



## **WILLIAM J. CLINTON PRESIDENTIAL HISTORY PROJECT**

### **INTERVIEW WITH EILEEN BAUMGARTNER**

April 11, 2008  
Washington, D.C.

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## TRANSCRIPT

### INTERVIEW WITH EILEEN BAUMGARTNER

April 11, 2008

**Martin:** This is Paul Martin. I'm here with Eileen Baumgartner at APSA [American Political Science Association]'s headquarters in Washington, D.C. We're here to talk about her experiences as staff director of the House Budget Committee during the 103rd Congress, 104th Congress, and then periods around that as well.

I wanted to, first, get your personal history of your Washington career.

**Baumgartner:** Okay, I'll predate it a little. As a young person, I was living in New York City and doing a job I hated, so I started thinking about what I wanted to do if I was going to have to work for 40 years. [*laughing*] I went back to graduate school at the University of Minnesota. I had originally grown up in Minnesota, so I went back there. I had a degree in chemistry, which I did not like and was not good at. I knew I wanted to work in politics, and I wanted to be a staff person behind a powerful politician. I always wanted to work for someone who would *do* things, and I wanted to help that person—usually at that time it was a “him”—make policy. I never wanted to be *in* office; I was too private to want to do that, but I wanted to influence policy.

**Martin:** That's a very specific thing.

**Baumgartner:** Absolutely.

**Martin:** How did you get to that decision point?

**Baumgartner:** I grew up in a town of 1,200 people. I had nine siblings; our family was 1 percent of the population. I just wanted to see the world and do things, so I took off. I went to college in St. Paul, St. Catherine's, a Catholic women's college, which was very sheltered, but I had an opportunity to go to school in Austria in my junior year. When I came back, I wanted to travel more, so I left. After I got out of college I joined the Peace Corps, then I was in the wilds of Ethiopia. When I got back home, I said I wanted to be in a city, so I went to New York. I had a good friend there and a good friend in San Francisco. I decided to move near my friend in New York so I would have somebody to know when I started.

I went to places I thought would be interesting to work in and couldn't get jobs, so I went to work in a lab, because I had a chemistry degree. It was awful. I decided it was time to broaden

my education, so I went to the theater and to concerts and learned about the world of the arts, which I didn't know well enough.

Very big events were happening, things like the death of Martin Luther King [Jr.]. Suddenly there were things happening in the world and I just wanted to do more with my life and with whatever brain God had given me. I was reading a newspaper article one day about John Lindsay's chief staffers. They were people who ran agencies or worked for him in the city. Lindsay was an interesting mayor in New York at that time, and I thought, *That's the job I want*, so I went into work the next week and quit. With nothing. [laughing]

**Martin:** That's impressive.

**Baumgartner:** That's the way it was. Then I started looking for policy jobs in New York. I couldn't get any. I remember going to the Bronx Hospital and meeting a woman who ran their mental health center. She said, "I'd love to hire you for this job, but we can't put a woman in that position." I said, "Okay," and went back to Minnesota to get more credentials. It was where I was from and I just needed to get out of the city. I went back to the University of Minnesota as an adult special student so I could prove to them that I could change fields. Some of the most difficult sins to overcome in your life are the sins of your "academic youth." At 17 I made the decision to be in pre-med, and I ended up not being able to get out of the sciences.

Anyway, I struggled and fought through all that and finally got out with a master's degree in public administration and went to work for the Minnesota State Planning Agency. There was a young man who was just starting a new office there. A friend of mine worked for him and told him about me. He interviewed me and decided I could do the job. I went to work there and the next thing we knew we had a new Governor, [Wendell] Wendy Anderson. He ran for Governor off of something that the Citizens League had proposed, a radical revamping of the state's school financing system.

Jim Solem, my boss, wanted to work with the administration. Wendy brought in a new agency director, who had been Joe Karth's aide out here, a guy named [Gerald] Jerry Christenson. Jerry wanted to treat the planning agency as an arm of the Governor's office. It was a new agency, but many of the staff were relatively set in their ways and didn't like the idea that this was going to be political, but Solem did. Solem went with Jerry and they pushed that our office would be the one that would help the Governor's office staff work.

We still had a legislature controlled by Republicans, although in Minnesota we had nonpartisan definitions, so they were called "conservatives" and "liberals" when they ran. In that election, the liberals (the Democrats) took in more seats, but there remained a five-vote Republican margin in the house. In the senate, liberals and conservatives came in tied, but there was one new member who hadn't called himself liberal or conservative. Wendy won the Governor's race, so it was very hot.

The senate was an odd number. The unaffiliated member had run in a heavily Democratic-Farmer-Labor [DFL] district in the northern part of the state. He had told his voters that he would caucus with the majority when he got to St. Paul. He had to decide whether he was going to caucus with the liberals or the conservatives. Both parties courted him for three days. [laughing]

Finally he chose the conservatives, the Republicans, which meant his constituents would be very angry with him. He had always managed to straddle that because we didn't have party identification. They now had a one-vote margin in the state senate. Wendy was the Governor and wanted to do this radical thing.

His budget raised \$700 million, I think, which was a huge change in the state. It cut property taxes, increased income taxes and sales taxes, and then set up this revised financing program to equalize the resources for schools and change the state resources available to local governments. I did the math for the Governor's office, so I was hidden back in there. In the course of doing those things, Martin [Sabo] became the minority leader of the house. I had seen him operate before. I had seen his intelligence. He's a very mathematical guy. We're both data hogs. I had seen him when I'd gone to hearings. I thought, *Okay, that's who I want to work for.*

I stayed in the agency and the following term Democrats won control of both the house and senate. I was also a close friend of the man who became the majority leader in the house. He and Martin were in many conflicts over time, but Irv [Irvin N. Anderson] was a good friend of mine. I got along with both of them. He let me know—I had put the word out that I was looking—that he had an opening in his education committee. They had a nonpartisan staff. I knew the tax guy was leaving—He was an active Republican and was going to leave—so I went over and took the education job, wanting to do the tax job, because tax policy was what I loved. It was where the local government aid formulas were designed. I liked designing formulas and working numbers.

The tax guy left. I asked if I could move over, and I took the tax committee job. I staffed the tax committee in the Minnesota house and Martin was speaker. He also served on the committee, appointed himself to that committee, because that was his strong policy interest too. We didn't have a budget committee in the Minnesota legislature. We had an appropriations committee, which could not override what other committees did. It didn't work the way things do here, with authorizing and appropriations. Appropriations was the last stop. We had a tax committee. The tax committee designed many of the formulas for the distribution of money, as well as how you collected the money. The impetus, originally, for the change, and for the public uproar, was the fact that property taxes were getting so high that we had a huge farm revolt.

The reason we succeeded in the '71 session, the so-called "Minnesota miracle," was because a couple of leading Republicans aligned with the Governor because they wanted property tax limitations to work. They had stuck their necks out earlier in 1967 when they passed a sales tax law, hoping to reduce property taxes, but they didn't put limitations in and property taxes grew *and* they had the sales tax. [*laughing*] This time they agreed to this huge package because it would allow them—If we put severe levy limits in—to constrain property taxes. They were adamant about reducing that property tax and having it stay down. That was a compromise. Working on those things, I got this fiscal system in my blood and it was fun.

I had done all that work, then when Don Fraser decided to leave Congress, Sabo decided to run for his seat. There was also a young man who was running for Hennepin county attorney, Tom Johnson. He was a good personal friend of mine who was on the city council. He left the council after his term and didn't take another job, just ran full time. He and I were having lunch one day and I volunteered to help him out. I had three weeks of vacation time coming and he and Martin were sharing headquarters, so I said I would help him with his campaign, knowing nothing about

politics. He said, “Oh, thank you.” Then we got to talking. I said, “I have three weeks of vacation. I’ll take three weeks without pay and I’ll give you six,” so I went—

**Martin:** You became steeped in the campaign very quickly.

**Baumgartner:** I worked on his campaign and Martin’s. I just staffed the office, the desk. I answered phone calls, took messages, told people where they were supposed to be. I didn’t know anything, but I was always identified with Martin, because I’d worked for the house. Well, the minute I did that, I couldn’t really work as a nonpartisan staffer. This was a nonpartisan office I was in, because I was staffing the tax committee. I had asked my boss’s permission before taking the leave and he said yes. Later on, he told me he was sure he had to. I said, “No, if you had said no, I wouldn’t have done it,” but he let me, because he thought Martin or somebody would be mad at him if he didn’t. I knew I’d have to leave, but I didn’t know if Martin was going to hire me. That was just my role of the dice. I figured he’d win. [*laughing*]

**Martin:** You were going from a shoestring here to almost Tarzan through the jungle.

**Baumgartner:** That’s what women had to do. We didn’t get in in normal ways, the way young men built careers, so I just rolled the dice and said okay, if Sabo doesn’t take me to Washington, I’ll just have to get another job somewhere. I was young. I was never afraid. I always knew I could go to work and get a job somewhere.

**Martin:** Was it a chemistry degree you had?

**Baumgartner:** Yes.

**Martin:** With that background, you were doing math and numbers and formulas.

**Baumgartner:** But I hated chemistry.

**Martin:** You were playing in politics and taxes, so those valuable skills moved over.

**Baumgartner:** And it was incredibly hard work; I spent hours and hours grinding out those numbers. Anyway, then Martin offered me a job out here and I said sure. I knew I had to leave there. It would not have been good for that office to keep me in after I’d been *that* politically active.

