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John Podesta

*John Podesta: Building Infrastructure for Progressive Politics
with the Center for American Progress*

The Marion and Herbert Sandler Oral History Project

Interviews conducted by
Martin Meeker
in 2017

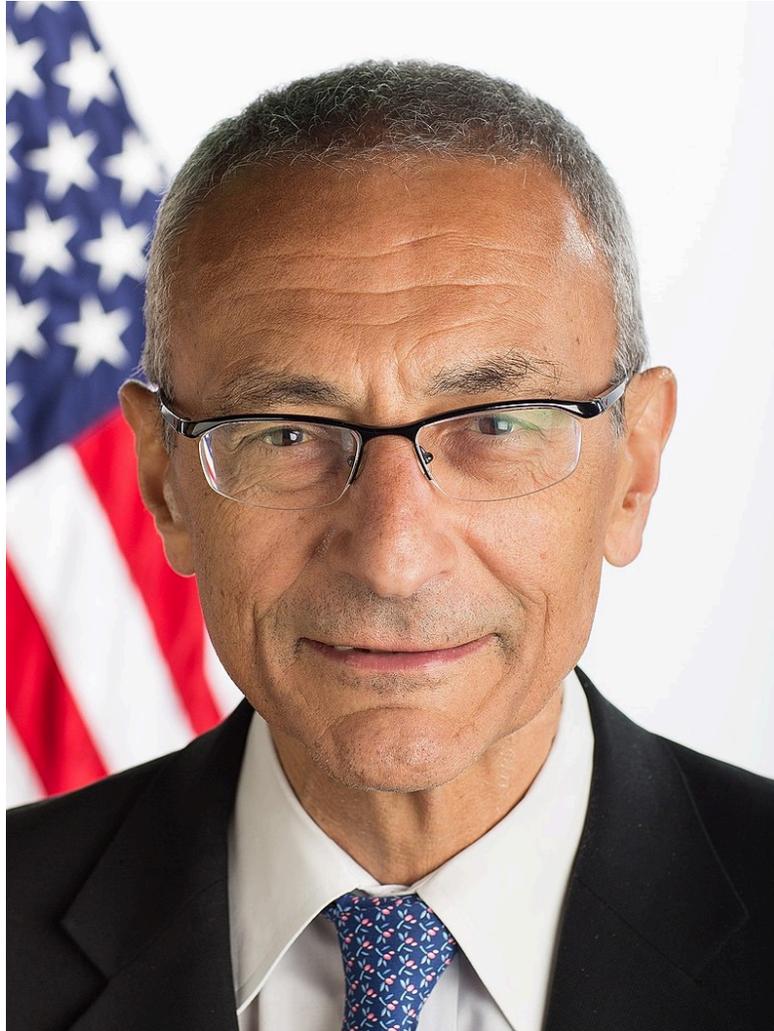
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John Podesta

Photograph courtesy of Lawrence Jackson, White House photographer (2014)

John Podesta was the founding president and CEO of the Center for American Progress, which launched in 2003. Before that, he served in several positions in the administration of President Bill Clinton, including as chief of staff from 1998 to 2001. Podesta also served as chair of Hillary Clinton's 2016 presidential campaign. In this interview Podesta focuses on the Center for American Progress and discusses the following issues: think tanks, particularly the paucity of progressive ones; idea for the Center for American Progress and establishing it; Herb and Marion Sandler's roles as key investors and partners; measuring progressive social change; policy research and articulation; issues including national defense and health care; divisions within the Democratic Party; the future for the Center for American Progress.

Table of Contents — John Podesta

Marion and Herbert Sandler Oral History Project History by Martin Meeker	vi
List of Interviews of the Marion and Herbert Sandler Oral History Project	x
Interview 1: August 18, 2017	
Hour 1	1
<p>Involvement in presidential politics at a young age — Serving as staff secretary, deputy chief of staff, and chief of staff in the White House — Teaching at Georgetown Law School – Challenges faced by Democrats in the early 2000s — Progressive philanthropy and the problem of issue-oriented “stove-piped advocacy” — Making room for unified organizations in D.C. — “The Internet will take care of everything, and politics doesn’t matter anymore” — Engagement in the public sphere as the idea behind Center for American Progress (CAP) — Commitment to communications and policy analysis — Mission was philosophical but nonpartisan — Wanting to find common ground with some Republicans – Vibrant marketplace of ideas as a means to find solutions to problems — Herb and Marion Sandler’s interest in the business plan — Judging Podesta’s level of integrity and values — Herb and Marion’s willingness to be the key early investors — Sharing the same philosophy with the Sandlers — “The way to make change happen, is, really, to make substantial investments in people you trust with a mission you believe in” — Initial vision of a twenty million dollar organization — Hiring politically diverse top-tier policy and communications people — Sponsors’ demand for operation results and metrics — Measuring outputs over outcomes to show success — Sandler’s thoughts on building a better country through the work of companies — Commitment to civil and human rights — Organizations as advocates for racial justice, economic justice, and the poor — Herb and Marion as models of business integrity</p>	
Hour 2	15
<p>CAP’s process of creating policies — Launching on national security issues, particularly the Iraq War — Conceptualization of smart power — CAP’s quest for universal healthcare coverage — Service Employees International Union and the Affordable Care Act — Focus on preventive care and wellness — Reframing the debate about investing in clean energy — Finding mechanisms to pay for important projects at the federal level in a smart manner — Importance of enhancing the performance of government and the public’s perception of representatives — Thoughts on CAP combatting political extremism — Ability of CAP to make real progress for the country — Model for what progressive politics should look like — Successful progressive candidates know how to overcome problems in D.C. — Good presidents have ambitious policies, confidence to make political change, and passion to make things happen</p>	

Project History: the Marion and Herb Sandler Oral History Project

Herb Sandler and Marion Osher Sandler formed one of the most remarkable partnerships in the histories of American business and philanthropy—and, if their friends and associates would have a say in things, in the living memory of marriage writ large. This oral history project documents the lives of Herb and Marion Sandler through their shared pursuits in raising a family, serving as co-CEOs for the savings and loan Golden West Financial, and establishing a remarkably influential philanthropy in the Sandler Foundation. This project consists of eighteen unique oral history interviews, at the center of which is a 24-hour life history interview with Herb Sandler.

Marion Osher Sandler was born October 17, 1930, in Biddeford, Maine, to Samuel and Leah Osher. She was the youngest of five children; all of her siblings were brothers and all went on to distinguished careers in medicine and business. She attended Wellesley as an undergraduate where she was elected into Phi Beta Kappa. Her first postgraduate job was as an assistant buyer with Bloomingdale's in Manhattan, but she left in pursuit of more lofty goals. She took a job on Wall Street, in the process becoming only the second woman on Wall Street to hold a non-clerical position. She started with Dominick & Dominick in its executive training program and then moved to Oppenheimer and Company where she worked as a highly respected analyst. While building an impressive career on Wall Street, she earned her MBA at New York University.

Herb Sandler was born on November 16, 1931 in New York City. He was the second of two children and remained very close to his brother, Leonard, throughout his life. He grew up in subsidized housing in Manhattan's Lower East Side neighborhood of Two Bridges. Both his father and brother were attorneys (and both were judges too), so after graduating from City College, he went for his law degree at Columbia. He practiced law both in private practice and for the Waterfront Commission of New York Harbor where he worked on organized crime cases. While still living with his parents at Knickerbocker Village, he engaged in community development work with the local settlement house network, Two Bridges Neighborhood Council. At Two Bridges he was exposed to the work of Episcopal Bishop Bill Wendt, who inspired his burgeoning commitment to social justice.

Given their long and successful careers in business, philanthropy, and marriage, Herb and Marion's story of how they met has taken on somewhat mythic proportions. Many people interviewed for this project tell the story. Even if the facts don't all align in these stories, one central feature is shared by all: Marion was a force of nature, self-confident, smart, and, in Herb's words, "sweet, without pretensions." Herb, however, always thought of himself as unremarkable, just one of the guys. So when he first met Marion, he wasn't prepared for this special woman to be actually interested in dating him. The courtship happened reasonably quickly despite some personal issues that needed to be addressed (which Herb discusses in his interview) and introducing one another to their respective families (but, as Herb notes, not to seek approval!).

