I drew in Jay Lefkowitz, who was Margaret Spellings's deputy and has written about this. From the budget office I had Robin Cleveland, who was the PAD. I think that stands for—

Riley: Program Associate—

Bolten: I always thought it was political, but I think it's Program Associate Director. Anyway it's the—below the budget and deputy budget directors, it's the next level. She is a career person—no, she was a political appointee—yes, the PADs are generally political, but who ran the whole—in her case probably half the federal budget because she had all the defense stuff. OK, maybe a quarter. I'm trying to do the numbers in my head.

So they were all there and we called in Tony Fauci of NIH [National Institutes of Health]. I don't remember which meeting it was, it might have been the first one, but I said, "The President wants to do something big. I'm committed to giving the President an option that's truly big and consequential in dealing with this pandemic crisis." I was cognizant that Robin was in the room and I said, "So assume resources are no impediment, what would you propose?"

I don't know if it was on the spot or Tony came back—I was expecting Tony to say, "Give me a billion dollars and I will get you a vaccine in X number of years." That's Tony's job. He's one of the people who discovered the virus, his office leads the government research for a vaccine. He's the guy you see on TV today, still, when there's talk about a Zika virus, what does the government need to do to create a vaccine? So I was pretty sure Tony was going to say give me a billion dollars and I'll get you a vaccine. I thought that would be big.

But Tony started talking about the antiretrovirals that were available to treat AIDS and said that, "You know, you could give me more money for the vaccine, but I cannot give you any assurance that an extra $100 million will advance by any significant amount the day on which we discover a vaccine for this. A better approach at this moment may be to seize on the hopeful results from

these antiretroviral drugs, which in turn may help lead us toward, advance toward, eventually eradicating it. But for the moment it's critical that we treat it."

One of the problems—actually it had been dramatically explained to Bush by Bono, among others, and understood already, the reason why the AIDS pandemic was so virulent was that, because there was no treatment and it was a death sentence, nobody bothered to get themselves tested even if they could, because nobody wanted to find out they were headed for a death sentence. So they just kept spreading AIDS. He said, "If we can give people some comfort that it's not a death sentence, at least not immediate, it will go a long way toward beginning to stanch [what was at the time] the geometric expansion of infections."

Anyway, so they went off—Gary, Tony did fantastic work. They drew in some of the real leading experts. Tony back home at NIH drew in a guy named Dr. Mark Dybul, who ended up heading our AIDS office. I don't think I met him—I mean, Tony came to my office alone. An important element I should add is that we insisted on secrecy. Gary Edson's work was to be done in secret; Tony's participation was secret. He said, "Can I tell my boss, the Director of NIH?" I said no. He said, "Can I tell the Secretary of HHS [Health and Human Services]?" I said no. I said, "The same goes for everybody else working on this. We're working on it in secret."

This was partly at the President's direction, which I had requested, but he came to feel keenly that secrecy was important for a variety of reasons. At one point farther along in the process Bush told me—"And make sure this stays secret. If it gets out, I'm not announcing it." I don't think he meant it, but I communicated that to everybody which is, if this gets out, there's a good chance it's not going to happen, so just make sure it doesn't get out.

There were a lot of reasons for that. One was, as Gary Edson had described to me in painful detail, there was enormous amount of turf consciousness between State and HHS and AID [Agency for International Development], CDC [Centers for Disease Control] and so on, NIH. It's also a similar story to the creation of the Department of Homeland Security. The process would just get horribly gummed up as everybody tried to make sure that the resources flowed their way, largely to continue doing more of what they had already been doing, sort of the antithesis of a big bold new plan. So there was that problem with it.

The bigger political and communications problem was that if word got out that the Bush administration was working on a big AIDS initiative, our political opponents on the Hill would figure out what was the magnitude of what it was we were likely to propose and they would then propose something twice that, so that when the Bush initiative comes out it's half of what everybody thinks it is. Here's where Bono comes back in.

Because Bono's endorsement of this would be for precisely that reason, would be important. He pushed very hard on a bigger commitment to AIDS, so we had kept him in the tent. We didn't tell him exactly what was going on, but we let him know that he was moving the administration, which he was—he was a significant actor in helping to move the administration—and they would float numbers to us of what was needed, the magnitude, and so on.

Ultimately Gary Edson and Tony Fauci came back with some pretty big numbers. I don't remember what it was during the course of the gestation, but it ended up being $15 billion over

five years, which is a huge foreign assistance and global health commitment. Once again, from Bono's side, it has to be on top; it can't cannibalize other forms of assistance, and we all agreed with that.

Nelson: Did Bono know that you were moving in an AIDS treatment direction rather than a vaccine direction?

Bolten: I think so. He was an advocate. He and his team were advocates for vigorous investment in antiretrovirals. I don't remember whether they had a view on vaccine versus antiretroviral, but I remember they were definite promoters of the miracle of antiretrovirals, which had only been done in a few places. There were maybe—I think the number of people under treatment, real treatment with antiretrovirals, was measured in the thousands and there were tens of millions of people infected, and growing.

Anyway, so the plan was hatched. I think Mike Gerson in his book describes a final decisional meeting in the Oval Office—again, where we're headed is for the State of the Union in January of 2003. Now the policies and the money for a 2003 State of the Union are locked in December. This, by the way, is in contrast, definite contrast, to our predecessor, the Clinton administration, who was still writing the State of the Union on his way up to the Capitol. But I think in contrast as well to the [Barack] Obama administration, Bush insisted on that kind of discipline. He wanted it all well worked out, the budget worked out, the budget numbers had to work. It was going to be part of the President's budget presentation, which was supposed to happen in early February.

So Mike Gerson was actively involved. Mike was the—He wasn't just the articulator of compassionate conservatism; he was also somebody who helped shape and promote it with the President. He was very much in sync with the President's thinking and philosophy on compassionate conservatism. He was much more than a speechwriter, although he is a great speechwriter—or was, he is now a columnist. He had a lot to do with the formulation of the proposals—not the detailed point-to-point, but the principles and the guiding practical approach that some of the important compassionate conservative elements in the Bush administration ended up being.

Anyway, he was right in the middle of the creation of PEPFAR. I remember the meeting, the decisional meeting in the Oval Office, which must have happened in November or December of 2002 for inclusion in the State of the Union of this $15 billion plan. It was my policy meeting. I had it well stacked to make sure Mike could be there. The budget director was there to express reservation—Mitch Daniels. That's his job. On the political side I think they were mixed. The political folks, the legislative folks, were worried about Republican reaction on the Hill. But we had folks like Bill Frist.

Nelson: Who had just become—

Bolten: Yes, I was going to say had just become the leader.

Nelson: Not long after the 2002 election when [Trent] Lott made that comment about [Strom] Thurmond—

Bolten: So Frist took over right after the election?

Nelson: Not long after, that same month.

Bolten: In November. So at that point the new Republican leader is Dr. Bill Frist. I think the legislative people were nervous, may have argued against it.

Riley: That's interesting, because if it had been Lott—

Bolten: We would have still done it, but it would have been a much harder lift. I mean, Bush was always interested in what the congressional politics were and if something was dead he might not go after it. But he rarely allowed himself to be deflected by congressional politics unless they were likely to be dispositive, in which case you don't want to make the effort.

I think Mitch made the case against, said we need to—this is a huge bet on unproven stuff. Gary Edson was there to say it's proven, just on a really small scale and had done fantastic research with Dr.[Jean William] Pape in Haiti and Dr. [Peter] Mugyenyi in somewhere in east Africa, I think maybe Tanzania. [Ed. note: Uganda] He said, "It has worked, it's proven, it's just on a small scale and we're not going to make a sufficient dent in this unless we do it on a big scale."

Then Gerson—I certainly knew the President's thinking. I knew that he had pretty well decided to do it, but he wanted everybody to hear the discussion. He wanted everyone to have done their best to satisfy his concern, which was are we going to end up having wasted $15 billion? I mean, if we're wasting it, we're not even going to get the 15 billion, it's going to be cut off after the first few lost billion. He kind of went around the room. He called on Mike as one of the last to speak. I think Mike probably quotes himself in his own book accurately, but it was something to the effect of if this really has the promise that these people describe and we have the means to stanch this crisis and we don't, history will judge us poorly.

I don't know if that was literally the last word in the meeting, but that was a dramatic punctuation mark to what I think the President had already decided, but basically I don't think anyone dared say a negative word after that. So anyway, we put it in motion. I remember the night before—I think the night before the State of the Union, possibly the day of—I had asked Andy Card to call in Colin Powell and Tommy Thompson so that they will have been briefed by the Chief of Staff on what they had no knowledge of. I had worked with Mitch to make sure that the numbers were baked into their budget but did not appear on any documents that anybody had access to.

By the way, this is a great secret of OMB [Office of Management and Budget], that as the budget is being prepared the director always sticks a few billion—three, four, five billion—into his or her pocket that is not visible to the staff. You know there are charts of numbers and everything.

Riley: Sure.

Bolten: I forget exactly how it's made invisible, but it is—I asked my Associate Director, what's my slush fund? So this was invisible in the drafts that were circulating around OMB. Robin Cleveland knew all about it, of course. Andy called in Tommy Thompson and Colin Powell and told them. They were supportive. Naturally they started—who gets the thing? As Gary had

designed it, it was a separate office that was going to run this thing. I think it was the Office of National AIDS Policy or something like that, which we had created earlier on under some pressure. Actually, I don't even remember—it's probably not historically significant, but it's worth investigating probably with Gary how structurally we did it. But he had very carefully crafted it so the money would not get bogged down at AID or at CDC.

Part of the idea was the money was supposed to go out to the local partners, to governments where they could be relied on, to charities, to faith-based organizations, to whatever local organization would be effective in the practical blocking and passing of properly distributing the antiretrovirals and making sure people took them, which was a huge part of the problem. You have to be on a very disciplined regimen, which is not the way in most of Africa.

There were programs with people with motor bikes who would every day go out into the bush. These people prepared daily doses of antiretrovirals and made sure they were taken. It was terrific planning.

I remember calling Bono late afternoon, possibly early evening, of the State of the Union, which doesn't happen until nine o'clock. I called Frist, who had reason to be I think disappointed not to have been included because he had been a champion for this kind of thing for some time. I think he could reasonably have expected that it would have been the Frist plan supported by the President or something like that, or at least that he would have known about it. So I called Frist and told him about it a few hours before the State of the Union. He was a great gentleman, a gentleman and professional, an enthusiastic supporter, and became our champion in getting it through, getting the legislation through the Senate. And I called Bono. The White House operator reached him at a pub, his local one in Ireland, so he was probably drunk.

I can't remember what time I called him, but it would have been five hours ahead, so if I called him at 6:00 it would have been 11:00.

Riley: He was probably just getting started if it was 11:00.

Bolten: Pubs close early so they get you—

Riley: So you have to start early.

Bolten: It's actually—I know in London, I don't know what the situation in Dublin is, or outside of Dublin where Bono lives, but in London it's actually dangerous to get on the Tube at—I can't remember exactly when the pubs close, but 15 minutes after the pubs close because people drink heavily. [*laughter*]

Riley: You've got public transit.

Bolten: Right up to closing time and then get on the Tube. But they drink that heavily because they can't stay later so they just have to drink what they would normally drink in a U.S. bar until 2:00 A.M. Here they would spread it out. They concentrate it in a British pub.

Riley: So anyway, you talk to him.

Bolten: I talked to him and he was beside himself with joy. He said, "We will issue a statement, we will support you,," and so on. Because we had exceeded their expectations, we had exceeded everybody's expectations. It was part of the purpose, to have a shock value. Gary Edson arranged for Dr. Mugyenyi to be in the audience at the State of the Union. They point to the people sitting with the First Lady, just a rank communications trick. I think [Ronald] Reagan first came up with it, but then it became a staple and actually a pretty tiresome staple of States of the Union. But this one I thought was pretty cool, which is you put the doctor that's actually successfully done this, treated people for AIDS and extended lives and reduced infections. You put him up in the gallery in the House chamber sitting next to the First Lady. By the way, he was stunned. He's a Tanzanian [Ugandan] doctor and all of a sudden we fly him in.

Anyway, so that's the PEPFAR story.

Riley: Terrific.

Bolten: I think it's an important story of the Bush administration and it became more important as time went along, because it turned out to be extremely successful. As budget director I think it was politely called the "Director's reserve"—so on a couple of occasions I used the Director's reserve to fill in gaps in the money.