**Martin:** They didn’t have staffs that were connected to—

**Baumgartner:** At that point each caucus had a small staff, but they had a professional staff called House Research. That’s what I worked in. Each one of us staffed a separate committee and had responsibility for that committee’s work. They didn’t have big staffs then. The legislature got more and more fulltime and then we got more skilled people and more professional staffing, but in the beginning it was all lawyers. I wasn’t a lawyer; half the people I worked with weren’t lawyers, but it got so that what you needed were people who could handle computers and people who could think. I didn’t really ever like computers, but I knew how to think.

Anyway, he offered me the job out here. I came out here as a numbers cruncher and he hired—His staff director was a guy I'd worked with who had been working for the Minnesota house. He had actually run for office, got mono [mononucleosis] two weeks before the election, and lost his election bid, so they hired him. *[laughing]* He was a young kid from Minnesota. He was the majority leader's staff director and was the one with whom I negotiated my terms of employment when I moved over there. Then David [A. Bieging] came out here; he was working for [Walter] Mondale. He had gone to law school at night. Once he got his law degree, he came out here, working for Mondale, so he was working in the Vice President's office when we came to town.

He had called Martin and offered to be his AA [administrative assistant]. Martin said sure, so he set up; then Martin hired John [Haynes], who had been in the Governor's office and with whom I had worked on the numbers. He was out here working for Wendy Anderson, who was in the Senate then. Wendy had been defeated, so John needed a job, David wanted to move over, and I needed a job, so here we were, together again, crunching numbers.

**Martin:** The whole crew comes to Washington.

**Baumgartner:** The first thing Martin wanted was to be on one of the money committees. We would have loved to be on Ways and Means, because that's where John and I really had the expertise, but Jim Oberstar was running for that from the Minnesota delegation. He was senior, and you don't want to compete with your own delegation or region and these were special committees. I'm not sure they still do it that way, but when we came in, the Democratic caucus had primary committees, or major committees, and then other committees. There were committees—if you served on them—Appropriations, Ways and Means, and probably Rules, you didn't get another committee. I don't know if they still do it that way.

Martin ran for Appropriations. David set him up here with a meeting with [Thomas P.] Tip O'Neill [Jr.], who was Speaker then, and the various members of leadership and other people, like our regional representative on the Steering and Policy Committee. Everybody who was on the Steering and Policy Committee—At that point they made the decisions about who went on committees on the Democratic caucus. I don't know if they still do it that way and I don't know what the Republicans do, but that's the way we did it. He set up this series of meetings.

Martin could bring one staffer with him for a week of orientation and briefings, so I came out. That's when I found a place to live and we went to the DSG [Democratic Study Group] meetings. DSG did most of the Democratic briefings and they were invaluable. [David R.] Obey was very active in it, and Obey was like Martin's big brother.

**Martin:** I forgot to mention this, but I worked for Obey.

**Baumgartner:** Oh, you did?

**Martin:** Yes, APSA puts together a Congressional fellowship program, for about five political scientists a year, and I got it in 2003 when I went to work for Obey. But Martin was my—I interviewed with Mike [Erlandson], so I was choosing between Sabo and Obey and wound up with Obey. I just feel bad that I failed to mention that.

**Baumgartner:** Anyway, the way DSG did it, it was like it was when I went to college; we had big sisters, someone who helped you wade through the process. They had what I would call big brothers.

**Martin:** Yes, there wouldn't be many big sisters.

**Baumgartner:** Right. Obey was Martin's mentor. We sat down with Scott Lilly (Obey's appropriations staff guy) and got the information about the committee, then Martin actually did get the Appropriations assignment.

**Martin:** His first assignment was Appropriations?

**Baumgartner:** Yes.

**Martin:** That's rare.

**Baumgartner:** Yes. Appropriations, first committee. He was on the HUD [Housing and Urban Development] Subcommittee and Transportation. I staffed the HUD stuff, which was fun because it had NSF [National Science Foundation] and NASA [National Aeronautics and Space Administration] as well as EPA [Environmental Protection Agency] and VA [Veterans Administration]. It was a mixture of things. John did the transportation stuff. We just divided the world of issues and interests among us and started to work. We always worked numbers. I think I did taxes that whole time; John may have done some of them, but he left us a couple of years later. I always did the Ways and Means issues. When I worked Appropriations, I learned the spending side of the federal government, because I really didn't know it.

I became Martin's AA. David left and he had another person for his AA for four years, Jim DeChaine. Then when he left, I became Martin's AA. That was '91 and '92. Then it just so happened, in the beginning of '92, that a very liberal group took on Martin inside the party.

**Martin:** A primary challenge?

**Baumgartner:** Yes, a primary challenge from a woman. We had no women in the Minnesota delegation. This was becoming a bigger issue. So here I sat. Martin had a woman chief of staff, and there weren't that many around. I always said, "Martin, if you lose this, I become the ultimate victim, because I lose my first great job because you're not a woman." Anyway, that immersed me in the party politics of our district at that time. I had not really been active in party politics. I'd always done policy work. I'd come out here. I voted back there, but I lived out here. I paid taxes out here. I had this divided residence. I knew about it, but I was never really immersed in it. I hadn't been in a lot of caucuses and things because I was living out here.

**Martin:** In the Washington, D.C., Hill community, when I was there for a short period, you learned quickly that there were political people and there were policy people. It seems like you were on the policy side.

**Baumgartner:** Yes, except I came from there. For several years we always tried to hire people from Minnesota. We said it's a lot easier to learn the Hill than it is to learn someone's

Congressional district. You don't have to be active in the politics of it to have a feel for the people in it. In our political district, we had a political party that was very liberal and active, much more liberal than the average constituent. Keeping the political party part working well always required a little more work than you would have needed to please the constituency of the Fifth Congressional District. Over the years the district has become more conservative as it has been reapportioned and more and more suburban territory has been put in. We actually, when we got here, had constituents who still hated Hubert Humphrey because he'd thrown the Communists out of the DFL [Democratic-Farmer-Labor Party] in Minnesota. We still had a few of them writing us. That gives you a flavor of what the party was like.

In our state, the party has a lot of power over your ability to run for office. It's more powerful than it is in many other states. When Martin would describe it to his colleagues, they'd look in amazement. But he had this challenge, this primary challenge, from this young woman. I was there and I said we'd have to do things differently. Martin had always run modestly priced campaigns. He'd always relied on mail and town meetings and door knocking. He loved door knocking, was a door-knocking maniac. We always said good, get him out there, because it relieved his stress. A candidate has all this stress and that's a physically active thing to do. It also gave him a feel for what was happening in the neighborhoods. He could tell what was going down, what was improving. He saw the quality of HUD programs—which were good, which were bad—by being in the buildings.

He and Bill Green, the ranking Republican on that subcommittee; and Eddie Boland, the chairman of the HUD subcommittee from Massachusetts, whose wife had been mayor or city councilman there, knew the programs better than most of the people the [Ronald] Reagan administration had in the agency, because they were in the buildings all the time. Anyway, that's an aside.

Here we were at this challenge, so I had to learn politics really fast, and I had to learn more-modern politics. I relied a lot on Scott Lilly, who worked for Obey, to give me names of people, then I interviewed pollsters, because we needed to poll.

**Martin:** This was the time he polled?

**Baumgartner:** Yes, he had never polled before. *[laughing]* This was 1992. He'd been in office since 1960. Anyway, I found a pollster who I thought fit Martin. He was also a guy who had worked for other appropriators. It turns out, as I looked at the information and discovered, that many people on the Appropriations Committee get a challenge after they've been there a while, I guess because—

**Martin:** An internal party challenge?

**Baumgartner:** Yes, or a political challenge. You don't get the headlines you get on authorizing. It's a much quieter, more—it was, anyway—back-room way of solving problems. You get a lot of things done, but they aren't flashy. So he wasn't the only one. This guy had done some polling for other people. Then I found someone to do some writing for us who had done that kind of work. I'd seen his material. He had done work for maybe Sid Yates, I won't swear to that, but an older appropriator.



**Martin:** Do you remember who the pollster was?

**Baumgartner:** No. I don't know if I have any notes.

**Martin:** I was just curious.

**Baumgartner:** Then we did television, which we had never done before. I didn't dare let anybody at home know we were going to do that. This young woman and her campaign staff were very active. They were very hard working; they were very committed; and they didn't think Martin was liberal enough. They wanted a woman, and they wanted to go for it.

**Martin:** Did this come out of the university?

**Baumgartner:** She went to St. Kate's [Catherine's], in St. Paul, but there was a St. Paul feminist group that was behind it.

It fit our district, though. People thought Martin had gotten too comfortable or something. They wanted to give him a wakeup call; they were irritated with him. I told him it was like a middle-aged marriage and that we had to remind them of why they married him in the first place. This exciting creature comes in and all of a sudden there is this temptation. That's the way I felt about the campaign. I said that we had to woo them.

**Martin:** Until this point you had had no significant threat to his seat once he had landed it?

**Baumgartner:** Right, and this all erupted at our convention. What happened at the convention was very serious. He did get endorsed, but we really had to struggle for the endorsement, and then we had this primary challenge. We just had to work it, which taught me the politics of it, but it also immersed me in the 1992 campaign. What I saw in '92 was that the '92 Presidential race was defined by Ross Perot. He educated the American public on the budget.

**Martin:** I remember those commercials.

**Baumgartner:** I remember watching them at my parents' house, because I would be back home working on Martin's campaign. I'd go up to my folks—they live 100 miles out of the city—and spend time with them, and we'd watch those infomercials together. What they did, I think—I had been listening to people's frustration with the federal budget for a long time. People complained about the federal government doing deficit spending, then politicians would answer them. Members of Congress would say, "Yes, but the federal government has different responsibilities and different roles. It has to deal with all this policy stuff." I think people felt helpless to fight back.

