

**TIME Global Health Summit  
Keynote Panel  
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Speakers:

President William J. Clinton, Founder, The William J. Clinton Foundation, and 42<sup>nd</sup> President of the United States  
William H. Gates, Co-founder, Bill & Melinda Gates Foundation

Moderator:

James Kelly, Managing Editor, TIME

At the TIME Global Health Summit, held in New York Nov. 1-3, TIME magazine convened leaders in medicine, government, business, public policy and the arts to develop actions and solutions to the world's health crises.

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Thank you very much. It is my honor to introduce the 42nd President of the United States, William Jefferson Clinton. And it also my privilege to introduce the co founder of the Bill and Melinda Gates Foundation, Mr. Bill Gates.

Well thank you both for being here today. I know how difficult it is to get both of you in the same room, so I very much appreciate it. And I thought, we have lots of questions, I thought I'd start out right away by asking you to imagine that I'm a 40 year old American. I make about \$50,000 a year. I have a couple of kids. I worry about my job and my own health benefits. I know about the stats about Africa. They have a numbing effect on me. But why should I care about what's happening there, Mr. President?

PRESIDENT CLINTON: Well first of all, the implication is that why should you spend more of your hard earned money there? And let me begin by saying the \$50,000 a year guy wouldn't have to have his taxes raised if we spent slightly more money on this kind of assistance, and slightly less on defense and other things. That's the first thing I want to say. So – and we're talking about most Americans believe about 15 percent of the budget goes to foreign aid, and believe that about three to five percent should go. And in fact, it's only – well it's been probably two percent now, maybe even a little less when you take Egypt and Israel and the Camp David accords which really are not relevant to these purposes.

So the first thing I say is you should demand that your government to spend more of the money you're all ready paying them for these purposes, because number one it's immoral for people to die like flies in countries that are poor, of things that kill no Americans. And you don't want your children living in a world where they had to look at each other and explain why we allow people to die like flies of diseases that kill no Americans, no Europeans, no Japanese.

Secondly, you should say that every country in the world afflicted with infectious diseases has people in America from that country. And in the end they're going to be Americans and American costs imposed on our system with the movement of people.

Thirdly, you should say that the more disease, the more death, the more destruction, the more hopelessness there is the more there will be tribal wars, the more there will be turf wars, the more will be Sierra Leon's. The more there will be Rwanda's and Burundi's, the more there will be other problems in other parts of the world, which America will then be called upon to fix at far greater expense.

So for moral reasons, for healthcare reasons, and for economic and for security reasons, you should care about this.

UNKNOWN: I think you're convincing me. But Mr. Gates, do you have anything to add?

BILL GATES: Well I think the strongest argument has got to be a humanitarian argument. The United States has always stood for equality and made great progress in that. And the greatest inequity in the world today is that the diseases that we take for granted our children are not subject to are still extremely widespread in these countries. And we're just not taking the advances in science and applying it in the right way. Some of these interventions are extremely low cost. And the benefits to those societies as they get better health, they actually have less population growth and you can start the virtuous cycle that about a third of humanity has benefited from, can definitely get going in these other countries.

And many other arguments are made and they're made, and they're fine. The security argument, epidemic argument, those are good. But I think the humanitarian is the one that's got to stand out on top.

PRESIDENT CLINTON: I agree with that, but let me just say one thing. Whether you agree with this enterprise in Iraq or not, whatever your position is, you have to admit that it hasn't done us much good in the Muslim world in the short run. You don't have to be a poll reader to know that. So America goes to Ache (ph) in the aftermath of the tsunami with the military and the civilian workers and the NGOs, and the largest Muslim country in the world, our approval rating goes from 36 to 60 percent. And bin Laden's goes from 58 to 28 percent. He didn't do anything to them, but nothing for them.

Read the reports of some of the most hard line militant Muslims in the world living along the line of control in Kashmir and the aftermath of the earthquake, after people went there for purely humanitarian reasons from the United States to save lives. This is a form of foreign policy that is powerful because it is humanitarian, because it is person to person, because it is out of politics. So I completely agree with Bill. The moral argument is most compelling one, but it turns out that doing right is also good for your country.

UNKNOWN: OK. Thank you. Now Mr. Gates, if you were the President of the World Health Organization...

PRESIDENT CLINTON: I'm for that. I'll endorse him right now.

BILL GATES: No thanks.

PRESIDENT CLINTON: He'd have less power than (INAUDIBLE).

BILL GATES: I hear it's a tough job.

UNKNOWN: So I'm the straight man. If you were the President of the World Health Organization, would you run it differently than it's being run now?

BILL GATES: Yes. I think the World Health Organization, though, is subject to a lot of constraints, the way the US makes it tough for them to plan their budgets. The way to the degree they can make long-term commitments. Their ability to bring in the best and the brightest. There's a lot of things where the WHO is good. But because of the important mission it has, it needs to be great. And instead of kind of criticizing these UN organizations, particularly WHO, I think we need to pitch in a lot more and think about we can let them expand their resources, give them more flexibility in the resources.

A number of our foundation grants go to get – let the WHO staff in additional people. The WHO is very, very important. If the WHO doesn't do something, well we see a proliferation of sort of do good agencies that never are going to be as effective if we can turn to WHO for the kind of expertise and policies that we want to have on a global basis. So it has improved over these last few years. It's a very important partner for us. But no where near where we should all help get it too.

UNKNOWN: Now, Mr. President, if you were the President of the United States now in 2005, would you be doing anything differently than George W. Bush in the area of global health, just global health?

PRESIDENT CLINTON: Well first of all, the obvious answer is yes. But before you all laugh and everything, let's give President Bush his due here. He got more money out of that republican Congress that I could have gotten for AIDS and for development. So I give him his dues. The United States is now working in programs that treat something over 200,000 people. We've got the – part of it is because the Christian Evangelical community has gotten interested in this. And I hope I had a little something to do with that, because they came in and supported us on the millennium debt relief in 2000.

But I – we work with Pet Four (ph) and all of the African countries that were both working together with the Bush program. So I'm glad they're there. And I like the people that got on the ground in Africa, and I'm grateful for what he has done.

