



EDWARD M. KENNEDY ORAL HISTORY PROJECT

INTERVIEW WITH NICK LITTLEFIELD

June 30, 2008
Boston, Massachusetts

Interviewer
James Sterling Young

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TRANSCRIPT

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Young: OK, we're starting on June 30.

Littlefield: We're going to talk about 1991 and 1992. As I recall, this was the time of the Kuwait invasion and the first war against Saddam Hussein. I remember Senator Kennedy, at the beginning of '91, the beginning of this second [George H.W.] Bush Congress, was really now focusing on the domestic agenda and the social issues facing working families. Looking at this from 20 years later, in 2008, it seems sort of obvious that healthcare is a big issue, education is a big issue, and jobs are a big issue—the kitchen table issues facing American families—that those are important issues, and they are today. I want to make the point that in 1990 and '91, we were really trying to get on to those issues, and the country and the political establishment wasn't there yet, because what had happened was that [Ronald] Reagan had been the President for eight years, and the whole mantra there was less government, less government, less government.

So, with the agenda that I've just described for the first Congress of Bush, Senator Kennedy tried to turn that battleship around and really get the focus on what the government could do in the areas of jobs, with wages and pensions and equal rights; in the area of healthcare, with the National Health Service Corps and the Ryan White CARE [Comprehensive AIDS (Acquired Immune Deficiency Syndrome) Resources Emergency] Act; in the area of children, with childcare and early Head Start; and national service. This was this broad agenda to change the focus of what government did again, to get it back to where it had been in the Great Society, and with [Franklin D.] Roosevelt and the New Deal. The Senator was really the voice that led that transformation, and he was the relentless worker who pushed those issues all the time. I remember he did a speech, which I've described, what we called the "agenda-setting speech," that he would give at the beginning of each Congress. He did a major speech and we all worked like dogs to get the thing ready, working with him to have the agenda laid out.

You should make sure, Jim, that you have each of those speeches as part of this project, because if you want to know what the agenda was for each Congress, it was set out in the speech at the beginning of the year, in January. There was one at Yale in '89, there was one at Georgetown, and there were several at the think tanks in Washington. He's done them every year or every two years. They're sort of Kennedy's State of the Union speech.

In 1991, what he said either in that speech or in another speech at a hearing, was “If the Administration continues to neglect our problems at home, refusing to act against the recession, then the Congress will have to take the lead and stand up for the people who are being hurt in this economy. We will focus on the changing workforce, the importance of education and training, the crisis in healthcare, and the tragic consequences for our future if we fail to help our children develop into productive adults.”

Young: Now, which speech is that?

Littlefield: It was 1991, but it might not have been the agenda-setting speech. It could easily have been at the beginning of a hearing.

Young: So that’s the second half of the Bush term.

Littlefield: Yes, where the economy was really hurting, Bush was focused on foreign policy. He thought he would be reelected easily because of the Iraq—

Young: Kuwait.

Littlefield: —Kuwait incursion. I think I described last time, how ’91 and ’92 were productive but nowhere near as productive as ’89 and ’90 for Kennedy, because the Bush Administration decided they were losing their conservative base by going along and signing all these Kennedy domestic social programs that expanded the role of government in all these areas. John Sununu, I remember, is quoted somewhere as saying, “We’re not going to do any more bills. We’ve done all the bills we’re going to do.” So everything we were able to get in ’91 and ’92 was because we pushed Bush to the point where he had to do it. He vetoed many important pieces of legislation, including Family and Medical Leave, which we’ll get to in a minute.

So we did get some things done, and one major piece of legislation, again, which was originated with the Judiciary Committee staff, in the Labor Committee, is the Civil Rights Act of 1991, which overruled seven Supreme Court decisions that had sharply reduced protections against discrimination on the job because of race, color, religion, sex, national origin or disability, and provided damages as a remedy for intentional job discrimination, including sexual harassment for women, religious minorities and persons with disabilities. So it established protections against discrimination on the job, and it provided damages as a remedy for intentional job discrimination for the first time. This was the most important civil rights bill of my era, along with the Americans with Disabilities Act.

Young: Was that the Judiciary Committee?

Littlefield: It was Judiciary Committee staff, in the Labor Committee, same deal; with Jeff Blattner and Carolyn Osolinik. Senator Kennedy worked with Senator [John] Danforth on this, a bipartisan effort, and Bush signed it.

Young: Were these civil rights bills?

Littlefield: Yes. Then there were other jobs- and education-related—the Job Training Partnership Act, which Senator Kennedy had written I guess four or five years before, and the

cosponsor of that bipartisan effort was Dan [J. Danforth] Quayle, who was a Senator at the time in the Reagan Administration, and he was on the Labor Committee. He and Kennedy had created the Job Training Partnership Program, which was a federally supported, state-based job training program. That was Kennedy-Quayle—talk about strange bedfellows.

Young: He was now Vice President.

Littlefield: And he was now Vice President, so we were able to work with him to get that reauthorized.

Young: Oh, he did play a role.

Littlefield: He helped with that, yes. I remember he came down to the committee. We had a hearing of some sort and he came down and testified at it or appeared at it.

Young: Did you ever hear any stories about the Kennedy-Quayle collaboration on this?

Littlefield: Just that it happened, and it happened on job training. Then Kennedy led some other job-related initiative, such as job training for women, a program to create training and related services to enable individuals with disabilities to become employable and live independently. Then there was a railroad strike in 1991, and Senator Kennedy jumped in to try to solve it, because the strike was damaging the economy of New York and other places where the subways weren't running, so workers couldn't get to work, and the freight trains weren't running, so goods couldn't be transported.

Again, I'm just describing the breadth of things that go on in Senator Kennedy's day-to-day existence. Everyone turned to him to legislate a solution to the strike, and he in fact did get legislation enacted that set forth conditions to apply for a resolution of the railroad strike of April 1991, including establishing a return to work within hours of the initiation of the strike, 40 days of binding negotiation of various rail labor disputes, and it worked. Labor went along with it and the employers went along with it, but again, they all turned to Senator Kennedy as the person who could pull all the pieces together. Sarah Fox, who worked as the Chief Counsel for the labor subgroup of the Labor Committee, worked with the Senator on that. He met with everybody involved and it was a very successful outcome.

Young: Did this need a legislative solution?

Littlefield: Apparently. It was a railroad strike settlement. It could have been that it was a resolution and not a law. It could have been a House resolution that became a Senate package. So it might not have been a law, but it was what ended the strike, because it brought everybody to the table and created 40 days of binding negotiation.

Young: Both parties were at an impasse.

Littlefield: Yes, they were totally at an impasse.

Young: They weren't talking to each other.

Littlefield: No, it was a total impasse. So that's just the kind of thing that happens and Senator Kennedy got brought into it. Then we had probably the biggest education act of this second two years of the first President Bush, the Higher Education Act Amendments, which re-did the higher education program. It simplified the application process, created various—

Young: For grants.

Littlefield: It simplified the application process for financial aid.

Young: Yes.

Littlefield: It created a new, unsubsidized student loan program, available to all families regardless of income, so that everybody would be able to get a loan, even if it wasn't subsidized. There were all sorts of problems with fly-by-night trade schools getting into the student loan program, and we had hearings on that and clamped down on fraud and abuse in the student loan program.

I remember the Senator got quite interested in the importance of early intervention with kids, in ways that would encourage them to go to college later on. He was very interested in this program in the Bronx called "I Have a Dream," where a wealthy entrepreneur had visited a high school, I guess the high school he graduated from, went to meet with kids in the eighth grade, and said, "You stay in school and I'll pay for your college." So the Senator had the idea of reaching back to eighth graders and sixth graders, and he created the beginnings of a federal "I Have a Dream" program, to encourage people to get excited about going on to college way back in the process.