In 1992 Ross Perot put information out there that made it comfortable for people. He gave the American public ownership of the budget process in a way they hadn't had before. They didn't get the tax side; he never focused on it—he just did the spending side—so they didn't really learn that side, but they got much more aggressive with their members.

**Martin:** To reduce spending?

**Baumgartner:** Yes, and to get that deficit down and to balance the budget.

Clinton watched. He was an old-fashioned Democrat who wanted big programs, but when Ross Perot was there, he started paying lip service to getting the budget under control. What happened, I think, I don't know if he took it as seriously, but our House members did—We had been in control of Congress for close to four decades. We had many people representing territory that was becoming more and more Republican, and they were really feeling the heat. They came back from that election with a powerful sense that they had to deal with this. The people who represented really liberal districts didn't have this problem, but everybody from moderate or more conservative territory really felt pressured.

**Martin:** If they didn't do something, they were going to lose their seats to Republicans.

**Baumgartner:** Yes. They also believed it; most of us believed in getting this under control. If you look at the data—Actually, I brought data with me, because I never go anywhere without numbers. *[laughing]* If you look at the *Economic Report of the President* and you look at the federal deficit as a percent of GDP [gross domestic product], in the Reagan years this thing just jumped. Let me see if I can find the right table. Here it is: the deficit. In the early Reagan years, at one point it was 6 percent of GDP; higher than it had been at any time since the end of World War II. The public was feeling that. All throughout those Reagan years, that deficit became a bigger and bigger issue, but he wasn't burned by it. He was a conservative Republican; people didn't blame him, they blamed Congress. Even though in terms of appropriations we'd appropriated less than he requested every year of the Reagan administration, they still blamed Congress. Largely it was entitlements growing and other things, but our guys really felt pressure.

Clinton sent his first budget up and they didn't think it went far enough. Clinton thought he had really cut, and his staff thought they had really cut. And it was a leaner budget than you would have expected from a New Democrat. He had [Leon] Panetta with him. Panetta had always been a budget deficit hawk. They thought they had gone as far as they could go. Leon didn't realize how much the caucus in the House had changed.

**Martin:** They were used to a Tip O'Neill caucus?

**Baumgartner:** No, he was used to being more liberal and wanting to spend more. He didn't realize how serious they had gotten about the deficit. He had always been identified as one of those more conservative members of the caucus on budget issues, but in his frustration with the numbers he became more of a procedure guy. He got into all the budget rules. He had worked very hard during [George H. W.] Bush I, that 1991 budget deal. They did deficit reduction, and they *did* start it. The President deserved credit for that, but he got lost in the shuffle of other events and that recession.

**Martin:** The pledge to not raise taxes.

**Baumgartner:** The Clinton folks thought they had really done it, because Leon was down in OMB [Office of Management and Budget]. Clinton had many of his pet things in there, but thought he could get them. They came up to us and our guys said, "You have to cut more." Leon was testifying. I'll never forget—I was sitting next to Martin, who was in the chairman's seat.

Leon said, “This is as lean a budget as we can get. If you can find any more to cut, you show us where you could cut more.” Well, that was just a challenge to the Blue Dogs and the more conservative members of the committee and our caucus. They got together and pulled \$50 billion more out of his budget. Well, the White House was furious. They were livid, because we just cut the thing so much.

Then the President called everybody down to the White House to meet, to talk about it. I think he believed that he had charmed them. Well, they came back up. I wasn’t in those meetings, that was all members, but they came back and we got together with the caucus and they cut some more.

**Martin:** Do you have any memory of what timeframe this was? Was this right off the bat? It had to be before the resolution.

**Baumgartner:** Yes, it was before the first resolution.

**Martin:** He’d been in the White House, so it was between January and February, probably.

**Baumgartner:** I don’t know when the budget came up—the end of January, early February? Leon didn’t leave right away, so Martin wasn’t chairman yet, in the beginning, after he was sworn in, then it all happened quickly. This probably happened within a couple of months. I don’t think we got the budget resolution out—It might have been by April; I don’t think we met the deadlines on the final conference report for which we were there.

**Martin:** The resolution, just to jog your memory—Clinton unveiled his package on February 17th. You were in committee with the resolution and it passed through the House by March 17th. We’re going to talk about the reconciliation later on, but the resolution—

**Baumgartner:** The resolution itself. Then it went to the Senate, but he didn’t have to sign it, so he was stuck with what we did. It’s one of the few documents the President doesn’t sign. We negotiated and we negotiated with the Senate, but these guys really had that fire under them. I remember, in the introduction to our committee report, writing about Ross Perot. We divided the writing. I would do some; Joel [Friedman] would do some; Al [Albert J. Davis] would do some; David Reich would do some. Then we’d sit down and put the report together. Our tax economist (Al Davis) came to me and said, “Eileen, you really give Ross Perot a lot of credit for this.” I said yes; I realized, when Al said that to me, that in this town people hadn’t felt the impact he was having out there in the countryside.

**Martin:** They wrote him off here?

**Baumgartner:** Maybe they thought he was a gadfly, or maybe they were just used to the Washington power bases. Maybe the [*Washington*] *Post* and [*New York*] *Times* weren’t taking him as seriously. I was just reacting to what I was seeing. When you looked at the map of the country—I had a map in Martin’s office once that showed where Ross Perot had more than 25 percent of the vote or whatever; there were dots in all these districts around the country. He just went right up the Mississippi. I was born 20 miles west of the Mississippi. I looked at these dots all up and down the country, right up through the middle of the country. There were pockets in

the Northeast, and pockets around where he had these big votes. It was very interesting to look at. Then I realized why I had thought he was so important, because he was really affecting voters that way.

Leon decided he had gone as far as he could go and was shocked that these guys were cutting more. I remember we were taking, I think it was \$56 billion—I never know whether the numbers are billions or millions anymore—out of Medicare. This was over the budget timeframe, five years or whatever. Before we put the resolution together, Martin went, hat in hand, to each committee chairman to ask them if they could do this. We were doing reconciliation instructions. We didn't want to put things in there that they couldn't do. I remember him going in to meet with [Daniel] Rostenkowski to ask him about Medicare and Rostenkowski said, "Yes, we can do that." He said, "I need a couple of weeks." We said, "Yes, you have the time." We were working on reconciliation, but before putting anything out we wanted to make sure it could happen. I guess we were just—When I think about the timeframe now, we were—

**Martin:** I was surprised, when I went back through my notes and looked through old *CQs* [*Congressional Quarterly*], you only had one month between when Clinton announced his budget and when the resolution went through.

**Baumgartner:** That went through the House, but then it had to go to the Senate. In the House he had his BTU [British Thermal Unit] tax, and that became a hot-button issue. I don't know if you know the background on that, but that was very frustrating. He promised that he would stay with that. We all thought it was too complicated, people didn't get it, and that it was going to be a hard sell. Well, in the Senate he gave it up. But we had House guys who—

**Martin:** Took tough votes on it.

**Baumgartner:** Yes.

**Martin:** I'd heard that general sense from that period, that there was a lot of frustration about being hung out to dry on the BTU tax. That was part of that early series of votes.

**Baumgartner:** Yes.

**Martin:** As a causal chain, it sounds like what you're suggesting is that it wasn't just that Ross Perot was persuasive to members of Congress, or to other folks, about being serious about the budget, being fiscally responsible, but that he persuaded voters in those districts. Members of Congress felt the heat in those districts and had to modulate their votes to be safe.

**Baumgartner:** No, I don't know that he persuaded voters. I think he tapped into a voter frustration. I think the electorate had the feeling already, but they didn't quite know how to influence it and were frustrated. What happened was that they learned enough; they really learned a lot from him. His stuff was good. It was correct. He used data. They got evidence. You can always work with evidence.

When you're a politician, you have these hearings and you always want evidence, because if you ever have to explain something, it's the evidence. Evidence changes your mind. You can go in

absolutely convinced you're going to think one thing and come out of a hearing saying, "Oh my goodness, I can't do that; it doesn't work."

Well, they got their evidence to fit their instincts. Many of the members weren't that out of touch with their constituents, but there probably wasn't a critical mass of them. There was a hard core of those budget-deficit types and they had gotten themselves—I think they got lost in doing too much procedural stuff, probably because they couldn't get the substance.

Suddenly they came in—The President said he was going to go for it, then presented a budget that didn't quite do it, but they had a chairman who everybody knew as this big liberal who listened to them. Martin was what we would call a "fiscally responsible liberal." We used to say, "Look, all that money you're spending on interest on the debt is not going to programs to help little kids or help people get educated or help get jobs." From a liberal point of view, it didn't make sense to go that far into deficit spending, but many people who didn't understand numbers had gone along and made policy. Suddenly these guys had someone who knew numbers, who could make things work, who could work with them, and who could also work with liberal leadership because he was a liberal and because they respected his commitment to low-income people and to Democratic ideals and values about government. I think it was just this convergence of events.

