WILLIAM J. CLINTON PRESIDENTIAL HISTORY PROJECT

FINAL TRANSCRIPT

INTERVIEW WITH MARTIN SABO

February 20, 2008
Vienna, Virginia

Interviewer

University of Virginia

Paul Martin

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Paul Martin: I am Paul Martin, from the University of Virginia. I'm here with Congressman Martin Sabo in his home in Vienna, Virginia. We fortunately caught him right before he left to move back to Minnesota.

Let's start with your recollections of either meeting President Clinton or of the campaign period through 1992. What were your impressions of him as a candidate and as an incoming President?

Martin Sabo: I recall meeting him when he was Governor. I don't remember the circumstances, but I know I met him in that period. I recall that our national delegates were picked by precinct caucuses, but there was a nonbinding primary after that, and I endorsed him pre-primary. I think I was the only one of the Minnesota delegation who endorsed him pre-primary. Most were uncommitted. I don't know that I can say that I had any close contacts with him.

Martin: But you had enough information that you were comfortable endorsing him?

Sabo: Yes.

Martin: Do you remember your reasons?

Sabo: I don't remember. He seemed articulate. I thought he promised too much on programs.

Martin: Which can be quite dangerous early in an administration.

Sabo: I don't know of a Democratic Presidential candidate or of a Republican candidate for whom I haven't thought that was the case in recent history. Unfortunately the country got in trouble with [George H.W.] Bush because they took his promises and passed them. We modified some of Clinton's promises.

Martin: You became budget chair at the beginning of the Clinton administration.

Sabo: Yes, Leon Panetta was budget chair. He was slated to be the first in '93 and '94, but then he was appointed Director of OMB [Office of Management and Budget]. We had a special election. I ran and won.

Martin: Did you have advance warning that Leon was going to be the Director?

Sabo: Not really, but we started hearing some rumors, so we started making some calls before it was officially announced.

Martin: The *CQ* [*Congressional Quarterly*] story that I was reading suggested that you had started your campaign early, before anyone could catch up with you. I guess you were competing against John Spratt at the time.

Sabo: Who was a very good guy. I liked John very much.

Martin: And I believe he is the current chair.

Sabo: Yes.

Martin: Could you talk about any interactions you might have had with the Clinton administration when you were running to become the budget chair? Did they give you an endorsement? Did they provide signals that they wanted you as budget chair?

Sabo: No, I don't know that they were involved in any fashion, at least from my point of view. That's an internal question for Congress.

Martin: It is hard for those of us on the outside to know the degree to which those things are separate or how much Congressional prerogative and influence a President might have.

Sabo: If they were doing anything either pro or con, I'm not aware of it.

Martin: That's good evidence that they probably weren't involved, otherwise you would have known.

Sabo: I would have considered it inappropriate to ask them to be.

Martin: And it might have hurt your candidacy if folks had thought that you were trying to push in that way.

Sabo: Yes.

Martin: But your policy positions were consistent with Clinton's on budget. At least there was a sense that that was the case.

Sabo: Yes. I thought the deficit was an issue we had to deal with.

Martin: With regard to your election and the internal vote to make you chair, can you talk about the coalition building for you and for Spratt?

Sabo: I don't even remember. We had a fairly substantial margin. The spread was fairly significant, I suppose. I did not have some of the southern conservatives and more moderate southerners. They generally were not for me. Ironically I ended up working closely with some of them on budget issues over the years. Other than that, I don't know. His support was pretty broad based.

Martin: I think you had him by about 50 votes.

Sabo: Yes.

Martin: When you were talking to folks about becoming budget chair, what kinds of things were you suggesting that you would work on?

Sabo: I don't recall. I had no particular agenda other than the problem we had to deal with.

Martin: They probably assumed that you would act legislatively based on your history in Congress.

Sabo: I assume so.

Martin: It wasn't as though you were proposing a brand new set of ideas.

Sabo: No.

Martin: It was what Martin Sabo would do as budget chair.

Sabo: Judgments. I'm sure that not every member knew where the Clinton program was headed.

Martin: Clinton ran on a promise of affecting the economy. Did you know at that point that the budget chair was going to be a critical part of how policy would work in those first two years?

Sabo: I assumed it would be because he clearly had significant discussions on reducing the deficit. He had lots of policy initiatives too, and I never knew how they fit in.

Martin: Sure. And if you look at the things he promised before the campaign, there was a very long list.

Sabo: Yes.

Martin: But you were pretty confident that the budget and economic policy would be a significant chunk.

Sabo: Very much so.

Martin: After you became budget chair, what kinds of consultations did you have with the Clinton administration?

Sabo: I worked with their budget people and their White House people on a fairly regular basis.

Martin: Were you working most directly with Panetta at that point?

Sabo: Panetta, but I also remember Gene Sperling and some of the other folks from the White House.

Martin: One of the articles I read suggested that you played a pretty significant brokering role in trying to convince the White House what would pass through Congress and what wouldn't. Any recollection of those conversations or of that series of negotiations?

Sabo: In the end, there were a couple of important issues that governed. One, we had the preexisting discretionary-spending limits that had been set in the ’90 budget agreement, which continued for a couple of years. Then the President, in his speech, made a great deal of the fact that he was going to use CBO [Congressional Budget Office] estimates, which was different from what Presidents normally do.

Martin: Normally using OMB estimates?

Sabo: Yes. In the end, what we did on discretionary spending ended up being governed by those two facts in many ways, because the administration was hoping to go beyond the existing discretionary spending gaps in the first couple of years, and clearly that was not going to sell. Then the CBO estimated the outlays of his discretionary programs at, as I recall, $40 billion or $45 billion or something. I don’t remember the exact amount. It was more than what the President had said. It was clear that we had to live by those, which meant that in the end, our discretionary spending limits were significantly tighter than what the President had suggested. I’m not sure they liked that, but that was reality.

They also had a lot of recommendations for new discretionary programs and some new entitlements. In the process of doing the budget, we didn’t recommend any of those. They clearly had the freedom to pursue them, but they would have to pursue them as tradeoffs with other programs or with pay-as-you-go on the entitlement side. But we thought, in pursuing the budget, that if we were doing the budget cuts plus new revenues, to build in assumptions of new programs was not something that was saleable. At times they were unhappy with that approach.

Early on, I think the administration believed the popular rhetoric that Congress always spends more than the Presidents. In reality, historically the opposite was true. They started sending out messages that they might have done more if they could have sold it with Congress. Actually we ended up with a tighter fiscal policy than what they recommended. That didn’t always please them.

Martin: I’m sure. Do you remember what programs they were trying to get funded?

Sabo: No, I don’t remember particularly.

Martin: So they have tight budget constraints, but they want to spend more than these budget constraints are allowing.

Sabo: Yes.