Then we created a demonstration program for direct student loans, where the government would loan the money directly to the schools, which would loan it to the students, cutting out the banks, and that's been an ongoing effort of Senator Kennedy for years. This was the year that we got the demonstration program going, and then in the [William J.] Clinton Administration, we were able to greatly ramp up the direct student loan program. After Clinton left, Republicans have nipped away at it, chipped away at it, and the percent of direct student loan schools has come down from where it was at the high point.

But just in the last year, the Senator has re-upped the higher education program and has gotten the direct loan program back growing again. Schools have a choice of whether they want to be in the direct loan program or not. It's much cheaper for the federal government to raise money and loan it directly to students than to pay profits to the banks to do the job. So this was a way of getting the banks out of the picture—the key point is the federal government is guaranteeing the payback of the loans to the banks anyway. So if the federal government is stuck with bad loans that the banks are issuing, why do we have to pay the banks to do this loan process when we're going to get stuck holding the bag? The Senator's view was that these are going to be guaranteed loans, so you might as well get them at the treasury rate rather than have to pay banks profits, and the loan rates can be lower. It seemed like a win/win, very controversial, but an important precursor to what came in the Clinton Administration.

Then we had various other early education programs—he's still talking about Ready to Learn programs for preschool children, dropout programs. And then we come to healthcare. There actually was quite a bit of healthcare legislation enacted in this term of '91 and '92. Probably one

of the most important was the Prescription Drug User Fee Act. This is about the FDA [Food and Drug Administration]. The FDA was overwhelmed at this time. It was way behind in approving new drug applications. It was way overworked, they didn't have the staff, they didn't have the funding to keep the FDA as the gold standard for regulation of the safety and effectiveness of drugs and devices and food and the whole works, but primarily drugs.

So Senator Kennedy and Senator [Orrin] Hatch came up with the User Fee Bill, which meant that the applicants, the companies that were applying to get a drug approval, had to pay a fee, a user fee, which went to the FDA, to add to the FDA's budget, to hire additional reviewers so that there could be some sort of reasonable timeframe for the approval of drugs. And that worked very well. There were complaints—well, gee, if the drug companies are paying the salaries of the people who are reviewing their drugs, isn't there a conflict of interest? But that's not how it worked. The drug companies paid a user fee, which went into the kitty, which helped to supplement the budget of the FDA. The federal government didn't have enough money in the budget for the FDA and wasn't going to put more money into it. User fees doubled the size of the FDA and really did move the process along much more efficiently. The FDA got a needed shot in the arm from that, which was Kennedy-Hatch legislation.

Kennedy did the reauthorization of the Alcohol, Drug Abuse and Mental Health legislation, which is sort of him stepping into another subject of deep interest to him. The mental health side of this is very important to him and to his family, and he's now, of course, doing mental health parity legislation in 2008. More about education of health professionals; Healthy 2000; disease prevention, health-promotion initiatives. Everyone was focused on wellness and prevention. This was a new federal program to support education and programs that supported wellness. And then a whole bunch of small things like mammography quality standards. We heard the most awful stories that there just weren't standards for mammographies around the country, so there were sloppy, ill-trained people reading mammographies, and it was a big problem.

So that's the kind of thing—at a time when Bush wasn't going to do big things, Kennedy was always on the lookout for little things, little bills he could get passed. He was on the lookout for mammography quality. He was on the lookout for Alzheimer's disease research and training. He was looking at how to lower the price of pharmaceutical products, and he created a program to require manufacturers to sell drugs to public hospitals and public health clinics at the lowest price available in the market, which was a big breakthrough in terms of drug pricing for public agencies. Health research, outcomes research, that's always been a Kennedy issue, and he supported that. So 1991–92 was a time when it was not possible to get big bills done, but we got a lot of smaller bills done.

Young: Why do you say it was not possible?

Littlefield: Because Bush was not going to sign them, because of his attitude.

Young: So you were warned off.

Littlefield: We were warned off. They just weren't going to work with us on things. So we had to do what we had to do, either because it was small enough that they wouldn't object, or because it was something that they were particularly interested in, like the Civil Rights

Restoration Act. But for the most part it just wasn't—I mean they vetoed Family and Medical Leave in the last months of the Bush Administration, and that, of course, then became the first bill that we passed in the new Clinton Administration, that was signed into law by President Clinton, as his first act.

Young: So this was the election coming up?

Littlefield: Yes. So then we had illiteracy in the children and families area. The Older Americans Act, which includes Meals on Wheels, community service employment, rights for the elderly, legal services, ombudsmen for nursing homes—again, the breadth of the Senator's work.

And here was another Orrin Hatch story. The Senator always felt that if he and Orrin Hatch could get together on things, they could pass them. So he decided to have a dinner at his house, with Orrin Hatch and his top staff people, and Kennedy and his top staff people, to talk about something that they could do, because two years before they'd done Ryan White. The year since then, they had done the user fee thing for FDA, and there were issues that they were working on, but they wanted to try to find something else, bigger. They had dinner, we all had dinner together and we talked about all the different interests that Senator Hatch had and the interests that Senator Kennedy had.

Senator Kennedy said, "There is a problem because the budget is such that President Bush has basically ratcheted down the federal funding for the summer jobs program," which is money all across the country to provide summer jobs for teenagers. The money had been cut off by the Bush Administration, so there were going to be all these teenagers on the street in the summer of 1992. And Kennedy and Hatch shared the viewpoint that this was not acceptable.

So they came up with the idea of an emergency supplemental budget, or appropriations, to pay for summer jobs for young people, in our cities particularly. Also there had been—not uprisings, but there had been violence in some of the cities at the beginning of the summer, Los Angeles and Chicago particularly. And so Hatch and Kennedy pledged to each other that night at dinner, "We're going to go back and do this." Bush didn't want to do it, the Republicans didn't want to do it, it was not expected that it would be done. People were just going to have to live with the fact that there was no federal money for jobs.

Young: There had been money.

Littlefield: There had been money and it was cut off.

Young: By the Budget Office?

Littlefield: By the Budget Office and by the Bush Administration. And so Kennedy and Hatch decided we need, I think \$500 million for summer jobs. They came back from this dinner at Kennedy's house committed to doing it. They had a hearing, they lobbied like heck, and the upshot of it was that \$500 million additional appropriation dollars were set aside for the summer of 1992 for summer jobs, and 300,000 young people had summer employment in 1992 because of this emergency act, which they passed on June 22, 1992.

Young: How did that get through the Finance Committee, or did it?

Littlefield: It went through the Appropriations Committee.

Young: And that was?

Littlefield: It was another big Hatch-Kennedy partnership.

Young: Was Hatch on Appropriations?

Littlefield: No.

Young: It was [Robert] Byrd?

Littlefield: Byrd and probably [Theodore] Stevens. So it happened and you know, it wouldn't have happened but for Kennedy and Hatch getting together at that dinner.

Young: Whose idea was it?

Littlefield: I think Kennedy was throwing out ideas; healthcare, which is always something that he and Hatch worked together on, and then they were talking about these disturbances in the cities, and then somebody thought, *Well, what about summer jobs?* And everybody knew that the summer jobs had been axed, so they agreed to do it at that dinner, in his house. They came back and within weeks, \$500 million, 300, 000 jobs; Boston, New York, L.A., Atlanta, everywhere, 300,000 jobs.

Young: They didn't even have to drink a toast. *[laughter]*

Littlefield: There was no singing and no toast at that point.

[BREAK]

Young: It's recording.