They got there. The Senate then had this blueprint from the House. They were stuck. They didn't want the BTU tax, so they had to come up with something else. Then we went to the reconciliation battle. Clinton was madder than hell. I know he was madder than hell because I had a neighborhood bartender who was married to one of his political staffers. My bartender friend Cal was a writer who tended bar to make a living. I would go in and have breakfast on Saturday mornings at their place, meet the neighbors. I went in after this cut and he wouldn't speak to me. I went to work on Monday morning and said, "Martin, Clinton is really mad at you. Cal wouldn't speak to me this weekend." *[laughing]*

**Martin:** This was after the first—

**Baumgartner:** After the whack at it.

**Martin:** They introduced a budget and thought it was all going to go fine—

**Baumgartner:** Yes, it was just going to go through. Then Democrats started cutting their own guy's budget. Then this revenue raiser was a real challenging thing. It was a big problem for people from the states that also had the deficit problems. That BTU tax, now, I don't know if it was a good thing or a bad thing. It would probably have been fine if it had been built up enough so that people understood it and respected it.

Then we would have people who would argue for a gasoline tax. At one point they wanted a gasoline tax of 4 cents. I remember Obey standing up and saying, "If you're going to put on a gasoline tax, why not make it bigger—do 50 cents or a dollar, and make it environmental and for conservation; why should we go down for 4 cents? If we're going to go down, let's get some positive policy on it." So we didn't do the gasoline tax, but it was a major struggle. At the end, when it became inevitable that this was how it was going to be in '93, then the White House

embraced it and worked very hard for it. We worked very hard to make reconciliation work right and have the programs continue to serve people in need and continue to meet certain basic values. At the same time we had to not get excessive, and to have the money.

Many people have forgotten that in that budget, the commitment was that you couldn't tax your way out of it. We had this agreement with the conservative members within our caucus that it would be 50/50: half of deficit reduction would be spending cuts and half could be revenue raisers, but no more than half. That forced budget cutting. That was another problem for the White House, because they had programs and things, but they got their brain around it and got along. I think Leon was probably happy, because this was where he always wanted to go. Finally everybody got together on it.

Then when it came to reconciliation—Of course, that's where the rubber hit the road on this thing. It really was difficult. I remember being on the floor of the House. We had members on the phone; in each cloakroom and each private room they were on the phone. Hillary [Rodham Clinton] was calling people; Cabinet officers were calling people; the President was talking to someone else, wherever there was a link to get them. We passed it by one vote.

**Martin:** One thing that I don't fully understand is why the margin was so razor thin.

**Baumgartner:** Because they were raising taxes. The whole country is nuts on the subject of taxes. One of these days I'll just write a book about the value of taxes.

**Martin:** Taxes are good. Without those revenues, you can't do anything.

**Baumgartner:** The no-tax people are people who don't want government, basically. They're largely almost libertarian. We went from being a more communal country to almost hyper-individualism under the Reagan years. They think you can do it all alone, and of course you can't. There are things we need to do together. That was the hard part of it, the tax vote.

**Martin:** So it wasn't the cutting so much as it was the tax side? If it was 50/50, you probably were going to lose people on both sides.

**Baumgartner:** Maybe, but cutting is an ephemeral thing. Big chunks of the cutting come out of entitlement programs, where you actually change some rules. It is not always clear to someone voting on it that somebody is going to get hurt. There always was a certain amount of slosh in some things. The appropriations bills are tough. The other thing we did—we went to the Appropriations Committee and sat down with the chairman of the committee and all the chairmen of all the subcommittees and went through the numbers with them. That hadn't been done before and the numbers were tough. I think the chairman was so pleased to have Martin show him that respect that they worked it through and they made it work.

**Martin:** There wasn't a sense that they would be cutting off important political patrons with these cuts?

**Baumgartner:** It was amazing to me the disconnect between the public and media understanding and the way we functioned in government. Maybe when the Republicans came

into control they were more hung up on this, but I never saw Democrats who were hung up on so-called political patrons when it came to spending.

**Martin:** I don't mean it so much as like cutting education and how important that is for the Democratic base.

**Baumgartner:** There's always slosh in programs. There always is something that may look really valuable to you, but it doesn't look that valuable to other people. With many things, we weren't cutting something specific. Someone else, a manager, was going to make the decision, make choices. With education, if you're giving education money to a state, the *state* is going to allocate it. They have some judgment; they can figure out what is a more efficient or inefficient way. The same holds with programs. There were program management things. There were many things that we thought—See, Martin always described himself as a “liberal decentralist.” One of the things we saw in state government—and that many other members had seen as well—was federal money costing much more to use than state and local money, because of program entanglements and other things. Because of that, one of the things they tried to do was streamline these things, reduce some red tape, and get some inefficiencies out so that more money went directly to the end use.

There always is somebody who has one little program that he or she wants that they're going to be mad about, but there wasn't the political burden in that that taxes are. They weren't as beholden to outside money as I'm reading that this last Congress was, Tom Delay and those guys. Whether that's correct—I don't know how they operated.

**Martin:** You can structure cuts in a way that they take a little bit from everyone.

**Baumgartner:** See, that was something Martin never believed in. Many people like to do that, “We'll take 1 percent off everything.” He would never do that. He said if you're in charge of the budget, you make budget decisions.

**Martin:** Okay, you make those tough decisions.

**Baumgartner:** Yes, you make those choices, because there are some things that run very close to the bone and other things that have more room in them. But that was left to the appropriators and the authorizing committees; that was not our job. That was part of the reconciliation. In each one of those committees, the people who had the interest and knowledge had the choice. All we did, before the resolution, was go to those chairmen to see if the number was reasonable.

**Martin:** Asking them, “With the total dollar value, can you fund what you need to fund?”

**Baumgartner:** “Can you cut what you need to cut to make this Medicare number work? Can you make this work?” He just went around to the people in charge of the jurisdictions and said, “I need to talk to you before we put this resolution out. We need to make sure that it's doable.”

**Martin:** I want to go back to the '92 campaign and make sure I didn't miss part of your story. You expressed that '92 was the starting point and was important for all of this deficit cutting and

reductions. Was it *just* the Ross Perot story, or was there something about Martin's primary challenge that also played a role?

**Baumgartner:** Oh no, the primary challenge. Oh no, they didn't believe in balancing the budget; they couldn't have cared less about that.

**Martin:** It didn't make sense—

**Baumgartner:** No, no.

**Martin:** They're two separate stories.

**Baumgartner:** They're two separate stories. You were asking me how I got into working on the Hill. I came out here with him in '79, but that '92 thing, because I was working on that, I saw the Ross Perot thing. I don't think that affected him in the way he looked at the budget. It did help him in relating to his colleagues, because the people who had the worst problems in dealing with budget votes had those kinds of challenges all the time, whereas he came from a safe seat.

**Martin:** Lefty challenges or just challenges?

**Baumgartner:** Political challenges. He came from a relatively safe seat and didn't have to worry about getting reelected most of the time—when you were reapportioned you had to worry—so he was more like some of the leadership. What that campaign did for him was give him a sympathy, or empathy, or understanding of what it feels like to be in this job, to want to do a good job, and to have people coming at you all the time for how you're voting and how you're acting. Even though intellectually he was already sympathetic to making the budget work better, it gave him a feeling for the political pressure that his colleagues felt. He had had campaigns before, but this was just fresh. It's always different when it's fresh.

**Martin:** To some degree his response was odd. When you have a left-wing challenge, to some degree the thinking would be that you would do something more lefty to placate that side.

**Baumgartner:** No, no.

**Martin:** He did something a little bit more conservative than he was doing.

**Baumgartner:** No, he'd always been working on the budget. He always thought that you needed to be responsible. Remember, he was a legislator for 18 years. Everything you do at the state level, the budget has to be balanced.

**Martin:** Because you can't do deficit spending.

**Baumgartner:** And he was speaker for six years, yes. That's what Clinton came out of. I think when Clinton was campaigning, he thought it would be easier, because he'd been Governor—You balance your budget. I don't think he had any perception of how complex the federal budget is and how many things are almost out of your control when you're working at it, which means the things you can control take much bigger hits.



**Martin:** The out-of-control part would be the entitlements?

**Baumgartner:** And debt and monetary policy, which you always have to finesse because the interest rates have a huge impact on you, as well as external events in the world. Look at what happened to [George W.] Bush. He thought he was going to be able to take the surplus and give it to all his rich buddies in a tax cut and suddenly he has himself in a war that costs a fortune. Things do happen when you're President that are beyond what you do.

**Martin:** That's right.

**Baumgartner:** Anyway, when we got there it involved a lot of heavy lifting internally and a lot of work. Once the White House understood the parameters that they were stuck with, which we were all stuck with, then they went to work to help make it happen that way.

**Martin:** They pushed back, but then they signed on after the pushback.

**Baumgartner:** For the reconciliation. Yes, they helped get the thing through. They were stuck because it was done. You might as well accept reality. They wanted to move on to NAFTA [North American Free Trade Association] and other things they wanted to do. They were working on health care. Everything was happening simultaneously with them.

**Martin:** Panetta played a role. Who else did, from the White House?

**Baumgartner:** Panetta was director of OMB, then he went over to the White House. He was Mr. Budget. He was also—Someone once told me they liked him there because he was a grown-up. You know, they had very young staff.

**Martin:** But Lloyd Bentsen was Treasury Secretary right from the start. Was he a player in these negotiations?

**Baumgartner:** Sure, but that was more in the Ways and Means arena. They were all people we talked to. Then when we were doing the reconciliation conference, meeting in the Senate, Bentsen was there and George Mitchell was there. The whole cast of characters was in the conference, especially in the things that happened in Mitchell's office, because we were doing final negotiations to make sure things worked right. They were the two major ones. We'd call the President about final packages and final deals, but their people can tell you more about their regular involvement. I saw these people off and on, but my focus always was on our guys. It's always about getting your votes, so all of my attention and energy went to—

**Martin:** Not negotiating with the White House.

**Baumgartner:** There was a little bit. Lorraine Miller was his House Congressional liaison person. I remember once she came up to my office. She was working—It was a Friday night, about 10 o'clock. My deal was I would not work on weekends. I would work late every night, but weekends were going to be mine. She had some papers to deliver to us. She called me up. I said, "Come on up." It was about 10 o'clock on a Friday night; we were sitting in my office. I

said, “You want a beer?” I had a six-pack in the refrigerator. “Let’s have a beer.” We were sitting there drinking late on Friday night and we still had more work to do.