Riley: You said in one of the previous interviews that there had been an instance when you had gone back to the President to say that the timetables hadn't been met or the goals hadn't been met.

Bolten: Right. We had not—we had said we would treat X number of people—I don't remember what X is—within a certain period and we were falling short of that goal and required I think several hundred million more to meet that goal. The President asked a bunch of questions, the gist of which was is it because this isn't working or we just miscalculated? I said it was a natural miscalculation about how quickly or exactly how much money would be needed to get these drugs to this many people, but it's working fantastically.

The President's chapter refers to it as Lazarus and it was Lazarus in its early years. With problems, with mistakes, I'm sure there was some wasted money, but overall an enormously effective program. So in the Bush administration having promised to spend $15 billion, our critics on the Democratic side—I think in part because we had kept it secret and because the number was relatively speaking so large for such a program—they couldn't really say not big enough. What they said was, "He's lying, he's not going to do that. They're not actually going to fight for this money. They'll put a few billion in their budget the beginning of this first year, but they're not going to fight for it and nothing is going to happen."

Having promised $15 billion over five years, we ended up requesting and getting $18 billion as it turned out.

Riley: Over five years?

Bolten: Yes, over five years. Then it grew from there. I think by the last year we were up to about five or six billion per year. The money has to reach up because you need to build capacity. But once you build capacity—there's a bit of a trap to it. Once you start paying for people's

antiretrovirals you can't stop because their lives are literally dependent on that generosity. So you can have great plans to expand to more and more people, but you can't forget that you still need to keep supplying every single person. Because there's no such thing as graduating out of antiretrovirals. In fact at the time it was just a delayed death sentence. It's now delayed almost indefinitely, but at the time we weren't the Malthusian budget beneficiaries of deaths; we were prolonging lives. That gets geometrically more expensive.

So the money was important. I always made sure that it was in the budget, it was fully funded and if Mark Dybul or in one case Mike Gerson came to me and said, "We're missing our targets by a modest amount, but if we want to be true to our word—" and our word wasn't just the dollars, it was the number of people treated in a certain time period "—then we're going to have to actually expand on our dollar commitment." I said OK. I think I used some of the Director's reserve for that.

The Cabinet officers in whose budgets the AIDS program resided, which were State and HHS, they knew how to play the game. They knew the program was important to the President. They knew it was important to me. So for example Condi knew not to ask for that extra $100 million in her budget.

Riley: When she was at State.

Bolten: When she was at State, because if she had asked for it she would have had to—she has to live within a fixed sliced pie size, or at least the budget director tells the Cabinet officer, "Here's the amount of money in which you have to live. Now you tell me how you want to divide it up." She knew that she could actually expand the pie by not putting that extra $100 million in because she knew that I would reach into my pocket [*laughter*] and put the $100 million in.

Perry: From your reserve?

Bolten: Yes. So it didn't come out of her pocket; it came out of mine. But that's all part of the entertainment of being the budget director, a subject on which we will turn during or after lunch.

Riley: Are you OK to continue?

Bolten: How about a break?

Riley: Why don't we do that to start with and I'll consult with my colleagues.

[BREAK]

Riley: Mike, you want to get us started?

Nelson: Maybe the next item on the list is prescription drugs, followed by the reelection campaign.

Bolten: OK.

Nelson: Prescription drugs. That's not the kind of big, new entitlement program that you expect from Republican Presidents generally. How did that come about?

Bolten: Well, the President committed to putting prescription drugs under Medicare in the course of the 2000 campaign. He also committed to putting the program on a sustainable basis, which it has not been. I don't remember how much detail was in the campaign commitments about how to make Medicare more sustainable, but there were a variety of proposals, most of which found their way into the administration's negotiating position, some of which then found their way into the final legislation.

The idea was not just to expand the cost of Medicare and call it a day. The idea was to use the extension of Medicare into prescription drugs, which everybody agreed was not just a good idea but necessary, to use that as leverage to get other reforms in the Medicare system that would both improve its efficiency and make its costs more sustainable over the long term. Even at that point, or maybe particularly at that point, we were keenly aware that while the budget situation at the time Bush entered office was relatively benign—in other words, we had a couple of years of modest surplus—that was largely the product of attractive timing both for demographic trends and budget trends, but also from the standpoint of attractive economic timing because the surplus years coincided with the tech bubble years, which created windfall revenues to the U.S. Treasury.

We knew that those trends were unlikely to last, particularly if, as was becoming clear in the early months of 2001, we were heading into recession. But regardless of the short-term economic picture and budget picture, we knew that the long-term picture was dismal due in largest part to the unfunded liabilities in the Medicare program, somewhat in the other social programs as well, in Medicaid and Social Security, but Medicare was the biggest part of that.

We thought that prudent management of the Medicare system and the federal budget required some reforms and constraints in the system, so those were part of the President's negotiating position. The prescription drugs turned out to be very popular and the constraints not so popular. [*laughter*] Go figure. We ended up—and by the way, it's not like all the Republicans supported the constraints and all the Democrats supported all the additional expenditures.

Nelson: It wasn't partisan?

Bolten: There was a partisan divide in the sense that Democrats by and large wanted expansion and Republicans by and large wanted expansion and some constraint, but basically nobody was for the level of constraint that the President was interested in undertaking and the level of reform in the system. So it ended up being a difficult negotiation.

There were some Republicans who were just against the whole thing—don't expand the Medicare program. That didn't strike the President as a—he hadn't campaigned that way. He had campaigned on the principle that if Medicare was going to pay for the heart surgery that follows

your heart attack and your care thereafter, it might want to think about paying for the pill that could have prevented the heart attack in the first place.

The evidence was mixed on whether it was a net savings or not, but I always thought that kind of a false argument. It would have been great if the evidence proved that if you just paid for the drugs you'd save a lot of money on the back end. It was unclear that it proved that. But even if it didn't, what a ridiculous system that pays for all kinds of very expensive medical interventions and doesn't pay for the prophylactics in the first place. Again, unless you want to proceed into Malthusian sorts of analyses that suggest that Medicare would be a lot cheaper if people died sooner, which at one point I think Dick Darman actually did undertake. But that certainly wasn't going to be the approach of the Bush administration; it wasn't the President's attitude about all this.

It was a difficult negotiation. I'm not sure why, but I don't remember being particularly involved in the Medicare negotiation as it was going along while I was Deputy Chief of Staff. It may be that there were so many people so heavily involved that I was just kind of monitoring. But the head of the National Economic Council, the HHS Secretary, there were a lot of cooks in that kitchen. My operating mode was usually unless I thought I needed to redirect it in some way, I wasn't going to jump in and try to do other people's jobs for them.

Riley: This would have been the same time you were doing the PEPFAR stuff as well, right?

Bolten: Yes, now PEPFAR I had specifically under my aegis. I had drawn that secretly; it was a secret project drawn into the Deputy Chief of Staff's office. That was unusual.

Riley: But that partly explains, if your attention is focused on that. I'm trying to throw you a bone here.

Bolten: Not deserved. You gotta walk straight and chew a lot of different pieces of gum in government. [*laughter*] That's not too much to ask.

Nelson: You mentioned Bill Frist in connection with PEPFAR, the fact that he was a doctor and his interest in that area. Was that the case with prescription drugs?

Bolten: Must have been.

Nelson: You don't recall?

Bolten: You know it's funny, I don't. Most of the negotiation probably involved the heads of the Finance and Ways and Means Committees, because I don't know whether ironically or not, those were the committees that had the real jurisdictional power over the Medicare and Medicaid systems as revenue matters. I think Max Baucus was a big player. Anyway, I can't remember who all the players would be, but I don't think it was the leaders' offices, I think it was the lead committee.

Riley: Do you want to bear down on this at all?

Bolten: Let me say this from my standpoint—I came into this, I started actually to pay attention to this as budget director because, as often happens, the rest of the government apparatus is headed toward making a deal that can be made because there aren't major sacrifices, budgetary sacrifices, being made. In fact, the budget is being expanded. The only official with the real equities in the category of keep the budget low is the budget director. Everybody has an interest in keeping everybody else's budget low, so there's more for them.

But the negotiators on Medicare, the Secretary and so on, they want as much flexibility as they can get because otherwise they have trouble making a deal. So as it eventually emerged for the President, as he was seeing how the negotiations were emerging, how much of our reforms and constraints we were getting baked into the system in exchange for this dramatic expansion with Part D of Medicare, the President's real option ended up being get prescription drugs and take a few slices of the loaf, but nowhere near the whole loaf on Medicare reform that you want or that fiscal conservatives want, or get nothing.

As the budget director I argued for nothing, aware that I was probably going to lose that argument because I don't think anybody else took my side of that. I had a pretty good sense of where the President was coming out, but I thought it was my responsibility to argue for nothing. I was pretty early in my tenure as budget director at that point and I think not very good at it. In the aftermath I've regretted not arguing more strenuously and effectively for nothing, that the President ought to just seize on, "Love to have prescription drugs, but we're not getting adequately paid for it and we've still got a dysfunctional system that ultimately will ruin the fiscal posture of the United States."

But I didn't. I wasn't effective and you can see where the President is coming from. He promised prescription drugs. He had a bipartisan success. He had some modest reforms that maybe held the promise of a more competition-oriented, more efficient Medicare system. So I could see why he made the decision that he made. In retrospect I think it was a mistake.

Nelson: Do you think that if he had persisted in demanding reforms that he would have gotten them along with prescription drugs? Were you recommending this as a political strategy as well as a budgetary strategy?

Bolten: As a political strategy it would have led at that point to nothing, so it was not a particularly good legislative strategy, which is why nobody else was for it, if our goal was to get prescription drugs done. But I thought—again, looking at it through the eyes of the budget director, I thought that the one piece of leverage that this or any President would have to get dramatic cost containment in Medicare was Part D. I thought we were spending that for ourselves and future Presidents and that this President might have another chance. He might have had another, better chance immediately after the '04 election. And it would have been a smarter thing to work on than Social Security.

You know, if you ask me what are my regrets about my tenure in the budget office, that's probably my biggest one. It was very early on in my tenure, but I think I would have served the President better by really laying my body down on the tracks. I'm not sure that would have changed the outcome, probably not. The train had a whole lot of steam and the President felt personally committed to and thought it was the right thing to do to get prescription drugs into

Medicare and sort of thinking about the long-term budget picture and preserving this one huge bargaining chip for himself, and maybe later in his tenure or the next President. I could see where that would seem like a very attractive trade-off. If I had a redo on anything as the budget director, that would be it.

Nelson: You mentioned 2004, are we ready to go into the reelect?

Riley: Do you have anything you want to say about your appointment as budget director? Did this come as a surprise to you when you were approached to take the job?

Bolten: Yes, the President invited me to have lunch with him, which he didn't do often. He ate lunch with Andy pretty often. He would sort of eat lunch with whoever happened to be around, I think especially the Chief of Staff. But if somebody happened to be around when he was ready to eat lunch, he'd invite—For the President, lunch was not an appointment, it was a brief fuel stop.

My experience and subsequent experience as Chief of Staff was that he would invite me to have lunch and because he had already ordered whatever he wanted for lunch I'd still have to order mine and he would be done before mine arrived. So he would get a quick lunch and I would get nothing. [*laughter*] I think it literally took him five to six minutes maximum to eat lunch. It was typically either two fat-free turkey hotdogs or a peanut-butter-and-honey sandwich, and occasionally it was a hamburger. But that's what he ate and he ate it fast. It wasn't a part of his schedule.

There would be time in the middle of the day for him to eat lunch, so they wouldn't schedule something then, but he didn't really use lunch the way most executives do as a time for a business meeting.

Perry: With the Vice President, though, he would—?

Bolten: Yes, he did have regular lunch with the Vice President once a week. Then there was a regular lunch with Alan Greenspan and the Vice President once every couple of months. There were a couple of things like that.

Nelson: They got to eat?

Bolten: They'd order in advance. Those were on the schedule.

Nelson: Was it still a five- or six-minute lunch?

Bolten: No, but then it would be like an hour-long thing, but Bush would be done. Anyway, he said, "Come have lunch with me today." That seemed more purposeful on that particular day. It would have been in early 2003. I don't remember exactly when. If you say I was announced in May, it was probably in late April, early May.