Martin: And part of your negotiation is to explain and to push back and to say—

Sabo: “Here is what it’s got to be.” Then there were two side issues. In ’93 they had their stimulus package that they wanted as emergency spending. We did not deal with that in the context of the budget resolution because if they got anything, it was going to be labeled discretionary, or emergency and outside the parameters.

Martin: So that would go straight to appropriations.

Sabo: Yes, as an emergency and not within budget limits. Republicans kept harassing us that we should deal with the stimulus within the budget. We did not do that. If we had, in the end the stimulus package would not have been agreed to. I think it probably would have eliminated the potential of our putting together a budget resolution that could have been agreed to with the Senate.

Martin: I think the newswriters thought that the failure of the economic stimulus package was a significant setback for the Clinton administration. In retrospect do you think that that actually helped the later, bigger things such as the budget reconciliation?

Sabo: It may have helped. I don't know. If we had gotten into that fight over the budget resolution, it would have complicated our lives.

Martin: The *Congressional Quarterly* and the *Washington Post* said that most of the hard decisions that had to be made in terms of building a coalition were about bringing in the Blue Dogs. There's very little discussion about the more-left wing of the Democratic Party. Looking back on this, it seems as though the Blue Dogs could have been more easily convinced about what Clinton was doing at the time than the left side of the party could have been. Do you remember consultations with folks who maybe wanted significant increases in spending?

Sabo: I think that people were fairly conditioned to the fact that we needed change. I don't recall. I think people thought that we were dealing with issues fairly.

I recall going to the Black Caucus. It was interesting. There were lots of new members elected from the rural South. I recall one northern, urban Black Caucus member giving a strong pitch that we should cut the aid programs, at which point half the new freshmen came up out of their chairs saying no. What we were, I think, was tough and disciplined but still workable. One of the problems I think the Republicans have had in recent years with some of their resolutions is that the resolutions are unworkable. Ours were basically workable without gimmicks.

Martin: Were most Democrats on board in general with the idea of cutting the deficit?

Sabo: Yes.

Martin: But there was disagreement about where to cut?

Sabo: Yes, but let me put it this way. On the discretionary side of the budget, I found the Appropriations Committee to be a very good committee to work with. I served on that committee. Bill Natcher was chair to start with in '93 and later passed away. Dave Obey then became chair. But when I went to visit with Natcher to discuss where we were on appropriations, all he said was, "Fine. I'll invite you to come in and tell the cardinals what you're doing." I think he probably had a closer working relationship there than most. He had a meeting of all the subcommittee chairs. I went to say where we were, and then I went on.

Martin: So there wasn't much conflict between the Budget Committee and the Appropriations Committee?

Sabo: No, they accepted where we were. It was tight. We were not making a lot of recommendations or telling them how to do their job. We did not have gimmicks. Lots of times they were given discretionary caps with assumptions of across-the-board cuts and all sorts of different things that didn't fit for the coming fiscal year. Ours was straightforward. We probably had a few scoring problems that we worked out as the year went on but not many.

Martin: So it was pretty straight.

Sabo: Yes. We then dealt with the reconciliation part. There we did a little bit more than the President recommended but not much. The biggest problem there was the tax bill, probably the gas tax, which was very troublesome. We clearly lost votes because of the tax bill. But during the process, Jim Sasser was great to work with in the Senate. The two of us had a good working relationship. We had only minor differences.

Martin: The original bills were fairly compatible?

Sabo: A little adjusting. I don't recall the details because it did not take long.

Martin: It seemed as though Sasser had more trouble in the Senate than you had in the House.

Sabo: Yes, although he and I were very much attuned. We had no great fights. The problem then became the implementation of the legislation, particularly the tax side. In the House at least, the gas tax was the biggest problem. Minus the gas tax, I think we would have passed it substantially.

Martin: One of the claims that folks have made is that your prior experience on appropriations was very helpful for this period and that it helped you understand what appropriators wanted and how to not step on their toes.

Sabo: We tried not to do that. For the budget resolution, there are a couple of fundamental things. One is setting the discretionary cap. Everything else the committee does is recommendations. You still had the separation by functions and recommendations. But the budget is not a mini-Appropriations Committee or a maxi-Appropriations Committee. So I suppose that background helped. They knew we weren't playing games with them or trying to make life difficult on specifics, but we were expecting discipline on the top number.

Martin: One of the things that are starting to change during this period, and it changes much more after [Newton] Gingrich takes over, is the centralization of power in the speakership.

Sabo: Yes, that increased immensely.

Martin: What kind of relationship did you have with [Thomas] Foley at the time, and how much was he or the party leaders involved in the discussions?

Sabo: I don't think Foley ever called me and said, "Please do something." Our conversations were more me going to him to tell him what we were doing. I had one request from him when we were in the process of negotiating the final bill. I was convinced that the gas tax was going to beat us, and I was arguing privately that we needed to drop it. I happen to be a strong advocate of

the gas tax. In the ’90 budget agreement, I voted for the original 10-cent version that was beaten. I was wrong by one vote in the House. I was arguing, and I got a call from Foley asking me to please not make my arguments public. This is probably the first time I’ve said that publicly.

Martin: He wanted to keep the gas tax, and you were concerned with it?

Sabo: Yes.

Martin: Then the House takes a tough vote on it, and then the Senate pulls it.

Sabo: No, that was a different form of the energy tax. That was the BTU [British Thermal Unit] tax that we assumed in the budget resolution. But when we came to the final bill, it had become the 4.2-cent gas tax. Foley didn’t ask me to quit making the argument, but he asked that I not make it public. I said fine. That was a fair request.

Martin: You were getting a sense when you were negotiating with different folks that this was becoming an issue. Was it across the board, or were there certain interests in the House that were concerned?

Sabo: No, it was more of an individual thing. But on the leadership, we had more ongoing conversations with Dick Gephardt. At that point, Gephardt, under the rules, was a member of the Budget Committee, and he had a couple of staff members who worked on our staff.

Martin: So it was more consultation than direction.

Sabo: Yes.

Martin: Things have changed quite a bit since then.

Sabo: Yes. I probably would have rebelled at how they do it today. Both sides are so highly centralized.

Martin: Your period of being chair is pretty much the last two years of chairs having as much discretion as they seemed to have had during that period.

Sabo: I think they knew that I wasn’t going to go off on a wild tangent.

Martin: And they have the mechanism of selecting you in the first place.

Sabo: No, that’s an election.

Martin: But wouldn’t Foley have had the ability to steer things a little bit?

Sabo: Not in the same way that things happen today.

Martin: It’s hard to remember that. Maybe you could explain how that would work.

Sabo: I have no idea whether Foley voted for or against me.

Martin: So it's secret.

Sabo: Yes, a secret ballot.

Martin: Whereas today you would expect the Speaker or the leadership to—

Sabo: Well, they haven't had an election for a long time.

Martin: That's true. They kept the rankings.