**Martin:** People don’t realize how much the staff work and the long hours. My personal experience was relatively limited; I was only on the Hill for a year. But I went back to the district with Dave Obey for one week and after that week I wanted a vacation for at least a month. He’s much older than I am and I couldn’t work that hard on a regular basis.

**Baumgartner:** Obey is an extreme case of high energy, but still, it is a lot of work. We just worked and worked and worked. On the other hand, when you do something big like that, that’s how it happens. People get moving and the brains get going and the adrenaline gets going, and you have to do it while you have that, otherwise it disappears.

**Martin:** You know that there’s a window. It’s not as if you’re going to have to work until 10 o’clock every night for your entire career.

**Baumgartner:** No, we always had deadlines. That was the problem in the White House; Congress always had legislative breaks and things. They didn’t get breaks. We’d work through the breaks, but during the breaks was when you caught up on all the paperwork and everything. You could plan. You could make a date to go to dinner. I remember one night I had promised a friend I was going to the theater or the symphony or something; I just made a decision. Here I was in my bathroom in my office. The bathroom had two doors, one from my office and one from the hallway. These guys were lined up asking me questions while I was putting my makeup on. “What do you want to do about this?” “Can we do this?” All of it was this last-minute stuff. I said, “I’m leaving here, guys; any decision to be made, we have to get it done.”

**Martin:** It’s now or never.

**Baumgartner:** I thought later that it was like talking to my brothers at home, putting your makeup on.

**Martin:** My sense is that when you go through that kind of intense policy process it becomes more like family after a while.

**Baumgartner:** Yes, you spend too much time together.

**Martin:** Can we talk about Sabo’s election to budget chair?

**Baumgartner:** Okay.

**Martin:** There’s not a lot known about this kind of internal, amorphous process, about how you become powerful in the House or get a chair position. I’m not even sure what the proper question is, but I’m hoping that you can—

**Baumgartner:** It’s a totally different kind of politics. I’ll tell you what happened. Of course, I always thought that would be the perfect job for him, because of his abilities and because he could cross the political divides and had this mathematical sense. He could do everything in his head. He was interested in it, but it wasn’t open. Leon had the job.

I said, "I hear rumors that Clinton is going to appoint Leon to something. Would you be interested in running for Budget chair?" Sure he'd be interested. Well, nobody knew anything. Leon was still there; nobody heard anything. What happened was, I heard from one friend that Clinton was appointing Leon, then I heard it from another person, so from two unrelated people. One was a Hill person; one was a lobbyist. They had different connections in the Clinton White House. I walked into Martin's office and said, "It's going to happen. You'd better get ready; it's going to happen soon. We need to start." I made a plan. The first thing he was going to do was call his colleagues on the committee. I said, "You need to call the leadership, tell them you're interested, and talk to the other members of the committee."

**Martin:** The Appropriations Committee?

**Baumgartner:** No, the Budget Committee.

**Martin:** He was on Budget before he became chair?

**Baumgartner:** He had been on Budget for two years. We had a limit in the House; you could serve a total of—

**Martin:** Six.

**Baumgartner:** Yes, six, then you could have a break, and you could serve another four. You could have a total of ten. But he had been on for, I'm trying to remember. Let me think this through: He got there in '79. He had been on the Budget Committee for four years. By '89, he had been on for four years. Then he became—If you became chairman after that, you could have an extension and be on eight straight, so he had been on for four. I had been his budget staffer before I became his AA. I had done the budget work, although it was all Greek to me; it really didn't make sense to me yet at that time.

Anyway, he had been on Budget, so he said, "Okay." As soon as the announcement came out, he called to make appointments to see [Thomas] Foley and other members of the leadership, and he started calling his colleagues on the committee. As he was calling around, he called John Spratt and Spratt said *he* wanted to run. "Well, Martin," I said, "you have to roll here," so we started working it.

**Martin:** Spratt was tipped off that he was going to run because he was going to ask for his vote?

**Baumgartner:** Yes, he was calling to tell him that he was interested in running, but Spratt hadn't started yet and Martin had started. Then Martin talked to everybody. We had a committee of members who were working for him. When you run this type of internal race, you have to get a firm commitment that someone is going to vote for you, and you have to get it twice to know it's real. It has to go to someone else, not just you, but someone else. That's the way we did it. Someone who is supporting you asks someone else and *you* ask for their vote. If they hedge with either of you, you don't count them in your vote column. We just kept a little book.

**Martin:** It's a secret vote in the end, right?

**Baumgartner:** Right.

**Martin:** You can defect without punishment?

**Baumgartner:** Right, so you have to count *very* carefully. [*laughing*] I love this kind of politics; it's quite different from the public stuff.

**Martin:** Very medieval, almost.

**Baumgartner:** Yes it is. One of the things that Scott Lilly taught me—He said the minute you get the commitment, you send a thank-you note; don't wait a day, get it in writing that they're committed to you by sending a thank-you note for their commitment. I wouldn't have worried about doing it that fast, but boy, we did it. We just structured this. We had this little book, this little sheet, which I found in Martin's notes. I was getting ready for a retirement party I was throwing for him. I was up in his office and saw this in some file somebody showed me, asked me if I wanted it. I didn't want any files, but I pulled that. I said, "Martin, I took this out so it doesn't go to the historical society." He said, "Oh, probably a good idea."

You just ran this little spreadsheet of the caucus and you tracked who was committed and who was committed to whom, and who was weak and who you knew was going to go the other way. We just counted. Then, during the day of the election, we had our staff all over the room, to call people who hadn't shown up. Now, we didn't tell people who had committed. We never told our staff; nobody knew but Martin, probably Obey and Scott, and me. We were the only people who had the list, but we watched our list and then we'd tell the staff to go call so-and-so, or to call so-and-so and see if their boss was coming over, just to make sure we got our people over to vote. There were people that our staff thought were going to vote for him and were trying to get them and I knew they weren't, they had committed, but they had committed both ways and I knew they weren't going to be with Martin.

I remember I had this young woman who worked for me, and she was so upset because she saw the vote. See, they had this piece of paper and they had Martin and Spratt—I don't know who was on top, who was on the bottom—and you just marked it. Well, if you weren't careful, we could see how you were voting. You know the smart ones hid their vote. Somebody said to me, "I tried to see how Foley was voting, but I couldn't see it." Of course not! He knows how this works.

**Martin:** He'd been around too long for that.

**Baumgartner:** The young woman came up to me and said that so-and-so had voted against Martin. I said, "Yes, I knew he would." She said, "I didn't."

**Martin:** It's just on a piece of paper. You could see?

**Baumgartner:** Yes, put an X by either one.

**Martin:** It's not the most high-tech—

**Baumgartner:** No, no, but it goes into a secret ballot box. You fold it up and then they count it and each side watches the counters. Anyway, she had interned in this man's office and she was so upset because she thought he was for Martin. I knew he wasn't going to be with Martin. She was smiling and he was smiling at her, and he said, "How are you?" She said, "Oh, just fine. We just won," because she'd been watching the count. She loved telling him that we had won, that Martin had just won. Yes, that's a very interesting process.

I remember before that election pushing Martin to call some people; he was leaving the office on a Friday night. I said, "You know, you need to make those calls." He said, "I'll do it Monday morning." I said, "Martin, they're moving us this weekend, I don't know if we'll have phones Monday morning. Make the calls now." Our press secretary was sitting there laughing; he said, "Oh, Martin, I'm so glad to see that the whip cracks upward too." I was pushing him to get stuff done.

What happened also was that Martin consulted with Dave Bonior, because twice Bonior had run for a leadership position, over a recess. I think Clinton picked Panetta maybe before Christmas or before a holiday, so we were going to be dealing with this over the holiday season. You get nervous and you start calling people. He said he couldn't decide whether he should call people. I said, "Don't call anybody. Whether you call them New Year's Eve or New Year's Day"—but he had asked Bonior for his advice because Bonior had been through this twice. When you work in a campaign, all kinds of things can happen, so Martin had gone to seek his advice on how that works.

**Martin:** How do you lobby another member of Congress to be Budget chair? What do you say? What do you offer?

**Baumgartner:** Martin asked them for their support. He said I'm running for it, I'd like the job, I'd like your support. He had a team of people working for him who were ideologically diverse, people who had served with him, who trusted him, who were conservatives, and people who were liberals. There were members of the Appropriations Committee, members of the Budget Committee, members of other committees who were his friends who worked for him. They were with each other on things they cared about. A bunch of people wanted Martin because some of them thought Spratt would put too much money in Defense and they didn't want that, or they thought this issue or that issue would do better.

Then at some point, I could just feel it. Tobacco, defense, and oil weighed in against Martin. I don't know how you know that, but—

**Martin:** There were clear interests lining up?

**Baumgartner:** They're not supposed to—members don't like it when outside interests start messing around with a member's race, but they do in subtle ways—but I could just feel something happening. I was told that by the people, so I assumed it was true. I think they thought they would do better if Spratt were the chairman rather than Martin, or maybe they just didn't like Martin. For whatever reasons—We always joked that, because Martin smoked so much, he supported the tobacco industry all by himself. *[laughing]* Afterward, from my point of view, it really felt good to beat those interest groups. But you could feel it, just like people feel things in

campaigns. You can feel movement when it happens. That's something I don't think anyone can explain. You don't know why or how; you just feel it.