Now if I were taking this money that we have, I would try to do several things. First, I'd try to make it go further by buying more generic drugs that meet the WHO quality standards. But I had a talk with the President about this on the way to the Pope's funeral and to give them, again, credit, after being militantly against the use of any generics, they have now allowed the generic companies to submit drugs to the FDA and if they're approved, then they're qualified to participate in these funds. And I think we've got about seven drugs now. We probably need about 12 to be able to have a full complement and give people what they need on the first line drugs. First thing.

Secondly, I wouldn't be anti condemn. I'd be for these programs that work with the sex workers. You know, those things I was before. And I think that we ought to do what works. I think that it's OK to talk about abstinence, particularly if a country in question like Uganda believes it and it's part of the value structure of the country I'm all for it. But I also think that this is an area when so many lives are at stake when we ought to be driven by the evidence of what works. So we ought to have a comprehensive strategy and it ought to be abstinence plus, not abstinence minus, that's what I think.

UNKNOWN: OK. Thank you. Now both of you gentlemen run very big foundations. You obviously run the Gates Foundation and you have the Clinton HIV AIDS initiative. Could each of you tell me what your single biggest frustration is in dealing with the foreign governments that you deal with? Mr. Gates.

BILL GATES: Well healthcare doesn't rise very high up on the agenda of a lot of poor countries. The person who gets in as the health minister is not very influential. Sometimes it's not somebody with the right background. We're very fortunate that many of the interventions like vaccinations don't require a lot of central expertise. That is the real delivery is simply having the – a cold chain, and woman in the village who's going around and finding all of the kids and making sure they get their vaccinations. So that's a fantastic thing. We can have very, very poor countries that get these vaccines and improve their healthcare in a pretty dramatic way.

I think there are some countries with AIDS epidemics that haven't stepped up to get the message out about behavioral change. I think there are some that are being slow to get the infrastructure in place for the drug treatment.

The ideal is to have vaccines that are very simple to deliver but we don't have that for AIDS. We won't for a long time. We don't have for malaria. That one is probably easier but still quite a while before we have that. And so we've got to have drug delivery infrastructure. And where you have a lack of priority, a lack of funding that just breaks down. And so the in country governments are an important element of the breakthrough.

UNKNOWN: Mr. President.

PRESIDENT CLINTON: Well first of all, I don't have the – quite the problem some would think because I only go to countries with AIDS work where I'm invited. So they have to be committed and they have to sign off. And the president or the cabinet, if it's a cabinet government, has to approve the plan that's their plan, not ours. And then we implement it.

So – but my biggest frustration is lack of capacity. A lot of these countries have good honest leaders, and they really – they get it, and they want to get in it. But then, two layers down in the regions, there are people who still don't know the basic things about AIDS or malaria or TB or even if they do, they're incapable of setting up systems. And this is the generic problem. We read a lot about corruption in the foreign countries, other countries, developing countries. We don't read enough about capacity. I see my friend Rajat Gupta out there used to run McKinsey. There's now – McKinsey has not been outed as the – for giving millions of dollars worth of free advice to Pot Canturo (ph) the man who runs the reconstruction agency in Indonesia for the tsunami. And he was determined that they wouldn't spend this billions of dollars in a way that anybody could say one penny had been siphoned off to corruption. And it's the most stunningly impressive thing you ever saw because he wanted to be honest and they gave him capacity.

So I would say capacity is more important than corruption or than denial, right now, in a lot of these things.

UNKNOWN: What do you think of President Mbeki?

PRESIDENT CLINTON: I like him very much. I have a – he's a brilliant man. He deserves an enormous amount of credit for shepherding this new economic partnership for African development, NEPAD. And for basically being the voice of Africa, working with Tony Blair, and others to get a commitment to double aid to the developing world and have half of it \$26 billion or something go to Africa.

I think he obviously has not dealt with the AIDS thing in quite the way most of us in this room would have. We were – Bill and I were just talking about it. They're not treating about 50,000 people in Africa, in South Africa. But most of them are in urban centers, where they have very sophisticated medical centers. And it's still the program, I think, could be treating four or five times that many if they accelerate the implementation of the plan that we were privileged to work with them on calling for the development of sort of a medical structure and the rural areas. And because it's been slow off the block you just can't go out there and throw the medicine out on the side of the road.

And I think that the mortality rate is still far higher than it needs to be, and we need to accelerate the push towards the rural development. And then, the medicine can flow there. And that's the thing I worry most about.

UNKNOWN: Have either of you gentlemen managed to see the film The Constant Gardener?

BILL GATES: Yes.

PRESIDENT CLINTON: No, but I read the book.

UNKNOWN: OK.

PRESIDENT CLINTON: I want to see the movie, I just haven't had time.

UNKNOWN: The – very briefly as you know, it's fair to say that in both the book and the movie drug companies are basically pretty satanic. Are drug companies being unfairly maligned in this whole global health debate, Mr. Gates?

BILL GATES: Well certainly in that movie, I'd say they're unfairly maligned. You know the notion that they corruptly have these trials where they cover up what happened, but, you know, that's just not the case. And I do think the world creates a dilemma for the pharmaceutical companies, if they act like they can jump in and do these medicines without any help from governments and philanthropy. They simply can't.

But as we create models, public/private partnerships, then they can do more to step forward. And I'd say the last, even few months have been fantastic in terms of the leading pharmaceutical companies jumping in and joining these public private partnerships. GlaxoSmithKline is a partner with us in a number of things, including the malaria vaccine, some malaria drugs, a TB vaccine that we're working on.

In the Microposit area, Johnson and Johnson was the first to jump in, but not Merck and Bristol Myers have come in offering a drug very early on even before its approval for ritualed (ph) markets to be used in a next generation Microposit that we're very optimistic about.

So as they see that the world is actually funding the interventions that are available today, then they grow more optimistic about the idea that well if we come up with new interventions, those may get funded as well. And if there's money to help defray some of the risks and some of the costs of that, they've got the expertise. We can't solve these problems without drawing in the pharmaceutical companies. There's an element of expertise that they have. A few of these medicines can be done by cobbling together in partnership and trials that don't involve big pharma. But they, when you look at something like AIDS vaccine, it can't be done without them.