So we had lunch and Mitch Daniels had confided in me—as the Deputy Chief of Staff for Policy I'm sort of custodian of all the policy units of the White House, including the budget office and had always taken the most interest in Mitch's work, which I admired greatly. Mitch had confided in me that he was—either had told or was going to tell the President that he would be stepping

down to run for Governor of Indiana. I thought that was terrific for him, bad for us. I had sort of started thinking who would be successors. I may even have asked the personnel office for their "bus list"—that was Andy Card's expression for if you were hit by a bus. He actually claimed to have walked around with—if he claimed it, it was true because Andy is honest to a fault. But he had a list of the Cabinet—the bus list—whom he would recommend to the President to be brought in to replace that person if they were hit by a bus.

Anyway, I asked for the bus list on the budget director. There were some thoughts—a couple of members of Congress, things like that. I don't remember who specifically was at or near the top of either the personnel office's list or mine, but I figured that might be something on the President's mind, so I thought a little bit about that as I went in to lunch. Sure enough, during the lunch the President says, "So are you aware that Mitch is leaving?" I said, "Yes, he has confided in me; I think that's a big loss. I'm sure there are lots of good candidates to replace him."

So we talked about some of the people. I remember we talked about a couple of members of Congress and what their merits and demerits might be, what the merits and demerits might be of removing them from the Congress—are their seats safe, that kind of thing—because it's a good job for someone with legislative experience. Then as we got a few minutes into the conversation he said, "What about you?"

I reacted immediately because it was a shock, and I said no, which I knew after I said it was not what you say to the President. What you say to the President is, "Oh, I'm so honored, sir, but I'm not worthy. I'll of course serve wherever you consider best." But I said no. He said, "Why not?" I was stunned by the thought. I said, "I don't know enough about it." Bush said, "Of course you do." What he was thinking was *You're the policy guy. The budget implements the policy so—*

Then I said, thinking of Mitch—He is my paradigmatic budget director—"I'm not tough and mean enough." He said, "Of course you are." [*laughter*] He said, "Think about it; we'll come back to it in a couple of days." So I thought about it and I realized the correct answer is, "Oh, Mr. President, I'm so flattered, I'm not worthy, but I will serve wherever you want me to serve." I did not want to take that job. It's a bear of a job. I did not think I was knowledgeable or mean enough or tough enough for that job, but I saw the logic from his standpoint of putting me in it. It turns out that Mitch had recommended me to the President when he told him. The President always asks who would be best to replace you, and Mitch had recommended me.

A couple of days later when the President asked, I said, "I'm not worthy, flattered, and of course I'll serve wherever you want me to serve." So that was it.

Riley: In retrospect were you tough enough and mean enough to have the job?

Bolten: I think the President would have been better served if I was smarter, tougher, and meaner. I feel that I served to the best of my ability in the job and probably not that many other people could have done it a lot better, given what the job is like. But I'm sure some could have.

Riley: Again mindful of the clock, were there any particular things that have your fingerprints on them that we should pay attention to historically? Iraq is breaking loose and I'm assuming a lot of your time must have been spent on the war.

Bolten: A lot of my time was spent on Iraq, on legislative affairs. A lot of it's a blur. The things that stand out to me from my tenure there as budget director were the efforts to ensure that we got adequate funding for the War on Terror writ more broadly, not just Afghanistan and Iraq but the other elements as well, for the ramp-up in the military that that required, for the accommodation of other kinds of spending that that also required. The trade-off, not sub rosa or in-effect trade-off, the very explicit trade-off in many circumstances was the President gets his war funding, we get this other stuff.

So for the budget director, whose job it is to keep the budget under control, that's an unpleasant way to have to operate, to have to give up five, ten billion dollars in spending dictated by Democrats on the Hill—largely dictated by Democrats on the Hill in exchange for the 30, 40, 50 billion dollars that the President needs to adequately fund the troops in Afghanistan, Iraq, and elsewhere. Homeland Security wasn't that hard to get funding for, but the troop funding, especially as more and more Democrats and some Republicans came to oppose the effort in Iraq or came to be disappointed with it—and in their telling never supported it in the first place—the price tag went up.

Riley: Gotcha.

Nelson: But there was room for another tax cut in 2003.

Bolten: There was. It was more modest; it was an acceleration in many respects of the previous tax cut. Bush had been right when he campaigned and when he came into office saying there's a recession on the way. This tax cut is well timed to deal with it. A lot of the tax cut ended up being spread out over time. Part of the effort in 2003 was to bring it forward. But there was also unfinished business in the tax cut.

I did not play particularly heavily in that as budget director. I'm guessing that was because it was pretty well baked by the time I became budget director. When was the '03 tax cut, was it in the summer?

Nelson: It was introduced before you became budget director.

Perry: April '03.

Riley: That was before you.

Nelson: It passed before you.

Riley: Only one more question, being mindful of the clock.

Bolten: Let me finish briefly the answer to your question about the fingerprints. Also the Medicare episode we just discussed I think—It lacks my fingerprints in a way that I think is something of a discredit. I'm proud of the fingerprints I left on PEPFAR and related programs, the Millennium Challenge, the President's Malaria Initiative, which was an emulation of PEPFAR for malaria and was also highly successful.

I also remember my tenure for some very difficult management of the Congress, including the Republicans in Congress who were highly intolerant of profligate spending in the abstract but against any particular cut in the specific. That's not an odd place for the budget director to be, but I dealt with a—especially a House Republican conference of our own party that was often very difficult to deal with and hostile to what they viewed as the profligate ways of the Bush administration, although it was pretty hard to get them to identify—So exactly where is it that you want to cut the budget?

It would be the very small portion of the budget—it was like HUD [Housing and Urban Development] housing that was almost impossible to cut and wouldn't have realized any substantial savings. I remember a contentious relationship, I think—I'm proud of the relationships I did have on the Hill; I worked pretty hard at them, with the budget chairman, the appropriations chairman, in some cases with members of the other party, especially in the Senate, where they count a lot more than they do in the House.

Perry: Can you name them?

Bolten: I was close with Judd Gregg, who was budget chairman most of my tenure, but I also went out of my way to try to work with Kent Conrad, his Democratic counterpart, both of whom were highly critical of the profligacy of the administration, Judd a little more specific about what he would have done instead. I was close with Ted Stevens, who was appropriations chair. Everybody gets a piece of the budget director on the Hill. The confirming committee is the Senate Government Operations Committee—I forget what it's called now. It's Government Operations and Homeland Security. So that's the confirming committee. But the Finance Committee and the Ways and Means Committees have a big piece of what the budget director does.

The budget committees feel like they own the budget director and the appropriations committees, who actually write the checks—the budget director writes the checks, but the appropriations committees keep the checkbook. They feel like they own the budget director. Then each individual appropriations cardinal owns his or her slice of the budget director. Then every other committee just sort of feels like *Well, yeah, budget*. So it's a big legislative management job. I'm proud of the relationships I had. I wish in retrospect that I had been even more vigorous and better at it than I was. But it's a bear of a job just in terms of volume.

Nelson: Did it make you a better Chief of Staff, having to deal directly with so many members of Congress?

Bolten: Yes, no question, it did. I remember somebody came up to me when I was announced as replacing Andy for Chief of Staff. Somebody came up to me and said, "Gosh, I admire you so much, but I just don't know how you can do it, having spent over five years in some of the toughest jobs in the administration and now plan to take on the hardest job in the White House." I didn't say it aloud, but all I could think of was *Thank God I don't have to be the budget director*. [*laughter*] There were days when I would just go home—and I rarely went home before ten at night. I would go home with a headache, with the sensation of my head hurting because I was unable to absorb everything that I needed to understand to make the decisions I was being called on to make. Because there are just dozens of decisions that the budget director has to make

all the time, and it's just not possible for any single human being to be sufficiently informed to do that.

I mean, I tried pretty hard, but I'm not—I'm a good learner and a reasonably smart person, but I'm not the best learner, I'm not the smartest person. I don't have the most stamina and certainly don't have the best memory of people that I know. I always had the sensation of not quite being up to the job. I didn't feel that way as Chief of Staff, by the way—nor as Deputy Chief of Staff. But I regularly felt like the budget director's job was bigger than I could be.

Nelson: Was this the only time you had to go through the confirmation process?

Bolten: Yes.

Nelson: What was that like? Was it smooth? Did it give you a feel for—?

Bolten: It wasn't bad. There was a point in the administration where they weren't going to deny the President his budget director. There was nothing particularly controversial about me. I had to visit a bunch of Senators. I had to go pay respects to Robert Byrd, but I knew to bring my Constitution with me. I had been warned. I actually did carry around a little pocket Constitution. So I took it with me into the room. I knew to cite the Article.

Riley: He signed the original Constitution. [*laughter*]

Bolten: I don't even remember what the Article and paragraph is that gives the appropriations power to the Congress, but I knew to recite that.

Perry: Article I.

Bolten: It is Article I, but I don't remember which clause it is. I don't remember which clause it is, but I did prepare myself for that. No, confirmation wasn't that bad. The chairs of the Government Operations Committee—I'm not even sure that's the right name for it—at the time, were Susan Collins of Maine and Joe Lieberman of Connecticut, so kind of centrist people; I like them both. It wasn't that bad.

Perry: You had spent three or four years, right, on the Hill after law school?

Bolten: Yes, I knew the Hill. I'd served four years on the staff of the Senate Finance Committee.

Perry: Did you find that that helped as a background?

Bolten: Yes, it helped a lot. Those were important formative years for me. I served from the beginning of '85 until the beginning of '89 on the Senate Finance Committee staff—I guess mid-'85. So as a trade person—Finance has the international trade jurisdiction along with taxes and Medicare, Medicaid, and so on, and Social Security. So it's a big jurisdictional committee, powerful. So I was there through some intense legislative activity on trade legislation, of which there was quite a bit while I was there. Even more consequentially, the last time the country did a major tax reform was 1986 and I was a spectator to that and a little bit of a staff participant

because it was kind of all hands on deck. But that was great education and great background to do a job like budget director and Chief of Staff.

Riley: Let me ask one more question before we break for lunch.

Bolten: By the way, fingerprints also—did I mention the PEPFAR stuff? Can I mention one more fingerprint?

Riley: You're in charge—we'll keep going.

Bolten: From the budget standpoint—I think this is important—there was a fair amount of tension from the right about the administration's toleration of earmarks. Earmarks had grown explosively throughout—in the Presidencies preceding 43's but they really grew in 43's. This was largely the product of a Republican House and Denny Hastert was very explicit with me and with the President. He said, "This is how I keep my guys; this is how they get reelected. Don't mess with us."

Mitch Daniels was unpopular with the Speaker and with many members, especially in the House, because he spoke out regularly against earmarks. The administration never put earmarks into our budget even though they asked us to, but we would acquiesce on them when the final bills came along and didn't make a big stink. So there were pushes—"You need to come down hard, put a stop to the earmarks, it's giving everybody a bad name," and so on, as it did.

I remember a conversation with the President when he said, "How big a problem are these things?" I said, "What do you mean? In dollar magnitude? Total earmarks are maybe less than 2 percent in the federal budget." He said, "That's all?" I said, "Yes, less than 2 percent and typically it doesn't add to spending; it just takes a portion of spending in a particular area and directs it to the particular project within that category that the member wants it spent on. So we can veto bills and we can demand that all earmarks be eliminated, but you won't save the federal government any significant amount of money."

So Bush went, "All right, let it go."

Riley: Not worth the effort.

Bolten: Not worth the effort. So I made sort of modest efforts and so on, but I always felt like maybe that was the second dereliction of my tenure as budget director because it did give Republicans a very bad name and undermined our bona fides as being fiscally responsible because they were so emblematic. You end up with a bridge to nowhere.

So in the aftermath of my tenure as budget director I regretted not having taken a stronger stance on that and pushing that issue earlier with the President and the Speaker and so on. Now with the longer view of history and a vision of how dysfunctional the House of Representatives currently is—particularly the House, but also the Senate—one of the major sources of dysfunction that the leadership up there will tell you about is we don't have earmarks to help keep people in line and to grease the wheels of proper legislative functioning.

I think if you ask them up there what would you like to change most that could help actually return the Congress to its legislative function, one of the things that many people would say is, "Just quietly bring back the earmarks. It makes life so much easier."

Riley: My question was about—and if this is too complicated to get into and you want to eat first—it's about the postwar planning in Iraq. Did you have any window, as budget director, on to the extent to which that planning had advanced? There has been a lot of criticism and postmortems about an absence of intensive postwar planning. I'm wondering if from the budget director's job you were seeing that in a different way than other people would.