**Martin:** If I understand this, people were going to support Spratt or Sabo in part because of what they thought they were going to do, and there were no side payments going on.

**Baumgartner:** They supported him because they liked him, because they knew their history, because they thought that they would protect this particular program or that particular program because they're from the same region. Why do you vote for whom you vote for? A whole array of things go into it.

**Martin:** Okay.

**Baumgartner:** I remember we were talking one day, talking about doing something else or running for something else somewhere, because you make enemies when you make these decisions.

**Martin:** He won by 50 votes, right?

**Baumgartner:** When he won that one? I don't know what the count was. I don't remember.

**Martin:** It was a sizable number, from the press accounts.

**Baumgartner:** I don't remember what the numbers were. To me, you just win them. If you win, you win it, and you're just glad. It's always nice if it's by more than one, but I don't remember what the numbers were on that one. I just know that it felt like it was tightening up and I was glad. I said it could not come too soon. That's why you don't like the interruption of a holiday. When you start feeling that, you're doing okay. The thing is, when you get in early, people make a commitment, then someone else they like comes along and they've already made the commitment and they can't go back on it, if they're honorable—and most people are—so they won't go back on a previous commitment. They'll say, "I already told so-and-so I'd support him." That's why you need to time it.

The funny thing was that later, years later, I was at some event. Someone was talking about this election and said to me, "I never understood how you knew when to start." They really believed he got it because he started early, because he was right there. I looked at him. The two people who had given me the information each said that to me. I said, "You told me." Neither one of them had realized. I didn't realize until that moment that I had figured it out from information from different sources who weren't talking to each other. They didn't know that what they had told me was going to trigger us acting, either. They were just relaying information, gossip.

I told Martin about it later. I said, "You know, I didn't even realize when we did this; I was just putting everything together." My antennae were out, because we were interested. I knew the minute that he appointed Leon that we needed to move and I was just watching for it. I think Spratt's people were not watching for it. His team was not political in town the way I was. I was much more political in town than a lot of AAs are at home, although I got political at home. But I

had spent enough years here—we came in '79—to have a lot of contacts—people that you sat next to in the cafeteria or on the subway or whatever—that you chat with.

**Martin:** From an appropriator's seat before, my guess is that people would come to talk to you about all kinds of things that they were interested in ahead of time.

**Baumgartner:** I don't think there was a lot of that. We gossiped a lot. We had many friendships, we chatted. It wasn't so much that. It just happened, it was just a convergence of events in time.

**Martin:** Can I ask you about numbers?

**Baumgartner:** Sure.

**Martin:** One of the things that happened over this time was that there weren't many people in the House with tremendous technical expertise on complicated things. How did you convey to folks that they should vote for a budget? The numbers were complicated. They made many assumptions about what was going to happen in the future. How do members of Congress decide, "Okay, this is how I'm going to vote for this thing"?

**Baumgartner:** For members of Congress, there are two things that happen. One is personal and one is staff. Of course, the leadership whips it for you, but you have to put the stuff together. We put stuff together. We decided that we had to have an identity. The staff designed a logo for Budget Committee items. It would always be "House Budget Committee Democratic Caucus"; every time you saw that masthead, you would know that that was what you were getting. We would send out "Dear Colleague" letters. We would prepare briefing packets every time they went home on recess so they could explain things to their constituents. We would do things for each caucus.

Every time there was an event or something, we would describe it, explain it. DSG did papers on it, but we did the same kinds of thing DSG did as committee documents, but we branded ourselves. I saw that other committees would have things describing their bills and issues; sometimes you would know the committee and sometimes you wouldn't. I saw that I could always pick the DSG paper out of a packet when I was trying to learn. We wanted to set it up so people could pick the Budget Committee paper out of the packet.

We also had many personal conversations on the floor and with people. Martin would chat frequently with people and they would chat with each other, and one way they decided was from the evidence they got. Their staffs would also learn and write things. I remember Martin sending me over to talk to someone on the floor. He said, "She wants to know about this amendment"—it was a woman member. She was sitting there with the briefing packet and asking me her questions. She said, "Okay, now I'm going to study these things." She would just take the materials, study them, and decide how to vote. On the floor, when there was a vote, we'd have staff. We'd bring bankers' boxes full of files over. There were papers on each.

**Martin:** You could brief them on the floor?

**Baumgartner:** Right. They'd ask what was happening with this, or what was happening with that. I'd pull out a piece of paper; I'd send the tax person over; he'd send the program person over, so they could know what was going on. Also, a good politician always has a sense of whom to trust. They would rely on each other.

One time in Minnesota there was a guy complaining to me because he had voted against a bill that had something very valuable for Minneapolis in it. He was a Minneapolis legislator. I said, "Martin voted for it, you saw that." "Yes, but I didn't know that was in there." I said, "You *always* vote the way Martin does." [laughing]

**Martin:** Do you have a sense that this branding made the Budget Committee materials almost seem like a mini OMB or CBO [Congressional Budget Office]?

**Baumgartner:** No, but they let people know that this was what the Budget Committee said about it. They might get somebody who disagreed with that or countered it, but they could always find out what our work said was happening here and why. We were meticulous about it. Our numbers people were very strong. They were very careful. If we found a mistake, we corrected it or we notified people, always, to make sure that what we told them was not biased. We were Democrats, but it was not going to have a slant one way or the other. We were just going to lay it out for them so they could make their best judgment, because that was the way to serve them best.

**Martin:** Can we fast-forward to August of 1993? This was when the conference vote happened.

**Baumgartner:** Sure.

**Martin:** And the famous, or infamous, story of Marjorie Margolies-Mezvinsky having to cast the tying vote.

**Baumgartner:** I know, it drives me nuts.

**Martin:** Can you take this from a few days before that? You had lost a couple of votes. You passed the regular House bill with three votes to spare. By the time August rolled around, there were three defectors. She became the—

**Baumgartner:** By that time, the BTU tax went down, so you had to put another revenue raiser in there, making it more controversial for people. Nobody knew what the BTU tax was, but an income tax you know. We put in that top rate. She became the poster child for that. I always objected to that, because I didn't believe that was why she lost, but there may have been other people who lost for that reason, because they voted for it. I thought it was just time. I thought we lost the House because it was time. We'd been in power so long that the public just wanted a change. I don't know why they all thought she was the model, but she became a political symbol.

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

**Martin:** That story has a life of its own. It is retold in political science textbooks.

**Baumgartner:** It became history, even though it's not true.

**Martin:** Were you on the floor for that vote?

**Baumgartner:** That's the one where we had to haul everybody in to lobby everybody, where Hillary was on one phone, the President was on another phone, the Secretary of Agriculture was on another phone and—It was a wild, wild ride.

**Martin:** I imagine it was. After this vote happened, what was the aftermath of that vote inside the House?

**Baumgartner:** They just moved on. I think NAFTA had happened in between, had it not? I don't remember.

**Martin:** NAFTA started in September.

**Baumgartner:** The administration just went for NAFTA, and they were after their health care plan. Then, of course, welfare reform came up later. There were all these things happening. We hadn't had a Democratic President in a very long time, so they had a lot of things they wanted to do. You just moved forward. You just went to the next issue.

From our point of view, at the Budget Committee and the Budget staff, we never really got any rest because [John] Kasich was very aggressive. He had a good staff. They put together alternative budgets in the way minorities don't usually do, so they were always coming out with the members, and Tim Penny was always hooking up with them. They were always coming up with this stuff, so we continually had to go and deal with that. It was like fighting a rear-guard action over and over. Then the next year, which the rest of the world thinks was a piece of cake, became complicated because there was the constitutional amendment vote on a balanced budget coming up. That was scheduled for March or April.

I went to George Kundanis in the Speaker's office and said, "What if we get the budget resolution out before this vote?" He looked at me, as George can do. "If you can do it, that would be great." I went to Martin and said, "We have to move this first. That way the constitutional amendment thing is a separate issue." That could have been very tangled up for us to pass a

budget, so we really worked. We had to put something together even though it wasn't the challenge of the preceding year and we had to get it done and through both bodies. We went to work on it, meeting the deadlines that we had in the Budget Act. I remember Charlie Stenholm saying to Martin, "I don't know if this plan of yours is going to work for you or not." I know he was very frustrated, because he was one of the leaders of the amendment charge.

Anyway, we got the budget out. I remember one time they were caucusing and trying to make some choices. When we were done, I said, "Okay, guys, you have until midnight tonight to change this; after that, it's done." You have to leave the staff time to do this technical work. Members think once they make a decision, it's done. Sometimes it's two days of paperwork.

**Martin:** Implementation still has to be done. Numbers have to be—

**Baumgartner:** They all laughed and said, "Okay." They did it. They cut their deals, got done, and we put the thing out, so we beat the constitutional amendment vote. By doing that, it gave people an opportunity to look at the amendment as a constitutional issue and pull it out of the budget politics of the moment. A member of my staff who is now dead wanted Martin to get out there in front of that issue and oppose it. It was something that really divided our caucus. He wouldn't do that. He voted against it, but he believed that he needed to be an arbiter or something among competing forces in the caucus to run budget resolutions and to keep this process working right, so he didn't want to be out in front of any of the other issues.