Within a few years of marriage, Marion was bumping up against the glass ceiling on Wall Street, recognizing that she would not be making partner status any time soon. While working as an analyst, however, she learned that great opportunity for profit existed in the savings and loan sector, which was filled with bloat and inefficiency as well as lack of financial sophistication and incompetence among the executives. They decided to find an investment opportunity in California and, with the help of Marion's brothers (especially Barney), purchased a tiny two-branch thrift in Oakland, California: Golden West Savings and Loan.

Golden West—which later operated under the retail brand of World Savings—grew by leaps and bounds, in part through acquisition of many regional thrifts and in part through astute research leading to organic expansion into new geographic areas. The remarkable history of Golden West is revealed in great detail in many of the interviews in this project, but most particularly in the interviews with Herb Sandler, Steve Daetz, Russ Kettell, and Mike Roster, all of whom worked at the institution. The savings and loan was marked by key attributes during the forty-three years in which it was run by the Sandlers. Perhaps most important among these is the fact that over that period of time the company was profitable all but two years. This is even more remarkable when considering just how volatile banking was in that era, for there were liquidity crises, deregulation schemes, skyrocketing interest rates, financial recessions, housing recessions, and the savings and loan crisis of the 1980s, in which the entire sector was nearly obliterated through risky or foolish decisions made by Congress, regulators, and managements. Through all of this, however, Golden West delivered consistent returns to their investors. Indeed, the average annual growth in earnings per share over 40 years was 19 percent, a figure that made Golden West second only to Warren Buffett's Berkshire Hathaway, and the second best record in American corporate history.

Golden West is also remembered for making loans to communities that had been subject to racially and economically restrictive redlining practices. Thus, the Sandlers played a role in opening up the dream of home ownership to more Americans. In the offices too, Herb and Marion made a point of opening positions to women, such as branch manager and loan officer, previously held only by men. And, by the mid-1990s, Golden West began appointing more women and people of color to its board of directors, which already was presided over by Marion Sandler, one of the longest-serving female CEOs of a major company in American history. The Sandlers sold Golden West to Wachovia in 2006. The interviews tell the story of the sale, but at least one major reason for the decision was the fact that the Sandlers were spending a greater percentage of their time in philanthropic work.

One of the first real forays by the Sandlers into philanthropic work came in the wake of the passing of Herb's brother Leonard in 1988. Herb recalls his brother with great respect and fondness and the historical record shows him to be a just and principled attorney and jurist. Leonard was dedicated to human rights, so after his passing, the Sandlers created a fellowship in his honor at Human Rights Watch. After this, the Sandlers giving grew rapidly in their areas of greatest interest: human rights, civil rights, and medical research. They stepped up to become major donors to Human Rights Watch and, after the arrival of Anthony Romero in 2001, to the American Civil Liberties Union.

The Sandler's sponsorship of medical research demonstrates their unique, creative, entrepreneurial, and sometimes controversial approach to philanthropic work. With the American Asthma Foundation, which they founded, the goal was to disrupt existing research patterns and to interest scientists beyond the narrow confines of pulmonology to investigate the disease and to produce new basic research about it. Check out the interview with Bill Seaman for more on this initiative. The Program for Breakthrough Biomedical Research at the University of California, San Francisco likewise seeks out highly-qualified researchers who are willing to engage in high-risk research projects. The interview with program director Keith Yamamoto highlights the impacts and the future promise of the research supported by the Sandler's. The Sandler Fellows program at UCSF selects recent graduate school graduates of unusual promise and provides them with a great deal of independence to pursue their own research agenda, rather than serve as assistants in established labs. Joe DeRisi was one of the first Sandler Fellows and, in his interview, he describes the remarkable work he has accomplished while at UCSF as a fellow and, now, as faculty member who heads his own esteemed lab.

The list of projects, programs, and agencies either supported or started by the Sandler's runs too long to list here, but at least two are worth mentioning for these endeavors have produced impacts wide and far: the Center for American Progress and ProPublica. The Center for American Progress had its origins in Herb Sandler's recognition that there was a need for a liberal policy think tank that could compete in the marketplace of ideas with groups such as the conservative Heritage Foundation and the American Enterprise Institute. The Sandler's researched existing groups and met with many well-connected and highly capable individuals until they forged a partnership with John Podesta, who had served as chief of staff under President Bill Clinton. The Center for American Progress has since grown by leaps and bounds and is now recognized for being just what it set out to be.

The same is also true with ProPublica. The Sandler's had noticed the decline of traditional print journalism in the wake of the internet and lamented what this meant for the state of investigative journalism, which typically requires a meaningful investment of time and money. After spending much time doing due diligence—another Sandler hallmark—and meeting with key players, including Paul Steiger of the Wall Street Journal, they took the leap and established a not-for-profit investigative journalism outfit, which they named ProPublica. ProPublica not only has won several Pulitzer Prizes, it has played a critical role in supporting our democratic institutions by holding leaders accountable to the public. Moreover, the Sandler Foundation is now a minority sponsor of the work of ProPublica, meaning that others have recognized the value of this organization and stepped forward to ensure its continued success. Herb Sandler's interview as well as several other interviews describe many of the other initiatives created and/or supported by the foundation, including: the Center for Responsible Lending, Oceana, Center on Budget and Policy Priorities, Learning Policy Institute, and more.

A few interviewees shared the idea that when it comes to Herb and Marion Sandler there are actually three people involved: Marion Sandler, Herb Sandler, and “Herb and Marion.” The later creation is a kind of mind-meld between the two which was capable of expressing opinions, making decisions, and forging a united front in the ambitious projects that they accomplished. I think this makes great sense because I find it difficult to fathom that two individuals alone could do what they did. Because Marion Sandler passed away in 2012, I was not able to interview her, but I am confident in my belief that a very large part of her survives in Herb’s love of “Herb and Marion,” which he summons when it is time to make important decisions. And let us not forget that in the midst of all of this work they raised two accomplished children, each of whom make important contributions to the foundation and beyond. Moreover, the Sandlers have developed many meaningful friendships (see the interviews with Tom Laqueur and Ronnie Caplane), some of which have spanned the decades.

The eighteen interviews of the Herb and Marion Sandler oral history project, then, are several projects in one. It is a personal, life history of a remarkable woman and her mate and life partner; it is a substantive history of banking and of the fate of the savings and loan institution in the United States; and it is an examination of the current world of high-stakes philanthropy in our country at a time when the desire to do good has never been more needed and the importance of doing that job skillfully never more necessary.

Martin Meeker, Charles B. Faulhaber Director, Oral History Center, UC Berkeley

List of Interviews of the Marion and Herbert Sandler Oral History Project

Ronnie Caplane, “Ronnie Caplane: On Friendship with Marion and Herb.”

Steve Daetz, “Steve Daetz: Values and Leadership at Golden West Financial and the Sandler Foundation.”

Joseph DeRisi, “Joe DeRisi: From Sandler Fellow to UCSF Professor of Biochemistry.”

Stephen Hauser, “Stephen Hauser: Establishing the Sandler Neurosciences Center at UCSF.”

Russell Kettell, “Russ Kettell: A Career with Golden West Financial.”

Thomas Laqueur, “Tom Laqueur: On the Meaning of Friendship.”

Bernard Osher, “Barney Osher: On Marion Osher Sandler.”

John Podesta, “John Podesta: Building Infrastructure for Progressive Politics with the Center for American Progress.”

Anthony Romero, “Anthony Romero: Leadership of the American Civil Liberties Union in Times of Crisis.”

Michael Roster, “Michael Roster: Attorney and Golden West Financial General Counsel.”

Kenneth Roth, “Kenneth Roth: Human Rights Watch and Achieving Global Impact.”

Herbert Sandler, “Herbert Sandler: A Life with Marion Osher Sandler in Business and Philanthropy.”

James Sandler, “Jim Sandler: Commitment to the Environment in the Sandler Foundation.”

Susan Sandler, “Susan Sandler: The Sandler Family and Philanthropy.”

William Seaman, “Bill Seaman: The American Asthma Foundation.”

Paul Steiger, “Paul Steiger: Business Reporting and the Creation of ProPublica.”

Richard Tofel, “Richard Tofel: The Creation and Expansion of ProPublica.”