UNKNOWN: Mr. President, do you have any thoughts?

PRESIDENT CLINTON: I essentially agree with what Bill said. I think – first of all, it's a great resource for the United States to be home to a lot of these big pharmaceutical companies. And they have a wealth of scientific and technological resources. And they save a lot of lives. A guy like me that's living on LIPITOR now is in a hard place to down the pharmaceutical companies.

On the other hand, if you look at the whole facts that basically the theory has always been that they shouldn't be subject to any price controls even though they have patents because they have enormous cost in research and development. But over the last decade, they've earned about 18 percent on revenues, and had about 16 percent expenses on research, and 31 percent on marketing and administrative costs. And about 60 percent of the new drugs to develop for the market have actually been developed from government money either in university labs or the NIH, and then licensed out to the pharmaceutical companies.

So in that context, we continue to pay without price controls in America. Every other country including all of the other rich countries, including rich countries that are home to pharmaceutical companies say if you're going to get a patent, there ought to be some pricing restraint. So we've had a very sort of favorable climate, if you will for the pharmaceutical companies.

Now when I spent a lot of time as president trying to protect their patents overseas when I thought people were ripping them off for drugs that they could well afford to buy. Or they at least thought they had to license. But when we did the so called trip system, we put an escape clause in there for life saving drugs. And what I'd like to see is a deal made. Here the problem is, that we spend about 10 percent of the world's research money on the diseases that effect 90 percent of the world's people. That's why there's such a need for what Bill does, he just sort of steps into the gap, often times all by himself.

So what I'd like to do is to see us make a deal with them and say look we want you to earn money. We want your stock prices to be high. We want you to be successful in America. But look at all of these people that are dying out there, we need more money spent on research and development. And you can't expect the Gates Foundation to do it all. And then we need to have these – the drugs available at affordable prices for these poor countries.

And so, you know, one of the things I tried to do my last couple of years as president was to get them a 25 percent across the board tax credit for – over and above all of the other tax preferences they had for research in things like TB, malaria, AIDS all of these things. We've got to make some deal with them that allows them to do what they do well and still gets this medicine to people at prices they can afford in the nearest possible time. I think condemning them does no good. You've got to work a deal with them where they can win, and we can win and everybody is going to give a little bit.

UNKNOWN: The two of you could spend your time on a lot of different kinds of causes, but both of you have chosen global health. Could you very briefly talk about whether there was just – there was an epiphany, and aha moment, where you decided this is what I wanted to do? Or was it a series of smaller epiphanies? Mr. Gates.

BILL GATES: Well I think there's a couple of things that came together. The first cause that my foundation was involved in was population issues. Making sure that women had the tools and information to make choices about family size. And I saw that as a fundamental issue because if you start on that early, then you're going to have more resources to educate and feed.

When I learned that health would lead to lower family size, that was kind of stunning to me, because it's almost paradoxical. You'd think the opposite. And so I got to know people in the health field, and was stunned to learn the number of things where no medical research was being done or even the delivery wasn't being funded. So it was a series of things that made me feel like hey, this is the greatest inequity. This should be the top priority.

The foundation has a second priority which is a focus in the United States relative to education, so we've got the two. But the biggest is global health and I think these problems are tough enough. You probably never have to pick another one, that is the rest of my life. We'll be able to do big things here. So over a period of years that emerged as a very obvious thing.

PRESIDENT CLINTON: I had – first of all, I was always interested in healthcare because my mother was a nurse anesthetist and I grew up bumming around hospitals. And when I became governor of Arkansas, we had terrible health problems. And so I worked on setting up a level three nursery at children's hospital, which is now the seventh biggest in America in our little state. And then a rural health network with a lot of paramedical workers and other things. And I did a whole bunch of stuff when I was president.

But my – it really was an aha moment on the AIDS thing because after I got out of office, Nelson Mandela and I agreed to head this group, this was before the global fund and before the Bush program, where we had some fancy name, but basically Mandela and I were going to around and guilt pedal the politicians that were still in office to try to do a better job than we've been able to do putting up money. Hoping that their awareness would grow.

And then at the AIDS conference in Barcelona in 2002, they had a medical doctor, Denzel Douglas, Prime Minister of St. Kitts & Nevis in the Caribbean came and said, you know, which has by the way the second fastest growing rate in the world now after the former Soviet Union. He came up and said look Bill we don't have a denial problem here. We've got a money problem and an organizational problem. And I had never really thought of the mechanics of this before. So I said, well Denzel what do you want me to do about it? He said I want you to fix it. I said, OK. I had no idea what to do. (INAUDIBLE) 14 people we had to raise \$150 million for a lab ready to do all of this stuff. So I got in and I realized the phenomenal amount of inefficiencies in the system, and how the market, particularly for generics is not organized.

So what immediately we set about trying to take the generic medicine that was of high quality and convert it from a high margin, low volume business to a high volume, low margin business with guaranteed payments. And we did a bunch of other stuff. And then going and trying to help countries develop plans and train people so they could effectively use the medicine. I never thought the testing and prevention would work without medicine.

If you're an 18 year old boy in Africa, and the message is please come in and get tested. If you're positive, you're going to die, but at least you can be responsible between now and the day of your funeral. Or the message is please come in and get tested, you can have a normal life, but you have to take care of yourself and by the way, while you're living for goodness sakes, don't give this to anybody else. I think message two is much more compelling than message one. And so that's how I got into this. It was just this moment when where this guy came up and confronted me and said this is what you have to do. You have to do this. You can't go around just pontificating about money any more. And I'm very grateful to Denzel Douglas because if hadn't been for him none of this would have – my little part of this never would have occurred. And now, of the some 800,000 or so people getting medicine over and above those that were getting it on January 1, 2003, our foundation's contracts probably account for almost 25 percent of that. So I feel good about that.

UNKNOWN: I'm going to try a question, which I'm not so sure I'm going to be very articulate about but let me take a crack at it. You're both white. You're both male. You're both well off. How do you ...

PRESIDENT CLINTON: That's a relative term in this case.