Bolten: You know, I didn't become budget director until June, after the March invasion. So the planning that should have occurred—

Riley: Would have been before you.

Bolten: Would have been before, probably while I'm studying—to become the budget director—for my confirmation hearings. During the course of that, my assistant—Kristen Silverberg, one of my two policy assistants—gets up and leaves and goes to Baghdad for six months. People were volunteering. It was a totally different environment. It was not regarded as nearly as dangerous as it actually was. It was regarded as dangerous, you're going to a postconflict zone, but we thought it was a *post*conflict zone, not a conflict zone.

My view from the Deputy Chief's job, which carried over into my budget job, was that we didn't seem to have a particularly good plan in place, but that wasn't that surprising because we'd never done anything like this before. We were the administration that came in promising not to be nation builders and here we were nation building. Condi navigated that rhetorical awkwardness much more deftly than I could possibly. So it seemed pretty ragged; it seemed uncertain. Lines of responsibility were hard to identify because they didn't really exist before. So to see my assistant Kristen, whose total job experience was I think a year or two at a law firm, a year as a Supreme Court law clerk and then working for me on the campaign and the White House—to see her suit up and get on an airplane for Baghdad, I'm thinking *Well, we're sending smart people, but what do they know?* And they're going to help the Iraqis rebuild their judicial system, and transportation experts and oil experts, all kinds of experts were showing up.

Even at the time it struck me that this seems pretty ragged and haphazard, but I didn't feel especially critical of anybody at that moment because it was a completely new task. I guess the criticism belongs to not appreciating the magnitude of the task and not having in place already the mechanisms to deal with it. We still struggle with that even today. So that's my perspective from my role as Deputy Chief of Staff watching all of this happen. Again, this was managed through the NSC so I did not play a substantial role in it.

Then as budget director I'm just trying to get them the money that they need to do what they think they need to do. There's a lot of temptation to step in and try to micromanage the planning and the process and everything, but that was well beyond the capabilities even of the fairly large office at OMB that manages defense and national security spending.

Riley: OK.

Bolten: But yes, it seemed ragged. It must have seemed ragged to everybody involved.

Riley: All right, want to take a break?

Bolten: Actually, let me add one thought there. I don't think anybody from the Kristen Silverbergs of the world, both up and down—I don't think there were many people who expected something a lot worse than what the Vice President predicted, people cheering in the streets. At least in the initial phases of all this we thought we were going into a friendly environment of people who would be enormously relieved and grateful to be out from under from Saddam's boot and cooperative in constructing a functioning democratic capitalist society. We turned out to be wrong.

Riley: Thanks.

[BREAK]

Riley: Mike, where are we?

Nelson: Are we ready for the 2004 election? How was that different from your experience in 2000?

Bolten: Very different, completely different. I think even if—well, a reelect is completely different from an election campaign. The reelect is basically—this is the Presidency and that's what we're running on. Although they need to be formally separated and certainly financially separated, there's not really that much distinction between—no, that's not the right way to say it. The people doing their jobs for the President are basically—even doing their jobs completely neutrally without regard to politics, partisan politics, they are, we were, doing the work that is essential for the reelect.

So you're making policy proposals, but if you happen to be making it toward, somewhere toward year four, what you're doing is you're helping create the agenda on which the President will run and hopefully govern. So in my case, as the policy director on the campaign, I was involved in all the very long gestational and educational process that was the policy portion of the campaign. Once in government it's quite different.

Nelson: Your participation in the reelect then—did it involve taking time off?

Bolten: Yes. That's what I was inarticulately trying to say. A lot of what you do day-to-day in the course of the normal governance process is the process that helps define the policy agenda—me being a policy person—on which the President will run. So that you don't need to take time off, that is your day job. Where I took time off was just for a few episodes of actual partisan political activity. I remember I took a few days off and went to Florida to campaign, went to Ohio to campaign. Interestingly, speaking of my—we were speaking off mic about my genealogical history. Where the campaign thought I was most useful was in campaigning in

Jewish communities, and the large Jewish communities in both Ohio and especially Florida. So that's where they thought I could be useful.

I mean, nobody has heard of or particularly wants to see the budget director. Can I get your autograph? So that's not a compelling campaign appearance, but if you're a Jewish member of President Bush's Cabinet you actually make a pretty good campaign point in Jewish communities just by showing up. So I went to synagogues in Palm Beach and I don't remember where, Columbus and I don't remember where else and made the case for the Bush administration.

The first thing I did—actually, I didn't even need to say out loud, "Bush has Jews in his Cabinet and he has been a great friend to Israel and to religious freedom in general, which not least affects Jews."

Nelson: Was it your sense that the reelection campaign was mostly about the past four years or the next four years in terms of content?

Bolten: That's interesting. You know what, I probably didn't have good perspective on it because those were hard-working years as I described as budget director. So although I paid attention to the campaign, I probably paid more attention to the 2016 campaign than I did to the 2004 campaign. It was obviously important to me; it was essential actually to my job. I knew there wasn't much I could do to help the campaign other than do my job as budget director as well as I could. So I didn't pay that much attention to the ebb and flow; I didn't watch that much news; I didn't socialize at all as far as I recall. So I don't have good perspective on it. What I do know about Bush is that at all moments he was always forward-looking and vigorous in defending his record, but not particularly defensive about it, much more interested in moving on. What's the next step? When stuff went wrong he very rarely participated in any kind of hunt for the guilty, just wanted to focus on if something went wrong, how do we fix it?

I would have said from the President's perspective it was a pretty forward-looking campaign, and he campaigned on some interesting stuff. He campaigned on Social Security.

Nelson: In 2004?

Bolten: Yes. He did in 2001 but we didn't get to it. In 2004 he campaigned pretty vigorously on Social Security reform. He said he wanted to do immigration reform. He campaigned on his record on homeland security and on the importance of staying the course on the War on Terror, not shrinking from that. It was a pretty substantive campaign.

It was also a campaign designed to draw a personal distinction between him and [John] Kerry, and if they campaigned correctly assessed that people would like the George W. Bush character for the Presidency better than the John Kerry character. So they seized with glee on moments of Kerry windsurfing. Karl Rove spotted that immediately as a huge mistake—not like Michael Dukakis putting on the helmet, but still not good. So there was a fair amount of the campaign focused on that. Bush kept governing. I did not see him at any moment lose focus on being President. Now he lost time. He would fight for his time, the campaign events versus the time that you need to properly be President, but in terms of focus he never lost focus on being President.

In fact there was a point at which we were concerned—not that he was insufficiently focused on the campaign, but that he was insufficiently focused on some of the mechanics of the campaign, like debate preparation. I think that happens to every second-term President. They say, "I don't need that; I don't need to prep, I'm doing this stuff every day." What they forget is that for three and a half years they have not been confronted in either the context or the way that a political opponent will confront them. Presidents are pretty well insulated from political confrontation. The British have question time and things like that; we don't do that to Presidents. The worst we do to them is the occasional press conference where it's not a debate. The person gets to ask a question and maybe a follow-up and that's it.

So we were worried about Bush, who a little bit surprisingly to me didn't take much interest in his debate preparation for '04 and I think it showed, at least in the early debates.

Nelson: Is that true of all the debates or just the first?

Bolten: I think just the first one.

Nelson: On Election Day did you expect that he was going to win?

Bolten: No. Before Election Day I was uncertain. On Election Day Karl Rove told me that we had lost.

Nelson: What time of day was this?

Bolten: It was early afternoon. He had told me that it looked like we had lost. The mistake was in some exit polling in Ohio that turned out just to be radically wrong. We ended up winning Ohio, not by a huge margin, but I think it was well into the six digits, a couple of hundred thousand votes, so not like Florida in 2000. But no, I genuinely didn't know. I was always optimistic. It's kind of in the nature of the political beast, but you find it hard to imagine that the wonderful saintly person for whom you work could not appear that way to almost every single, fair-minded American citizen.

So I'm sure I went into it optimistic, but in sober moments realistic. We had no idea whether we were going to win or not. On Election Day itself, Bush was told and Karl told me we were going to lose.

Nelson: Do you know how he responded to that when he was told that?

Bolten: He said something about it. He was on a trip; maybe they were coming back from voting in Crawford and was with his family and for the first time his daughters had gotten interested in the campaign. They were almost hostile during the 2000 campaign; they were teenagers. One of them said, "You've ruined our lives." He wasn't keen to make them public figures; they were young and stuff. In fact at the Bush Library there's a lovely letter—Jenna wrote a really nice letter to her dad for the first time on behalf of both her and her sister expressing interest in helping in the campaign, how proud they were of him.

Perry: They spoke at the convention too, as I recall.

Bolten: Yes, that was sort of like, OK you've got to do that. They didn't do it in 2000 because they were too young, but in 2004 they were out of college. So they were old enough. Daughters kind of have to speak. So they did. But the significant thing was they were proud of their dad, proud of his record, mad about people saying bad things about him, and they wanted to help. And they did help in the '04 campaign.

Anyway, so they had voted. He was flying back. They were coming back in the chopper and Bush tells some story about talking to his daughters about it's OK if we lose. It's all right. But they had gotten emotionally wrapped up in it. If you see the photos of them getting off of the chopper, landing on the White House lawn in the afternoon, they're kind of grim faced.

Nelson: Based on the election, and what he talked about during the campaign, was their implicitly assuming he won a kind of priority list setup for policies in the second term, and if so, are they what they turned out to be in that first year of the second term?

Bolten: There was a pretty clear understanding of what was on the agenda. You know, we had that in mind all the way through, that here are the big items, here is the order we currently think we ought to take them up in.

Nelson: When you say all the way through, you mean from 2001 on?

Bolten: Yes. I go back to the Andy's Anonymous meeting that I probably described with the policy calendar. That was an exercise of constant reevaluation. What were the big things that the President wanted to get done and in what order and how would we try to do them, which I think was a great discipline and one that I'd commend to any White House. I'd be surprised if they don't follow it in some modified version.

So yes, there was always a sense of a pipeline, the issues he wanted to get to and so on. I do remember—I'm still budget director in the immediate aftermath of the election. I do remember at least one meeting at Andy Card's office, at his table, to talk about the issues, the order in which we ought to take up issues and the ones we ought to put the real effort into and so on. I remember there being a decision taken to recommend to the President that we go first on Social Security and then immigration. Those were the two big ones.

Since then Karl Rove has identified that as the biggest political mistake; just that sequencing of the two issues. I don't know whether that's true or not. Like everything else, Karl makes a good case for it. But Karl was the one who was leading—well, Andy is chairing the discussion, but Karl was leading the discussion about what to do when. We decided to go all-out on Social Security. In the early months after the election, I think that summer, Bush did dozens of events, Social Security events. I remember the advance team always had to set up. He would go to a factory and he would ask them, "Who's got a 401(k)?" Most of the hands would go up. "How do you feel about it?" Great, it's the best thing. "Do you like being able to control your investment?" Yes. "Wouldn't you like to be able to do that with Social Security?" Yes. So he did campaign vigorously on it and we got no support from anybody on the Hill.

Hastert is in there going, "Well, my guys are not really excited about it. It was fine for you to run on that; none of my guys did." Social Security, third rail, can't touch it.

Nelson: Was the decision to go ahead with Social Security done without consulting with Hastert and Frist on the Hill?

Bolten: I doubt it. My guess is the legislative director would have certainly been in that meeting with Andy. I mean that Bush campaigned on it; it would not have been done without consulting on the Hill. I stand by what I said earlier, which is that Bush didn't calibrate his views on policy particularly with what was going to be popular on the Hill. He might calibrate when and whether to do something if he knew he couldn't get it done, but if he thought he could get it done he didn't care much what they thought.

Nelson: They had to pass it.

Bolten: They did have to pass it. I think Bush found it inconceivable that his party could be against reforming Social Security so that the system remained solvent for future generations. If you ask any politician, you hear, "Yes, the system must be solvent for future generations." Well, that involves making some changes that could be regarded by some of your opponents as cuts. "I'm against that." Well, what are you for? "I'm for making it solvent." [*laughter*] Anyway, so no, I don't think that was—as Bush formulated the policy, I don't think there was a lot of checking with Hastert on how do you feel about it.