Littlefield: So first, we've described the first President Bush, and I now want to move to the 103rd Congress, which was 1993 and '94, and that is of course the first term of President Clinton. Later on in my interviews, I will discuss, specifically, the work that Senator Kennedy did, starting in 1995, to shore up opposition to the [Newton] Gingrich "Contract with America" legislative agenda. We'll talk about that separately. But first what I'm going to do is go through the legislation in the first Congress with President Clinton, when Democrats were in the majority. I think there were 55 Senate Democrats, and there was certainly a very significant majority, probably a 60-vote majority in the House, and a Democratic President. So we had everything going for us at that point. Senator Kennedy was very enthusiastic about President Clinton. President Clinton had been very cordial and generous in references to the Kennedy family, and everyone felt—you know, for the first time in 12 years, we have a Democratic President. We all felt that he'd work closely with Senator Kennedy.

President Clinton had been elected essentially on an agenda, as he described it, of “putting people first.” That was the name of his book on his agenda. So in many ways you can say that Senator Kennedy’s effort, starting at the end of the Reagan Administration, to turn the ship of state back in the direction of what can the government do to make life better for the average person, for working families, in the areas of jobs and education and healthcare, and supporting children and families—That whole agenda had really won the day. Kennedy’s agenda had won the day over the agenda of Reagan, which was to cut back on everything; government is the problem.

George Bush was a little bit kinder and gentler in the first two years, but then didn’t do anything in the next two years. From the Republican Party’s right-wing viewpoint, he had done too much, he was losing the support of his conservative base. And then the first Iraq War. Kennedy says, even if Bush’s popularity is at 95 percent during the war, that’s going to fade very quickly when the war is over and people start focusing on the bad economy and the difficult existence that average people are having now because of loss of healthcare, schools not being up to snuff, can’t afford college, jobs not providing wages that are adequate, and the American dream is lost to people.

Young: And the economy was—

Littlefield: The economy was in the tank. So along comes President Clinton and, as I say, hopes were very high. My description of the Kennedy role with the first two years of the Clinton Administration is going to focus on the pieces of legislation that Kennedy was involved in, obviously, but there—many people have written about the Clinton Administration. I’m not going to talk about mishandled gays in the military and the choices for Attorney General who had to withdraw, and some of the problems that the Clinton Administration had at the outset, which sort of got it off on the wrong foot.

Young: Yes. Did Kennedy have an agenda-setting speech this time?

Littlefield: Yes.

Young: So he had an agenda?

Littlefield: Yes, and it was jobs, education, and healthcare, but it was “move it to a whole new level, because we’ve now got a Democratic President for the first time in 12 years.”

Young: So, this was more of what he did in 1989–90?

Littlefield: Yes, but at a whole new level, because we were now really talking about expanding Head Start in a much more significant way. We were talking about school reform in a much more significant way. We were talking about a bigger national service program. We were talking about a direct loan program that ultimately would replace the banks, and not just a demonstration program, not just a modest commission on national service; to study it and start giving grants. We were talking about taking these programs to the fullness of their potential. That was what we thought we could do, and that’s what we started out to do.

I want to start with—as I did when I was talking about '88 and '89, and '90 and '91, in the area of jobs and security. The first bill that Senator Kennedy moved through his committee after President Clinton was inaugurated was the Family and Medical Leave Act. The Family and Medical Leave Act provided workers in firms with 50 or more employees with 12 weeks of unpaid leave for the birth of a child or the serious illness of an immediate family member. It was reported out of the committee on January 26, and it was signed by President Clinton on February 5, having been vetoed in 1992 by President Bush.

Young: Bipartisan?

Littlefield: Bipartisan in the committee, yes. It was a vote of 14-3 in the Labor Committee. So that was the first Clinton bill, there was a big hoopla, a big bill signing, and that, of course, is at the center of Kennedy's agenda. The bill was all done the year before, so all he had to do was call it back up. During 1990 and '91, there had been a special commission, a national commission created to study job training. This commission had come up with a very influential report called *High Skills, High Wages*, which linked job training skills and high wages, and made the case for the importance of improving workers' skills as a way of improving their productivity and ultimately their wages. Interestingly enough, the executive director of the commission was Hillary Rodham Clinton, the wife of the Governor of Arkansas, and the staff director for this commission, was Ira Magaziner. I may have mentioned this before. I'm not sure if I did or not.

We got very interested in the work of this commission because it had in it a whole lot of very good ideas about how to improve the skills of the American workforce. And so we had a hearing, at which Mrs. Clinton, the first lady of Arkansas, came up and testified, and I remember vividly—that was probably one of the first times I met her—what mastery she had of the facts and what an effective advocate she was for this issue of high skills, high wages. Now there were various pieces of that report, and at the time, which was 1991–92, before Clinton was elected, we decided to turn that report into legislation and introduce the legislation as a sort of agenda of what we needed to do in job training. So there was a school-to-work piece, there was a create-training-standards piece, so that someone who gets trained in Massachusetts will be able to take his license to California. There were a whole series of issues of this sort that were in this bill, about how to completely modernize and reform and upgrade the job skills training programs in the United States. We didn't pass the legislation. We introduced it, as a way of setting an agenda, as I say. Then, when Clinton was elected, we started passing the individual pieces of that effort.

Young: The commission had been established. It was the national commission?

Littlefield: The national commission.

Young: Was it a Presidential commission or Congressional?

Littlefield: I don't remember, but it's the High Wages, High Skills commission. It may have been part of the Job Training Partnership Act reauthorization or something, I'm not sure. In any event, one of the first things we did was to work on a new school-to-work program, which would create a national framework for every state to develop its own school-to-work program—school-to-work meaning how young people make the transition from school to the workplace, where you begin having training programs while they're still in school and you give them job

experience, or you teach them how to do interviews and how to work with other people in the workforce. So we did that legislation and we got it through the Senate in November of '93, and then it was passed and enacted in May, 1994.

Bob Reich, who was then the Labor Secretary, had a strong hand with us in this. It was a novel approach because the program was created and it phased out after five years. The idea was the U.S. would provide the seed money to the states, and they would create these programs and then they would take them over. So it was a federal program that was determined to sunset, and that was sort of a new strategy, because we were very concerned about how you measure the effectiveness of all of these federal programs. We knew that that burden was on people who supported an activist, engaged government, to prove that the programs worked. So here was an approach, a new approach.

Then other things during that first part of the Clinton Administration included a National Community Economic Partnership Act, which stimulated enterprise developments in economically distressed urban and rural areas, through public and private partnerships. It was modeled after the New York City, Robert F. Kennedy program from the '60s, which had created these enterprise zones and created tax incentives and all sorts of strategies to encourage business development and job growth.

Young: Bedford-Stuyvesant.

Littlefield: Bedford-Stuyvesant, to move businesses into these areas. This was reported, and then we passed a Worker Technology Skills Development Act, which was all about disseminating information on workplace training. So that was another thing that had grown out of the High Skills legislation.

This memo that I'm using to remind me of this stuff doesn't have the date of enactment of the Economic Partnership Act and the Technology Skills Development Act, so I need to check on when they were enacted. There was another issue that the Senator had worked on, a labor issue that he worked on for a long time, and that had to do with prohibiting the permanent replacement of workers who strike. There had been a Supreme Court opinion or there was some development in the law that had enabled employers to permanently replace strikers, which in essence deprived strikers of the right to strike without losing their jobs.

Young: Yes.

Littlefield: This was an issue that was very hotly fought between the Republicans and the Democrats. The unions cared passionately about it. Senator Kennedy was their champion on this, and we moved it through the committee. Obviously, I need to get definitive word on whether or not we passed it.

Young: This would have overturned some ruling.

Littlefield: It would have rewritten the National Labor Relations Act.

[BREAK]

Young: OK, we're resuming, and we're talking about some dates of enactment, of importance.