Keith Yamamoto, “Keith Yamamoto: The Sandler Foundation and the Program in Breakthrough Biomedical Research at UCSF.”

Interview 1: August 18, 2017

01-00:00:01

Meeker:

Okay. Let's do this. Today is the eighteenth of August, 2017. This is Martin Meeker interviewing John Podesta for the Sandler Family Oral History Project. This is interview session number one. We are here at the offices of the Sandler Foundation in San Francisco. Thank you very much for your time today. I really appreciate you sitting down with me.

01-00:00:21

Podesta:

Glad to be here.

01-00:00:21

Meeker:

And, I'm really forward to hearing really the behind-the-scenes story of how the Center for American Progress came to be, and then, some of your thoughts about what it has accomplished and what the future might hold for this organization. But before we start, I'm wondering if you can just give me a quick thumbnail bio sketch, so that when somebody picks up this transcript fifty years from now, they'll know who John Podesta is.

01-00:00:49

Podesta:

Well, I've had a career in politics and policy that was maybe serendipitous, I guess. I think of it that way. I, at a young age, got involved in presidential politics in 1968. I was a freshman in college, and joined the anti-war presidential campaign of Gene McCarthy, and ended up, over the course of the next number of election cycles, supporting candidates who—and again, the cause then was civil rights, but principally, Vietnam. And so I ended up working for McCarthy who ended up not getting the nomination, and lived through that tumultuous 1968 year.

In 1970, I went and did a campaign for someone who was one of the principal people running for Senate on an anti-Vietnam War platform, a guy named Joe Duffey, and that's where I first met Bill Clinton. I was in one part of the state; he was in another part of the state, and he was a young law student; I was still in college. I ended up doing the '72 campaign. I went to law school. I thought I'd probably track out of politics, and ended up as a trial lawyer at the Justice Department, but then had the opportunity to go work on Capitol Hill, and that kind of re-engaged me in the process of trying to do policy and politics. Most of that time, I worked for Pat Leahy, who was a long-time Democratic member from Vermont, who was a senior member of the Judiciary Committee where I worked on his staff.

Left that and started a lobbying public relations business with my brother, but quickly went back into campaign politics and helped Bill Clinton get elected in 1992. And when he started in office in 1993, I served in a senior position in the White House as staff secretary; later, became the deputy chief of staff in the White House, and then chief of staff. So, during his last two years in office—a little bit more than that—I served as his White House chief of staff.

01-00:03:14

Meeker:

So that brings us up to, really, 2001. Can you tell me about the next two years, what's occupying your time in those two years, up to 2003 when CAP is established?

01-00:03:27

Podesta:

So, at the end of that period of time, in having had the opportunity to serve at the highest level of the executive branch, I didn't want to do things that, I guess, were traditional, in terms of what people normally do, which is to go to work in a law firm, or whatever. I ended up going to teach at Georgetown Law School. George W. Bush had been elected president. He was doing things that, I thought, were driving me a little bit crazy, [laughs] including getting ready and running up to engage in the war in Iraq, which I thought was a huge strategic mistake. But whether it was the economics he was pursuing—which were exactly the opposite of what President Clinton had tried to pursue, which is more trickle-down tax cuts for the wealthy—ignoring working people, on the domestic side of what he was doing, in the international sphere, I just thought he was taking the country off in a direction I didn't really like.

And at the time, in that period of time, there was very little pushback against that. After 9/11, Democratic voices were pretty silent, intimidated. The Democrats were in control of the Senate—which is its own story—in 2001, 2002, but they lost control after the 2002 election. And so, we didn't have the White House. We didn't have the House. We didn't have the Senate, and we didn't have that much courage in the party in general, or amongst progressive voices in general. And again, this is the period right in the wake of 9/11 where George W. Bush was at his highest level of approval, but doing things that I thought were wrong.

For many years, people had talked about the fact that, on the right, there was a cluster of policy organizations, think tanks, that had helped develop an argument about why their ideas were better than our ideas, and were active in power, out of power, but there was very little of that on the left and center left, progressive side of the political spectrum. Progressive philanthropy had probably been bigger than it had been on the right at that point. Maybe things have changed subsequently, but at that point, there'd probably been more money spent in progressive causes, with a very different strategy, mostly in what I could describe as single-issue advocacy—reproductive rights, children's rights, women's rights, civil rights—but in stove-piped advocacy organizations, rather than a broad perspective about how one needed to knit some of those ideas together, talk about a direction for the country and what was a progressive vision for how you created a more just society, more equity, a stronger economy, et cetera, and how you created a foreign policy that really reflected American values.

What the think tank role looked like, at that point, I guess, was you had people who were really operating in a bipartisan, up-the-center fashion, like

Brookings, and then you had the conservative think tanks that were arguing strongly and persuasively on the media on Capitol Hill to the now-friendly administration about a collective set of ideas that kind of fit together as a world view. And, I was teaching at Georgetown Law School. I had brought with me to Georgetown a woman who was also one of the founders of CAP named Sarah Wartell, who had been the deputy director of the National Economic Council for Clinton.

We were working together on some projects there, and we decided, with some encouragement from funders and others, that really, given the structure of the way idea generation was happening, and particularly given the voicelessness that the progressive voice had in Washington, that there was room for a new organization. And you might not stop and say, "What the world really needs now is another think tank in Washington," but I think we thought there was really a vacuum there, a hole that could be filled by collecting talent under one umbrella to do both domestic and foreign policy work.

01-00:09:01

Meeker:

Was there really no other organization that was at least attempting to fill that need? I mean, is MoveOn.org, were they more of a movement organization?

01-00:09:14

Podesta:

They were, yeah. I would say that, in terms of policy development, the picture was pretty much what I describe. You had people working in silos on important issues, on poverty, on children, on this and that, but there wasn't a unified collective the way there was on the conservative side. We can get into that if it's interesting. And there were different flavors, you know. Cato was more Libertarian. AEI was more business friendly. Heritage was more traditionally right wing. So there were different flavors, but they all took as their mission fighting for the direction of the country.

On the left, organizations like MoveOn, which had been established at the end of the Clinton administration, were doing that from an advocacy level, but not really from an ideas perspective. They weren't really trying to do the sort of in-depth, policy-level analytic work that, if you look to the European experience, are done largely in party-funded think tanks, that you see all over Europe on the left and the right, that give coherence to a vision of the country. And there were smaller attempts to do that. There was, on the more far-left side, there was something called the Campaign for America's Future, but it was a sort of small organization, and continued to exist, was important in certain fights, but they never had throw-weight. They never had traction. They never had a substantial number of scholars combined with a first-class level communications operation working.

So, I think the field was actually pretty vacant. There were other people had different ideas. New America Foundation was funded about the same time. That really came out of both financing and idea generation from Silicon

Valley, really; was kind of post-political. We're learning that post-political really wasn't true, but it should come as no surprise that Francis Fukuyama was [laughs] a non-resident fellow at New America. It was kind of the end of history. Politics didn't matter. We really just have to kind of think big thoughts, and have breakthrough ideas, and up-end the—you know, kind of a very Silicon Valley oriented—

01-00:12:29

Meeker:

Disruption. The Internet will do all.

01-00:12:30

Podesta:

Disruption. The Internet will take care of everything, and politics doesn't matter anymore. And, my experience overall, being involved in politics, that didn't really work for me that well. And so, there was a place I was at one point—they were helpful to CAP getting started and I was on their board at the time—called the Century Foundation, that did that in a kind of limited way, but they were based in New York, and kind of came out of the new frontier. When I was on the board, Arthur Schlesinger and Ted Sorensen were still on the board. But they were kind of small.

So you didn't have a Washington-based place, like I said, working across the issue areas, and most importantly, with the notion and idea that you had to have a world-class communications operation behind the ideas, that whitepapers didn't sell themselves. That you didn't just have to do the analytics and that would convince everybody of the merits of the argument. You had to go out and affirmatively try to engage in the public sphere on the Hill, with the administration, on television, in social media, in news production itself, to get that message across.