I mean, it's not like—Hastert may have said during the campaign—and in fact probably did say during the campaign—don't go too heavy on that Social Security stuff, that really makes my people nervous. Bush would sort of take that to mean, oh, they don't want this election to be about that.

Riley: Right.

Bolten: We can bring them around when we need them—and we couldn't. They were just too scared.

Riley: How quickly did you know that it was—

Bolten: Not quickly enough [*laughter*] because we had the President do like three dozen events. We figured we'd build momentum, people will understand. It was just too easily demagogued as privatizing Social Security, which it wasn't. Go figure.

Riley: And Katrina happens.

Nelson: August 29th.

Perry: Of '05.

Riley: So if you're trying to build momentum in '05.

Bolten: I think we knew we were dead by August, maybe—well, at a minimum the coroner had not pronounced, but—

Nelson: Wasn't there a political theory behind Social Security reform kind of tied to this idea of the ownership society?

Bolten: Yes.

Nelson: The more people who own a home, who own stock, the more likely they are to become Republicans.

Bolten: Yes.

Nelson: Then the hope was Social Security reform would create more people who felt that sense of—

Bolten: Absolutely. You're reminding me of more than I remembered, but it was a great thematic approach for the whole administration, which was promote ownership, promote home ownership—because Bush really did want to be a President who had done a lot, not just to lift the economy overall, but to make it an economy in which everybody could prosper, and especially those who were on the bottom rungs of the economic ladder.

If you go back and look at the details of the tax cut, that's exactly where his tax cut went. He insisted that we be able to say—which we did accurately, that the wealthy paid—after the Bush tax cuts, the wealthy paid a higher percentage of the overall income tax revenue than they did before the tax cut. So if you say it was a tax cut for the rich, that's true, because in this country federal income taxes are paid almost exclusively by the rich, or what most people think of as rich. But the tax cut was done in a way so it took millions of people off the rolls, it lowered taxes for everybody, so that ultimately the wealthy—I think at the end of the Bush tax cuts the top 10 percent ended up paying a larger portion of the overall federal tax revenue than they did before.

That was important to Bush. He was not about making rich people richer; he is not a fan of the wealthy. He is definitely not a fan of Wall Street. He definitely had antipathy toward Wall Street's inclination just to do financial engineering and make themselves rich rather than do anything productive. He was very disparaging about it. It didn't help that everybody on Wall Street was also a Democrat and supported his opponent. But even with the Wall Street people who weren't Bush supporters he was respectful to them. He admired many of them individually, but did not admire Wall Street or what Wall Street did. He's regarded now as a great friend of Wall Street—he wasn't. And Wall Street was not a particularly good friend of his.

So the Opportunity Society was great thematically from his point of view and is exactly the lane in which we tried to insert Social Security reform, which was necessary for unrelated reasons of fiscal instability in Social Security now. At some point in the last few years Social Security has shifted from being a money maker for the federal government to being a money loser just because of our demographics. It used to be Social Security took in more in payroll taxes than it paid out in benefits.

The way our demographics work and the way the system is now structured, that shifted. By the way, it made every previous President's budget situation look better than it actually was because there is no locked box. The money doesn't get set aside for Social Security; it just goes into the federal budget. Now it's making federal budgets a little bit worse and it's going to get a lot more

problematic over time. So Bush felt that he had to try and address that problem, the fiscal problem, but at the same time sweeten it—we thought sweeten it—with this reform of making it part of the Opportunity Society, the Ownership Society, and give people the chance to own their own Social Security account.

Perry: Remind me, wasn't that just a portion—they would not have 100 percent control.

Bolten: Right.

Perry: Do you recall what percentage of what a person was putting in through the payroll tax, that the individual was contributing—isn't a major portion of that going to pay the people who are currently receiving Social Security?

Bolten: Well, everything you put in is.

Perry: Was that part of what was difficult to explain to people? First of all, you're only going to get to take a portion of what it is that you're putting in and guide it yourself as you do your 401(k), and moreover, by-the-by, what you're putting in is not going into a lockbox for you, it's going to pay your parents' and your grandparents' Social Security right now.

Bolten: Right, and that was a funding problem for Social Security because it meant making the burden on the federal treasury larger during the period when people were building up their personal accounts. It would then become smaller when they start to draw down their accounts. We argued it was much better than a wash, but in the short term it actually increases federal deficits. In the longer term it decreases them.

What we didn't really properly assess—at least I didn't, maybe other people did—was how easily demagogued the idea of privatizing Social Security was. That just taking—I think it was 2 percent you could put aside—you know Social Security is 12-point-something percent of your pay, and so less than one-sixth of that you could set aside into an account that you could manage within boundaries. There would only be certain products that you would be allowed to own in that account, but you could own it, you could pass it on to other generations, and so on.

I mean, it's a way of forcing people in the Ownership Society actually to own their own benefits and to take responsibility for their own financial wellbeing. We all loved it; we thought it was great. When you go to a factory and you ask the workers, "Do you want to own a piece of your Social Security—?" By the way, you poll young people, most of them don't think their Social Security benefits will be there for them. So we thought, *This has got to be a political winner*. I guess Karl thought that. It just turned out to be a total dud.

Nelson: I wonder too—This was a year in which the news from Iraq was almost unrelentingly bad. Does that color the President's efforts in other areas?

Bolten: Yes, it reduces the President's potency and credibility across the board; there must have been an effect on that. I mean, I remember in the immediate aftermath of the '04 election the President was talking in language that I was uncomfortable with. He has earned political capital, he's spending it. I thought that was a little too triumphalist under the circumstances. That was not a landslide election; that wasn't an election President Bush should have won given the

conversation that Mike Gerson and I had, given the state of the economy, given how Iraq was going. That was a close election. It was not clearly a mandate on a set of policies. I think it was just a good leader and politician persuading folks that he was the better choice than the other guy. So I didn't like that earned capital and I'm going to spend it.

That said, if things are going badly, as they were in Iraq, that causes a pretty big diminution in the political capital, certainly a major diminution in his support on Capitol Hill.

Riley: How big a problem were you having at OMB at this point in keeping a lid on everything?

Bolten: A big problem. Republicans were increasingly uncomfortable with the direction of the war in Iraq. I'll jump forward and tell a story that is partly told in President Bush's book, which is that prior to the 2006 election—actually it's not jumping forward that much. I was by then Chief of Staff and Mitch McConnell called me and said he wanted to see the President. Of course I was going to let the leader see the President. I said, "You want to tell me what it's about?" He said no. I said, "All right, how soon do you want to see the President?" He told me. I said, "I'll let the President know and come back to you."

The President said, "What's it about?" I said, "He wouldn't tell me." But I knew that Bush would tell me as soon as the conversation was over exactly what McConnell had said. Then McConnell—this was in the fall of '06—went into the meeting and said—

Nelson: Before the election?

Bolten: Before the election and far enough in advance of the election so that a change of course on policy could have affected the outcome of the election, and that's what Mitch was there to say. Mitch was there to say, "I want you—Iraq—I don't need to tell you, but it's really true, Iraq is really hurting our people. We're going to lose a lot of good members. I'd like you to start at least a symbolic drawdown of troops before the election."

Bush, I forget, but it's recounted in the book, Bush told him no, I don't make decisions about the war based on politics. [redacted]

Perry: McConnell's leadership of the Senate was on the line, right, the majority leadership of the Senate?

Bolten: It was.

Perry: It turned out the Republicans lost and he lost the leadership.

Bolten: He was right. The war in Iraq—there were lots of reasons actually. I don't think it was just the war in Iraq, but that was certainly a contributor. He was right to be worried that the President's policies were helping drag down an embattled party to defeat in both Houses.

Perry: But again, for him it was particularly personal, not just for the party but for his slot as the majority leader, which is what he aspired to in the Senate.

Nelson: How many people would you let in to see the President without them telling you what it was about, and who were those people?

Bolten: Actually, I think I would have let almost anybody who could otherwise get in to see the President if they had something they wanted to tell the President in private. For a Cabinet officer or a leader in Congress. I think you have to have enough trust in their judgment and respect for their positions to allow that. That said, I also knew that Bush would tell me whatever was appropriate to tell me, which was almost everything I'm sure, except for the most personal stuff, number one. Number two is I would also make clear to them that I had asked and they would not tell me why they were going to see the President, and if the President turned out to think it was a stupid idea to have the meeting, he would blame them and not me. If they had told me and I had said OK to the meeting, he'd blame me. I'd make it clear to them: I've got to tell the President you're not telling me and if he thinks you're not using his time appropriately, it's going to be on you.

Riley: One of the things that was on the list for us to talk about is Katrina. So let's go back to that. I'm assuming that this is contributing to the President's problems on the Hill. There is sort of a competence question that comes up as a result. Let me throw that out as a proposition. This opened up questions of competence within the administration and created problems. Is that consistent with your recollections or am I reading into it?

Bolten: It is, but I think Katrina happens in late August of '05, right?

Nelson: Right.

Bolten: I think there is just a natural thing that happened after the intensity of the first few years, the intensity of a reelect campaign. I think there's a natural tendency to lose discipline and focus in an administration and to get a little sloppy. I think it happened to Obama, probably happened to Clinton as well.

Riley: To what do you attribute that, Josh?

Bolten: Just naturally being in there for that long and surviving all kinds of stuff and figuring that you can survive almost anything and forgetting, as I said frequently when I became Chief of Staff, you're not an owner, you're a tenant. The lease runs out. I think if you've been there for four or five years, you begin to feel like you own the place. So I think there was some loss of focus. Some people were tired. Andy Card had encouraged President Bush to consider the reelect as a fresh start and to have a real transition and stuff, and we didn't do it; Obama didn't do it.

Riley: Why didn't he do it? President Bush, not Obama.

Bolten: You know, you're comfortable with the folks you have around you. You don't think anything particularly needs to change. Heck, we won the reelect with this team. Why should we go through the trouble of finding new people and so on? I think it's a mistake. Andy had even recommended that he replace Andy and a bunch of other senior White House folks. The

President I think had taken that as a noble but sort of silly gesture and rejected it. No, I like you, I like everybody doing the jobs they're doing.

Perry: Rumsfeld is in this conversation about removal?

Bolten: You know, I don't know exactly when that conversation started, but I think by the time I became Chief of Staff and I spoke to the President about the Cabinet, and gave him my view that it was time to make a change at Defense, he was already there but would not contemplate making a change unless and until a suitable successor was identified. I think there had been some efforts to do that even before I became Chief of Staff. They became more intense after I became Chief of Staff.

Generally he thought people were pretty good, and they were. There is a benefit to ventilation and fresh legs that I think every President will have a tendency to ignore after a reelect.

Riley: So the inference then is that on Katrina people were not at the top of their game when this happened?

Bolten: Maybe not, and the timing was bad. I was focused on it because I was the budget director. It's the last week of August. No one is in Washington, much less the White House at that point. I'm the only one there because I'm the budget director and you don't get a vacation when you're the budget director. [*laughter*]

Riley: Another of the perquisites of the job, right?

Bolten: Well, in August you're preparing the budget that has to be presented, so I'm reviewing all of the stuff, the agencies, getting ready to meet with the Cabinet members. Meanwhile I'm still trying to get the previous year's budget adopted by the Congress, the appropriations. So it's a miserable-ass job. There's no two ways about it. [*laughter*]

Perry: That's a technical budget term, I believe.

Riley: We'll convey that in the First Year Project for the next President.

Bolten: If you like policy and you like government, it's the best job you can have. If you are a student of that—but you have to have a pretty strong constitution to absorb as much as it has to offer.

So I'm sitting at my desk in August. I think we have CNN [Cable News Network] on in the background. I'm probably the only senior White House official who is watching TV while this is all happening. Andy has a house in Maine—I don't think he even has TV. It's way out, it has a little bit of cell coverage but only Secret Service can communicate with anybody. The President is in California. I may literally have been one of the only members of the White House senior staff physically present at the White House. So my perspective on that was yes, I don't think it was so much an administration losing focus—that's easily exaggerated—it's something at the margins.

It was just an unexpectedly large disaster hitting at a really bad time. I don't want to take up all of our time that we have left on Katrina, but I think there's a very strong case to be made—and probably better made by others—that there were not substantial mistakes made by the federal government in the course of Katrina. Disaster preparedness and immediate response is a state and local responsibility. Louisiana state government and New Orleans city government failed their people miserably and the federal government was just not in a good position and not sufficiently prepared and I would argue not sufficiently aggressive in stepping in, pushing aside the state and local officials, which is what you have to do if you want federal control, and taking control of a disaster for which the locality was tragically—and I think criminally—ill prepared.