Littlefield: I've gone back in my files, and the School-to-Work Act, which I talked about already, was enacted on May 4, 1994. It helps the 50 percent of high school graduates who do not go on to college to make the transition from school to the workplace, and provides seed money for local school-to-work programs. Massachusetts was one of the eight states designated by the Department of Labor as a leading edge state, in a national competition. As I said, this is a program that phases out after a certain number of years, and the states pick it up.

The other labor initiatives that I described, the enterprise development was enacted in 1994. The striker replacement legislation was reported through the committee but not enacted. However, in 1994, President Clinton signed an Executive Order prohibiting striker replacement for companies with government contracts. These are examples of additional work that the committee was doing. So let me go back now to what was, in fact, enacted.

I'm going to concentrate on the education and training dimension. The first of these is the Elementary and Secondary Education Act [ESEA] reauthorization, which was enacted in October of 1994. ESEA is the largest federal education program, passed during the Great Society. It provides over \$60 billion for schools, over five years, as of 1994. It's more now. It's been turned into No Child Left Behind recently. In any event, the Act of 1994 broadly reformed federal educational programs to increase flexibility for local schools to carry out their own school reform, to encourage high standards, teacher development and other reforms. This reauthorization of ESEA was one of the early school reform bills that focused on measuring standards and achievement by students and focused on a range of school reform initiatives.

Young: Reform meaning introduction of standards, uniform standards?

Littlefield: Standards being one element of this, but there are also other things: a longer school day, a longer school year, reduced classroom size, number of students in a class. These are the sort of standard reforms that we were all talking about at the time. I'll come back to more of the elements of it.

Young: Were these in the nature of incentives or mandates?

Littlefield: No, they were not mandates, they were options. It basically emphasized high standards for all students, local control and increased flexibility, but it focused on school reform and all the ideas of the school reform movement that were coming along at that point. So that's the school reform legislation.

I mentioned earlier the National Skill Standards Board, which is the job training piece that was in the original High Skills, High Wages workforce report. It was in the legislation we had introduced as an agenda-setting strategy in 1992. We passed the School-to-Work bill—I mentioned that earlier. We also passed the National Skill Standards Board, which set national standards for training in a whole slew of different areas—electricians, plumbers, all sorts of

different areas—so that, as I said, you could get trained in Massachusetts and move to California and your training certificate would apply and you wouldn't have to go through a whole new process. As companies closed and people moved, there needed to be this flexibility. That was enacted in March 1994, so that was the second big piece of the High Skills, High Wages report that we enacted during the first two years of the Clinton Presidency.

There was another education act that came along before the Elementary and Secondary Education Act reauthorization that I just mentioned, and this is really the legislation that encouraged school reform. It was called Goals 2000: Educate America Act, enacted March 31, 1994. It authorized \$5 billion in grants for schools to carry out their own locally developed school reform programs, including core curricula, teacher development, and providing greater flexibility in the use of federal funds. So in terms of elementary and secondary education, the Goals 2000 was the first one enacted. The next one was the Elementary and Secondary Education Act reauthorization, which is the big funding program, the \$60 billion program. Then there was another piece that was incorporated in Goals 2000, the Safe Schools Act, which dealt with preventing violence and trying to minimize drug use in schools. That was a focus of Goals 2000 as well.

Young: So Goals 2000 was kind of a—

Littlefield: School reform blueprint.

Young: Package.

Littlefield: Yes, that came about in March 31, 1994.

Young: This was one of Clinton's—

Littlefield: It was one of Clinton's things, yes, but it was something we had been working on with Lamar Alexander, who had been the Secretary of Education under the first Bush.

Young: I had a note to myself to ask about Lamar Alexander when you were talking about the education beginnings and Bush.

Littlefield: Lamar Alexander was involved with the beginnings of school reform, and we did a whole bunch of hearings and he introduced a blueprint for school reform, and it included all these ideas of flexibility at the local level, core curricula, standards, longer day and school year, smaller number of students in the classroom.

Young: Was it backed by the first President Bush?

Littlefield: Yes, but it really wasn't enacted into legislation until Goals 2000. It was a Department of Education initiative, but then we turned it into legislation under Clinton. We have Goals 2000, we have Elementary and Secondary Education Act reauthorization, Safe Schools, School-to-Work, skills training, that was all part of this whole education agenda. There was a Technology for Education Act, to increase computers in classrooms, training teachers to take full advantage of computers. That was sort of the elementary and secondary education piece.

Then for higher education, we had the Student Loan Reform Act, which was enacted in 1993, and that streamlined and modernized the federal student loan system by instituting the direct loan program. I mentioned that we had a demonstration direct loan program during the first Bush Administration. Then we enacted this greatly expanded direct loan program, which would save students and taxpayers more than \$6 billion over five years by reducing interest payments for students and loan origination fees for students, and cutting out the risk from profits to the banks and the loan middle man. Plus, direct loans offered more flexible repayment options.

That, as I remember, was packaged along the way with the creation of the AmeriCorps program, which we were also working on. The AmeriCorps program was enacted September 21, 1993, and that was to support full-time and part-time service by Americans of all ages, encouraging integration of community service with school and community based educational programs. It established the Domestic Youth Corps, which is AmeriCorps, and created the National Service Trust to fund vouchers and loan forgiveness for higher education and job training in return for service. This was modeled after such organizations as City Year and Youth Build and was one of President Clinton's top legislative priorities. So that was the National Service Trust.

Then there was the Head Start expansion, which put Head Start on a path to reach all eligible children for the first time. It expanded the program to cover pregnant women and young children in the zero-to-three age group. So we're then going down lower and lower, earlier and earlier in a child's life, because we understand that those years are so crucial to the development of the child's brain. That was May 1994.

So we have the early Head Start and putting Head Start on a financial path to cover all eligible children. We have the Goals 2000 and Elementary and Secondary Education reform for school reform. We have the Direct Student Loan Program for higher education and the greatly expanded national service program, with vouchers and tuition funding in return for the year of service. So it was a full-scale increase and reform of the federal role in education and training, and I believe that that is one of President Clinton's greatest legacies, the wholesale focus on reform of the federal role in education, for which Senator Kennedy was basically the instigator and key mover in making it happen. This is a fact that is not well known. We called the Congress of 1993 and 1994 the "Education Congress."

Now we move to healthcare, and of course overshadowing all of healthcare was the failure in '93 and '94 of the Clinton healthcare plan. But there were many other smaller healthcare initiatives, such as the reauthorization and the revitalization of the National Institutes of Health. President Bush had actually vetoed essentially this same bill, in 1992. This was another of his vetoes. It had been vetoed because the legislation included fetal tissue research initiatives, which was the precursor to the controversy around stem cells. There was a significant controversy on fetal tissue research, and this legislation lifted the ban on fetal tissue research to advance treatment for Parkinson's disease, diabetes and Alzheimer's disease. This was an effort that Senator Kennedy achieved with the bipartisan support of Senator [Strom] Thurmond of South Carolina. He had a daughter, I believe, or a granddaughter, with type I diabetes, and he was very interested in fetal tissue research because it was thought to offer opportunities for progress in diabetes care. Kennedy ferreted this information out and went to Thurmond, and he supported the legislation.

We also focused on more AIDS research, on cancer, and on women's health issues, because the Senator had learned that the NIH had really been behind the eight ball when it came to including women in clinical trials and doing research on women's health issues. So this legislation focused on breast and cervical cancer, osteoporosis, and heart disease among women particularly. This was probably the most significant reform of the NIH at any point until 1998, when the budget was doubled under Kennedy's leadership.

There were other health initiatives, such as childhood immunizations. There was a series of bills enacted to set the nation on the track towards universal immunization, to protect all children from vaccine-preventable illnesses. We created the Research and Development of New Vaccines program at the NIH and expanded availability of immunization services in communities convenient to families and children.