And that's what the idea was behind the Center for American Progress, that one could pull together an entity that could have significant effect on the dialog going on in the country. But in order to do that, it had to be big. It had to have a commitment to communications as well as to policy analysis. It had to know where it was coming from. And we, Sarah and then Neera Tanden, who now runs CAP, was working on a smaller version of this idea with Hillary Clinton at the time. She had worked with Hillary in the White House, and then Hillary had been elected to the Senate in 2000, had taken office. This is in 2002, and so Neera joined the two of us. The three of us sat in my one-person, cramped little office at the Georgetown Law School, and we put in an extra chair and an extra cubbyhole, and we wrote a business plan that really laid out the need, what had gone on the right, the analysis that had gone into building up those institutions on the right, which kind of goes back to 1970s. Was all quite thoughtful.

And again, competitive institutions were created, but the background for all that was some conservative philanthropists on the right, and the idea that, for them to compete for what the country would look like, where they wanted to

go in the country, you had to build up this institutional infrastructure. So we studied that. We think we had ideas that improved upon what they were thinking about, what they were doing, with the idea always that the mission of the place was, at its heart, philosophical but nonpartisan, that we were intending to try to provide a coherent set of policies that you might describe as coming from progressive philosophy.

But that set of values of building up more equity in the economy; more strength in the community; more coherence internationally, diplomatically, by strengthening our alliances, using US power more wisely, kind of fit together as not just a coherent theory of policy, but a coherent argument that you could make to the American people to subscribe to that progressive policy position. We always tried to, where we could, tried to find common ground with at least Republicans, if not real conservatives.

01-00:17:33

Meeker:

Thus differentiating the plan from the European model that you talked about, whereby these were associated with parties.

01-00:17:38

Podesta:

Where they are associated with parties. And our party structure was really not suited to—some people thought, well, maybe this should become a function of the Democratic National Committee or some other direct-party institution. Our party structure isn't very well suited to that. One of the reasons for it is, if you're embedded in a party structure, you take discipline from the party, which means you're always unwilling to challenge what conventional wisdom amongst the party leadership looks like. That was not a problem for us. We didn't think things were going that well. We were willing to take on the fight, sometimes in a way that was, amongst elected officials, viewed as kind of unfriendly to what they thought their political interest was. But we thought it was important to be honest about the failures of, if you will, Democratic Party leadership thought, and to push forward on what we thought was the right thing to do.

So, that's how we kind of got to doing this, and I think none of the three of us were each, in our own way, certain that we wanted to be the people who would do it. We just knew it needed to be done. So we developed this idea, set of plans. We thought if we could raise the money to do it that we could find top-level talent to do it. That's a setup to a story about my first meeting with, particularly with, Marion [Sandler]. But at any rate, we committed this to paper. We had been working with a person who had a long relationship with George Soros named Mort Halperin, and we knew George was interested in this proposition.

I think people misunderstand George, in a way. His set of ideas never really—and his philosophy and his deep understanding of what—and really, his whole economic strategy is from the need to have non-conventional thinking. George

is a much more open-society person. He's not an ideologue in that sense. He comes at things, in his study of Popper and other philosophers, and I think he's applied that to make lots of money, that the herd usually gets things wrong. You need a vibrant marketplace of ideas to find the best solutions to problems. He's become something more, in US context, a conventional liberal, or progressive, because the right has so abandoned the playing field, I think, from his perspective.

But at that time, I think he was still thinking, and I think his general approach to his philosophical thinking is you have to have a clash of ideas, and from that, the best emerges. And when everybody is doing one thing in one way, that usually leads to irrational results, and I think he thought that again, this imbalance between the left and the right was leading to bad outcomes, so wanted to build up one side so there could at least be a clash for these ideas. And at the time, his big organization's called the Open Society Foundation, was run by a person named Aryeh Neier, who had been before that at the ACLU, and I knew Aryeh a little bit. I knew Mort Halperin who ran the Washington office much better.

This business plan gets created. We sent it to George to see if he was interested, and Aryeh sent it to Herb and Marion Sandler because he thought they might be interested in this. They were looking; I think they had talked about investments in idea generation for awhile. They had never found the right thing. They're highly demanding about what entrepreneurs they want to invest in. So he sent it to them. I'd never heard of them, didn't have any idea who they were. And, so there it sat. I was talking to OSF about whether they wanted to put some money in. I was talking to a couple of other people. I was thinking I would stay at Georgetown, maybe do this, maybe chair the board or do something like that. I was telling everybody that I didn't want to do this as a full-time job, at the time. And out of the blue, I got a call. Now this is December, probably, December of 2002. I got a call from this guy, Herb Sandler. I pick up the phone. I don't know who he is. He says—

01-00:23:39

Meeker:

You didn't know that Aryeh had—

01-00:23:41

Podesta:

I didn't know that he had done this. And he said, "I am a friend of Aryeh's, he sent me your business proposal, and I am also a friend of a law professor at Georgetown named Bob Pitofsky, a former dean, and Bob and I are old friends." As I came to learn, they had gone to law school together. They were really quite deep close friends. And he said, "I'm going to be in Washington. I'm visiting Bob. Do you mind if I stop by?" I said, "No, here's my room; here's my office number." And I looked him up, and saw that he and Marion had been successful running Golden West. There's some references to their philanthropic interests. I think they were already deeply invested in human rights and civil liberties. Okay, I'll meet the guy.

Knock on the door. Herb comes in. He's charming and gracious as normal. He asked me a few questions about—and I think Sarah was—we're all kind of huddled in this little office and we talked for awhile. And he said, "Marion doesn't like to travel during the winter," had lifetime issues with asthma and didn't like to come to the East Coast during the winter. "We're interested in this, and we think we could be supporters of this idea. But, would you take a trip to San Francisco to really get into what are the real bases of these ideas, what are you thinking about, how would you manage this, blah, blah, blah, blah, blah?" And I said, "Sure." I have a daughter in California; made it an excuse to come out and visit my family out here.

And so, I have to say, they did a lot more due diligence about me than I had done about them. I didn't know them from the Clintons. I think they were not really big in the Clinton orbit. I don't even know whether they gave money to Clinton when he ran. They were politically active with Nancy Pelosi and some other people out here, but they didn't know me. They didn't know my level of connection. But by the time I had gotten out here, unbeknownst to me, and as was their tradition, they'd called like, fifty people that know me, to find out who I was, what I was like, whether they could trust me. Most, I think, importantly, they were judging my level of integrity, because generally, if you come out of a lifetime of Washington political experience, most people have some questions about that [laughs] when you begin the process.

And so I came out here, and I came to their apartment in San Francisco, and it was the first time I met Marion. And I got the full Sandler treatment, which many people have probably described to you, if you're doing these oral histories, which is the ultimate good cop, bad cop routine. So, Herb, as is his wont, remained charming, incisive, solicitous of my feelings and views, and Marion, in a probably five-hour meeting—I was expecting to come for an hour or so—we probably spent five hours together—was just like putting a drill into your molars [laughs] with every question. Deep, fundamental, challenging.

01-00:28:20

Meeker:

Can you think of any examples? I know this is years ago, but—

01-00:28:25

Podesta:

Well, I'll tell you where the story wrapped up. I think a lot of it went to what motivated me, these questions of integrity. What philosophically motivated me, I wanted to do it, but I approached this meeting still with the idea that I would help this get going, but I didn't really want to run it. I was in a different place in my life. I didn't really want to decide to spend ten years building up a new institution, and blah, blah, blah. I wasn't that old, but I was in a different place in my life that I thought I really wanted to do that. And most importantly, she was essentially attacking my credibility, because she said, "If you think this is so important, why the hell wouldn't you want to spend the

time doing it? So, you can't really believe this is so important, or else you wouldn't have the view that you've got better things to do."

And after hours of talking about policy and budgets and the difference between communications and policy and analysis and the Clinton White House, and why did everybody stay even when Ken Starr was attacking us, and all this and that and the rest of it, at the end, I'm thinking, well, I'm glad I got to see my daughter, and I got the frequent flier miles for flying back and forth, because this has not gone well. [laughs] I am not a shrinking violet, so she was, particularly she, was powering in and I was pushing back, and it culminated, though, in her, at the end. I think both of them, they had mind-melded many, many years before, so I think they knew what each other was thinking without even having to say it, or having to excuse themselves to huddle. They just knew how each other were feeling. I think they decided I was the right guy to do it, and they were willing to make a major investment in it, and they could trust me. And I'm sitting there saying, "Yeah," but I'm like, not saying yes to taking on the challenge.