BILL GATES: On average, yes.

UNKNOWN: How do you – and yet, you're really representing a constituency that is not white, and not male to a large degree, and are certainly not well off. I mean how do you keep it real for the two of you, and how do you more importantly, ensure that the voices of those who are most effected get heard? And at some point the responsibility becomes more theirs both, you know, politically and financially.

BILL GATES: If you're – (INAUDIBLE) inequities it's often people in the privileged group who have to step out and say this isn't right. There should be some change in how things are done. In my case, it's kind of extreme, where I'm, you know, a very lucky person to have these resources of society, and so the question is how can they go back, essentially to the unluckiest to create more equity?

And I thought that would be a tough problem to find something, but as we discussed you know, it came – I came upon it and it actually accelerated when I would do philanthropy from being something I'd take my 60s and search around to something that I'm doing at the same time as I still am very committed to my full time job.

I think you have a very good point about the need to get out in the field, meet the people, make sure that whatever money you're giving is going through the people who are in the country and can understand the best delivery channels, the best message, the best approval process to make sure it fits into the way that they want to do things. And all of the time, you learn about how to do that better. Getting out there – hiring the right people in the first place. Then getting out there personally is definitely how you can make sure it's hitting the real needs.

UNKNOWN: Mr. President.

PRESIDENT CLINTON: First of all, I think he's been entirely too modest. He has wonderful parents. His father I've been privileged to know, and they raised him to give things back. And he made more money than anybody in human history and he's trying to give it away. Most people would be trying to do something else. Or they'd give a little bit of it away and want somebody to pin a medal on it instead of spending all of their time like he and Melinda going all over hell's half acre with the Patty and all of the rest of them looking for things that really work. And this is a life work for him. He is not just – he's doing – he's trying to do good in the right way. It's an extraordinary story. And I think he's being way too modest.

BILL GATES: Thank you.

PRESIDENT CLINTON: For me, it's a whole different deal for me. I mean look I grew up with people who were poor people. And I grew up around people of color. And I think one of the craziest things that still exist in the world is that we don't feel comfortable with people that don't look like us. And I think it's nuts. So I think it's good two middle aged white guys to be galumphing around in Africa and India in some place or another, you know, learning to be at home, because there are more of them than us. And they're going to be in the saddle before you know it.

Secondly, you know, for me, I think that I got to live the life of my dreams. It's ridiculous that I got to be President of the United States really. I mean growing up where I did, having, you know, the way I was. I was so lucky. You know, most people like me want you to believe they were born in a log cabin they built themselves. And I just feel that, you know, what else am I going to do? I don't play saxophone well enough or golf well enough to do it full time. I really am doing this because I think that I got to live the life of my dreams, do what I always wanted to do. And I owe it to take the accumulated experience and contacts and knowledge I have and the ability to raise money that I have and spend it on things that won't be otherwise done.

I think, you know, the longer you live, and the more fortunate you are, the more your obligations to the future grow. And if you think about I know darn well that among the hundreds of thousands of children that will die this year of

AIDS, and maybe a million kids who will die of malaria, there are kids that are just as smart as I am. That have the same level of potential that I did when I was their age. And they won't even grow up to have their own children. It's not very complicated. I can't imagine anything that would be more rewarding, or what people like us have to do that's better. In a way you know we're a lot happier than we would be if we took some other path.

But for me, it's easy. For him its unprecedented, and I'm profoundly grateful to him for doing it.

UNKNOWN: Very well said. Now as you know, I asked many people in this room last night to write down their questions, and give them to me before I went home last night. The good news is everyone wrote incredibly well and very passionately. But not everyone quite mastered the question format. And some of you are going to make very good speech writers some day. But what I've done is I'm going to make Xeroxes of all of the cards and make sure that both the President and Mr. Gates get to see them. But I am actually going to stick to the questions that were asked last night.

And the first on is to Mr. Gates. Would you consider taking the initiative to bring the 10 richest people in the world to a roundtable to advocate for increased funding for global health issues? It will be similar to the G8 and you could call it the R10. This is by – I'm going to mispronounce the name, my apologies, Dr. Jan Kenigie Kayunda (ph) of Geneva, GDR, the World Health Organization actually. My apologies on the pronunciation.

BILL GATES: Well I think that getting more people to give to world health is very, very important, not just giving their money but also giving their time.

I don't think creating an event that essentially coercive in nature, where, you know, the press knows they're coming. The press is going to say, OK, nine of them did it, you didn't. I don't think that pure stick approach is probably the most effective. At least, I'm not comfortable in that format.

I do have to credit to Ted Turner who is willing to speak out and kind of give wealthy people a hard time, not just the top 10, but all of them a hard time. I hope he didn't lose too many friends over it. But it – there's got to be a way to do it that people feel they came to it freely and wanted to do it.

And there's a little bit of progress there, but there needs to be a lot more.

UNKNOWN: Mr. President.

PRESIDENT CLINTON: Yes, there's a germ of a good idea in that question, though. A lot of people would give money if they knew how to do it. A lot of people would be – are uncertain, insecure, they don't want to be made a fool of. They don't want to feel like they've wasted it. And they really don't know how to do it. And you know both – Bill was one of the sponsors of this global initiative I just had, and Ted Turner and I've talked about this a lot, because he's done more probably for the global environment than anybody I know which is another thing we could have a whole meeting on, and a whole energy and global warming problem.

But when we just had this meeting, this global initiative that I sponsored around the UN, we had about 900 people there, including people from developing country, NGO's, a lot of people, and world leaders and ex leaders and then American NGOs and wealthy people. And I told the people of means who came, not to come if they weren't prepared to make a new commitment in one of the four areas we discussed. And we've all ready gotten 250 commitments worth about \$2-and-a-half billion in just that two day meeting and the aftermath.

So I think people are dying to make a contribution. And as Bill said, some of the most moving contributions weren't a lot of money, they were, you know, doctors who said I'll go home and get all of the doctors in my town and we'll take one country after another go and go in and train people to do whatever is most needed to be trained for.