Young: So much of this is like perfecting what was earlier started.

Littlefield: Yes, it's perfecting and taking it to the fuller level.

Young: And taking it to the fuller level.

Littlefield: That's a very good point. So when we had a Republican President, he couldn't make these programs full scale, but he could get them started. We could see if they worked. And then we would use that, we were always building those—that's why we started those demonstration programs, to set the groundwork for doing a bigger program if we won the Presidency back.

Young: So the agenda is really being detailed and enacted and expanded.

Littlefield: All of that is true. That's a very important point.

Young: It's not that there's a brand new idea, a big idea, a new thing to get.

Littlefield: No. These are mostly ideas that we'd been working on for some time.

Young: And it's very interesting historically, that it starts in the Bush years when, as you pointed out, the bloom has gone off the Kuwait affair and the recession is on us once again—turning to what the press would call domestic concerns, but there's a great deal of continuity. It's returning to the unfinished agenda of the '60s and '70s.

Littlefield: Yes. It's the kinder and gentler Bush the first two years, and then once we got going, we didn't stop, and we waited for a Democratic President. We got one and we moved full speed ahead on these things. So childhood immunization, developmental disabilities, breast and cervical cancer, traumatic brain injury, organ and bone marrow transplant, minority health I talked about before. So it's all of those kinds of things that we were now moving to the next level with President Clinton.

One other interesting little digression here was the Freedom of Access to Clinic Entrances Act, which protected women's access to reproductive health services and provided criminal penalties for those who use violence against abortion providers or physically obstructed access to clinics. This was actually applied in convicting the killer of a doctor and his body guard at a clinic in

Pensacola, Florida, over the summer of '94. It was enacted in May of '94. So that was a whole other direction, which we could never have done under President Bush. He wouldn't let us do fetal tissue research.

As I say, all of these issues pale beside the effort that we put into place to try to move the Clinton Health Security Act, a big universal coverage legislation. We had 47 hearings during '93 and '94. In Senator Kennedy's committee we marked up the Clinton bill essentially, reported it to the floor, and that's a whole other topic, which I'm happy to discuss sometime.

Young: You did mention that in the earlier—

Littlefield: I mentioned it, but I'm sure I've not done it full justice. One has to read the book by David Broder and Haynes Johnson called *The System*.

So you see, when you look at the highlights of these first six years, that I was lucky enough to be there. In the highlights since Reagan left and Kennedy became the chairman—when you think of early education, school reform, job training, national community service, higher education, direct lending, when you think of NIH revitalization, women's health, childhood immunizations, AIDS care and research and treatment, family and medical leave, Americans with Disabilities Act, Civil Rights Act of '91, childcare, food labeling, minimum wage—you can see what a vast legislative list of accomplishments Senator Kennedy is responsible for in that six-year period.

It was at that point—that was the end of our being in the majority, because along came the 1994 election and at that point, Senator Kennedy was no longer the chairman of the Labor Committee or in the majority, and the House was also controlled by the Republicans. It was a swing of some 60 or 80 seats. The Senate was now Republican; there was an ultimate swing of ten seats. So we had 45 Democrats. After the election in November of '94, there were 47 Democrats and two Democrats changed parties. Senator [Richard] Shelby of Alabama and Senator Ben Campbell of Colorado both switched from Democrat to Republican, and so we ended up with 45 Democrats.

So this incredibly productive period came crashing to a halt, and Senator Kennedy's task became a different one. It became one of minimizing or mitigating the damage from the Contract with America, stalling the Republican juggernaut, if you will, the Gingrich juggernaut, and yet still enacting important bills from the minority. I talked about some of this last time, but if one looks at Senator Kennedy's record over all of his years as a legislator, one might see his work in stopping the extreme elements of the Gingrich Revolution, which encompassed such defensive ideas as stopping the abolishing of the Department of Education; and proactively, even using his position in the minority to enact another minimum wage increase; significantly increase the regulation of health insurance in terms of preexisting conditions and portability ([Nancy] Kassebaum-Kennedy); and most importantly, the Children's Health Insurance Act, the S-CHIP legislation, which provided health insurance for ten million children. He did all of this in the minority, in '95, '96 and '97.

And it was in the '96 and '97 period that many political reporters in Washington started writing these articles about Edward M. Kennedy being one of the greatest legislators of all time. Look what he did when he was in the majority, and I've given you just a taste of that for the six years before, and look now at what he has done from the minority. He's turned the minority around

and made the Republicans enact his priorities, and he has stalled, single-handedly in many respects, in the Senate, the legislative agenda of Newt Gingrich and encouraged President Clinton to hold the line. All of that happened in '95, '96, and '97.

For the period after 1997, I left my Senate job with Senator Kennedy in January 1998, so my knowledge of what happened is from afar, but I stayed very involved. Senator Kennedy had some significant progress in legislation, but by that time, Republicans really were geared up to not allow things to happen the way they had been caught by surprise with Kennedy's success at driving the agenda even from the minority, in the first three years of Gingrich.

And then, ultimately, impeachment took over and Gingrich imploded, and then [Robert] Livingston imploded, and Denny Hastert became the Speaker. They tried to put a more compassionate face on the hard edge of the Gingrich Revolution, and [George W.] Bush ran for President as a compassionate Republican who wanted to bring civility and bipartisanship back to Washington. It didn't work out that way, but that's how it was presented. That's what got him elected. We can come back to this topic, but Kennedy basically, in many ways, was responsible for stopping what would have been the most dramatic turning back of the clock in terms of federal legislation, led by the Gingrich Congress, because Gingrich passed the whole Contract with America in the House. Gingrich would have rolled us back—Social programs would have been rolled back to where they were before the New Deal, and regulation of business would have been rolled back to before Teddy Roosevelt if Gingrich had had his way, and there was reason to think that he might get his way when the Republicans won the landslide they won in 1994.

Young: So it brought in a new crop, new kind of Republicans.

Littlefield: That's right, yes.

Young: What would you say, out for blood?

Littlefield: Well, they just had a very clear agenda, which was to undo years and years and years of domestic social programs, and I'm happy to turn to that. Well, that's the whole draft, unpublished, incomplete book; that's my whole book, all 600 pages of my book. But I've told you the story of the minimum wage increase of 1996 already.

Young: You've done the minimum wage.

Littlefield: We probably won't do healthcare in quite such detail. I will do S-CHIP, the Children's Health Insurance Program.

Young: When was the S-CHIP?

Littlefield: 1997, so it was the first year of the second Gingrich Congress.

Young: The S-CHIP is right up there as an important piece of legislation.

Littlefield: Right.

Young: So after we get through this, do you want to talk about tomorrow, talking about the leaders.

Littlefield: Yes, I can do that.

Young: Kennedy, then you'll manage to do the leaders.

Littlefield: I'll do that tomorrow.

Young: And things of that kind. You have talked about stopping the juggernaut. You mentioned two things going on here; stopping and then getting things done.

Littlefield: Now, have I done that story in detail? I don't think I really have done it. I've done the passing of the minimum wage. You had indicated you wanted to hear more about Kennedy's preparation to resist the juggernaut, his meetings with various people.

Young: Yes.

Littlefield: The substantive work he was doing to get ready for the battle with the new Republican Congress.

Young: The outreach.

Littlefield: Yes, and the outreach.

Young: I think you've already made the point quite cogently. You might want to expand on it though.

Littlefield: Let's just whip through this stuff then.