And finally, at the end of all this, she looked at me, just kind of almost on the way out the door—we're still sitting down—and she said, "We don't invest in business plans. We invest in people. So you have to decide: Are you going to do this or aren't you? And if you decide you're not, then we're going to look elsewhere." And, I had something to think about. I got back on the plane. I came back to Washington and talked to Sarah and Aryeh, and I called them back and I decided. I said, "Let's do one more meeting." I came back out, and then I agreed to take on the job, build the staff, build the community, build the culture that became CAP, and we shook hands on it.

I think mythology in the press at the time was that, actually, Soros had been an instrumental player in starting CAP. It was really the Sandlers, and George always felt that way. He always thought of CAP, and always has, continues to give some money to CAP. And George was a very strong contributor through this period of time, but he always thought it was the Sandlers' thinking. [laughs]

01-00:32:40

Meeker:

So at the end of this very first meeting, you got the sense that, from Marion, that they were willing to be the key early investors.

01-00:32:49

Podesta:

They were the anchor tenant, and they were more than that, I would say. They were great partners in that they made long-term financial commitment, or at least a midterm financial commitment, that was going to be renewed based on success. But we knew we had money; we had working capital. Between them, some of my other early funders—Peter Lewis, Hansjorg Wyss, Soros—we had working capital to build up a large institution, and we could take risks and hire the best, and that's another thing they demanded, was, you've just got to

hire talent. You can't skimp. And I've been involved with starting up other enterprises with them subsequently. That's always their first instinct. "Go for talent; go for As," as they would say. "No B plusses in the organization." But in order to do that, you have to have enough working capital that you can be able to attract people for some period of time. We had that. I think the other thing that makes them exceptional in the philanthropy world, very different than also dealing with traditional foundations, is that they basically, their attitude was: "We're investing in you because we trust you. So we're not going to tell you what decisions are right or wrong. We want to see strong operations, if you will, attention to detail, but you're going to make the calls on what policies to pursue or why you're going to pursue this version of education policy versus that, this approach to Iraq versus that."

They were interested in all that, wanted to know what our thinking was about all that, but they trusted, whether it was me or Martin Eakes at the Center for Responsible Lending, or the people who began ProPublica, or the other institutions, that they really were central to building up. I think they thought, we're hiring you because we think you're the best, and we're going to trust you to make those kind of decisions. Whereas traditional foundations are like, micromanaging hundred thousand dollar grants. They're writing checks for four million dollars and saying, "Do what you think is best." That was a big difference, and I was fortunate enough to have a bunch of people like that, at the beginning, who were very substantial contributors, who similarly shared that philosophy.

And so, some of them would be do a little more environment or a little less environment or this or that, but it was mostly, they trusted the executive leadership of the enterprise. They knew we are entrepreneurs. They knew we are striving for the best, and we delivered results, I think, so they kind of stuck with that. But the Sandler, in particular, they had a philosophy about going big and going with people. It wasn't, don't dilute a bunch of hundred thousand dollar grants across a bunch of different organizations that are all working on the same topic, that the way to make change happen is, really, to make substantial investments in people you trust with a mission you believe in.

01-00:37:06

Meeker:

You said it was a midterm investment. Is that a five or a ten year?

01-00:37:10

Podesta:

They, I think, are initial investments, and we had it from those four key funders: Soros, [Peter] Lewis—at different levels. Sandler were the biggest. Sandler and Wyss were, if my memory serves me, were three-year pledges, with the idea that, as long as we didn't totally screw up, that was going to keep going, and in fact, did keep going. OSF and Soros are a little bit less engaged with the institution. Wyss is probably now the—his foundation gives more money than Sandler. And Peter gave very substantial sums till his death, and unfortunately for most of the organizations that Peter supported, his

philosophy was, “I’m not going to direct this money from the grave. I’m giving it all to my kids. It’s their money now.” And so, that was a source of money that ended with his death.

But obviously, we’ve been able to surpass what our initial conceptualization of the size was. I think, at the beginning, we believed that, again—I talked a little bit earlier about this—these other organizations were operating with couple million dollar budgets, three million dollar budgets.

01-00:38:56
Meeker:

Like Heritage, and AEI, or—

01-00:38:57
Podesta:

No, no. The right was big. I’m talking about on the left. They were kind of smaller operations.

01-00:39:04
Meeker:

Yeah, I think Heritage would be substantially more than— [laughs]

01-00:39:06
Podesta:

Heritage’s was probably fifty million then. It’s probably much more than that now. Cato was about twenty million then. AEI was probably twenty-five million. I’m pretty sure I’m actually remembering that right. That was kind of the size. Brookings was probably seventy-five million, a year. They’re quite a bit bigger now. But we thought we needed to raise money and get to the scale to be—at least, in order to have any effect, we had to have an ongoing operation that was going to be at least fifteen to twenty million dollars. We quickly surpassed that, and grew to about a forty million dollar a year operation, and now it’s about a fifty million dollar a year operation.

But we knew we needed heft, and you couldn’t do that on four or five million dollars a year. You had to grow this thing. You had to be big, big enough to do national security, education, healthcare, core economics, taxation, and, that was only half your job. The other half was, you had to sell it. So you had to make major investments in communication, and you couldn’t do that, again, at that time. That was 2002 when we first budgeted; 2003 when we first started. We were thinking you couldn’t do that for less than twenty million dollars. I think it pretty quickly became clear that you needed to even be bigger than that, and as I said, we grew to a fifty million dollar operation, which Neera Tanden now principally raises the money for.

01-00:41:03
Meeker:

Without getting too much into the weeds—and I would love to, but I don’t think we have time for it—can you give me a sense of, in that initial vision of a twenty million dollar organization, what are the key staff positions that you’re going to want to fill? Who’s going to be essential to put on your team?

01-00:41:23

Podesta:

Well, I mentioned the topic areas, but we needed sort of the way we were, entrepreneurs at the top. Sarah was the COO. Neera, at the beginning, was the head of domestic policy. We needed entrepreneurs in those key policy positions, and we needed the best communications talent we could find. Our initial communications director, who was, is, exceptional, was a woman named Laura Nichols, who worked for Congressman Gephardt on the Hill. So she was probably the top house communications person, and she filled her team with really experienced communications leaders. We were very early into, if you will, the blogosphere, social media; hired talent to do that.

One of the people that runs ThinkProgress, which was one of our flagship products that really communicates with the activist community, but more broadly has very deep penetration amongst the progressive publications in that context, was a guy who was actually my research assistant at Georgetown that I brought with me. He started off in a number two position there, and has quickly grown and has built an—it's just, he has tremendous, both knowledge and ability, to build it and run a strong team of reporters. So he's probably got forty people doing direct reporting for him on ThinkProgress.

And then we had to get top-level people in those other substantive boxes. Sarah kind of ran the economic policy side of the house for a long time, because that was her background in the White House. It was viewed, I think, at the time—and maybe with some good reason, given what happened after Obama was elected—as a kind of White House in waiting, or administration in waiting, as it were, because I was able to recruit talent of people that I knew from the Clinton administration who were kind of in exile under Bush. So, one of the people was doing our national security policy. The two early hires was Reagan's former assistant secretary of defense, Larry Korb and a woman who later, under Obama, became the head of USAID, Gayle Smith, who was doing development assistance, that's what she had done for Clinton. I knew her from the Clinton White House. She ran Africa for Clinton. One of Clinton's top speechwriters took on the national security portfolio, a guy named Bob Boorstin, who ended up going to Google, very successful at Google in the Washington office. The woman who ran the Office of Civil Rights at the Department of Education, Cindy Brown, became our education policy person.

We were bringing in top-tier policy people and communications people. And I think, if you look at other places, the mix is very different. Again, I'm talking about in the center and center-left side. If you look at the center right, maybe it looks a lot more like what I'm talking about, that tremendous commitment to selling it, [laughs] and the investment in talent on that side. But even if you were to think about a place like Brookings, which is bigger, more mainstream, more, as I said, kind of center of the road, bipartisan, the resources devoted to policy work versus to communications work is, it's probably ninety-five to five and at CAP, it was fifty-fifty.