So I believe that this is kind of like the AIDS market. I think we haven't organized the philanthropy market properly. And one of the reasons I'm so thrilled about the Gates Foundation is it is so well organized. They're very shrewd about, you know, what they fund, what they don't fund, how they monitor results. And they're very honest about what works, and what doesn't without telling people that you're going to be a pyorrhea if you try something that fails.



You know, we've got to – they rise of the Internet as a tool of giving, the rise of the non governmental organizations, and the increasing openness of governments around the world has made it possible for private people to do public good, to a greater extent than every before in human history. So I – you know, I see this conversation we're having and the kind of things, the commitment, the massive commitment Ted made and others it's just the tip of the ice berg.

I think that you will see an enormous entrepreneurial privatization in a good sense of people doing public good that can involve hundreds of millions of people giving money, time and expertise, if we can organize markets. And we just – we haven't organized this market very well. And now, at least, we've got a model of how it ought to be done. And I'm going to try to do this little global initiative every year for a decade and see if we can't do some more of it.

But I think that those 10 rich people, and the next 100 and the next 1000 and the next 1000 after that, would give a lot more than they do, if they felt like they were part of something where they could keep score. Know whether it worked or not. And have a high level of confidence, that you know it worked.

UNKNOWN: I should say, on a personal note, I got to attend most of that. It was three days. It was over at the Sheraton Hotel. And it was absolutely terrific. It was really well done. You and your staff did a really great job.

Now I got several questions about initiatives clearly very important to people in this room. And that is how do you get drugs to the most remote areas? And I'm going to read one of the questions, and I'm going to ask the woman who asked it to stand. As a missionary with 50 years service in Africa, primarily Liberia and Congo, I have seen thousands of people suffering and dying because of the lack of money to buy simple medicines to fight these diseases. What specifically can we gain from this conference that will enable us to provide some of these needed medicines to barefoot doctors who will serve their communities deep in remote areas? And it's from Mother Mary Beth Kennedy. Mother, would you like to stand?

So it's a classic last mile question, and this is jump all.

BILL GATES: Well the ideal is to have new vaccines, so that you can treat somebody once in their childhood, and they never get sick the rest of their life. There's quite a variation in terms of how hard it is to deal with disease. AIDS is one of the toughest because you're talking about multiple pills, still at this stage, taken daily with side effects that you have to take the rest of your life. And getting the supply chain to work reliable for that so you don't get any gaps in treatment that can lead to drug resistance, and not only is that bad for that person, but you can then spread that. That's very, very tough.

I do think the world is paying more attention to the deliverability of these interventions. Often, what works in the rich world, just won't work in the developing world, if it requires personnel, if it requires testing. One of the great pioneers in this has been Paul Farmer (ph) who down in Haiti and now in Rwanda with some of Bill Clinton's support has talked – used these community workers to go out. It's a new model. It's a model that's less about deep expertise, and it's one he's proven that he can replicate.

So we've got to get the training issues going. We've got to make these things simpler. And we've got to apply technology. The grand challenge thing we did where we asked scientists to come up with new ideas, included things like having vaccination that doesn't require refrigeration to get – to still be effective. And I'd say there will be breakthroughs in that. We need that to be able to get to the most rural areas.

UNKNOWN: Mr. President.

PRESIDENT CLINTON: I would just say very specifically, what we have to do is to recognize there's no way we can get enough doctors in all of the rural areas of all of the poor countries. So we have to have paramedical personnel to first do the initial test to see if someone is HIV positive. And then, to treat and teach people how to take the medicine. And then to monitor whether it's working.

I should have said this in defense of the big pharmaceutical companies, we – there are no generic producers of the lab equipment and testing stuff, and we negotiated price reductions of 80 percent in the CD-4 test, the viral load test,

and the machinery necessary to do the testing. And amortize the cost of the machines in the contract for the drugs for poor countries. So these big companies really did us a big favor doing this, Roche and a lot of others. And I take my hat off to them.

So what you have to do is to train people out there to do that. In Brazil, for example, where even in the most remote areas of the Amazon rainforest, you have a take rate above 75 percent. In most African countries, that is people taking the medicine properly 80 percent of the time or more, in most African countries the rate is at 90 percent, which is slightly higher than our clinic in Harlem near my office.

So it's not true that poor people can't be taught to do this, since they won't do it, and they won't do it to stay alive. But you do have to be able to test them to see if they're positive. Then you have to be able to show them how to take the medicine, monitor it and then test to see whether it's working, and change the medication if it's not. And as Bill said, deal with the side effects. It has to be done with paramedical personnel. So we're putting a lot of our resources now into trying to do that. The best most promising model, I think, is Paul Farmer's (ph) in Haiti. You start off with medical infrastructure designed to serve 20,000 people, even in a very poor country. And they now serve a catch man area of about 200,000.

And it's stunning. Just stunning. And so we're trying to do that in Rwanda. And we're doing it in about five other African countries, other models that are variations on that theme, just basically dealing with non medical personnel to do this basic work.

But there are a lot of people in African countries in East Africa, for example, that are orders of nuns that are running AIDS clinics that originally started just trying to care for pregnant women and get them the medicine to block mother to child transmission who are not providing a full range of services, and the doctors just comes by once in a while when they came and checks on them. And they have – you know, the more we get computer inter connections and everything, the more they can communicate instantaneously. But this whole load is going to have to be carried among the rural poor by paramedical personnel, I think.

UNKNOWN: This next question is for the president. What do you think of the idea of establishing a US global health service corp, a peace corp for health? And that's from Dr. Fitzhugh Mullan.

PRESIDENT CLINTON: I think it's a good idea. They could just establish a division of the Peace Corp.

There is an incredible yearning among younger people and people who are in a position to take retirement and have 20 or 30 good years left to serve. When we started AmeriCorp in the United States we've now had about 500,000 young people serve there. We had more people serve in AmeriCorp in six years, than served in the Peace Corp in 40, but it was only because we allocated the slots. That is we allocated the slots of the Peace Corps, the servants would have gone.

And I think now, you know, people read about what Bill Gates is doing. They read about all of these other things that are going on. They're dying to serve. And I think it might be – I don't think we should maybe create a medical service corp within the Peace Corp. We used to have a national health service corp, you know, in America, we still do but it's much smaller now, to get docs to go out to rural areas and pay off their medical school loans.