**Martin:** Keep that more of an abstract idea—

**Baumgartner:** And let other people take the lead on it so he could continue to negotiate with people who felt strongly on both sides of that issue. He wasn't going to vote for it, but he didn't need to lead the charge against it. That was the way he treated it. That was just another thing we had to deal with. Then we kept having these rear-guard actions all along. Then the Republicans—

That summer, I knew we were going down because I kept getting phone calls from people who wanted to know how they had voted on something or what happened with some particular vote, and my staff kept getting them. I remember talking to Mike, who was Martin's AA and was back in Minnesota working on his campaign. I said, "Martin keeps calling me. He wants me to have the staff work on a budget resolution if we just have a five-vote margin, if we have a very slim margin. Do you want to be the ranking member if we lose control? I don't want to rain on your parade, but that's possible." Nobody really thought that was going to happen. What I was hearing was—I'd get a call, and I'd say, "How are things going out there?" I might talk to Obey in Wisconsin. "I'm fine; so-and-so is going down, but everybody else is going to be fine." I heard that 50 times. We were going to lose control. I'd get these from every state, "I'm fine; so-and-so is fine, but so-and-so is going to lose." I could see it coming.

**Martin:** They thought that they, themselves, were fine and other people weren't.

**Baumgartner:** There might be one guy in the state who was in trouble and everybody else in the delegation was fine. But I kept hearing that from all around the country, and I said, "Oops, this thing is going to go." I remember having lunch with some fellow staffers downtown and saying,

“You know, we’ll have Newt [Gingrich] for Speaker.” They were shocked. People were so used to Democrats being in control, that they had—It was almost like civil service psychology. They were just stunned. The political staffers who didn’t feel secure in their personal jobs still felt secure in the control of the House. They hadn’t thought of it that way. I said, “Just think about Speaker Newt.” “Oh, my gosh!” They couldn’t envision it. I remember having that conversation two weeks before the election. After the election, the feeling was “Oh, my God, it happened. They’re gone.”

**Martin:** Can you talk a little bit about after that election? What was the explanation in the House for why they lost?

**Baumgartner:** I don’t think anybody explained it. If you lose, you lose. People don’t do a lot of that.

**Martin:** Not a lot of “Oh, we shouldn’t have done this”?

**Baumgartner:** No, people don’t do that. If you’ve lost, you lick your wounds and go home. If you’ve won, you figure out how you’re going to function now. I’m trying to think. I guess I’ve heard one former member of Congress, back in the Minnesota legislature, telling me why he lost his Congressional seat. At the time he was talking to me, he was a state senator, and he told me he got the high hat, that’s why he lost his seat.

**Martin:** I didn’t mean for individuals. Why did the Democrats lose the House?

**Baumgartner:** A bunch of people blamed Marjorie Margolies-Mezvinsky; they blamed tax increases. It’s hard for me to separate what I think from what other people thought, because I don’t remember many conversations about this. My personal feeling was that it was time. The country had changed. The Democrats had been in control of the Congress for 40 years and the country wanted something different.

In many ways, when they were in control—One day Martin and I were talking, and he said, “These folks should have come in with Reagan.” They had that kind of psychology, from the 1980s. I said yes, I thought it was a tribute to our skill as political creatures that we hung on as long as we did. The skill of the incumbents who knew how to operate and how to do things kept them in power long after the country had changed its mind. I thought the ’92 election was very revealing. Even Leon was just stunned by how much they were cutting, because the country had gone to a different place.

I don’t think the Republicans understood what they were given. They abused it and messed up in their control, but I believe it is unhealthy in a democracy to have one party be in the majority forever and one party be in the minority. Entrenched majorities get arrogant and out of touch, and entrenched minorities become irresponsible and unskilled. The Republicans did not have enough talent when they took over. That was the striking thing in negotiating the budget deals after they were in control, how they didn’t have the people they needed. They had lobbyists writing their language. They didn’t have committee staffs to write legal language. There’s so much history involved in it. They didn’t know quite what to do.

**Martin:** They took over with a rookie base of talent.

**Baumgartner:** Yes, yes, and *very* harsh ideology. Way beyond what the country could handle. I remember when they were telling me, “We’ll just shut down the government.” I remember Kasich’s staff telling me that. I just looked at them; I wanted to say, “That won’t help you,” but I didn’t say anything. I just thought, *Oh man, the American electorate does not like it when you embarrass them, and if you close down the government, you’ll embarrass them.* I had this conversation with Congressman David Hobson on the floor of the House afterward. I said, “People don’t like it when you embarrass them.” He was one of the Republican leadership who didn’t want to do that. Clinton didn’t know what had happened. We were negotiating an alternative budget and he thought we were making progress.

See, this is an example of their inexperience, not realizing how you inch ahead when you do negotiations of legislation. He thought we were making progress; then all of a sudden, they were closing the place down.

**Martin:** So *Clinton’s* people thought—

**Baumgartner:** See, we put together alternatives when they came in. This was a constant source of conflict between Martin and the leadership of the caucus. Martin worked with the Blue Dogs and with other Democrats who wanted to do something responsible, as opposed to just being obstructionists to the Republicans, and because we did have the White House. Then we started working very closely with the White House. I worked with them far more than in the early years, because they had to get bills passed. They had to have money legislation, so in many ways I suppose there was sort of a bridge.

Then there were all of these meetings in the White House—with Gingrich and Clinton, Kasich and Martin, Republicans and Democrats, and some Cabinet people and staffers—to try to come up with an alternative package for that reconciliation bill that the President could sign. We kept negotiating. I thought we were going to get there and it just broke down. The Republican leadership made a decision; they wanted to do this dramatic thing and shut down the government. They believed the President would suffer for it.

**Martin:** That really was a gamble.

**Baumgartner:** It was a political calculation. Congress can’t win on that. A more mature advisory panel—The staff would have told them, “Congress can never win on this. The President *always* has the power of initiative; he always has the bully pulpit.” George Reedy, who was Lyndon Johnson’s press secretary, wrote a great book about the power of initiative that exists in the executive. Over and over you have people in town who talk about how the Presidency is losing power. It always has power. It can always beat a legislative body when it comes to that kind of phenomenon, so that was just a miscalculation they made.

**Martin:** Was there a noticeable difference in the seniority of the staff for the Republican budget committee?

**Baumgartner:** Well, the Republican budget committee was better than some of their other— They had some very talented committee staffers and some very weak ones in various committees. The Budget Committee itself had a young staff, but because they had put together alternative budgets, they had some of the skills you need. They weren't as good as they needed to be when you're in the majority, because they never had to work, but they had to—

**Martin:** At least they looked good.

**Baumgartner:** In the minority, you can always play, but they had a feeling for how many pieces there are and all that you have to have done. Of course I was adamant—One of the things in the House, then anyway, was that you couldn't amend report language on the floor; reports just stood. Our staff was horrified when I got over there, because I insisted that all the report language be written before we went to markup so that the Republicans could read it, so that members could read it. "Oh, we just do that before it goes to the floor." I said, "No, we do it *before*, so the members can read it, because it can't be changed." In Appropriations, you always did that; they just didn't have that discipline in Budget, because it had never come up before.

When the Republicans came along, I said, "I want to see your report language," but they were used to doing that. Unfortunately, Newt took it over. It was all done in the Speaker's office, so he didn't use the level of expertise his members had, either. I don't know how they arrived at some of their positions.

**Martin:** You were playing a much more day-to-day role with the White House during the—

**Baumgartner:** Yes, because they had to deal with them. We were the Democrats who could speak to everybody and who actually were serious about having a responsible budget. We felt that there had to be an alternative to the Republicans because they wanted to do things—They wanted to take away all health care—any kind of health care, even emergency services—for immigrants or undocumented people. You know what? If a little kid gets pneumonia and you're sitting next to him on the bus, it doesn't matter that he's illegal; the pneumonia will come to you.

We said that there are certain things you do for everybody who is in the country because it protects everybody who is in the country. They wanted to take them all off of Medicaid or whatever it was. Martin just kept fighting certain things that were harmful or just plain nasty. There was one to take food stamps away from single men; things that were just mean.

**Martin:** In reviewing my notes for today, I was struck by the number of programs in that '95 budget that were going to be cancelled, 300 or so programs.

**Baumgartner:** Yes, they liked putting out all that program detail. Even though the budget resolution itself didn't have any power over that, they liked to do that. That was a political statement.

**Martin:** What kind of relationship did Sabo have with Kasich?

**Baumgartner:** They were good friends. For John, Martin was almost a father figure. They had played basketball together in the gym. John was serious about wanting to do responsible

budgeting. Their ideologies were different, but their goals in legislating were similar. He learned a lot from Martin and had a lot of respect for Martin. Martin enjoyed him immensely, enjoyed his company, his enthusiasm. Even though he disagreed with him, he respected the work he did and the work that his staff did, so they were congenial.

**Martin:** It sounds like they did the right thing as the government opposition: Do your homework so that you have staff trained when you come in power.

**Baumgartner:** Yes. I remember one time we were having a hearing with [Alan] Greenspan. I don't remember if it was one of those annual or semiannual events. Martin and John started arguing, really got into an argument, about government programs. Martin was talking about the importance of government for vulnerable people and for certain kinds of things, and John was talking about individualism. They had the true ideological debate. Greenspan just sat back and didn't say a word; he let them go at it. They were going at it for about ten minutes. They got done and he said, "I really enjoyed listening to you two guys." *[laughing]* It was the two opposing views that are always in tension in American policy making and political life.

**Martin:** He was an interesting figure during this period. You raised Tim Penny's name earlier as well, and I was hoping to get your sense of what role he played during these budget negotiations. Probably more when the 103rd Congress—

**Baumgartner:** Tim gave some different credibility to Republican amendments and things in '93-'94 by putting a Democrat on with Kasich. Once they were in control, it didn't matter; they didn't need him.