We managed to that, actually. That was a board direction. We created a policy on how we were going to allocate resources within the institution, and actually managed and reported to that. And the board was extremely interested in knowing, not that you've got this op-ed piece in *The New York Times* or had this many people on cable television, but that you were thinking about and managing your resources to have maximum impact. And the only way to do that was by tracking and being concerted about keeping those. If you will, the horses in the harness had to be just as strong on both sides, or the wagon wouldn't go forward.

01-00:47:12

Meeker:

Did the sponsors ever propose any metrics for anything like that for you to achieve?

01-00:47:19

Podesta:

Sure. Well, I might answer that slightly differently. They demanded metrics. We proposed metrics. I had what I thought of as what was really an exemplary, nonprofit board, which is that they were invested in the institution. Most of them were directly. They weren't all big money people, but they were all committed financially to the institution. But they saw their role as providing high-level direction and demanding operation results and metrics that you could look towards.

At the beginning, that's difficult, particularly with a think tank, because you can only count things. It's hard to show success in the very near term, in terms of policy outcome influence, which is ultimately what everybody wanted. They wanted to see policies that they believed in that pervaded a more socially just society, better foreign policy, but that's hard to show in the first couple of years of an institution. That's the time when you're creating ideas, when you're finding sponsors, when you're getting people to engage in the dialogue, where you're debating the other side.

And so, you could really only measure the, essentially, outputs, rather than outcomes, and you had to be patient that those outputs would lead to important outcomes. I believe they did, but in those early years, you had to be patient about that, because President Bush was still in the White House, Republicans still running the Congress. Really, it was seeding the ground for success, and being able to influence the platforms, dialogue, the debate, and the policy process that ended up leading to, I think, some important achievements that, at this point now, with years and years—the institution's been in existence now for fourteen years. I think we can look back with great pride on the fact that we did change the course of the country.

We obviously didn't win every battle, and we got Donald Trump as president, so, and we're kind of fighting to both hold on to the things we won, and try to push back against what he's trying to do. But I think that those outputs that came at the beginning led directly to outcomes, particularly as a result of

Obama's being president and adopting a whole set of ideas that really did come from CAP, from CAP scholarship and CAP's advocacy.

01-00:50:56

Meeker:

So, let's move on. Before we move on to what these ideas are—and I'd like to go through some of what you think are the most signal policy positions and how they become enacted after 2008, 2009—I actually want to just return very briefly to those couple of initial conversations with the Sandlers. It sounds to me, and correct me if I'm wrong, but this first meeting here in San Francisco was really them, and particularly, Marion, peppering you for many hours with questions. Did you get an opportunity in the second meeting to then ask them questions to get a sense of what their commitments were, why they were so interested to be involved in this?

01-00:51:44

Podesta:

Yes. Maybe in both. So as I said, I never had heard of them. Their philanthropic work has been much more observed and written about, subsequently. It was really getting to know, sort of, their life histories and where they had come from, and why they cared so much about social equity. They're almost cynical about politics. They were clearly not people who were motivated to this by getting their me wall filled up with pictures of them with important politicians. I've dealt with a lot of people who give a lot of money for that experience so that they can have—you know, when somebody walks into your home, they can see that you've got your three pictures, on your baby grand piano, in silver frames, with the president of the United States.

They couldn't care less about that, and you got a sense of that, but I kind of heard their story about—which I think had different strains, but finding each other in New York, driving across the country, opening up the S and L, building the company, the things they tried. This was a little bit later, but I remember the first time I went to meet them at their office in Oakland, and I get there and there's no receptionist. I subsequently heard a lot of these stories about what their commitments to excellence, their commitments to high values, their standards about what they were trying to do in terms of, provide a platform for people to—and the depth of their commitment to thinking that the work of the company was also important in terms of building the right kind of country.

Herb's brother's work and influences on him, and their major commitment to civil rights and human rights, was things we probably got into in those very first conversations, about why did they want to do this, what did they care about. And in that sense, again, a little bit different than where most of the—and a lot of other money that I raised, who were very frustrated with Bush, but much more as a result of the war, they were coming from a different place, a place of social solidarity. Their commitment was really to people who couldn't help themselves and kind of needed a push, needed a boost, needed organizations to be their advocates.

So, they were already deeply involved with the Center for Responsible Lending, the outrage that they express at people who I think they perceive, particularly in the business community, as being rapacious and ripping poor people off, et cetera, payday lenders, or whatever. I think both of them had their pet things because of that. They rubbed up against this kind of business practice in certain places. I think that's why also, kind of reputationally, at the beginning of the financial crisis, and particularly *The New York Times* attack on them, was so hurtful to them. They kind of pushed back on that, dug their way out of that to some extent, but I think it was the result of bad reporting, not understanding really what had gone on, et cetera. And I'm sure Herb's probably talked to you about that.

But I think that they were models of business integrity. I really believe that that is absolutely true. Ran their business at its core with that DNA and with those values, and produced the results that were not only great from a financial perspective, but also committed to those core functionality. But I think their motive—like I said, a lot of people at that period of time, 2003, 2004, they were—it was about the tragedy that would become Iraq and the decision to do it, a strategic mistake, that was floating everybody else's boat. For them, it was always racial justice, economic justice, helping poor people, lifting up the bottom. That's, I think, the way they grew up. That's who they were and that's who they were as a couple. They became more interested in the environment, I think largely, because Jim [Sandler] was interested in the environment, their son, and pushed them more into that, and then they've become substantial philanthropists in that place, as well.

Susan [Sandler] was more like them, more coming from that perspective. Marion was on the board and then Susan took her seat on the board of CAP. I think the two of them were, then the three of them, and then Herb and Susan, they always did everything together. There was one board seat, but they both were there and participated. But the distinction was, Marion, I think, talent at the firm, she brought to bear, and it's why I think, with all of their grantees, they're so demanding on the marketing side, because she was a marketing genius. Down to what the logo should look like, she was highly demanding in that sphere, that you'd think things through, that she'd tell you what she thinks. She was completely unbashful about telling you she thought you had made a horrible mistake, or you were a complete idiot and you should start from scratch, but always with the intention of improving the product.

01-00:59:47
Meeker:

Well, that's a good segue to my next question, which is: They wanted assurances from you at the very beginning that you were going to be there, that they were investing in you as well as the idea; were you seeking any assurances from them, letting them know that, while they were the funders, you were maybe interested in hearing their perspective, there's a limit to how much you would obey their wishes?

01-01:00:18

Podesta: It's an interesting question.

01-01:00:19

Meeker: Like, how do you do that?

01-01:00:20

Podesta: I think we just had a rapport. So, I think I got them, and I think they got me. Other than the commitment was multiyear, I think I was not looking for a contract, and nor, I think, were they. They wanted to know I was all in, and I needed to know they're all in. Look, I had had a job where I had to yell at the president of the United States. [laughter] So, I think they knew I wasn't going to take a lot of shit from people who thought I owed it to them because they had given me money, and that's not who they were, and I think we just got that about each other.

And I think the other thing is, they don't like obsequious people, and I could sense that. So, it just never was a problem. And, Neera, the current COO of CAP, always used to kid me that different people have different sort of development strategies, but I was unique in thinking that the best way to raise a lot of money was to yell at your donors. But I think with a lot of successful people, they like the moxie that's involved with that, and so, it kind of worked for me. [laughs]

01-01:02:03

Meeker: Let's talk about the policies. What was the process by which CAP came up with its signal policies?

01-01:02:12

Podesta: Yeah. So, look, I think it was a collective process. I think we were looking to do big things. There's a different funding mechanism in the world, which is like, you solicit money to do small things because that's a particular interest to a particular donor, and I guess there's nothing wrong with that. It just didn't seem like the way most of the people who I was able to attract, at the beginning, wanted to lead their lives. They wanted to do big things. And so, I'll just give you a couple by way of example. At the beginning, we decided that, rather than launch as maybe a traditional, liberal think tank might launch on tax policy, or hitting Bush on cutting support for poor people, we were going to launch right in the heart of his strength, which is on national security, argue that the Iraq war was a strategic mistake. I argue that his whole approach to national security was disastrous to the country.

So that, nobody was doing that at the time. You had Code Pink outside the White House, but no one who was a credentialed national security policy expert was going right at the heart of his strength, and that was our first conference. Our first launch was assembling a tremendously talented group of people, including a very memorable speech by Zbig Brzezinski just going right at Bush, and from the defense, national security, foreign policy, world.