And so we could make that part of the benefit of the service, and just make it part of the Peace Corp and go do it. I think it's a wonderful idea.

UNKNOWN: By the way, obviously religious organizations play a very important role in global health campaign. But are there any tensions between religious organizations and secular groups in executing these programs?

BILL GATES: I think it is important to point out how if you – as you go around Africa, some of the amazing groups you run into are the religiously supported group. A lot of them funded by the Catholic Church, some funded by Protestant Churches. It's fantastic. And they're not very high visibility and yet they're doing God's work in a pretty incredible way.

I don't know of any great problem. The big gap is the willingness to stay in country and deal with these very tough problems. And religious organizations have provided the lion share of the personnel that does that.

PRESIDENT CLINTON: I think the answer is there are some conflicts some places but they do way more good than harm. Both, you know, there's a lot of controversy, I get asked every time I do like a roundtable of AIDS reporters, they'll ask me something about the Catholic Church being against condoms or something. And yet I was in Tanzania when the outgoing President Mr. Mkapa announced a new round of initiatives to bring rural health AIDS treatment to his nation that included a full range of prevention techniques, and the leader of every major religious set in the country including the local Catholic bishop and the head of the Muslims, they were all there.

So I don't think we can generalize. The same thing with the Christian Evangelical groups, and the Bush program, I've all ready said there are things that I would differently. But it's astonishing if you go on the ground into the clinics, where the nuns, for example, are working with the mothers and children and others are just –how much – the circumstances, the human dimension of this drive people to the same place. So I think on balance, all of the religious groups have done way more good than harm. And where they have differences, they try not to let those differences get in the way of saving however many lives they can.

And I don't know what we'd do if they weren't there in a lot of those places. So I think on balance it's a great, good thing.

UNKNOWN: Now this question is for both of you, and it's from Chung Tu (ph) who heads a foundation in China. Gays in China are highly stigmatized, and are very vulnerable to HIV AIDS. How do you plan to overcome government obstacles and societal prejudice to provide equal access to knowledge and treatment for gays in China.

BILL GATES: Well I think both of have spent time in China on the AIDS issue. And I'd say I'm very impressed that the government is stepping forward. China is unique, in that there haven't been historically NGOs because during the true communist era, they didn't have NGOs. So they're having to reestablish NGOs, because NGOs can step into some of these contradictor areas, counseling drug users, in particular. But also sex workers, or gay people, and really making sure that the outreach is there with people they can relate too.

The biggest danger in China now, now that the blood transmission epidemic has been stopped is that they would have drug users get – transmit the disease into sex workers, that then would transmit into general population. They recognize this. There's a few provinces that are most at risk of doing that, where they're letting us go in, work with the NGOs and provide money.

So stigma is a problem for these groups. AIDS stigma is an incredible problem. I was in a panel, it happened to be India, but I think it could have been replicated anywhere, where somebody from the government hospital said we never turned anyone away. We've never turned anyone away. And everyone else at the table laughed, because they knew nobody would have been dumb enough to go to even to the government hospital to try to get treated with very, very few exceptions.

So stigma and AIDS stigma is one of the very toughest problems that we face. And NGO, the right kind of NGOs are key to dealing with that.

UNKNOWN: Mr. President.

PRESIDENT CLINTON: I think there's been – I accept the validity of the question. But there has been a big change in both China and India just since I started working on this in the last four years. And you've seen too, I think.

And I'll give you one. You mentioned China. As Bill said, there were basically two AIDS problems in China, one from contaminated blood that infected, largely, three rural provinces. That's not being done any more. But the AIDS problem is out there, and we're trying to help them deal with it. And believe it or not, I just got back from a tour of those places. And I went there at the request of the national government, because the administration is in the hands of the provincial government, and the provincial government still was in denial or there was a little bit of stigma.

So, you know, I made them go to a meeting and we had all of the kids that HIV positive on the floor playing and talking. And they were – and we all went to dinner together. And they saw that I didn't keel over and die. So afterward, everything got better. And a lot of this is just personal contact, and experience.

Now in Beijing we had – David Ho and I went to Sing Wa (ph) University and had a conference. So the Chinese brought in four higher ranking deputy ministers of the various government agencies in theory, working with AIDS. And there's AIDS activities whom I believe was a gay man. Got up with spiky hair and an earring, and I thought hell I could be in New York this is great. And he asked me this real sort of, you know, pretty sassy question about what I was doing and what we were doing. And I told him to come up on the stage. I shook hands with him. Put my arm around him, and took him over, and he shook hands with these government ministers. None of them had ever shaken hands with anybody who was HIV positive before. And it was all nationally televised.

Ten days later, Premier Winn (ph) had 10 AIDS activists in his office, nationally televised. Forty-five days after that, the President of China was in a hospital shaking hands with AIDS patients.

So it is beginning to turn. And I say that – China, and India were the worst places of denial I ever saw. Now they're the only countries that give us offices in the ministry of health to work out of.

So they can turn on a dime, but just because you know, it's not a democracy doesn't mean everybody in every village follows the lead of the national government when they change. Still it takes a long to push back the barriers, and misunderstandings and all of that. But you should know that I think the Chinese have figured out that being antigay or, you know, overlooking the prostitution is only going to get this in the general population in a big way. And I think they're determined to shut this thing down.

They are also developing their own capacity to produce the front line drugs, at a high enough quality, they'll be certified by the World Health Organization. And we're working with them on that. I think when they do, then they will go to universal treatment along the lines of the US and Europe. And I think you'd be surprised how quick it happens. They're in gear. And the Indians are – the government there has markedly changed in the last two years, they're in gear. They've got a lot bigger problem, as Bill knows. He's spent a huge amount of money there. But I think we have a reasonable chance to get it under control, because at least we have the national government is committed now.

UNKNOWN: Now this is the only question I got about bird flu from the group last night, but it takes an interesting angle. We all know avian flu is inevitable. We just don't know when it will hit. What are the two of you personally going to do for yourself and your families when it strikes? And this is some doctor – a Dr. James Bernstein (ph).