**Martin:** I'm trying to understand the role that he played. Was it like the way people accuse Joe Lieberman of providing cover for Republicans now? Was that the sense?

**Baumgartner:** I don't think it was like Lieberman. It was a little different. I was very irritated with Tim, because he just irritated me. I felt like he was in a sense betraying Martin, but this was all very personal stuff. He didn't see it that way. He thought he was right. He was very righteous about this and thought that Martin wasn't going far enough. But I felt like he had been Martin's intern; we had helped raise him, politically, when he was in the Minnesota house, so I thought he should be more personally loyal to Martin.

Tim represented a conservative Minnesota district. He probably did reflect his constituency. Tim's temperament was—I always felt he should have been a minister—more the hellfire and brimstone. Martin was just much more laid back and less assertive about what other people should do. It irritated me because I felt he shouldn't do it. *[laughing]* He really believed; he kept wanting to push further and further. He worked for us. He helped us get the first budget package through, but then he wanted more. My sense is that when you sign on to a compromise and you're part of the majority, you honor the compromise, but this was just his way. I don't think they used him much when they were in control; they didn't care.

**Martin:** They didn't need his vote.

**Baumgartner:** I don't remember when he left.

**Martin:** In '94. I don't think he sought reelection in '94.

**Baumgartner:** I don't know what happened to him in '94, in that race. I can't remember who took that seat. I just don't remember that.

**Martin:** It could have been Gil Gutknecht's seat.

**Baumgartner:** He went back and kept talking about the budget. He worked for the School of Public Affairs, he did other stuff. He was almost messianic on the budget. It was the single biggest thing to him, so I suppose in many ways my irritation with him was unfair, because to me it was just one of many pieces of the world, but for him—He just didn't think Martin was conservative enough.

**Martin:** He had no seat on the Budget Committee. I was trying to figure out how someone would become a player without a seat on the Budget Committee.

**Baumgartner:** He was a Blue Dog. He was part of a budget group in the House, a group of members who put themselves together as a budget caucus. He was part of that group. Many people in that group weren't on the committee—

**Martin:** Who still played an important role.

**Baumgartner:** It was his primary issue of concern.

**Martin:** We should probably try to cover my last—These questions are more broadly based, for the folks later on trying to understand the relationships between the House and the Senate—

**Baumgartner:** Let me know when you figure it out. *[laughing]*

**Martin:** What I'm trying to get a sense of—This budget, and to some degree the 1990 budget, were both shrouded in claims of ownership, who created it, what the main impetus to it was. I'm trying to figure out what lessons one could learn about interbranch relations from this series of budget agreements.

**Baumgartner:** The public owns them. I don't think anybody owns them. The reason you are able to do very difficult things in government is because the electorate is there. They're always there before you for this kind of problem. The thing is, because money bills have to originate in the House, the budget always originates in the House, so the House gets the first crack at it, but it still comes out of the White House. It comes out of the White House. You don't just write a radically new budget—but then neither does the White House. You always have to work off of preceding years, because that's how budgets work.

I don't know what the Senate says about it. When you say "claims of ownership," I don't even know what you're referring to, because I don't know if I've heard this.

**Martin:** Was this budget a function of the legislative body or a function of the White House? Does the Clinton White House get to take sole credit for ten years of economic boom, or did the

House play a significant role that is undersold in history? Did the Senate play an important cooling role for the later budgets?

**Baumgartner:** I don't think the difference between the House and the Senate is that great. Congress certainly deserves much more credit than it gets for the prosperity. There is no doubt that this would not have happened on the initiative of the White House alone. They did not want to do it. They came to town wanting to do things, spend money. They would never have done it if events hadn't forced it.

The responsiveness of the Congress to the electorate is tighter, especially in the House. When it comes to the Senate—The House and the Senate often get mad and frustrated with each other, but there are many times where you let the other solve a problem you can't solve in your own body.

We kept that BTU thing in, and it went out over there. It needed to go out. It wasn't refined enough to work. There hadn't been enough work done on it to put that into our economy at that time. I just don't think we were there. Maybe I'm wrong, but I don't see it that way. I never liked the federal government getting too far into the gas tax, because it was a revenue that was, in my opinion, the province of the states. I had spent enough time working in state government to know what states need to be able to do their job.

In the Senate, that came out—okay. There were other things that changed in the Senate. Sometimes you're glad the Senate changed something, when you started it. Sometimes they're glad *you* take care of something because they can't really bite the bullet on it.

The relationship is much more congenial in *my* memory than—there are always little irritations, but basically I was very comfortable with my Senate counterpart. Martin was very comfortable with [James] Sasser. They were old friends from state legislative days. They had a long history together from back when Martin was head of the National Conference of State Legislatures and Sasser was a state senator. These people know each other. They like or dislike each other for a variety of reasons and they just work together.

I don't think either side owns it, but there's no doubt it wouldn't have happened if the White House hadn't embraced it and moved forward. There's also no doubt in my mind that it wouldn't have gone where it went without the Congress. The Republicans claim they balanced the budget. The truth of the matter is that George Bush I deserves more credit than Gingrich and company for getting the budget to balance. He set in motion—That '91 deal, which was extremely difficult—they were all out at Andrews Air Force Base or someplace—started a responsible path. We just ramped it up a huge notch again in '93.

By the time the Republicans entered the game, it was all but done. The heavy lifting was done. They rode in on it. Unfortunately, when we ran those surpluses—and this is one of my irritations with Greenspan—these guys just dissipated them. Maybe you had to cut back some of it, but now we're in another pickle.

**Martin:** Yes. Just a final wrap-up. I'm trying to get a sense of the story that you're telling. Is it a sense that with a compliant Congress, if the Democrats had just rubber-stamped whatever



Clinton wanted in '93, the first budget offer would have gone through? He would have had an economic stimulus?

**Baumgartner:** Yes, there would have been a little tinkering at the margin.

**Martin:** And then a lot of spending and that would be what would have happened? It was Congress's pushing—

**Baumgartner:** I don't know what that would have meant for the election. There are people who think we wouldn't have lost control. Maybe we would have lost control in a bigger way. I don't know. The external world wasn't working that way. We did have an agreement when we did this that we would not have more contractionary problems with the Fed [Federal Reserve Board] when we put that tax increase in. We were concerned about macroeconomic effects; we had our economists—There was one piece I was really nervous about.

There are some breakpoints in numbers, where you're going to cause some problems in the economy when you do certain things with cutting spending and raising taxes, so I was getting nervous about our early years. So was Obey. We were looking at these numbers. This was the point at which you could convert your IRA [Individual Retirement Account] to a Roth. They allowed people to spread it over a four-year period or something, which changed the numbers just enough that we weren't tilting in the wrong way. We said, "Okay, we can do this." The whole time we were doing this, just dealing with the nitty-gritty of the budget, we were trying to monitor the macroeconomic effects, just to make sure—You never know about it.

This is an art more than a science, but there is some information out there, some evidence—At one point I received a memo with those numbers and ran over to the floor of the House. I showed it to Obey and Martin and said, "Take a look at this. We're okay? Can we go?" [laughing]

**Martin:** They would have to have had a lot of faith that this was going to work, the budget—

**Baumgartner:** Yes.

**Martin:** My sense is that at the time they were trying to be fiscally responsible, but they didn't have a sense that this would create an economic boom. I'm not even sure if the economists were all on the same page that *that* was the impetus to create an economic boom.

**Baumgartner:** One of the things I looked at—and we never really quantified this—Martin and I would do stuff in our heads and then with other data—I always went through these reports, the *Statistical Abstract of the United States*. What I looked at was our country's savings. That's one of the reasons I'm scared today. I would look at it and I'd think, *Okay, the federal government is in deficit, but states are running surpluses, individuals have savings, so as a nation we are going to be okay*. Then we were getting to the point where other people weren't saving. Then the federal government needed to ratchet down a step and we'd still be okay.

I remember the point at which somebody announced in an appropriations hearing during the Reagan administration that we had just become a debtor nation. Up to that point, we always had deficits, but we owned so many assets we weren't really a net debtor. I don't know how they

ever knew that or if that was correct, but that always stuck in my head. What scares me now is that we don't have any cushions anywhere. States are tight. The Fed's in deficit, even though our deficit is maybe not as high as the economy is, they say, it is still a deficit. And individuals are in deficit. That makes us a very vulnerable nation.

**Martin:** My hometown filed bankruptcy.

**Baumgartner:** Where are you from?

**Martin:** Vallejo, California.

**Baumgartner:** I just heard about some California town going into bankruptcy. It's very frightening to people, so it bothers me that we're in that kind of shape, but I don't know if something else will come along. I always think we'll grow our way out of things. We'll get another Bill Gates with another computer revolution or a Seymour Cray. Remember when he came up with the supercomputers? It's the brainpower that gives these leaps in growth, but right now it's a little scary to me.

You don't know if the economic growth came from that. I would never claim that. I just think it is important that the federal government honor the electorate's wishes. The people wanted it to be more fiscally conservative, so that's what it did; it fit the times. Now people want us to do more. The government needs to be doing more, but I still think they want us to pay for it.

**Martin:** Those ideas make sense to people at a certain level. They know they can't run into debt—

**Baumgartner:** They all are now.

**Martin:** Yes.

**Baumgartner:** They know it's getting them in trouble.

**Martin:** They know it's not a good idea; it doesn't keep them from doing it. I appreciate your time here and I look forward to reading the transcript and having a lovely resource for the future.