Basically, the election results in '94 were just a giant tsunami that swept across the country. The House went from 258 Democrats and 176 Republicans to 236 Republicans and 198 Democrats, a shift of 60 seats. The Senate, as I say, went from 55 and 45, and after a change in party by two Senators, the shift was nine seats, so it was 48 Democrats. Let's see, 55 down nine, so 46 Democrats and 54 Republicans, so a shift of nine seats. The Governors reversed completely, from a 30-18 Democratic advantage to a 30-19 Republican advantage. [Mario] Cuomo lost; Ann Richards lost to George Bush—that was pretty crucial; and Gingrich and his Contract with America won the day.

So, what was the country facing? It was facing this onslaught of Gingrich Republicanism and the Contract with America, which promised a new Republican revolution, to diminish the role of the Federal Government in American life. They wanted to eliminate the federal role in education entirely, scale back healthcare, weaken environmental standards, slash benefits for immigrants and civil rights. They had a radical social agenda to outlaw abortion, restrict promising biomedical research, repeal controls on assault weapons and handguns, reduce taxes primarily for corporations and wealthy Americans, and balance the budget. They wanted to cut benefits, including cutting spending for Medicare and Medicaid, domestic programs of all kinds were to be cut. The Republicans actually bragged about how they wanted to shut down the government

in these early days. They believed that the shutdown would prove that the Federal Government was not necessary and they could carry out their revolution without resistance.

And the Republicans, at that time, weren't acting alone. They were backed by this conservative political and marketing juggernaut—right wing think tanks, public relations organizations, radio and television talk shows, newspapers, trade associations, lobbying groups, religious networks. They built this infrastructure up over three decades, and it was heavily financed by right wing contributors. It seemed as if this revolution was unstoppable.

During the campaign, some Democrats said, “Well, we have to blur the lines between Democrats and Republicans. They’ll say we’re guilty of class warfare if we identify with low-income and middle-income families and their support for a more active Federal Government.” After the election, many Democrats were totally demoralized. They argued that we should accommodate the Republican legislative agenda. “We can’t stop them no matter what we do,” they would say, “and we’ll look bad if we try, so let’s not try. The public has spoken. We should show we’re for lower taxes and smaller government, too.” But of course Kennedy took a very different view, and in his own election in 1994, he had said, in a speech at Faneuil Hall in Boston in October 1994, “I stand for the idea that public service can make a difference in the lives of people. I believe in a government and a Senate that fight for your jobs, that fight to secure the fundamental right of healthcare for all Americans, that fight to make our education system once again the best in the world. I will make a pledge to you. If you send me back to the Senate, above all others, I will be a Senator on your side. I will stand up for the people and not the powerful.”

Then, in his annual agenda-setting speech on January 11, 1995, he said, “I am committed to the enduring principles of the Democratic Party, and I am proud of its great tradition of service to the people who are the heart and strength of this nation; working families and the middle class. I believe I won because I ran *for* health reform, not away from it. I ran *for* a minimum wage increase, not against it. I attacked Republican proposals to tilt the tax code to the most privileged. I ran as a Democrat in belief as well as in name.” This turned out to be also, the best politics. “As Democrats we can win, but only if we stand for something. If we fall for our opponents’ tactics or if we listen to those who tell us to abandon health reform or slash student loans and children’s programs, or engage in a bidding war to see who can be the most antigovernment or the most laissez-faire, we will have only ourselves to blame. As I have said on other occasions, Democrats must be more than warmed over Republicans. The last thing this country needs is two Republican parties.”

So literally, the day after the election, Kennedy started to carry out the resistance to this Republican revolution. And as I’ve just noted, it was unclear at the outset that this would work. It was unclear at the outset where President Clinton would stand, although he ultimately played a key role. And then within a year of the ’94 elections, the Republican revolution had almost collapsed. Although they passed all of their Contract with America items in the House in the first 100 days in 1995, none of these items passed the Senate. And by 1996, they were racing to enact the Kennedy initiatives in healthcare and minimum wage.

Young: Would you want to talk later, in somewhat more detail, about after the election and before the inauguration of Clinton?

Littlefield: Yes.

Young: You had mentioned in the earlier interview, all of these places he went, these people he talked to outside, other Senators.

Littlefield: Yes. Why don't we do that?

Young: Sort of rebuilding morale or purpose in the Democratic Party. You said he talked to Professor [Robert] Coles; he talked to all of these people.

Littlefield: He did, yes, to people inside government and outside.

Young: He talked to other Senators. It sounds like an almost evangelical effort to listen, but also to inspire people. Do you want to do that now?

Littlefield: Yes, we might as well. As with all Kennedy initiatives, the substance comes first. So we decided we would have a series of meetings with Democrats in the Senate, Democrats in the Senate leadership and on the Labor Committee, and other Democrats, potential allies. And then we'd go over to the House and do meetings with the House Democrats, one-on-one meetings with Kennedy. We also had a whole strategy for the President, and we wanted to work up to that.

Young: You did talk last time about the meeting, which you worked up to, and about the meeting with Clinton. You told that in a fair amount of detail. You did mention, Nick, one meeting to which you went. It was a leadership meeting, I believe.

Littlefield: Yes. I talked about the minimum wage.

Young: Yes, that was on the mythical voyage.

Littlefield: In January 1995, right after his mother died.

Young: Right.

Littlefield: Just to give you a taste of some of these sessions. As I say, we met with all the key Democrats in the Senate and the House initially, and then we also had these issues dinners. So let me talk about the issues dinners. We had an issues dinner right after Thanksgiving. This obviously wasn't the first one, but with various people in Boston, including Doris Kearns Goodwin and Richard Goodwin; Alan Brinkley, the historian from Columbia; Robert Kuttner, the editor of the *American Prospect*; John Sasso, chief of staff to Governor [Michael] Dukakis in the early days. We had dinner and we went through what had caused this election fiasco for Democrats, and there were all sorts of ideas.

The Senator summed it up, saying that Democrats should not give up on previous efforts to improve the economic security of working Americans, to improve their healthcare, and to improve their schools. We should not give up on these core Democratic Party objectives, but we also had to re-identify ourselves with working families on the level of values. We had to go back to when Democrats stood for community and neighborhood and church and school and working people. We needed some sort of Democratic infrastructure to compete with the Republican

infrastructure, to develop ideas and messages for broad consumption. And we needed to really get President Clinton to resist Republican extremism. So there was that, and then I'll come to meetings with people outside the government in a minute.

Young: What you've just talked about is Kennedy's sense of what he was hearing?

Littlefield: Yes, that's what he'd heard from this group of people.

Young: And so this is after he's heard the diagnosis.

Littlefield: Yes. This is probably toward the end of the dinner. This was November 27, so we'd already had three weeks of thinking about this, but this I think was one of the early dinners with academics, historians, and that's where it came out. It confirmed what he was thinking anyway, and what he said in his speech at Faneuil Hall and in his agenda-setting speech in January of the next year.

Young: What was the point about rebuilding a Democratic infrastructure to generate new ideas and new approaches? Was he referring to the right wing and Republican think tanks?

Littlefield: Yes. We had to have something like that, and it took some time, but eventually we did what we do today. We have the Center for American Progress; we've got many academic centers and progressive think tanks. But it was clear to everybody that if we didn't have that kind of an infrastructure, we couldn't compete with the conservative juggernaut.

Senator [George] Mitchell, who had led the Democratic majority for six years, had not run for reelection, so we didn't have a leader at this point. It seemed as if Senator [James] Sasser would be chosen to succeed Mitchell, but then Sasser lost his reelection in November 1994. So there was a contest between Tom Daschle and Chris Dodd, and the night before the vote, Dodd thought he had it won, and then Senator Carol Moseley Braun changed her vote, so Daschle won by one vote. Kennedy was very close to Daschle, particularly because they had worked together on healthcare, because Daschle had been Mitchell's deputy to handle healthcare in '93 and '94. But Kennedy was closer to Senator Dodd. Dodd was Kennedy's best friend in the Senate, so he naturally supported Senator Dodd. But he had nothing but great respect and affection for Daschle, so that was not going to be a problem. He worked very closely with Daschle, and Daschle didn't hold it against Kennedy because he understood that Dodd was such a close friend to Kennedy.