Sabo: Yes, there's a time limit for you to be elected to serve, but John serves as the Speaker's appointee, which puts him on the committee and therefore makes him eligible to run for chairman again. It's not really a limit on how long you can be a chair. It's a limit on how long you can serve on the committee that exists for eight years, which includes chair and non-chair if you're selected as a regular member. But if you're on the committee in a different capacity, as the Speaker's nominee, you can still be elected.

Martin: So there's always a way around.

Sabo: Yes. If for some reason John were to go someplace else, I assume there would be an election again. The Speaker could try to influence it, but there might be a rebellion to that too.

Martin: Let me go back to getting the bills through committee. We're talking at this point about the budget resolution.

Sabo: The resolution itself, not reconciliation.

Martin: Yes, the resolution itself. It seems as though you have to do a few negotiations with the Blue Dogs and maybe with Charlie Stenholm.

Sabo: Charlie was on the committee. We had a very good committee. We spent a lot of time in caucus. But we had good cross representation across the political spectrum, so there was not much negotiating with individual groups. People were not there as representatives of groups; they were there representing the different ideologies. So by the time we had agreement with our membership—

Martin: By the time you hold a markup, you know where the concerns are going to be.

Sabo: Yes. In contrast to how they now load up with freshmen and new members, we had good representation of middle-tier, experienced people, which I thought was important. We had one freshman, Earl Pomeroy, who was a very thoughtful, good member. I think that all the rest were not committee chairs, but they'd been around and had expertise in subject matters.

Martin: And they could be well integrated into the House in terms of knowing what people would support.

Sabo: For instance, Howard Berman was off from Foreign Affairs; Barney Frank was in from Housing; Dale Kildee was there from Education; Stenholm from Ag [agriculture]. I get in trouble

when I start mentioning names, but that was the type of cross representation we had on that committee.

Martin: If I'm looking at my notes right, for the Republicans, there are almost no votes. I think it is a party-line vote out of committee.

Sabo: Yes.

Martin: And the ranking is John Kasich.

Sabo: Yes.

Martin: He is described in the press as a very colorful figure.

Sabo: Yes.

Martin: This isn't a period yet when Republicans and Democrats are polarizing, but it looks like it is the beginning of such. Bob Michel is minority leader at this point. Gingrich is in the wings, but Kasich seems to be more of a Gingrich type in terms of the strategy of opposing rather than cooperating. Michel seems to be more old school, cooperative, bipartisan.

Sabo: That probably applied on a lot of issues. I'm not sure it applied to budget issues, frankly. In '90 everything was fairly partisan until it got to the bipartisan agreement where people were pulled away from the House.

Martin: This is the Andrews Air Force Base agreement?

Sabo: Yes. Until then, I think, the budget resolutions or whatever that passed the House were voted on along partisan lines.

Martin: So in 1993 it is not unusual for things to be very partisan.

Sabo: No. The likelihood that we could have gotten any Republican to agree with the budget resolution, that just wasn't there.

Martin: I think [Enrico] Rick Lazio defected at one point. He might have been your one Republican vote. But everybody else held the line on things.

Sabo: Yes.

Martin: Was Kasich successful behind closed doors in pulling off any Democrats for his proposals?

Sabo: No.

Martin: Never a real threat to defect?

Sabo: No. By the time we went to markup, we were well caucused out.

Martin: And I presume that you knew what his arguments were going to be.

Sabo: They had some amendments that would have been tough for certain members, but they voted no.

Martin: Okay.

Sabo: But we spent all day there going through a whole series of amendments. Then two years later, we were in the minority, and I asked our members, "Did any of you hear about any of those votes you had to make after the votes?" The answer was uniformly no.

Martin: So they never came back on elections or—

Sabo: No. I tried to convince our members that maybe we should have just a few select amendments, but pretty soon everybody had a favorite amendment, so we went through the same process and offered lots of amendments, which gave heartburn to a few Republicans, I'm sure, but they never heard any of it again.

Martin: I would guess that committee votes are hard to trace compared to a floor vote.

Sabo: Yes.

Martin: Especially to bring up in a campaign. You're described by the press at this point as in some ways masterfully working this markup. Do you remember doing anything unique there?

Sabo: Not really.

Martin: Because the description is that you take all of these possible amendments and structure them in a way that they all fail and you wind up with the bill that you want.

Sabo: We spent a lot of time legitimately listening to people and trying to sort out the issues. There were things that we kept particularly close tabs on that we didn't want to lose. It was a good membership. You have to let them talk it all out. Everyone probably would have done something different.

Martin: So no legislative wizardry that you remember?

Sabo: Nothing other than just instincts.

Martin: Let's move forward to the April reconciliation bill. That seems to be the first big, public fight, at least on these things.

Sabo: Yes.

Martin: Why was the vote so tight? I think you got it by three votes at that point.

Sabo: I think it was tight because of the energy tax. I forget who voted which way. As we got near the vote, Stenholm and some of the Blue Dogs were raising the issue of creating a process for looking at what happened to entitlements in the future and a system for automatic review if

they went beyond estimates. I forget what we called that at that point. That evolved into lots of discussion before we finally voted on the bill. We finally worked it out. Some of the health care people were concerned about what we were doing, and they got involved.

Martin: In terms of cutting spending so much that they couldn't do health care?

Sabo: No, this was not cutting; it was looking forward on entitlement spending. If reality was higher than what estimates were, it plugged in an automatic review process.

Martin: Okay.

Sabo: I don't remember the details of it now, but that became very controversial on our side at the end, and we ended up putting that in the bill.

Martin: The automatic review.

Sabo: Yes. [Henry] Waxman and some others were concerned over what was happening there. Those were tenuous.

Martin: Nobody at this point predicted that this would lead to a lot of economic productivity down the road.

Sabo: No.

Martin: So you were concerned about what happens if it turns down.

Sabo: No, if it turns up, if the cost escalates.

Martin: Yes, the cost. That makes sense. Again you have almost no Republican support on this bill.

Sabo: Assumed.

Martin: That was normal policy.

Sabo: The budget resolution is a statement of the majority.

Martin: And it's just an internal document.

Sabo: It governs a lot of internal activity, but it is the majority's responsibility to put it together if it is controversial.

Martin: Right before the House votes, David Boren defects in the Senate on the gas tax and on a variety of other things. I think BTU came up for him as well. This supposedly affected the Senate's considerations quite a bit. It got a lot of press. What effect does that have in the House?

Sabo: I don't remember.

Martin: One of the things that I thought could have happened was shaky feet, that people could have started to worry.

Sabo: I would have to look at the votes and see where they were and who would have known. I don't remember that.

Martin: Okay. Another question about party discipline during this period. Spratt decides to vote with the resolution; I think Stenholm votes with the resolution. So you get most of the leaders from the Blue Dog Coalition.

Sabo: Spratt was not Blue Dog.

Martin: He wasn't at that point?