And, we went from there to articulating, “Okay, now that this disaster happened, how do we get out of this?” And we ended up formulating a theory of that case which we called Strategic Redeployment. That was the theory that was really led by a guy who is still there named Larry Korb. I tried to convince Hillary that that should have been her position in 2008. I was unsuccessful in doing it.

One of our people working with us then was a guy named Denis McDonough. He became Obama’s chief of staff, went into the Obama White House as Deputy National Security Advisor, became his chief of staff. Denis went to the Obama campaign; Obama adopted that kind of operating theory. Subsequently, we had already tried to make that the theory of the way the congressional opponents of Bush’s Iraq policy were framing the issue, and that led to a very successful 2006 midterm election. You know, maybe there’s a point in doing a little of the color here, but I remember Larry and I went up to see Jack Murtha, who was then the leading sort of hawk amongst the house Democrats, and talking this through. And he ended up kind of picking and choosing amongst the ideas, but he essentially framed the argument that way, called for a drawdown and redeployment of resources. People referred to that as the “Murthquake,” [laughs] and Democrats found a way to begin to articulate why Bush was wrong and why we needed to do something different. And that led to the change of control in the house, and led to Pelosi’s elevation as the speaker.

That was, in and of itself, a very strong, I think, contribution. Different people were working on the idea of smart power, having a different conceptualization about how to use what people refer to as all the tools in the toolkit. We did one of the original or earliest consolidated views of that. I think that was adopted by then Senator Clinton, in the debate. So, across these foreign policy wheels, we were active there, and we thought that was important, because you couldn’t just say he was getting the economics wrong. That’s a little bit what Kerry tried in 2004. That didn’t work. You had to really take him on, and we started that early, and I think we provided an important set of ideas about where to go from there, including on a lot of work on Afghanistan that we were doing at the time that had that. I think Bush made two mistakes: one is he got out of Afghanistan too early, and he got into Iraq at all. And so we were trying to compensate for both of those.

In education, we put together a taskforce that was led by Janet Napolitano, who was then the governor of Arizona, who now is the head of the University of California. She’s the president of the University of California system, and was the secretary of homeland security for Obama. And a guy named Phil Murphy, who is a finance guy from New York, ended up becoming Obama’s ambassador to Germany, is about to get elected—I think I’m going to be accurate, even though I’m saying this in advance—about to be elected governor of New Jersey. Got him into whole public policy thing, and we built up a whole range of investments that were, I think, influential in trying to

reshape No Child Left Behind, and redo what was smart and coming out of the research that was going to be evidence-based, results-oriented improvement in educational performance.

In healthcare, which I think I'm the most proud of, we ended up going back to the drawing board. Democrats had abandoned universal coverage as a fight after HillaryCare failed in the Clinton administration. In 2004, Kerry proposed expanding the Children's Health Insurance Program, which is a worthy thing, but it wasn't like what the country needed. I mean, it wasn't big enough. And we took up the mantle at a moment when no one else was, of saying, "We've got to go back to universal coverage. Here's a way that you can build on the current system and get there." A woman named Jeanne Lambrew became a senior official in the administration, healthcare specialist in the White House, architect of the Affordable Care Act, and I wrote, along with another younger scholar at CAP, wrote a piece in *Health Affairs* that sketched that out.

01-01:10:41
Meeker:

Could I actually ask you to pause there for a second, because this is actually a pretty interesting moment, where CAP establishes itself as a particular kind of progressive organization, where I would guess there might be some debate within the organization, perhaps an engagement with the board, and certainly the broader progressive community. The Affordable Care Act is not a single-payer system. It certainly expands coverage to Americans by many millions or tens of millions of people. Can you describe to the extent that a broader solution like that was brought up in these conversations, and how the ultimate policy was arrived at?

01-01:11:26
Podesta:

Well, I think that, again, it's a little bit of ambition tempered by experience. So, we wanted universal coverage. We thought healthcare was a right. We thought everybody should be covered. We saw that single payer was a smart system to get there, but one that was politically treacherous, not because you couldn't rally people to it, but it's vulnerability was, you are going to tell 170 million Americans who are getting employer-provided healthcare, "We are taking that away from you, and we're going to give you something better."

It wasn't just that that was difficult from the perspective of big money in politics and the lobbying and the this and the that. It was a politically difficult argument, to move the public from where they were to there, because most people who had employer coverage were relatively satisfied with their coverage. And so you had to convince them that, "I've got something better for something that you're relatively comfortable with." And I think one of the things that hasn't been tested, even in the wake of what Bernie's [Sanders] trying to do now with a single payer system, is trying to explain what that meant on the tax side in order to get to a single-payer system, and convince people that they're really better off economically by paying a lot more in

taxes, not having employer-provided healthcare; but the deal, end of the day, it was going to be good. So that was just extremely challenging, in our view.

01-01:13:48

Meeker:

Not to mention, you have tens, if not hundreds of thousands, of individuals working in the healthcare sector who could potentially lose their jobs because of these efficiencies that we're looking for.

01-01:13:58

Podesta:

Right. And indeed, I think when Senator Sanders tried to put in a single-payer system as legislation, it was thin as could be, exposing that to the attacks that would come. That's where then the money counts, because it's not just they have a lot of money to beat you, but they have some pretty good arguments that are going to be convincing to people, and applying all that money against those arguments is a daunting task. We thought the better approach was the one that was ultimately adopted, and I think the one that proved both not only successful in terms of being able to get it done in the Congress, where you needed sixty votes in the Senate, but it was then, once in place, it was hard to walk back from, as Trump and the Republicans have found.

So, we argued for, essentially, the Affordable Care Act, almost in all its details. The only exception to that was how we dealt with—we had a public option and we did what Obama would I think have liked to do. We had a slightly different default mechanism for people who couldn't find coverage, like the problem they're having now in counties that get unprotected by the exchanges. And we had a solution to that, but it was a little bit different than the one they adopted, and our pay-for was a little bit more broad-based than Obama's. Essentially, we were arguing for what you could look back—and I think if you read that article in 2005 in the *Health Affairs*, you'd see the roots of the Affordable Care Act.

[brief side conversation deleted]

01-01:16:29

Podesta:

It's probably important, because it tells the story of CAP. It's not enough just to have a piece in *Health Affairs*. We had to figure out, okay, what's the strategy to get it done? And in that, in '07, we knew we needed to bring the Democrats back to universal coverage. That was not a foregone conclusion, and all the leading candidates didn't want to do it, with the exception of John Edwards, who was kind of out there and willing to campaign on it. But Obama didn't want to do it; Hillary didn't want to do it. We partnered with the SEIU, and we knew what we were doing. They were the biggest, strongest, most important union. We did a joint forum. Obama bombed. This has been reported. Jonathan Alter spoke, went through this in some detail. He kind of went back and said, "I've got to get my act together on this." Hillary ended up adopting policies that look a lot like what we talked about. So did Obama. The rest is history.

For better or for worse, it became a central argument in the 2008 campaign. People forget this, but Obama attacked McCain in the general election on his healthcare ideas, and argued for what essentially became the Affordable Care Act. It ended up passing, and CAP was, I think, extremely instrumental then in defending the success of the Affordable Care Act. And, twenty-five million more people have healthcare. We haven't controlled all the costs, but we're doing a better job of it. We focus, really, on preventive care and wellness for the first time.

So a lot of those ideas I think are enduring and durable, and look, should the next Democratic nominee argue for either single payer or for Medicare, at least by being able to buy into Medicare for all, yes, I believe that. That would be a good idea. So you can graft that on top through a public option, Medicare for all option; that's probably the simplest way to do it. But I think that we proved you could get something big done, and the Affordable Care Act is probably the most dramatic reduction of social inequality and expansion of benefits of the middle class since the Great Society. So that's like a good days work, if we had done nothing else in seventeen years, whatever it is, fourteen years.

01-01:19:11

Meeker:

In those fourteen years, would you care to recall a few more of your CAP signal achievements?