The first thing that Kennedy did with Daschle was to try to help decide on what the key new bills would be that Senator Daschle would be introducing at the beginning of the term. Whether you're in the majority or the minority, the first ten bills—the first five go to the majority, then the next five go to the minority. So that sort of helped to lay out the agenda.

Young: So it's the next five that you had to decide on.

Littlefield: Yes. Kennedy wanted to make sure that some of this working families agenda was part of it. We were concerned because we learned that Senator Daschle was moving in a safe direction but not an aggressive working families agenda, with no mention of education. We went and started working with Daschle and his people. We decided our first request was for

healthcare. Healthcare was one of Daschle's priorities, and then we also worked on job training. Several of Daschle's closest colleagues, including Senator [John] Breaux of Louisiana, were very interested in job training, so we worked with him on that, and that became the Working Americans Opportunity Act. So we had healthcare and job training.

Young: What specifically in healthcare, S-CHIP?

Littlefield: No, not S-CHIP. Kennedy had started working on this health insurance portability and preexisting condition exclusion legislation with Senator Kassebaum, so Kennedy was working with Daschle's staff and taking a lead on health reform. Kennedy was going to pick up pieces from what had been left from the failed Clinton healthcare effort. Well, Kennedy and Kassebaum agreed that if there were things that had been agreed to in a bipartisan way during the Clinton healthcare debates, Kassebaum might consider doing those with Kennedy as separate bills, and the first one was guaranteeing portability and limiting preexisting condition exclusions. The next one we ended up doing with Hatch was S-CHIP.

Young: It was known at that time, I suppose, that Kassebaum would replace Kennedy, and the change came.

Littlefield: Yes.

Young: On the committee, as chair of the committee.

Littlefield: Hatch, I think, went to Judiciary, to be chair of Judiciary. Kassebaum was next in line, so she became chair of the Labor and Human Resources Committee that Kennedy had chaired from 1987 to 1995.

Young: So this is all being done in the interim, before the new Congress.

Littlefield: Between the election and Christmas. Kennedy met with all the Democratic members of the committee, talked about the agenda. Kennedy's plans for the committee were the same as they would have been if he were still in the majority. He wasn't going to pay any attention to the fact that he was in the minority. So even though the Republicans controlled the agenda and they controlled every vote, he was going to keep going. He wasn't going to back down. He was going to go on as hard as ever on healthcare, education, jobs, whatever else. People looked on in disbelief, but it didn't faze Kennedy. He knew what he was going to do.

Young: Were there any, so to speak, Gingrich-ites on the committee?

Littlefield: I don't know. I'm sure there were, because some of the new Senators were Gingrich-ites.

Young: Beyond the committee.

Littlefield: Yes, because they had come over from the House. Kennedy knew that he was a friend of Kassebaum's, and that they could keep working together. So he had several early meetings with Kassebaum, to talk about the agenda. I remember he called her in Kansas right after the election to congratulate her. He went and visited with her when she got back to

Washington. And they were friends, so they were going to work together on the key issues. She wanted to move job training legislation. That was one of her big initiatives, and she wanted it to be bipartisan. She wanted Kennedy's help on that. She wanted to be involved in childcare legislation, Medicaid. Kennedy talked to her about the bipartisan healthcare opportunities, and then she agreed to work with him on that.

Then Kennedy went to [James] Jeffords, the second-ranking Republican on the committee, and talked to him about what the agenda was going to be. He talked to Jeffords about minimum wage and health insurance. Jeffords warned Kennedy that the struggle within the Republican Caucus, between the moderates and the far right, was intensifying. He told Kennedy that Senator [Robert] Dole had actually tried to block Senator Phil Gramm and Senator [Trent] Lott from getting on the Finance Committee. Instead, Dole wanted to put more moderate Republicans on ahead of them, but it was a losing game from Dole. He couldn't hold off the right wing, and Lott defeated Alan Simpson of Wyoming, a Kennedy friend and a moderate, for Deputy Leader by one vote over Dole's objection, and that was really the sign that Lott and his right wing allies in the Republican-controlled Senate were going to take power from Dole eventually.

So Kennedy met with more people at Harvard. He met with Robert Blendon, a pollster and public healthcare guru, Mark Mellman, and other strategists and pollsters.

Young: Were you in on those meetings?

Littlefield: Yes, I was in on all the meetings.

Young: Do you have any stories about them?

Littlefield: Yes, I do. Kennedy asked Blendon what the polls showed were the reasons for the failure of the healthcare bill in '94, and whether healthcare was still a key issue with the American people in '95. Blendon said that his polls showed that people had become scared by too much reform all at once, and their expectations of what was possible to do had been reduced. Healthcare was still at the top among issues the public wanted the government to take action on in '95. It was hard to convince people, Blendon said, that people with jobs didn't have health insurance. People thought it was the out-of-work who didn't have health insurance. Well, in truth, the out-of-work people with very low income may have health insurance through Medicaid. It's people who have low-wage jobs, who work 40 hours, but their employers don't provide insurance—they're the great majority of the uninsured, but people didn't understand that.

Then Mark Mellman said that the failure of healthcare reform had an enormous effect on the election because it highlighted the worst aspects of big government, and the Democrats couldn't even get their plan passed. The big government side of the Clinton plan got played out, not the benefits. And then Kennedy talked about preexisting conditions and portability, and both Mellman and Blendon supported those as important issues.

Then he had a brainstorming session on the economy on December 7 with leading economists, including George Perry of the Brookings Institution, Robert Reischauer, who had been the CBO [Congressional Budget Office] head, and others.

Young: What was the question about the economy?

Littlefield: Well, Kennedy started the meeting by observing that over the last two decades, business profits were way up, by 14 percent, but wages for workers had been flat or fallen, using his old theme about the rising tides not lifting all boats any more. In fact, we came back to this intensively in 1996, with a serious legislative proposal to try to even this out, but Kennedy was really focused on it right then in December, a month after the election. “Shouldn’t there be a way,” he asked, “for Democrats to work on the system to make sure that some of these profits come to working families?” And then George Perry confirmed the Senator’s points: wages hadn’t grown for low-income groups in the newest recovery. He said the tax side can only make a small difference. Reischauer said dealing with the issue of wage and equality is difficult.

Young: Is Kennedy searching here for a program or issues that can bring Democrats together?

Littlefield: Yes, and also I think he’s looking for the case for the minimum wage, and both Perry and Reischauer supported the idea of the minimum wage, the importance of it. We had a dinner with Harvard professors Robert Coles and Michael Sandel in Boston. Coles was very outspoken. He said that the Republicans had really fooled the American voters. Coles said [Richard] Nixon started talking about the silent majority among middle-class Americans. “They’re basically Democrats,” Coles said, “but they have so much resentment and racial hate that comes out constantly, which Republicans have exploited for years and will continue to do. Republicans cultivate groups for middle-class Americans to hate. It’s the politics of envy and resentment and hate. I hear it in the homes of people who have nothing to gain from Republicans and everything to gain from Democrats. They hate the liberal elite, Harvard and the *Boston Globe*.”

And Coles then said, “All these people voted for you, Senator Kennedy, because it was clear that if you didn’t win, they might actually lose their jobs. They thought *Senator Kennedy actually has so much power, it might really hurt me if he loses*.” And then he asked, “Is there some way to make the point that ordinary people will lose from the Republican plan? They are given contempt and hate of gays and blacks. There is always the group below them to scorn and look down on. That is heady stuff for people on the economic treadmill.”