Sabo: No.

Martin: My mistake. But Spratt is a leader on budgetary issues in general. Is he considered a leader at this point?

Sabo: Not really. He had been on Budget Committee, but—

Martin: That comes later in his career.

Sabo: Yes.

Martin: So his voting for something in this period isn't going to signal other people?

Sabo: No. He was more identified with Armed Services. He was one of the more senior members. He was on Budget Committee and left because he got a subcommittee chairmanship on Armed Services.

Martin: Barney Frank was quoted in the press as saying, "Nobody got a pass on this one," indicating that there was some party discipline going on.

Sabo: Yes.

Martin: Can you talk a little bit about the kinds of things that were happening?

Sabo: Not particularly. I think it was mostly a whipping operation to get the votes.

Martin: So no unusual phone calls, no extra pressure at this point?

Sabo: No.

Martin: What's the Clinton administration doing through this period? Are they getting involved in any lobbying or party discipline?

Sabo: I don't recall them doing that much at this point.

Martin: So in April they're still hands off, letting the House work itself out.

Sabo: I'm sure they've done some things, but nothing—

Martin: Not enough that you know.

Sabo: Not enough that I remember anyway.

Martin: After this vote happens, I believe that there are 10 or so subcommittee chairs who vote against it, and there's some talk about threats to pull subcommittee—does this ring a bell?

Sabo: No.

Martin: Supposedly, behind closed doors, there's a discussion about senior Democrats who voted against the bill and whether they would be sanctioned or not. [Daniel] Rostenkowski signs on to it. I think it might have been suggested that you signed a petition as well.

Sabo: Could be. I don't remember.

Martin: So not big enough to stick in the memory. That's useful information.

Sabo: I assume they would be somewhat irritated if subcommittee chairs were voting no.

Martin: I'm trying to think of who they would have been. [William] Lipinski might have been one of them, but I can't remember offhand, so I shouldn't say.

Sabo: I don't recall.

Martin: Why don't we move on from April? You pass the budget reconciliation. You have another vote, I believe, in August on the actual—

Sabo: I don't remember the timeframe.

Martin: I'm trying to get forward to the Marjorie Margolies-Mezvinsky story. This is the conference vote.

Sabo: Yes.

Martin: The question is, how does the vote come down to her casting the pivotal, deciding vote? What happens? You lose three people. My sense is that the coalition you're building is shifting a little bit, and you get down to a very tight vote.

Sabo: I was not talking to Mezvinsky, but some of the leadership was. All of the stories have said that she did the unusual by voting for it. On the other hand, she had gotten a plum assignment as a freshman. She was on the Energy and Commerce Committee. So if there were any freshman who had really gotten a plum assignment that would have helped her politically, both on dealing with significant, substantive issues and on fundraising, it would have been her.

Martin: To some degree she owed the vote?

Sabo: To a certain degree, when you get plum assignments, a little bit more of the benefit of the doubt applies.

Martin: Supposedly there was a tremendous amount of pressure from Clinton and from the White House.

Sabo: At this point they were heavily involved in calling people, very much so.

Martin: Were you involved in coordination efforts to identify—

Sabo: That was more the Whip's operation. We were there working on it in coordination with them.

Martin: It would be useful to know at what point this piece of legislation becomes, I don't want to use the words "not your problem," but your part is taken care of earlier, and by the time you get to the reconciliation, it's still your bill.

Sabo: It's still that, but it's also the collection of a lot of individuals, subcommittee or committee chairs who put in their own version of what's there. So it becomes much more of a—

Martin: House bill or leadership bill?

Sabo: Yes.

Martin: At this point you're not in charge. Are you the floor manager at this point?

Sabo: As I recall, yes, but you delegate time to each committee to deal with their capacity. There may have been other little irritants that people had, but the biggest problem we had was the gas tax. With Marjorie, it was probably more the overall tax increase on high-income people. I don't know.

Martin: Yes, her district, from what I remember, was the fourth richest in the country.

Sabo: But we were losing more votes on the gas tax than on anything else.

Martin: To some degree she gets more pressure because she gets the plum assignment?

Sabo: I'm not sure that's how the others thought, but at least that was my reaction.

Martin: I didn't know whether this would be a source of a lot of conversation afterward and that everybody would have their version of her story.

Sabo: Probably. I don't know.

Martin: Can you tell me a little bit about the role that Tim Penny might have played during this period? Minnesota delegation but on the opposite side of the budget issue.

Sabo: But he was not involved in the process. He ended up voting for it.

Martin: Yes, but with, I think, some concessions from Clinton. I think that there was an executive order by Clinton to do something on entitlements.

Sabo: He thought we should be doing more on entitlements, particularly on COLAs [Cost of Living Allowances]. The leadership agreed to let him have a shot, and he could put something together on entitlements, particularly on COLAs. He proceeded to get a group together and to work very closely with Kasich and the Republicans. His concern was—I recall very specifically—over not dealing with entitlement COLAs, which we had done a little bit on but not like he wanted. So he worked and he came up with the Penny-Kasich bill in the end. The ironic thing was that by the time they got going, there was no modification of entitlement COLAs. The Speaker continued to honor his commitment, although, as I recall, the central part of that commitment was to give them a chance to deal with entitlement COLAs. But Penny's product had none of them.

Martin: So what was in their bill?

Sabo: They had modifications, cut back on the authorization of appropriation bills. They did some things on Medicare that were mostly unworkable.

Martin: It sounds like Kasich got the better end of the deal and that Penny didn't. Is that a fair assessment?

Sabo: I'll let you answer the question. They fought that out. He had this bill. We lost. We had some bipartisan support against it, particularly House Republican appropriators. He was doing all kinds of things in that bill that dealt with authorizations, and it was appropriating work rather than budget work. I started to say that many of the things that they were advocating, in the form that they proposed them, have not seen the light of day since.

Martin: As I remember, this specific amendment went down by at least 50 votes, in part because there was a large Republican contingency voting against it, and they were mostly appropriators.

Sabo: Yes.

Martin: Is the concern at this point mostly turf?

Sabo: In part. It also was not a well-thought-out proposal.

Martin: So not just turf but bad policy.

Sabo: For some. For instance, as I recall, they were going to determine the deductible on Medicare at hospitals by income. I'm not sure how they would. Somebody would have to bring his income tax form to the hospital to show what his income was.

Martin: It was complicated and was potentially means testing.

Sabo: I'm not necessarily opposed to workable means testing, but their stuff was—

Martin: And that kind of amendment hasn't come up since. It was sort of dead then, and it is dead now.

Sabo: In that form. They have now gone to a form of varying the premium on part B, but it is tied to income and it is tied into your income tax.

Martin: On the collection side?

Sabo: Yes. I think there are some problems with the workability of what they have, but it is much more workable than what these folks were suggesting in that bill.