We can go into detail on that, but that wasn't my immediate experience. As the budget director, my first—my real involvement was to go to the first meeting in the Situation Room about this, where Rumsfeld was there, for some reason Condi was there. A lot of people showed up. It was sort of like an NSC meeting. It was pretty bad. The budget director was there. My real responsibility was to go as one of the few people who had been watching TV.

Rumsfeld made a remark to the effect of, "Oh, that stuff on CNN, they're just taking the same footage and playing it over and over again." Condi had also watched some TV, so we're like two officials not with any particular responsibility for the management of this thing, we're both saying, "No, no, wait, there are really bad things happening there."

I was of the view—I don't think I gave it at the meeting, but I did give it separately to Andy Card—that I thought we ought to step in aggressively and use the military. Now Rumsfeld was by philosophy and disposition adamant against the use of the military for purposes other than prosecuting war against traditional enemies. But I felt like there was no other thing to do other than take federal control, send in the military. They're the only people that can control this kind of situation.

[Seven pages of redacted text]

Nelson: You had a different style in terms of how much time you spent with the President compared with Andy?

Bolton: I did.

Nelson: Can you describe that and also how was your operating style as Chief of Staff different from what you'd experienced when Andy was your boss?

Bolten: Andy was really terrific at being a leader and motivator of staff at all levels. He would make sure he stopped by the correspondence office on a regular basis and so on. I did some of that, but it was really hard to match Andy in that. I just found—I guess I could have made more time for that sort of activity, but didn't. Andy also spent most of his day with the President, which was a very important and useful function because he heard and saw everything the President did and said.

So Andy, having a spectacular memory, was therefore able to repeat at any point when it was necessary, and it was often necessary, X told the President this; the President said that. Not my skill, because I didn't have that good of a memory. I also thought that I could better spend my time doing more of the kinds of things I did when I was Deputy Chief for Policy, have some more engagement on the policy side. Although I brought Joel Kaplan in and had full confidence in him, but I could weigh in and be useful in those circumstances.

I would say that Andy spent 80 percent of his day with the President; I probably spent 60 percent of my day with the President. In Andy's case he would get there at 5:30 and be with the President from about 6:45 on. I would get there at about 6:15, be with the President for most of 6:45 on but not quite as much as Andy, and then I would stay after the President went up to the Residence. He'd go up to the Residence, 5:00, 5:30, or 6:00 to exercise before dinner. I would stay until 10:00, 10:30. It was not unusual to host a meeting in the Chief of Staff's office at 6:30 and hash out some difficult stuff. So I would say that I was more hands on with the decision-making apparati of the White House staff, less hands on with the accompaniment and care and feeding of the President. It was also appropriate to the time and the Presidency. The President had his job down pretty good by that point and really didn't need so much.

Riley: Going down to the foreign policy question. Your relationship with Steve Hadley was different from Andy's with Condi and how so?

Bolten: I think so, although I think that had more to do with the difference between Condi and Steve than between Andy and me. Because Andy and Steve overlapped for a year and had much the same relationship I think that I did. It was—I'm not sure exactly how to characterize the relationship between Andy and Condi, but the relationship between Steve and me couldn't have been closer and warmer.

It's often a place of friction in the White House staff between the Chief of Staff who thinks he's chief of the whole staff and the National Security Advisor who thinks she's Chief of Staff for national security. Then the other Chief of Staff is Chief of Staff for everything else. That's the model that 41 operated under, really. We conspicuously tried to have one where the Chief of Staff was Chief of Staff for the whole thing, but gave deference to the National Security Advisor in the security area, but still even in Condi's era, her time, formal time on the President's calendar, came when the Chief of Staff's office, through me, allocated the policy time. It was never a problem, because we never disagreed, but I think that was structurally important to the Chief of Staff's office.

It worked very successfully with Steve and me. We didn't keep anything from each other. Our lanes overlapped a bit—more than a bit—our lanes overlapped. We might have comments when we were in the other person's lane, exclusive lane. So Steve might make a comment to me about the press or something else going on in the White House and I'd make one to him about a pure NSC issue, but it was always in a very friendly, collaborative way. On the many issues where we overlapped we were fully transparent—not always in full agreement, but usually in agreement, with me being very deferential to him on the important issues of national security that he was bringing to the President every day.

Riley: How's the time? We've got 45 minutes, OK. Why don't we go ahead and move to the financial crisis, as that's a big story, and make sure we get it covered.

Bolten: Actually, why don't we dwell for a minute on what I saw when I came in as Chief of Staff, in particular with respect to Iraq.

Riley: OK. Terrific.

Bolten: And with respect to the CIA. I just remembered another— Have I spoken about the CIA?

Riley: Not in this context.

Perry: I don't think so. Not at this time.

Bolten: I came in with fresh eyes.

Riley: This would have been after [George J.] Tenet?

Bolten: Yes, long after Tenet. I came in with fresh eyes in April of 2006 and I'm kind of absorbing everything; I'm getting the rhythm of the national security process with which I had not been deeply familiar. That means sitting through the President's daily briefing, going to him with the briefing with the military and so on.

One of the things that struck me was that I felt that I was seeing a slightly different President in the national security meetings than I saw in the other ones. The difference was that he had a built-in deference born of respect for people in the military and so on, even in the intelligence services, even after Iraq. So the guy I saw on almost all other issues who would challenge people on what they were saying didn't challenge as much in the meetings that I saw.

I saw meetings with—he would be on video conference with our commanding general in Iraq, who would say we've had some tough weeks but we're turning the corner, it's looking good, we're getting ready to hand over—things are stabilizing.

Perry: There's light at the end of the tunnel?

Bolten: Yes. Of course I've been watching TV again.

Perry: Good thing you watch TV.

Bolten: Actually, I'm not much of a TV viewer, but I'm thinking that doesn't sound right. All these other people actually know and bring in the reports and everything, but my knowledge is based on what I see on TV and it looks terrible. It looks like we are losing in Iraq, not that we're not quite on the cusp of winning the way we ought to be, but we are losing in Iraq is what it looks like to me.

I see the President relatively—passively is not the word, but more receptively taking that briefing from the military folks and responding in ways designed to encourage them and buttress. I think

he was very sensitive to undermining the sense of military—that they had political support. He was always—you do it, I've got your back. Sounds great, keep fighting, blah, blah. But I perceived a definite difference between the guy I saw at almost every meeting outside of that context, who would say, "Is that really right?" "Why do you say that the charter school has these results?" He'd be talking to a charter school expert. So he was not afraid to challenge a charter school expert, but he seemed reticent about challenging especially the people in uniform. I can completely understand why.

That was an impression I drew in and helped inform some conversations I had with Steve Hadley about efforts that he already had underway to open the aperture with the President, to make sure the President was getting the full range of political military advice.

Riley: Steve was in sympathy with this observation that you were making?

Bolten: I don't know. I don't think I ever articulated it to him because he was only living in that world. He saw only one President; I saw two. My thought was *Let's put him into the position of being the kind of President I saw on the other side. Let's help him be more of that President on this side as well*. For me that was born of admiration and respect for the President. If he is given all of the information he needs and given the leeway to make decisions, he'll make good decisions and in many cases better than the experts themselves are making, because he's got the full view and he's got the responsibility.

So Steve and I set about a program of inviting in other voices—this was also encouraged to me by a couple of folks like Bill Kristol who after I became Chief of Staff said, "Would you be willing to visit with General [John] Keane and me?" There may have been others involved. I had a lot of respect for Bill, I'd heard good things about General Keane, so I said of course, couldn't have been on a more important issue.

Riley: Right.

Bolten: So Keane came in and made what I felt was a very compelling case for doubling down in Iraq, not withdrawing.

Riley: So the response to get the President to be, for lack of a better term, less deferential on the foreign policy side was to bring outside experts in who would convey some measure of questioning or skepticism about current policy, which then would have the effect of buttressing his ability to counteract his in-house experts by having this outside expertise bearing on the question.

Bolten: Right. And particularly useful in that the people we brought in had formerly worn uniforms.

Riley: Sure.

Bolten: Not all of them were on the same side. Keane came in; I think Barry McCaffrey came in. He might have been a get-the-hell-out-of-there guy. The point wasn't necessarily to lead him in a particular direction, but was to give him the opportunity to do something other than ratify the strategy that was being brought to him by a military that was, I thought, not particularly

independent of Secretary Rumsfeld at that point. Maybe that's as it should be. I mean, there is a chain of command, but I didn't feel like there was enough ventilation of opportunity for dissent in that process.

Riley: This then is the predicate for the pivot later in the surge.

Bolten: The surge. So that is—that's all happening as I begin my tenure as Chief of Staff.

Riley: But Steve Hadley had not moved very far down the road by the time you come in and try to revisit—

Bolten: I don't think so. Steve would be the better guy to ask.

Perry: Josh, it says in the briefing book, in the summer.

Bolten: I should have read the briefing book.

Riley: You did like four years ago.

Bolten: I should have reread it.

Perry: It says for summer 2006—

Bolten: I even forgot it existed; I would have looked at it.

Perry: It says in a meeting with the folks that we've been mentioning, it said that you asked if it gets worse, referring to Iraq, what radical measures can the team recommend. Is that accurate, how you were thinking? Where are we going?

Bolten: I remember that now. Especially in the early months I didn't speak, but I clearly had the feeling by the summer that the President was getting a fair amount of happy talk even to the extent that he wasn't buying happy talk, he wasn't being given options. So being the guy who just watched TV, my feeling was this is going badly and you're not giving the President any choices. So tell us what are the radical options if things don't go in the benign way that you suggest that they're heading, which they're clearly not. What are the radical options that you want to put on the table for the President?

Riley: So the President on his own would not have been pushing him for this?

Bolten: No, but I think he welcomed me doing it.

Riley: Sure. That's what I'm just trying to clarify.

Bolten: But the President is always in the mode of these are the people who are risking their lives every day; I don't want to undermine their feeling of confidence from their political leadership. So I don't think the President would have asked that question. So I thought it was my job to say precisely that. And, by the way, that's what I think is at the core of doing the job of Chief of Staff well.

Perry: It also has your trip to Iraq in June with the President and [Daniel] Bartlett, Hadley, [Joseph II] Hagin and [Tony] Snow. Was that your first trip over?

Bolten: Yes.

Perry: What was that like? What did you see?

Bolten: Well, when you go with the President to Iraq you're only there for a few hours. In fact most of my memory of this episode relates to figuring out how to get him there, which I felt was a brilliant gambit and I don't know if we covered that at all.

Riley: No.

Bolten: Now Joe Hagin claims that he thought this up; I believe I thought it up. Truth is probably somewhere in between, probably closer to Joe's version. It's a very difficult, complicated maneuver to get the President out of the country and into Iraq without anybody knowing it. Just having the President disappear for minutes, much less two-thirds of a day, is very hard to do.

So what we did was—the reason we were going over there was to have the President meet in person the guy who had finally been selected after just tortuous and torturous negotiation as Prime Minister of Iraq and finally the character who could bring the government together, who could create a more inclusive, nonsectarian approach—of course that turned out to be wrong—and who was putting together a mixed Cabinet—I forget the right word for the mixing.

Perry: A coalition Cabinet?

Bolten: A representative Cabinet that would have Sunni, Shiite, and Kurds. He was on his way to putting that Cabinet together. So the idea came up independently, let's have the Cabinets meet with each other, the U.S. Cabinet and the Iraqi Cabinet meet with each other by video conference. You know, everybody is in this together, we're here to help, help promote unity on their side and unity with us and so on. So somebody had the brilliant idea of let's use that as the cover for getting Bush into Iraq.

What we did was we invited the Cabinet, the relevant Cabinet ministers to Camp David, the U.S. Cabinet, for dinner—for a meeting and for dinner. I believe at dinner we had Robert Kagan and Eliot Cohen. We had different voices speaking at dinner, which was part of the double ventilation thing that Hadley at that point was leading with my encouragement. We may not get to the financial crisis. [*laughter*] I promise you the financial crisis whether we do it today or not; if we have to do it by telephone. But I think this is an important part of the history.

Nelson: Oh, yes.

Bolten: So we had dinner. The discussion was about what to do about Iraq and how to support the new government and so on, military strategy. I distinctly recall Eliot Cohen being at dinner and I think that was when he was there. You know Eliot?