BILL GATES: Well avian flu is a serious problem. Sometimes, I think, it's ironic though that people care a lot about it because it could actually kill rich people. And wow. And now we've got, you know, \$7 billion that is going to be good. I think that's great, but I wish we had the equivalent for some of these other things.

And, you know, hopefully out of the research that gets funded here we can have a flu vaccine that works against all forms of common protein approach that would save a lot of lives. Flu kills a lot of people in the world at large every year, young people and old people primarily. So it would be a wonderful contribution to get something that wasn't just dealing with this current variation but dealt with it all. And it helped to advance immunology which is so key for all of these different diseases.

In terms of my family, I don't think I'll respond any differently than anyone else would. You know, if the government tells us to stay home, we'll stay home. And, you know, I hope it doesn't come to that.

PRESIDENT CLINTON: First I agree with what Bill said when I saw we were spending \$7 billion, my mind started running the numbers of how many people, how many bed nets that would buy. How many AIDS treatments it would buy at \$140 a year which is what we get the medicine for, you know, I was just running the numbers.

On the other hand, the President's first responsibility is to the American people. And we do have serious vaccine stock shortages generally. I remember – late in my second term, I spent a whole day working on biological dangers

to America, the possibility of biological warfare, terrorist acts. And I was shocked by what had happened to a lot of the vaccine stores, and how ill prepared we were. And we got some money to deal with that. And then after 9/11 we got some more money. But I think that it's very important to remember that the Spanish influenza at the end of World War I which was really started in the American middle west at an army camp, but the poor Spanish got tagged with it, probably killed more people within a year-and-a-half than AIDS has yet killed. And somewhere between 50 and \$100 million died. Nobody has real good numbers over about a three-and-a-half or a four year period.

So I think that by doing whatever is necessary to shut it down we could use this influenza vaccine somewhere else if they have an epidemic and we're trying to ward it off from coming here. And I personally believe a lot of good has been done. But I also think with all viruses that start in animals, which they normally do, it's a good thing that you see like when they're killing chickens in Romania that's a very low cost prevention measure. And you should be cheering for those people, because they're out there basically trying to stop this. And as scary as it is, if you go back and look at the SARS epidemic after the Chinese moved quickly out of denial when the young people demonstrated not in Tiananmen Square but by clogging all of the government's Web sites, and the government turned on a dime, and began to cooperate with the Canadians and the American CDC that thing was shut down. And it could have killed tens of thousands of people or more.

This is potentially, I think, more dangerous, considerably more dangerous. But at least, unlike in the case of the Spanish flu we know what's causing it. We know generally how to try to develop an effective vaccine. And we're much more sensitive to the preventive measures. So I'm personally glad my government is trying to deal with this before it hits here and we have people dying. And if we spend too much money on it, and somebody else needs it, we ought to give it to them to keep it from coming to us.

UNKNOWN: By the way Mr. President, knowing what you know now about global health is there anything you might have differently during your two terms on that issue of global health?

PRESIDENT CLINTON: Well when I – people ask me this from time to time, but you have to – when I became president, America had the number one AIDS problem in the world. Everybody has forgotten that. We had the largest number of cases. The biggest incidence, at least reported, that we knew about. By the start of my second term we had driven the death rate way down, the infection rate way down. Treatment was beginning to be universal. And Africa had two thirds of the cases in the world boom like that. And so we tripled the amount of money we were spending for AIDS. But I had – the Congress was much more hostile to such things back then, foreign aid generally. And when President Bush came in, by then as I said, the Congress was more likely to do what he wanted because he was of the same party. And also you had the Christian evangelical movement had broadened its focus and had gotten interested in this. So a lot of those guys had people in their political base asking them for it. And I'm delighted that he was able to do more.

There were lots of other areas where we were very active on global health. And I think we did a good job. But, you know, I think you always wish that you could have done more sooner because every time you do more sooner, more people live. So that's all I can say. If I could have gotten more sooner, I would have liked that very much.

UNKNOWN: Mr. Gates, there's this perception that you picked up, which I picked up from some of the questions, that the Gates Foundation has moved away from spending money on short term things that save lives, right away to more theoretical things that will save more lives down the road. Would you like to address that perception?

BILL GATES: Well the goal of the foundation is to do both of those things. For example, in AIDS the Botswana program that we and Merck each put up 50 million for, that was one of the first broad treatment programs, and there's a lot that's been learned out of that. That's been quite successful. Now people are getting tested in fairly large numbers, and we hope that leads to behavior change.

In malaria, a lot of what we're funding is taking today's interventions. Our Zambia program called MESEPA (ph) is about taking all of the current interventions and seeing how those can work.

We – I personally wouldn't apologize for the fact we also fund new medicines that are – is high technology stuff. That – you could say that's the thing where there's no agency that's really chartered to get into that. That is to take

the risk, to fund trials, to make sure that the people they're giving money to really get these new interventions to come along. So that's a significant part of what we do.

When we do delivery like Gabi (ph) by far our biggest grant overall is a billion-and-a-half to the thing that buys today's vaccines. It doesn't make new vaccines. It just buys them and gets them out there. We're thrilled that now with the – a new thing that European countries are doing a \$4 billion grant called international finance facility for immunization, they're going to put up \$4 billion. And so we will drop from being something like over 70 percent of this to being something under 25 percent. That is fantastic when we can get them to come in on the delivery side. We're going to continue to support that. That's really excellent.

On the AIDS vaccine, some of the up front stuff about the labs, about the antibody approaches, we need to be big on that, but we have gotten governments to come in as well. So technology is part of the solution and, you know, we feel great about that being one of the things we put money against.

UNKNOWN: Do you two guys disagree about anything on global health? There must be something. I mean one of you folks is more on treatment of AIDS patients, for example, and the other more on prevention.

PRESIDENT CLINTON: Yes, but I don't – you've got to understand we have a whole different sort of set of opportunities here. If I had – if I were running his foundation with the kind of money he's got...

UNKNOWN: What would you do?