Martin: Let's talk about side agreements that might have been occurring in this period in terms of collecting votes both from Clinton and then maybe from the leadership. Are people getting projects out of their votes, or was it pretty much a straight ideological vote?

Sabo: Yes.

Martin: One of the arguments that folks make is that Clinton, early on, made the mistake of offering too many goodies too soon and that that limited his credibility.

Sabo: I'm not sure what goodies he offered. Whatever they offered, they didn't clear them with me. They would not have had any impact on what was or wasn't in the budget resolution.

Martin: Not for what was in the budget resolution, but whether people would vote for it or not.

Sabo: Who knows? I don't know.

Martin: From the outside, it is hard to understand why this vote was seen as being important for the Clinton Presidency. A lot of folks would say that if the budget reconciliation conference fails, it would be a significant blow to the administration.

Sabo: I think it would have been a major blow.

Martin: How would you explain that to people who don't know a lot about politics?

Sabo: The central core of the Clinton campaign was to deal seriously with the deficit, and clearly the bill did. The basic foundation of their administration would have disappeared.

Martin: So what would have happened in the short run if that bill had failed?

Sabo: I suppose we would have had to try to patch something else together. There had been no discussions on that alternative, but we would have had to do something.

Martin: So would Clinton have lost time, or would the first term have been shot?

Sabo: The first year probably would have been shot, depending on how one patched it together. You never know for sure how things are going to work in this business. The Republicans were predicting that what we were doing would produce recession and economic downturn. Everything they did was wrong in spades; the opposite happened. I suppose when things go well,

you claim credit; if they go bad, it's the economy. Clearly the economy responded to it. Maybe some of that would have happened without the budget deal. I don't know. But it clearly had a positive impact in spurring the economic growth and income growth that continued through the '90s.

I just clipped out of the *Washington Times* yesterday—I read the *Post* at home, go drink coffee, and read the *Times.* In there was an editorial on what has happened with median incomes. As a matter of fact, I clipped it out. I brought it home. I didn't expect to find it in the *Washington Times*. Economic doldrums.

Martin: Of today?

Sabo: Yes, and it is talking about what is happening with the median family income. [*Reading from a newspaper*] "In 1993, median family income was $50,782; in 2000, it had climbed to $59,398. After 2000, median family income declined four years in a row. In 2006, the last year for which data are available, median family income was still nearly $1,000 below its 2000 peak."

So it is not just that median family income was going up; poverty rate was going down. Clearly a lot of things went into it, but I think that the budget resolution that we passed in the form we did in '93 was a key building foundation for what happened in the 1990s. At the end of that time, the budget was in balance. There was surplus. The Federal Reserve was worrying that they weren't going to have federal debt instruments to buy in a few years if we kept paying off the debt, which was happening.

Martin: An unusual problem.

Sabo: I always thought that in 2000, the key issue was whether the Congress and the President could manage surpluses. The answer was that they didn't. Now this is what has happened to family income: the poverty rate has been going up; debt has gone up $3 trillion or something during the [George W.] Bush administration; we're handing it to baby boomers.

Martin: It's significantly different.

Sabo: And all the Presidential candidates, both sides of the aisle, in different ways are promising spending and tax cuts like mad. Hard to believe that any of them are real.

Martin: At the time, you were mentioning that the Republicans were screaming that this would cause recession. How much of that was political blustering, or did they truly believe it?

Sabo: I think some of them truly believed it.

Martin: It's hard to understand how economic forecasts could be so different depending on who you listen to.

Sabo: Yes.

Martin: We talked a little bit about Clinton's lobbying effort in general throughout this period. I think Howard Paster was his first chief lobbyist. How effective was that operation?

Sabo: I thought it was fairly good.

Martin: Good relationships with members in the House?

Sabo: Yes.

Martin: To what degree is their coordination on policy, not just on budget but across the board—one of the things that folks have written about is a sense that the Clinton administration came in and handed policy to the House and the Senate. I think they criticize health care for this—and to some degree the budget versus coordination and the back and forth between the House, the Senate, and the Presidency.

Sabo: That may have been truer in health care. The President always comes with a budget. There was nothing unusual about that. I suppose that in contrast, both in '93 and '94, the Clinton folks played fewer games than most Presidents do. There was more real budget without gimmicks. The Bush budgets lately are loaded with gimmicks: assumption of budget cuts that are unreal, assumption of new fees. It's like there is a list in OMB that has been there for 30 years that the President can bring out, and it lists things that he can recommend, but that never get adopted, to show that he is cutting expenditures and increasing fees. Those had been regular parts of budgets before Clinton, were there afterward, and weren't really there in '93 or '94.

Martin: So no unusual tricks, no gimmicks, pretty straight forward?

Sabo: Yes.

Martin: We've talked mostly about the '93 budget, in part because my own reading is that '94—

Sabo: Was fairly routine.

Martin: Wasn't anything interesting politically.

Sabo: No. I was very concerned going into it. Couldn't get any time in caucus even to talk about it because they were involved in other stuff.

Martin: So budget was low politics. It was sort of set by '93.

Sabo: In '94 I think I did a five-minute presentation or less.

Martin: Interesting. Do you have a sense during this period of who Clinton likes to work with in the House?

Sabo: That I don't know.

Martin: The subquestion is about Democrats in particular. We have some evidence that they of course work with the leadership; they're talking to Foley regularly; they're talking to [George] Mitchell over in the Senate regularly. But outside of that, you don't have a sense of who is proverbially carrying the President's water.

Sabo: I think that's right.

Martin: Whereas, with the Bush administration, there are known folks who are Bush's people in the House.

Sabo: I don't think of it in that fashion.

Martin: Who were the Republicans that the Clinton administration seemed to be reaching out to or who were considered reasonable?

Sabo: I think that would have varied from committee to committee.

Martin: I remember a story about the conference reconciliation bill. [Albert] Gore [Jr.] called, was it Sherwood Boehlert, to try to get his vote?

Sabo: And didn't.

Martin: Didn't work.

Sabo: And Sherwood is a good guy.

Martin: But no particular sense that there were identifiable folks on either side of the aisle who were Clinton's connections.

Sabo: No.

Martin: Let me double back to 1994 and make sure I get this correct. There is no 1994, under-the-radar, important news that we're missing?

Sabo: No, I don't think so. It went very quickly. Well, there was one issue that could have complicated it for us: we did not deal with health care. Again, that was a new program. Pay-as-you-go rules would apply. If we were to start building up assumptions on health care—and the Republicans kept asking us, "Why aren't you doing this?"

Martin: Because they knew you were working on health care.

Sabo: Yes. We stayed away from that one. If we had gone into health care, we would have had—

Martin: That was indeed part of the problem in the Senate, from what I remember. [Robert] Byrd wouldn't allow health care to go through on a budget bill. He imposed the Byrd rule.