01-01:19:19

Podesta:

Sure! Huge effect on the environment, I think, by focusing really on what we could achieve domestically and internationally on climate change, even as a lot of work was being done in that area by lots of traditional environmental groups. I think we reframed the debate about investing in clean energy. A bunch of the ideas and structure in the White House that Obama adopted led to the—I mean, we were off the shelf when no one else was, with eighty billion dollars of investment that became part of the Recovery Act in early 2009. The kind of structure that Obama adopted in the White House, which, eventually, I sort of filled as the counselor and the head of the Climate and Energy Program, had been fleshed out in advance by papers that I did with Todd Stern who became the leading diplomat on climate affairs at the State Department, led directly to the diplomacy that went through Paris.

We ended up being, in my view, the major actors in trying to both think about the political strategy for the—political in a small p—diplomatic strategy on how to reduce hydrofluorocarbons, super polluting refrigerants that, in addition to Paris, Obama got done through a process that used the Montreal Protocol, which reduced aerosols in the ozone layer. They're now reducing HFCs. That was all work that we had pioneered. I convinced the White House to take up, kind of choreographed the diplomacy that Obama needed to go through with President Xi and Prime Minister Modi. I don't think that would have happened without us.

And I think we had an effect in again, refocusing some of the ideas around direct student lending, around community schooling. I could go down the list, but I think we've had other ideas that were solid, but that have yet to be implemented, including by Obama: a restructuring of how you supported overall investments in federal infrastructure where, I think, we did important work but never saw its fruition. Maybe that's for another administration, another day.

01-01:22:15

Meeker:

What do you mean by that? What was the policy idea?

01-01:22:19

Podesta:

I think it was, rather than to try to disaggregate general infrastructure spending, to think about the overall need to invest in port, airports, rail, highways, et cetera, and then find the mechanisms to pay at the federal level for the most important projects in the most serious and smart way. Did a lot of work on that, that nothing ever happened with it. One of the things I think we did that was important, but taken up late by Obama, was the need—and there's relatively little scholarship in the US, although there's been a fair amount globally—is the need we called the “doing what works,” is really improving the evidence that the programmatic spending the federal government's doing is having not only the results you want, but increasing productivity in the overall outcomes of federal government spending, and government spending in general.

Blair really focused on this when he was prime minister. There's been lots of thought and scholarship from Indonesia to Africa to Europe; in the United States, it's still a fairly untapped—it's not that sexy. I think it's very critical in order to enhance and improve, not just the performance of government, but the public's view about government itself. Government's sort of, particularly starting with Reagan, but been bashed for so long by the right that people have, even if they agree with your policy direction or policy outcomes, or they'd like to think that you could produce x, y, or z, they have lost faith that the government can actually execute. So if you're not committed to performance, if you're not committed to evidence, if you're not committed to results base, it's very hard to sustain the kind of spending and investments that the country needs.

Oddly, I think one of the places—and I think President Bush actually should get some credit for this—where that's become a more embedded, ingrained view of how you have to work is in foreign assistance. So I think, beginning with PEPFAR and the MCC, and extending through what Raj Shah was able to do with Obama on Feed the Future and Power Africa, the idea that you have to measure results, you have to improve on them, and you've got to get rid of the stuff that doesn't work, has become a much more part of the way people approach trying to ask for resources, and spending and investing in

resources in the foreign assistance world, then in the domestic spending world.

01-01:26:06

Meeker:

Interesting. Looking forward to 2018 and 2020, if things continue to go as they are in Washington and the nation, I think that the Democrats have a pretty strong possibility to have a real transformative impact.

[brief side conversation deleted]

01-01:26:26

Podesta:

Twenty-eighteen.

01-01:26:26

Meeker:

Well, so, what I'd like to ask about is, I had mentioned I wanted to ask you about the rise of the, I might even call, far-left progressive wing in 2015, 2016, by Bernie Sanders, but also his supporters who I think were pushing him even further to the left, the "Bernie or bust crowd," which I think is real and is something to contend with. Thinking about this group of newly enlivened Democratic party activists in 2018 and 2020, do you see CAP as establishing kind of a policy-based bulwark against the party moving too far to the left? Or do you see it as more a way to bring those ideas in and modify them in a way that I think Hillary Clinton said in the one of the debates with Sanders, about a progressive but a progressive who can get things done?

01-01:27:39

Podesta:

Yeah, I think that again, this is really under Neera's leadership. I'm on the board. I have an office there. I'm still working on things that she lets me work on. So, she's a good boss. But I think that there's probably some skepticism on the left, particularly in the sixteen context. Neera was so strongly for Hillary, my role in the Hillary campaign, but she's opened CAP up to the voices of the left. We recently had, I think, a very successful policy conference that was pushing forward with a set of ongoing, positive, big ideas, on everything from criminal justice to economics, to job growth in the age of artificial intelligence and automation, and it had voices that spanned the spectrum of progressive thought. I think, in that sense, it's a synthesizing organization, and one that can find and build support that will make real progress for the country. That's what we're interested in.

There are people who have had different—there's the Bernie forces on one side. There's Third Way, just had a big conference in Colorado going the other way. They want to have that internal fight. They think that's important. They think their side's right. Elizabeth Warren just spoke to Netroots Nation, "We're never going back." I happen to agree with her on the things she said we should never go back on, but I think they're trying to position themselves as poles in a debate. And I think what CAP has done has been an extraordinarily effective voice against what Trump's trying to do for America,

and will again be a coherent, integrating voice for what progressive politics looks like.

I don't know who's going to be the nominee. I know in 2018, there's going to be differentiation between people running, you know, on the Upper West Side of Manhattan and in Houston, Texas. There's going to be differentiation. People aren't going to have all the same set of ideas. But when it comes to a presidency, there's got to be ambitious, coherent leadership that's going to inspire people. There are two aspects of that: one, I think we got right in the Clinton campaign, and one we struggled more with. What we got right was having a deep analysis of what was wrong with the country, how we needed to improve social equity, how we needed to improve the economy for everyone, what did that policy look like. We weren't discounting for what could you get done on Capitol Hill. It was a very bold, ambitious agenda.

The second problem that we struggle more with is having the credibility that you could actually get it done. And in that context, I think there was a certain amount of frustration. Still, a giant well of support for President Obama, but a sense that it was the forces aligned against him in Washington were so deep, so strong, the so-called swamp, that he couldn't push through that and get those ideas implemented. And I think that, whether there was a combination of Hillary seeming too much part of the establishment, plus the issues around Obama, there was still a kind of sense that she couldn't break the china to get those things done. And people were willing to take a flyer. I'm not talking about the far right, you know, he who Trump foments and he likes, but there were a lot of people who just said, "Look, the economy is not really working for me. I probably don't trust Trump to do anything about it, but I'll at least bet on blowing the system up and seeing what happens."

And I think that Trump is, whether he runs again or not—I don't know. I think if he does run again, he's not going to get elected again. I think the Democrat who is going to be successful, the progressive candidate who is going to be successful, has to have first, that full-blown idea about how you make the economy work successfully, how you build on the progress that Obama has made, but you also have to tap into that sense of frustration in the American public and show to them that you've got a political strategy that can overcome the deeply entrenched problems in Washington, and break through that and get stuff done. And I think that person will be successful.

I'm not sure that means that a Bernie-like candidate will be. I have respect for him. I've worked with him for a very long time. I worked for Pat; I mentioned to you, I think. I worked for Pat Leahy when he was mayor of Burlington. I've known him for a long time. I have a lot of respect for him. But whether I think that's the answer, I still believe that you do have to sweat the details, and it's not enough just to—you know, what they argue is bold and ambitious, sometimes kind of falls apart in the analytic side, and I think you've got to have both. Bernie's probably worst moment in the campaign was when he did

the *Daily News* Editorial Board interview, and they started asking him simple questions—not about politically, how he’s going to get it done, but what did single payer really look like? What did his ideas about financial regulation really look like? And he couldn’t answer those questions.

In my view, the successful presidents, and I think Clinton and Obama were both successful presidents, combine both, or combine all three: an ambitious, well thought out policy agenda, a sense that they could politically make something happen; and the kind of passionate energy that got people up off their chairs and got them to work to make things happen. So we’ll see who has that combination of talents. I think that in providing an internal coherence, it can be more important and a real vision than slogan and buzz words. So, I’m pretty sure we’ll get that figured out and get it right in the context of the primaries.

01-01:36:22

Meeker:

I’m going to let you go. Thank you. That was excellent.

[End of Interview]