PRESIDENT CLINTON: I'd do pretty much what he's doing because I think that – I mean I don't know whether we disagree on anything because I haven't looked at it, but we haven't even talked about the work he does for America high schools, and trying to help us build smaller high schools and get uniform international competitive achievement levels out of people without regard to income or race where they live, which is, I think, one of the most important things the Gates Foundation is doing for America.

But if I had that kind of money, I would certainly be spending money, trying to develop vaccines too. I mean, you know, the temptation, he could probably buy a bed net for everybody in Africa, but if we had a vaccine against malaria, then we wouldn't have to worry about it. You know, we had to develop a smallpox vaccine decades ago. We didn't have the equipment of bed nets, or ARVs for smallpox. It was just going to kill a whole lot of people and just keep killing them. And thank God a vaccine was developed.

Now the – you know, AIDS is a whole different kettle of fish. And I think we'll have a vaccine because it reconfigures the DNA of a cell, I don't know if we'll ever get a cure. But I think we ought to be trying. But clearly if we ought – if we every could get a vaccine then a lot of what I do would be come less and less important over time. You understand, this might look more cost effective now, but what I do is expensive too, because as soon as you run out of the first line drugs, then you've got to go to the second line drugs. And I'm desperately trying to figure out how to get the cost of them down and make it work for our suppliers.

So I think he's doing the right thing. I do what I do given the money I've got and the governments that support me, and the special sort of skills and experience set that I have. I try to figure out what somebody else is not going to do and do it, but that doesn't mean we have differences, just because we do different things.

BILL GATES: Yes, I think it's fantastic that the vacuum in world health has been recognized and you have different people stepping into it based on their strengths. You know, President Carter was probably an early person stepping in and recognizing some of these problems and that he got some good partnerships that helped a lot.

You know, now we have the President is doing which I think is absolutely fantastic. We have people like Paul Farmer (ph) who are willing to go live in Haiti, live Rwanda, drive things forward. We have people like Bono who's articulating that we should – this generation should set as a goal to make these things go away.

So everybody is playing to the strength. I think it's fantastic what President Clinton has done. You've got to have visibility. You've got to get these drug prices down. We just feel like we need to do more, I'd say is the big thing.

UNKNOWN: I'm curious by the way, Mr. Gates, do you and your wife ever disagree about a particular grant?

BILL GATES: Not really. No. By the time grants come to us nowadays, they're relatively well thought through. I know early in the foundation there was a meeting where I was just tough as could be, and my dad was sitting there and he had never seen me in that mode, in that hey this isn't good enough go back. This is really bad work. You haven't – you don't know the numbers, you're not on top of this thing. Now Melinda was fine because she met me at Microsoft. She knew me in that very tough mode of asking for more, but I could see my dad over there, and I thought he hasn't seen me behave this.

So when we got going at first, the whole thing about once you – if you give a grant to somebody are you going to keep giving it. Is that really a top priority? Is it going to be measurable? We had to establish our criteria because there's an infinite ask in any situation like this. And picking what you're best at, what you're going to do, we floundered around quite a bit. We got lucky. Got some good people. Had some early grants. There's a bunch of grants we gave in those early days that Melinda and I agreed on that we wouldn't give again. So it's their learning process.

UNKNOWN: Now Mr. President, do you ever lobby your senator from New York to do more for global health?

PRESIDENT CLINTON: Yes, I do. It's part of my job. You know, I am utterly worthless to Hillary as a senate spouse except in three ways, I go to the state fair with her every year, so she can, you know, not everybody in New York knows one end of a cow, from another. And I'm her token redneck so she drags me up there. And I'm pretty good for her there. And since I have to work an hour a day for my heart regime I'm her de facto case worker in Westchester County. And the third thing I do is read more newspapers than she can, I clip articles, and I say I think you should do this or stop that, or the other thing. I do that a lot. I think it's one of the things I should do so I try to do it for her.

If I could just make one other point that you ask about our disagreements. As a democrat I think I can say this. Normally what we do is, you know, and I love Bono and Mandela had an article in the paper the other saying we ought to give more money to the global fund, and Lord knows I agree with all of that. We're still not spending enough money. But I think it's time for we Americans and to the Europeans to take a hard look at whether we're getting the maximum value for the dollar of the money we do spend. For example, we still know that in America, about 60 percent of all foreign aid money doesn't leave the shores of America. It's spent on consultants, first one thing and then another.

There was a project announced the other day to spend \$77 million to setup a facility to distribute our AIDS drugs, and that's more money than I spent including the government aid to get 180,000 people treated. So we need to really examine this. President Bush did – recently did what I thought was a very courageous thing following the lead of the Canadians to say we ought to allow some of our food aid to be used to buy food in the country, next nearest to starvation. And low and behold, and I might add, the Canadians are doing that for 50 percent. The President proposed 25 percent, the rest of it comes direct from our farmers, and they get the money. It's sort of a de factor price support when we grow more food than we need, but it helps poor people, but not if they're starving right now. And not if the price of delivery is much higher than the price of buying it in country or in the next nearest country.

So the Canadians agreed to do it for half of the food aid. And the Canadian Farm Organization, the farmers supported it. Here all of our farm groups oppose it, and some of our biggest charities opposed it because they in effect earn money for the charity through acting as food brokers. But here's where Bush did something that was sort of out of the, just like saying he cut agricultural subsidies that the Europeans and Japanese would. I think those of who are on the other side of the political fence on most issues when we can see a way to save more lives by having the money we have go further, whether it's in food aid or the purchasing of medicine or anything else, with the debts that we've got we owe that to our country.

So, you know, you may think if you're a democrat, you may think that you never would agree with the administration on anything. Those are two things they're doing that we ought to support. And if you're a republican and you believe in government efficiency running like a business, you darn sure ought to support it. And he has not gotten enough support for those two initiatives, because the organized groups are against him and

those that are for it, like me, aren't organized at least around that issue. So I think we need to give some more thought to how we can get more money – more bang for the buck, more lives saved for the money the American people are all ready spending.

UNKNOWN: Now President Clinton and Mr. Gates would love to spend another hour here, but I have a 5:15 which I can't miss. So I'm very appreciate of the President and Mr. Gates. Thank you.

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