Sabo: Yes, the Byrd rule is always there, and it limits what you can do. We had frustrations in '93 on reconciliation. There were things we wanted to do that would have made, we thought, a better product, but we couldn't get by the Byrd rule on adding non-budget-impacted language to the bill. I suppose the pressure would have been on the Senate to add it to the budget resolution if it weren't for the Byrd rule. But we kept that off, which meant that there was a little jiggling with the discretionary spending gaps where we had no reconciliation.

Martin: What is Clinton's reputation like during this period, say, shortly after the big conference bill goes through? Is he looking like a hero for the party?

Sabo: I think he was looking good. There is always an interpretation of history that we ran into the problem in ’94 and that Clinton ran into the problem in ’94 because of the budget. I’ve never bought into that. I think that at the end of ’94, Clinton was riding high, and Congress was doing quite well. I think we really got into the problem on health care. There were high promises but no ability to do anything.

Martin: So budget things are fine. Then 1994 starts and things slide. Is that it?

Sabo: Yes, we get into the health care issue. It’s high visibility, and we end up unable to do anything. I think that hurt us. For Democrats, I suppose it is a little more heroic to say that we got into trouble in ’94 because we did the right thing on the budget, versus we weren’t able to do anything on health care.

Martin: Sure. Another argument that folks raise is that many people who lost in ’94 were connected to the House bank issues.

Sabo: That’s right. That came along too.

Martin: And that a lot of the losses might have been independent of what policies were happening.

Sabo: I’d forgotten about the bank thing. That was there too. But the policy issue, I think, was health care.

Martin: Did you have a hand in health care at any point?

Sabo: No, I was on some groups that met and stuff like that, not so much in the role of budget chair as—

Martin: Regular member of Congress.

Sabo: Yes. Although I have a theory on why we ran into trouble there.

Martin: Love to hear it.

Sabo: We had some issues. How we should deal with abortion was never worked out, so I don’t know, you could have gotten everything in health care, and it could have fallen apart over abortion language. But I’ve always held the view that one of the things that really hurt us was Rostenkowski’s legal troubles. He had the legal problems and had to take the leave of absence from Ways and Means as chair. I always thought that he might have had the potential to be non-ideologically tough enough to put something together. Once he left, it didn’t exist in that committee. It had to be somebody who was strong enough to tell both the Left and the Right to forget their favorite ideas, and here is an accommodation that can pass.

Martin: At this point, Pete Stark would have been the chairman of the Health Subcommittee.

Sabo: Yes, and Sam Gibbons, chairman of the full committee.

Martin: Stark couldn't have pulled people together the same way.

Sabo: Or Gibbons, no.

Martin: To some degree, looking at Rostenkowski as a man, he's just a large and physically imposing person. He had an ability to bring people together?

Sabo: Yes.

Martin: The bill doesn't get through Ways and Means.

Sabo: No, and it doesn't get through Energy and Commerce.

Martin: It seems to come closer in Energy and Commerce. My sense of people who I wouldn't cross at this period would be John Dingell and Rostenkowski.

Sabo: See, Rostenkowski was out as chairman. John had a very strong, centralized plan. Rostenkowski was less of an ideologue on that issue.

Martin: Do you remember any fallout inside the House when the bills are not moving through committee? Are folks worried that this is going to affect the election?

Sabo: There were people who were upset. I'm not sure that people were as worried about the electoral impact as much as maybe they should have been.

Martin: Let's move to the 1994 election? You're fine. My guess is that your district was very solidly Democrat, so you probably had no concerns. Any sense going into it that people knew that it was going to be as big of a loss?

Sabo: No.

Martin: How did people explain the loss afterward inside the House?

Sabo: Lots of it gets focused on the budget, that we did the right thing and that's what resulted. That's what people liked to pedal as conventional wisdom, which I don't think is accurate.

Martin: You think it was more of the health care issue.

Sabo: Yes, it was related to substance modified by the bank problem.

Martin: But inside the House, the folk wisdom was that it was the budget?

Sabo: Yes, people thought we lost because we did the right thing. It makes a much better speech than we lost because we couldn't figure out how to put health care together.

Martin: I wonder whether that story is something people believe in November and then stop believing by January.

Sabo: No, I still hear the speeches.

Martin: Do you?

Sabo: Yes, how we lost control because we did the right thing on budget in ’93.

Martin: My guess is that the Republicans would tell a very different story about why the Democrats lost.

Sabo: Probably. I don’t know what their story is. They would probably use the tax bill too because they didn’t like it. What is tough to read about elections is that they go along, and then there is something dynamic that happens in that final week. There were lots of members who did not think they were in trouble. Then they woke up on Wednesday morning defeated. They were running polls, and they were 49-39, and the 49 was right. They ended up with 49 ½ percent, and all of the undecided voters went someplace else in that last week. Why? I don’t know.

Martin: I also remember that participation was low that year. Voter turnout dropped quite a bit. I don’t think there has been a good explanation for what happened in ’94. But it is useful information politically for how people understand elections inside the House and for what meaning they assess to things. So if I’m getting the story right, you get blamed to some degree, but in a positive way, for ’94.

Sabo: Or Clinton gets blamed.

Martin: Everybody connected to the budget.

Sabo: Yes, gets blamed. I don’t think that is the accurate description, because at the end of ’93, as I recall, Clinton was way up in the polls after the budget agreement.

Martin: I remember, even as a regular citizen at this point, watching the State of the Union address, thinking that he was doing very well, calling for health care and saying that he would veto anything that didn’t give 100 percent coverage. My sense is that he was fine in the polls at that point.

Sabo: So we have a massive shift.

Martin: You’re still on the Budget Committee for the next two years.

Sabo: Yes, in the minority.

Martin: Can we talk about what leads up to the budget shutdown?

Sabo: Yes.

Martin: My guess is that you’d be playing a major role?

Sabo: Yes, I was involved in lots of conversations at that point. It is sort of a different role, though, in some ways. Again, the Republicans were doing their own thing, and we were spectators. My role ended up being somewhat different. I was looking at alternatives, and I did not know whether we should do an alternative.

The Blue Dogs came with a proposal. I ended up working very closely with the Blue Dogs in order to get some significant modifications to their proposal, which I eventually supported. Not all of the members of the caucus liked a ranking member supporting the opposition. They probably didn't have majority support in our caucus, but they eventually got a lot of votes. I'm not sure what the Blue Dogs got on their final budget. It must have been close to half our caucus. They took lots of things out of their proposal that didn't make much sense.

One of the key questions at the end, before I agreed, was how they dealt with legal immigrants and some benefit programs. They ended up dealing realistically with benefits for legal immigrants. We tried to convince the White House of its merits, but we never succeeded. The Republicans had their own proposals. In '95 the President's proposals were nebulous, I think. That's the best I can describe it. I'm trying to reconstruct all of this. We ended up with continuing resolutions.