Riley: Sure.

Bolten: There were three or four of Eliot's type, each with a different perspective, sort of placed in different places at the big table at Camp David. So it was a serious conversation. Then at some point we had arranged for the President just to say he was tired and he was going to bed, but please keep the conversation going and he would leave the Vice President. We thought this was very funny, that we were leaving the chatty Vice President [*laughing*] to keep the conversation going. Actually, we joked. We were sort of imagining that after the President leaves it's going to be, "Ah, anybody seen any good movies?"

Perry: Let the record show that you did both the voice and the facial expression of the Vice President.

Bolten: Anyway, no one was brought into the tent on the plan to lift the President out to go to Iraq that night except for the Vice President, Secretary Rumsfeld, and I think Peter Pace, who was then Chairman of the Joint Chiefs of Staff and was also at the meeting. But that is what we did. The President got up and excused himself. Tony, Steve and I said, "Oh, we want to catch the President on some things." This was not that long after dinner, like at 8:00 or 8:30, something like that. It was not unusual for Bush to go to bed by 9:00, so nobody was surprised by that. They might have been a little surprised that the rest of us sort of trailed out after him, but probably not that either because they figured the real conversation is going to happen in the President's cabin with these guys.

We all got into golf carts. Our bags were already on the helicopter. We took off—it might have been two different helicopters that were not Marine One. They were those longer, sort of more military-looking ones. We took off from Camp David. It was important for the Vice President to keep everybody at Laurel Cabin for the conversation so that nobody would notice. They might hear something, but nobody would notice the exodus as we headed for the tarmac. So we choppered without lights to Andrews Air Force base. We get ushered into the hangar where they keep Air Force One, very quietly, no lights, no nothing. We took off in Air Force One, again without lights, closed all the shades, took off for Iraq and hoped that no word would get out that the President is gone.

So everybody at Camp David goes to bed overnight and they're expecting—what they're expecting is that in the morning the President and his Cabinet will assemble in the video conferencing room, again at Laurel Cabin, to get on the screen with Iraq Prime Minister [Nouri al-] Maliki and his Cabinet arrayed around him. We had actually choreographed that for everybody so that they all understood what was going to happen. Instead what was going to happen was that President Bush was going to be on the screen on the Baghdad side. So that is how it worked.

We got to Baghdad sort of mid to late afternoon. I can't remember exactly what time, but they're plus seven hours, maybe eight. I can't remember.

Riley: Eight, I think.

Bolten: You fly overnight, but it's already mid to late afternoon by the time you land. You hope the bad guys haven't noticed Air Force One landing at Baghdad Airport. You get a hairy ride over Baghdad with a few helicopters with the guys with the machine guns doing this and they're

shooting off heat flares periodically to attract any heat-seeking missiles that might be coming our way. We end up in the Green Zone and we meet with Maliki and his Cabinet. It was a moment of real hope because there was genuine hope that, now that they had a really democratically elected government with a Prime Minister who had chosen a diverse Cabinet, that there was some hope that the situation could be stabilized. I wouldn't say that there was confidence that that would happen, but there was real hope that that would happen. So it was kind of an up moment at that point in Iraq. It didn't turn out to be as promising as that.

A turning point in the war had occurred, although we hadn't recognized it fully, which is the bombing of the golden mosque, which had occurred earlier in the spring, but that was a real turning point into the dissolution of the Iraq situation into a sectarian civil war—a phrase that we were determined never to use, but was in fact what was going on.

Perry: So that brings us up to—do we want to jump to the financial crisis or do the '06 midterms or both?

Riley: I was actually going to press you, since you took off in the foreign policy direction to maybe go ahead and follow up with the surge piece of it if that was something that was within your view or your orbit.

Bolten: It was. I mean, as Chief of Staff everything for the President was within my view and nothing was more important than his decision making on the surge.

Riley: So why don't we—Mike?

Nelson: Oh, yes.

Bolten: I won't try to give much history of it from my standpoint, it's much better gotten from Steve Hadley, Meghan O'Sullivan, Peter Feaver, folks who have probably written even if you haven't interviewed them fully. But from my perspective—

Riley: Meghan has played hard to get.

Bolten: Really? On purpose?

Riley: It's always hard to know, but if you have any in with her you should let her know.

Bolten: I will. Has she written a book?

Riley: No, that was the excuse, she was working on a book. We had her booked and postponed, but this was years ago and the scheduler says it has been diverted since then.

Bolten: She is worth getting.

Riley: Anyway, go ahead.

Bolten: From my perspective, I saw the President evolve as getting a clearer and clearer dose of harsh reality that in fact we were losing this conflict. He was being pressed from a lot of sides to

cut our loses and get out, although never phrased that way. There was the Iraq Study Group—I won't dwell on it, but there is a whole story to the Iraq Study Group and the role of Jim Baker in it, whom I consider to be the best Chief of Staff in history by far and someone I've always admired.

I admired his role in that as well, although he was trying to make it OK for Bush to decide to pull the plug, to build some kind of consensus around that. But I saw Bush struggling with that and just not agreeing that pulling the plug was either the right or necessarily the only thing he could do. He was very taken with not just the Jack Keanes and so on from the outside, but David Petraeus on the inside. He had a lot of confidence in what Petraeus had to tell him because Petraeus had been there on the ground.

I think I'll skip over the gray part of it but jump to the moment when the President was getting near a decision and said he wanted to hear from the Chiefs directly, whom he had heard, through Steve, were largely opposed to the surge. There is a whole history of Steve working all of the elements very carefully to try to bring them on board to whatever option the President might pick. He worked really well with Pete Pace. He worked well with Rumsfeld and the Chiefs and the Chiefs were by and large opposed to any further commitment. I think they were largely of the view that the right thing to do was to get out as best as possible without causing instability, but not to try to advance the pole from there.

The President said he thought he should talk to the Chiefs and I agreed—maybe it was Steve's idea to talk to the Chiefs. So I called up Rumsfeld to say the President would like to visit with the Chiefs. Rumsfeld said, "When would you like me to bring them over?" I said, "No, he wants to go to the Pentagon." Rumsfeld said, "OK, I'll set it up in my conference room, tell me what time." I said, "No, he wants to go to the Tank" which is the Chiefs' territory. That's where they do their decision making. Rumsfeld paused. I think he resisted a bit because the President doesn't go to the Tank, the President goes to the SecDef's office and he was a big one for chain of command. I said, "No, the President really wants to talk to them on their turf," and he said OK.

By this time the President had already decided that Rumsfeld should step down and [Robert] Gates should come in, but it had not been executed. So Gates may have been at this meeting. But it was Rumsfeld hosting in the Tank, and Cheney was definitely there. I remember the President encouraging them to speak. He said he was considering a range of options, what to do in Iraq. He described them and he said, "I want you guys to just tell me what you think; don't hold back. That's why I've come to the Tank." It was a very small crowd, it was not a crowded room. "I want to hear what you all really think."

Fairly early on the Chief of Staff of the Army, which I think was [John] Abizaid at the time—Am I getting that right?

Riley: I should know that.

Bolten: Anyway, the Army Chief said, "Mr. President, I'm worried that you'll break the Army." They described the kinds of repeated deployments and so on, the stress on the families, the stress on the force. He said, "I'm worried that you're going to break the Army."

The President wasn't angry, but he responded very firmly. He leaned forward and very warmly he said—the guy's first name was John—"Here's what I think is going to break the Army, another defeat like we had in Vietnam. That will break the Army for a generation like it did in Vietnam." You could just see them all sort of sit back a little bit. It really resonated with these folks, who were all Vietnam-era brass.

They could see where the President was going and they made their positions known very respectfully. They sympathized with him for a very tough call and so on and said whatever he decided they would be all in. I thought it was a very consequential and kind of underreported meeting. I'm not sure I—I would have thought that in most accounts of the Presidency that would have been regarded as some sort of inflection point, but I'm not sure I've ever even read about that meeting. Maybe it's because everybody else is more discreet than I.

Perry: I think a lot of the brass would not comment on that or haven't written books on it. You haven't. So it's good that it is on record now.

Bolten: I'm not sure it's in Cheney's book either, but I'm not positive. Anyway, I use that to show emblematically where the President's thinking was with Steve with me sort of spectating; he very skillfully maneuvered the government toward this decision.

Nelson: Do you think the Chiefs were taking their cues from General [George, Jr.] Casey and the others who were in the theater—

Bolten: It might have been Casey—Casey might have been the Chief of Staff. He was the commanding general in Baghdad, but I think by that time he may have been Chairman.

Perry: Abizaid was still CENTCOM [Central Command] Commander, wasn't he at this time?

Riley: I can't remember. I'll look it up.

Nelson: I just wonder how much they were taking their cues from the generals who were in Iraq.

Bolten: The Chiefs?

Nelson: How much the Chiefs were wanting to back up because whoever it was in Iraq I remember was uncomfortable with the idea of the surge too.

Bolten: Yes, and that was either Casey or Abizaid. I don't know. It would be the Chiefs' natural inclination to have a greater concern for the integrity of the force rather than a particular strategic objective.

Nelson: Actually before the financial crisis—are we done with the surge?

Bolten: You want Rumsfeld?

Riley: Yes.

Nelson: Yes, and then something else, but Rumsfeld absolutely.

Bolten: Because that is sort of part of the surge.

Nelson: I see a phone call in our future.

Bolten: That is part of the surge story.

Nelson: It is.

Bolten: I had told the President that I thought he did need a change, especially if he was going to change strategy at the Pentagon. I thought that Rumsfeld, whom I also admired and admire greatly—I thought he was the wrong guy to execute a different strategy. In fact I thought that the Rumsfeld style had prevented the President from having the range of policy choices that I thought he should have had in formulating the strategy in the first place. So although I was a fan of Rumsfeld, I was a strong proponent of replacing him as soon as possible. When I said that to Bush shortly after I became Chief of Staff he got a little frustrated with me and said, "OK, yes, all right, Mr. Smarty Pants, who replaces him?"

I can't remember, I came up with a couple of names and he said, "No, he won't do it, no, don't like him." I was a big fan of Bob Gates as well, who had worked with my dad at the CIA. Gates was a young man when he knew my dad, but my dad was always very complimentary about him. I followed his career; I thought he had been terrific at CIA and so on.

A pal of the President's said, "Try Bob Gates." It was a pal, a Yale classmate whom Bush had put on to the PFIAB [President's Foreign Intelligence Advisory Board], so he was involved in this kind of stuff but not—he was not one of the heavyweights or one of the intellectual leaders or anything, he was a smart guy. He said, "You ought to try Gates." He was either a member of PFIAB or had appeared before PFIAB and impressed everybody.

The President said, "Yes, yes, that's a good idea." I said, "Great idea." Hadley reminded us that we had tried to get Gates to be the DNI [Director of National Intelligence]. He had turned us down because he thought the DNI was a stupid idea, as did and do most Directors of Central Intelligence—by the way, we didn't talk about that, but I think it was the right idea, just like I think Homeland Security was the right idea. So I defend both of those.

Bush had Hadley call Gates. They had a couple of conversations; Gates sort of came around. Bush says, "Get me together with Gates."

Nelson: Gates was on the Iraq Study Group and at least claims that within that group he introduced the idea—which I think appeared in their report—

Bolten: On one line.

Nelson: One line.

Bolten: On like page 47. Baker kept quoting that line to me. There is that one line that suggests that maybe the surge would be OK. I thought it was kind of silly. So OK, Gates takes credit for that. Gates was not hostile to a more aggressive posture in Iraq and a posture that involved protecting the citizens, making it a military mission to stabilize the domestic situation, which

Rumsfeld had never viewed it as. His mission was defeat the enemy, it wasn't protect the museum, it wasn't protect the Sunni from the Shi'a, it was beat the enemy and get the hell out. That's obviously an unfair cartoon view of it, but that was the general direction. Gates was not there.

Gates I don't think would have taken the job as SecDef had he not been at least potentially in good sync with the President's direction on the surge, because the President had basically decided by October of 2006—When he visited with Gates, he had basically decided on the surge, hadn't announced it and hadn't really dotted the i's and crossed the t's. But he had basically decided what he wanted to do, where he wanted to go.

So when they met, Bush described to Gates what his thinking was and said, "I need to know that you're comfortable with that," and Gates apparently said yes. Anyway, the process of recruiting Gates involved me—

Riley: The timeline says you went to Texas, right?