Martin: A couple of budget shutdowns.

Sabo: Yes. That was all tied into the posturing, doing a more extensive budget.

Martin: One thing that is unclear is the degree to which the budget shutdown was about fights over policy and appropriations bills versus actual differences on budgets.

Sabo: It was budget. I don't think it related much to appropriations. It may have been a little bit, but not much there.

Martin: The reason I raise that issue is that there is a story about Bob Livingston fighting with Gingrich about Gingrich loading his bills down with a lot of policy riders—abortion and other things. Livingston then explodes at him, saying, "Get all of this crap out of my bill! We can't pass my bills!"

Sabo: Yes, that could have been. They tended to do that. But publicly, at least, the central focus or argument, as I recall, was that the Republicans were insisting that they use CBO estimates for everything. The administration was using other estimates, which is ironic when you think of what the Republicans had done with CBO estimates. They made massive changes to them. Then, even if you were using CBO, it involved a lot of technical questions, because you could use CBO general economics, but all the technical parts behind them had a massive impact on what happened. On a lot of those, you can dispute both CBO and OMB in terms of projected outlays on Medicare and stuff like that. So they used that excuse. I always hate to try to figure out what motivates other people. My sense is that they thought the shutdown would help them politically.

Martin: The Republicans.

Sabo: Yes.

Martin: My guess is that both sides gambled on that.

Sabo: I think the administration was less sure. I think the Republicans were sure it helped them, and it turned out that it really hurt them. I sat in on some of those negotiations in the fall.

Martin: Negotiations between the White House and the Republicans?

Sabo: Yes. It was the fall of '95. They'd have various types of groups meeting. They didn't go anyplace.

Martin: When you say you sat in on them, were you a passive or active participant?

Sabo: Active, at the White House. They didn't go anyplace.

Martin: Was it your sense that the Republicans didn't want to budge or that Clinton didn't want to budge? Was it genuine negotiation?

Sabo: Some. As I recall, the Senate and House Republicans weren't necessarily on the same page all the time either. In the end, I think they thought the White House had a well-conceived strategy and plan laid out. In my observation, they were going by the seat of their pants from day to day.

Martin: Historically the situation gets rewritten as a masterful play by Clinton to hold his cards. Your sense is that they didn't know what they were doing and that they just got lucky.

Sabo: Yes. I have a friend who has always said about politics, "People always assume there's much more to it than appears on the surface. Most times it is less than appears on the surface." If they had a well-conceived plan, I sure wasn't aware of it in the fall of '95. It was more that folks went back to the White House at the end of the day and figured out what they were going to do the next day.

Martin: Let me pick up on that point. One of the things that I saw when I was working on the Hill—and I think political scientists and historians miss this—is that personalities matter.

Sabo: Yes.

Martin: There are people that you like and don't like, and sometimes coalitions get built not necessarily based on policy but because "I like this person, and I can work with him."

Sabo: Yes.

Martin: One of the things they have said about this period is that Clinton's and Gingrich's personalities were perhaps too similar, although they were on different ideological sides. Do you have any sense of the people involved?

Sabo: There may have been some of that at the start. Later on I think the Republicans felt that Clinton outmaneuvered Gingrich regularly during that period. In that period, Gingrich was still thinking that he'd made Clinton irrelevant. That changed over time. I think he began to feel a little overwhelmed by Clinton.

Martin: Then after the budget shutdown, they seemed to develop a new relationship. Any insight into that?

Sabo: No.

Martin: When the House goes from being majority Democrat to minority Democrat, your job changes radically.

Sabo: Radically.

Martin: Message politics, I'm guessing, and opposition. How does your relationship with the White House change?

Sabo: It changed a little bit. I was not on track with their budget proposal because I ended up supporting the Blue Dog proposals.

Martin: In a broader sense, how does Clinton interact with Democrats on the Hill once you're in the minority? Do they negotiate with you still, or are they thinking, *Oh, you can't actually affect things, so we're just going to—*

Sabo: There's some of it. There's more suspicion in the House that he's looking out for himself and not for the House. Some of that is true. The person is also still the President. He has a limited term. The House members are going to be there for a long period of time. I can fully understand why a President would want to try to get something done. He has to deal with the opposition. That's the reality. There is likely to be some friction in the minority of his own party.

Martin: And realistically, politically, the Republicans could basically do what they wanted to do in the House during this period. They had the votes.

Sabo: They controlled the Rules Committee. If there is a President who wants to do something, he has to deal with them. If you get a President like Bush, who fundamentally doesn't want to do anything, then it's tough to deal with him.

Martin: Nobody has to talk to anyone at that point.

Sabo: Yes, other than fund the war in Iraq.

Martin: He wants to attack earmarks.

Sabo: Yes. And like every President should, they want all of the discretion in their hands.

Martin: It seems like institutional conflict more than personal, to some degree.

Sabo: Yes, that's institutional. They like discretionary programs that aren't formula driven so that they can make all the choices, so that they can hand out no-bid contracts. Someone told me the other day that the number of no-bid contracts has tripled from the year 2000 to 2007.

Martin: Is that dollar amount or just numbers of contracts?

Sabo: Dollar amount, huge amounts.

Martin: That's stunning. Leading into the end of Clinton's first term, there were some questions within the White House about whether there would be a challenger in the primary, especially after the 1994 midterm losses, as big as they were. Do you remember any conversations in the House about whether people were going to challenge Clinton?

Sabo: No.

Martin: Then you shift over to appropriations after—

Sabo: I was on appropriations the whole time.

Martin: So you keep both seats.

Sabo: Then I simply go back to appropriations.

Martin: So you maintain your seniority status on appropriations.

Sabo: Yes. I'm still on the committee, markups—

Martin: My guess is that you wouldn't have had enough time to seriously do the appropriations work?

Sabo: No, I did not go to many meetings. You see, there were three appropriations members elected to budget, and I was one of those three.

Martin: So when you resume full-time appropriations, you're on transportation. Is this the committee spot that you wanted?

Sabo: Yes. On appropriations, subcommittee chairs are selected by seniority for subcommittees. That's the one I was senior on. I started on Budget Committee. I was on transportation and defense. It turned out that I moved up and was eligible to be chair at that point.

Martin: On transportation?

Sabo: Yes, and there was a vacancy.

Martin: When we get to the second half of the Clinton administration, there's a sense that Clinton is doing very little policy, sort of the Dick Morris policy triangulation. Are there issues that come through transportation that are important or that are notable that we haven't picked up on? Some of the transportation issues about highway funding become—

Sabo: But that's more authorizing than appropriations. I would say, though, that he did remarkably well. In the end I think he got more money out of the Republicans in appropriations during his second term than he would have out of Democrats.

Martin: Why do you think that was?

Sabo: Here's the scenario of how they handled most of the discretionary spending during that period. It's probably why Gingrich got in some trouble. They'd take the President's budget; they

would make some modifications; they would substantially increase some of their favorite funding, and then cut what Clinton had; then they'd go into negotiations with the White House; and Clinton would walk out with everything he wanted. He wasn't necessarily opposed to what they'd added. They'd leave everything they had in place. So you had, I think, a much greater increase in discretionary spending in that second term than if the Democrats would have stayed in control of discretionary spending. I think it would have been less.

Martin: Is that an indication that the Clinton White House didn't care that much about appropriations or that they were just willing to go along, get along, everybody gets a little bit of the pie?

Sabo: Somewhat of that. He had this COPS [Community Oriented Policing Services] program. He had his 100,000 new teachers. He had a variety of other things like that that they wouldn't fund. Special education sort of goes through a cycle of whoever is out of the majority funds it more. So they'd increase special education funding way up, NIH [National Institutes of Health] way up, way beyond the Clinton budget. Then he'd add in some of his favorite things.

Martin: Looking at the estimates at the end of the year, it seemed as though what the Republicans were doing was only zeroing out a couple of small things, like AmeriCorps or the COPS program, almost to just antagonize Clinton.

Sabo: Yes, but then he'd get it back in their final negotiations. I haven't looked at it in years, but I think that if you looked at what happened with discretionary appropriations in '97, '98, '99, 2000, there have been very substantial increases most of the time.

Martin: One of the things that are also happening in this period is that earmarks start to increase.

Sabo: Yes.

Martin: Different stories explain why and what happens. One of the stories is that Gingrich instructs the Appropriations Committee or requests to open up earmarks to freshmen and to more vulnerable people. The other story I've heard is that [Dennis] Hastert used them liberally to build coalitions within the Republican Party.

Sabo: Probably, I don't know what they did.

Martin: Bush is making a big deal about earmarks now. Did Clinton not care?

Sabo: They went through that process. They got the line-item veto for one year until the courts threw it out.

Martin: Used it once and gone.

Sabo: Yes, and they had to use it since they'd advocated it. If you talk to some of their staff people, I think it was the worst thing they'd ever gone through, trying to figure out how to use it.

Martin: And who they offended.

Sabo: I went through the process of saving one program back home. It was a transportation program. FAA [Federal Aviation Administration] was for it; DOT [Department of Transportation] was for it. They didn't fund it every year because I was there to fund it. When it was threatened, we finally got it off their list. I spent more time on that.

No, I don't know where it goes. The reality is that [John] McCain and these folks are anti-earmarks. I think the impact will be that if McCain is elected and follows through on that, you will get very few programs that grant discretion to the administration. Congress, if they're smart, will tie that down. Money will go out on a formula. They will tie it down very toughly on no-bid contracts. They will get more details. One of the pluses for running the government is that we appropriate in broad categories and even designate major programs internally by report language. Or if you run into changing circumstances, you don't have to come back and change the law. You come back and reprogram internally.

Martin: It seems like a tough gamble and that they're going to lose a lot of the flexibility they have.

Sabo: Yes. I don't know that McCain and these folks fully appreciate that or care. They're going to discover that the Congress can tie their hands.

Martin: In very clear ways.

Sabo: I'm a pro-earmark person. I think these folks got carried away with it a little bit.

Martin: You were there for the period when earmarks peaked and then dropped off a little bit.

Sabo: Yes.

Martin: Is there a cycle? In the beginning, earmarks are basically the purview of senior people, and maybe if you work carefully with the bureaucracy, you can get something.

Sabo: Pre-earmarks, the powerful committee chairmen still got earmarks, but it was never in reports.

Martin: Then once they open up, my guess is that there is a period when you have a lot of discretion because you know you're probably going to get a few and you can dot your district with projects wherever you want them. At what point does your district figure out that goodies are flying and everybody wants one?

Sabo: You start getting that pressure, but it is amazing that people don't figure that out. We never promised anybody anything. We always tried to keep expectations very low.

Martin: You're talking about people back in the district?

Sabo: Yes.

Martin: But my guess is that people like mayors and other folks would probably start to think about this as a regular, available piece of federal resource that they could count on.

Sabo: Surprisingly not that much. Some of our earmarks went to cities, but lots of them went to community organizations. I discovered back home that there was one consultant who got in, and he would send folks in. He'd caught on to it. Most people had not caught on to it. Like everything, at one point they were fun to do because you would do something for groups that didn't even know you were thinking about them. Now there is all this formalized stuff, filling out applications, and it takes some of the fun out of it. The fun was to reward folks who were doing good things.

Martin: Now it has become tougher.

Sabo: Yes, because of all the visibility.

Martin: Rodney Slater was the Secretary of Transportation in that second term. Any significant interactions with him other than committee hearings?

Sabo: Not really, but I thought he did a good job. I liked him. I thought he was good to work with. He was there. Jane Garvey, who was in FAA, was a very good person. They had good people there.

Martin: I think the major issues were over highway funding during that period, maybe some airline activity.

Sabo: Transit funding and how we did it. Sometimes it is sort of amusing. We were building the Hiawatha Line in Minnesota, and we had lots of earmarks, and we'd get calls from the Department to get out a press release announcing the release of the money we'd earmarked. Sometimes they were saying what they would do in the next budget. The folks were saying, "Thank you," and they were expecting more. I thought he did a good job. I liked him.

Martin: You kept up your Defense seat at that point?

Sabo: Yes.

Martin: Anything significant from that? I think Kosovo is happening at this period and some of the other activities.

Sabo: Nothing in particular. Kosovo, I always thought that the Europeans should be able to take care of the Balkans, but they certainly couldn't.

Martin: They wanted us to.

Sabo: They get a little self-righteous toward us, but they'd had trouble.

Martin: We so actively spend our money on military that they figure, *Why spend it ourselves if the Americans will do it?* Any parting thoughts on major Clinton interactions with Congress that we're missing? We didn't talk about the impeachment, but I didn't guess that you were a significant player in that.

Sabo: I think that one of the tragedies was that we couldn't put health care together. Presidents have tried; [Harry] Truman tried; [Richard] Nixon tried in '73. I asked one of my staff people early on in health care what happened to Nixon. They said his problem was that conservatives didn't like it. It wasn't good enough for the Left.

Martin: Now we would take it in a heartbeat. It was a good policy.

Sabo: It was good policy. Clinton had some of the same problem. There was significant business support ready to support a comprehensive health change at the federal level, but they wanted uniform federal standards. The Left insisted on there being in the bill a provision for states to adopt single payer if they wanted, which I don't think any state ever would have. But that significant business support would not develop unless they knew they were playing by one set of rules.

Martin: It will be interesting to see whether whoever gets elected tries for it again.

Sabo: I think they will, but I don't know how they'd pay for it today. They're very short on the specifics of how that would happen.

Martin: I appreciate your time. This has been a very nice conversation. I think we'll learn quite a bit from it.