Bolten: Yes, this was in October. We were at the ranch in Texas.

Riley: You had to sneak him out of College Station.

Perry: You met him in a parking lot, I thought, at a grocery store?

Bolten: Joe Hagin and I took an SUV [sport utility vehicle] off of the ranch. I think Joe, who is like Mr. Secret Service, Mr. Everything like that—I think Joe had said to the Secret Service, "When we come back, don't ask for IDs, don't stop us." I'm pretty sure Joe did something like that.

Anyway so Joe and I left in an unmarked SUV and we drove to McGregor, Texas, which has the closest supermarket and therefore large parking lot to Crawford, Texas. Now the ranch, by the way, is a good 20 or 30 minutes from Crawford, which is a flashing yellow light at an intersection with no grocery store; there is just the coffee station.

I called Gates and I said can you be there at this time? He drove up from College Station and drove to McGregor. He parked his car in some lot at the supermarket there—and it's not a big supermarket either—it's McGregor. Joe and I were in an SUV somewhere else. Gates knows me, I know Gates. He gets into our SUV and we chat on the drive back to Crawford. Then we go through the gate without having IDs checked. Then we take him—after he's done talking to the President—neither Joe nor I participated in their conversation—we drive him back out. Gates records this as the only covert operation in his entire career in intelligence. It's the only covert operation in which he actually participated. [*laughter*]

Nelson: He was in good hands—you can smuggle Presidents out of the country to halfway across the world.

Bolten: Exactly.

Riley: You mentioned earlier you had a CIA angle on all of this. Did I miss—I'm trying to recall at what point after you became Chief of Staff—

Bolten: Here's one of the things I noticed I think even before I noticed about the briefings of the President with the military, that the President every morning had an intelligence briefing, which he did in person. He took it very seriously. He always read the book. He asked really probing questions and so on of the briefer.

Usually at that morning meeting would be Chief of Staff, National Security Advisor, DNI, and DCI [Director of Central Intelligence] and maybe somebody else. Maybe the Homeland Security Advisor would be there, but not always, a small group, sitting around the Oval Office on the sofas as the President is reading the book and asking questions and so on. The President took that very seriously, which impressed me. I had sat in the PDB [President's Daily Briefing] before, but not routinely, and I was very impressed at how serious he was about it every day, and how he gave it the time that it needed and so on.

[several paragraphs redacted]

Riley: You said you needed a break at 4:00.

[BREAK]

Riley: We were just talking about Keith Hennessey.

Bolten: I'm glad to go on record saying one of the reasons why I was very happy to have him at the NEC and then ultimately made the choice to elevate him to director of the NEC, which I think was my choice rather than Andy's, was that he was the best teacher of the President. He had a way of communicating complicated but essential information in ways that a sophisticated lay person could understand, and then presenting the facts fairly in a way that made it possible for the President to apply his own principles and judgment to a set of facts rather than debate, rather than be diverted. Scrupulously fair in his presentations even though he is very opinionated.

Nelson: We'll consider that coming attractions for the next installment.

Riley: We've agreed we have to do the financial crisis and we'll figure out how to make it happen. But in our 15 or 20 minutes remaining—

Nelson: Exactly. This is maybe a 15- or 20-minute topic. There is a specific story in Peter Baker's book about the Bush Presidency, about the Vice President filing an amicus brief in the gun control case, *D.C. v. Heller.* I want you to tell that story and maybe use that also as a way of

talking in general about what it meant to be Chief of Staff when the Vice President's office has a Chief of Staff and the Vice President's office has an unusual character to it compared to other White Houses. Could you start with the story?

Bolten: Can I start with the other part first?

Nelson: Of course.

Bolten: I think it's significant. I think there's a misimpression, very common, about the role that the Vice President's office played in the White House. It may be an extrapolation from some episodes in the early stages of Iraq decision making and certainly isolated to National Security Council decision making. But by and large the Vice President's office played a very humble role in the White House policy process and elsewhere. I say humble in the sense that at the direction of the Vice President they were to offer counsel, they were to reflect his views, but not at any point try to bigfoot the process and not undermine the process.

That's the way the Vice President himself treated me. Having been a Chief of Staff himself, he accorded a lot of deference and respect to the role that the Chief of Staff plays and he—although he didn't—he had of course direct access to the President any time he wanted it, I don't think he would visit with the President without—on a particular subject, without requesting or notifying the Chief of Staff that that's what he was planning to do. He did that with me in a couple of circumstances.

The one that comes to mind was the most difficult and poignant moment in my and the President's relationship with the Vice President related to [I. Lewis] Scooter Libby. At one point—I don't know if you want to go into that whole episode or not—

Nelson: Sure.

Bolten: At one point the Vice President came to me and said that Scooter would like to talk directly to the President. I said, "I know, he has made that request to me and I've turned him down." He said, "Well, now I'm asking." I said, "I wish you wouldn't." He said, "I am." I said, "OK, then I'm turning you down also."

He said, "May I raise this with the President?" I said, "I wish you wouldn't, but under no circumstances would I prevent you from raising something with the President that you think he needs to hear. If I may, I will alert him that you are yourself going to ask him to visit with Scooter Libby even though I've turned both you and Scooter down for that visit." But, even in the issue that was the most emotional and personal to him, he was respectful of the role that I had to play as Chief of Staff.

Now the episode with the gun case was actually sort of funny. I mean, it was a serious but also a light moment in the history of the Vice President's relationship with the rest of the White House. It was a D.C. gun case. My recollection is that the Justice Department had managed it poorly and had notified the White House only like the day before or something like that of the position they were planning to take in a pretty controversial case. They were going to—the Justice Department was going to side, at least partially, with defenders of a D.C. gun restriction. I don't remember.

I can refresh myself on the procedural details and probably should, but they're not all that relevant to the story other than to say that the President, I think—we gave the President the opportunity to have us intervene with the Justice Department, reverse it and so on. Ultimately the President decided not to do that and to let the Justice Department take the view that it would, even though that would be annoying to some of the Second Amendment zealots in the party and elsewhere.

Then we found out—I think maybe in the Chief of Staff's office we found out in advance, but I don't think so. I think we found out after the event that the Vice President's office had signed up on an amicus brief that was adverse to the position the Justice Department took. An amicus brief in full support of the Second Amendment argument. Naturally it was inconsistent with the position taken by the office, the Solicitor General's office, which represents the United States. So I was both outraged and amused by this.

Nelson: Outraged and amused?

Bolten: Yes, procedurally outraged. It wasn't as though the Vice President had defied an order from the President or something like that. The President himself, when we had raised the issue with him, was quite mixed on whether to intervene with the Justice Department or not. He could easily have decided to take the same substantive view as the Vice President. There was a big process foul in the Vice President, on his own, taking this view.

I remember, I probably asked Joel, "On what authority are they doing this?" He said, "I've already landed on them and they said that they were—the Vice President was speaking in his capacity as President of the Senate." He joined an amicus brief issued by a bunch of Senators. I mean, signed by a bunch of Senators. So he was not in his role as Vice President, but as President of the Senate.

I told the President about this; he kind of laughed. There was never any question about Cheney being actually insubordinate or anything like that; it was kind of a classic Cheney maneuver.

Perry: Cheney and David Addington?

Bolten: David Addington was the guy, was his Chief of Staff. So I asked for the President's permission to go admonish the Vice President for his process foul. So I went to see Cheney and he kind of got a smirk on his face when I raised what the subject was I was coming to see him about. I said I was here about the process foul that his office had committed. There was a certain formality to it, so I wasn't going to suggest that he had perpetrated the process foul but that his office had perpetrated the major process foul.

He sort of feigned surprise. He said, "But I did that in my capacity as President of the Senate." I said "Yes, but you are still the Vice President of the United States and it's not acceptable to have the Vice President, in whatever role he chooses to play, to take a position in legal proceedings, that is different from the Presidentially authorized position of the Justice Department."

He goes on, "Well, you know, OK." I said, "With your permission, I'm going to go speak to David, your Chief of Staff, about this and admonish him that there be no further episodes. He said, "Yes, sure." He clearly enjoyed the whole thing deeply. [*laughter*] So I went to Addington

and he gave me the, "Well, we were—he was speaking as President of the Senate." So I told him the same thing and I said, "You're also here as an employee of the President and the White House. You come sit at the senior staff table at my sufferance on behalf of the President. If we have another episode like that I will have all of your belongings removed from your White House office and sent down to your tiny little office in the Senate [*laughter*], where you and the rest of the Vice President's former White House staff may reside as you exercise the functions of the President of the Senate." So he laughed.

Riley: Did he laugh?

Bolten: Yes. It was a completely friendly exchange. They knew they had committed a serious process foul. I didn't have any doubt that they wouldn't commit another one, but that they—it's sort of like professional wrestling, you figure you can get away with anything just once.

There's an important point to be made, which is that the Vice President's office, and I think the Vice President himself, took it upon themselves to be the custodians of the flame on a number of issues of Presidential prerogative, institutional prerogative. Now this particular episode doesn't reflect Presidential prerogative, but they were leading voices on issues relating to the confidentiality of executive branch documents and veto letters and things like that. They paid a lot of attention, close attention to it.

I didn't always agree and frequently overruled when I was Chief of Staff, but I admired their principled consistency and their diligence in pursuing those issues.

Nelson: Is "process foul" a term that was used widely or did you just invent it for this occasion? It's a great term.

Bolten: I think it was a term that was common in the White House.

Nelson: This reminds me of something else I wanted to ask about your time at OMB, because OMB is involved in evaluating legislation when the President's deciding whether to sign or veto.

Bolten: Veto threats, veto letters, and so on, yes.

Nelson: One of the developments that always was noticed during the Bush Presidency was the presence of signing statements.

Bolten: Yes, that was one that Addington and the Vice President's office were very big on, the signing statements.

Nelson: The signing statements that would sometimes say in effect we're not going to enforce this part of the law because it violates the unitary President, unitary executive. Did you have a view on that or a role in approving that?

Bolten: Well, as budget director, yes, I had to approve every letter, every signing statement, every statement of administrative position on legislation, every veto threat, and so on. There's so much of that that you don't really pay attention to that much of it at all as formally as the budget director, but yes, I did take note of the signing statements. I wasn't against them in principle. I

thought it was often in fact a principled thing for the executive to do, to say, we're not going to have a veto confrontation over this piece of legislation that is often contained in legislation, like a continuing resolution that continues the functions of government. But we are going to note that we believe that some portion of this is unconstitutional and we won't enforce it.

I didn't find that a troublesome overreach of Presidential authority as long as it was used in appropriately limited circumstances. I think the more reasonable argument is over the breadth of circumstances in which we ultimately used those letters, not the use of the letters themselves.

Nelson: Is it a de facto line-item veto?

Bolten: No, because the executive branch is—in most of these cases what's happening is the executive branch is expressing a view about who has authority to make a particular—most of these signing statements related to Presidential authority—so who has authority to do this. The ones I was most familiar with were circumstances in which we were going to do it, whatever the legislation directed, but rejected the notion that legislation could force the President to do X, Y, and Z.

So the analogy with a line-item veto is you either spend the money or you don't. The money is either authorized and appropriated or it isn't. The line-item veto you get to strike that and then it's illegal to spend that money. The kinds of signing statements that I found were pretty much straight down the middle of the fairway as far as I was concerned were situations in which it was just a question of whether it was properly within the legislature's authority to direct the President to do a particular thing.

Riley: We have to let you go. My only question is how much time do you think we would need if it's a single interview to do justice to what you want to say about the financial crisis? Is this an hour conversation, a 90-minute conversation?

Bolten: I would say 90 minutes.

Perry: Anything else or any other topics?

Bolten: I'm sure there's stuff—did we get through all of the list that we had for today except for—?

Riley: I think pretty much we did. There's always stuff left over; we never exhaust all the possibilities. You've been generous with this. Why don't we agree in principle to do a 90-minute session? We'll figure out how to do it, whether the three of us come back. That's unlikely. More likely one of us would come back with a tape recorder, and maybe on telephone. We'll talk it over and wrap it up.

Josh, it's been terrific.

Bolten: It's fun for me. I'm sorry for all the stuff I don't remember, and I appreciate being reminded.

Perry: You've given us a lot that we haven't heard and that will really augment the historical record.

Riley: Absolutely. We couldn't ask for a better friend, so thank you.