Sandel said, “I remember when all these people could be pulled together under the Democratic Party, but the Democrats have made fundamental mistakes because the economic arguments—health, jobs and education—are not important enough by themselves. The Democratic agenda of the New Deal was exhausted by 1960. It had largely succeeded, and another set of issues came to dominate our public policy, and these involved values, community, and citizenship—in a sense belonging—and what is missing in the arguments we have to offer is that whole dimension. People are less in control of the driving forces in their lives, in their community, in the nation, and in the lives of their families, and the moral structure is unraveling around them. The Democratic Party has not figured out how to deal with the sources of these people’s frustrations. Republicans have tapped into them. We have to figure out a way of speaking to these frustrations, going beyond the New Deal issues of more or less government.”

And then Kennedy responded, “In my family, patriotism and the importance of family and of religion was assumed. Now the Republicans seem to have it and we’ve lost it. Democrats have to begin to emphasize the relationship between Democratic programs and these values. Crime

debate is about fear of physical violence, but if people don't feel free to walk in a neighborhood, they don't feel a tie to their community. Our policies ought to build up the community. The nation is a community. We need to shore up our local communities and neighborhoods."

Kennedy said, "What is the difference between perception and reality? What about those good old days for Democrats, when the elderly and minorities were solidly in the camp of Democrats?" Coles replied, "You have to go back to that past and remind people of the progress we've made. The Democratic Party led the battle for ending discrimination, for family and medical leave." Kennedy said, "As a politician, I know the public needs to see symbols that emphasize the points that the policies are making." Coles said, "You're right, people have forgotten what Democrats have achieved, and the Republicans give you the symbols; the flag on the lapel, capital gains, the B-2 bomber, and a lot of people you can look down on and hate. But remember, we're talking about an election in which only 40 percent of the people voted. If you get more of the people in Chelsea, Massachusetts, who don't vote now, to vote, the Democrats will win."

This was very provocative stuff and a lot of food for thought. Then we met with Professor [John Kenneth] Galbraith.

Young: What was Kennedy's reaction to these fundamental critiques of the Democratic Party?

Littlefield: He took it all in, and I think his agenda-setting speech in January reflects his understanding of the best ideas that he heard during this very intensive time of meetings, as well as his own long-held views and what he heard traveling around Massachusetts in his election campaign.

Young: It sounds like somebody had lost faith.

Littlefield: Kennedy didn't lose faith.

Young: No, not Kennedy.

Littlefield: He held onto his faith in the Democratic values. He was trying to learn how to frame them, but people like Coles and Sandel, who were historians and social policy intellectuals, were trying to describe what they saw.

Young: I'm saying they must have been—they're painting a very bleak picture.

Littlefield: Well, it was bleak. It was very bleak for Democrats. That was the problem that we were facing.

Young: Not what's gone down the tubes, not what can come out on this, what they were talking about.

Littlefield: Yes, I mean it's what we've lost and what we would have to regain to come back. That's what Kennedy was asking, "What do we do to come back?" Then we had this meeting with Professor Galbraith at his house, and that to me was one of the most unforgettable moments of my working for the Senator. Galbraith was under the weather; he had a cold. He was 86 and

was still going strong, but he had a cold, so he had asked the Senator to come and visit with him in Cambridge rather than—normally, Galbraith would come to Washington. So the Senator and Mrs. [Victoria Reggie] Kennedy and I went to have tea at John Kenneth Galbraith's house, which is a large, rambling, Victorian style house off the Harvard campus, on what is called Professors' Row, over by the Divinity School. The house was very dimly lit. The furniture had been there obviously forever and hadn't been changed for decades.

Galbraith took us to his first-floor study and showed the Senator a picture of the two of them 30 years before, taken during the Kennedy Administration, when Galbraith was Ambassador to India. He also showed the Senator the galley proofs of his new book, *The Good Society*. Mrs. [Catherine] Galbraith brought in tea and cookies, and we sat in this dark, old-fashioned living room for it seemed over an hour, and neither Kennedy nor Vicki nor I said a word. Galbraith spoke the entire time. He never stopped and he just kept going. "The problem is," he said, "that only 38 percent of the eligible voters vote, and so the Republicans won with less than 20 percent of the vote. The essence of Democratic success is to get people to vote, as in the Roosevelt era. We had a big turnout of low-income people in the Roosevelt era. That's why we had such a period of success. Those who aren't voting are those who most need the public services. It is the Republican genius to get people to stay away from voting, to keep people who would vote against them from voting. With the southerners now taking over the Congress, this election was the revenge of the old confederacy."

Then—and I'm cutting to the key points—he said, "Republicans' appeal to the middle class is a fraudulent way to release resources to the rich. The middle class is being used to advance the interests of the rich, and the middle class will see the extent of the fraud ultimately involved in the Republicans' approach. The middle class won't see gains from the Republicans. They didn't under Reagan. Republicans will give \$500 to the middle class in order to get \$500,000 for the rich. This is basic Republican doctrine.

We need a closer association between the Federal Government and the cities. The cities are the center of our problem. "When I first came into government, we talked about the farm problem, but that's now disappeared. Now we need assistance for the cities. We need a reconstruction finance corporation, where cities can get low interest loans to rebuild themselves."

And he said, "I want to make a point in a slightly sardonic way. Don't take me too literally. We must come to understand the nature of government as a 'burden.' The government is not a burden when it is for the affluent, for defense, Social Security, bailing out broken banks or the savings and loans. That's not a burden. Government only becomes a burden when it is for poor people. It becomes a burden when it is food stamps or welfare. The burden is associated only with help to the poor, not help to the affluent. We must have a basic safety net. In a rich society, you cannot let people starve; you cannot let children of unmarried mothers starve to death. We need a special proposal to deal with the great poverty in our biggest cities.

"The Federal Reserve Bank has followed the policy of opposing inflation at the expense of higher unemployment. Bankers like a good return for their money, so there's a large constituency that fears inflation. We have a large number of people who are on a fixed income, for example. At the same time, of course, unemployment is suffered by someone else. There's a big public lobby against inflation, but not a similar effort against unemployment. I would be for economic

growth and some risk of inflation if that is an alternative to unemployment. We have to fight against what I call the pregnancy theory of inflation. You can't have a little inflation. I don't buy that. I'd keep interest rates down, encourage a high rate of growth, and take a risk of future inflation. I'm willing to accept some continuation of the deficit. Failure to invest is a big problem. The purchase of long-term investments in transportation. You can make a case for long-term investment because it will enhance incomes later."

So it went with Galbraith. It was fabulous, just from a historic standpoint, to hear him holding forth.

While these meetings were continuing, Kennedy worked with Senator Daschle and the leaders of the Democratic Senate, and then he started making pilgrimages to the House to meet with the House Democrats. It was unusual that a Senator would go over to the House, particularly a senior Senator, but Kennedy always went to the other person's office. He thought that was polite, and people appreciated it. He met with David Bonior, who was deputy leader of the Democrats, under [Richard] Gephardt. Bonior agreed with Kennedy totally that everything should be looked at in terms of how it will affect the working families, whose votes we'd lost in the last election.

Young: Did you, in these meetings—or did Kennedy—have the sense that the party had lost touch with—this was something that kept being talked about.

Littlefield: It kept being talked about, and we had to get back in touch with the working people. Kennedy didn't lose touch, and the working people in Massachusetts voted overwhelmingly for him in '94, in the election.

Young: But there was a sense of loss of connection.

Littlefield: Yes. That was why we lost the election, right. Republicans won the working people vote and the low-income people didn't vote. Bonior was talking about a tax cut for people in the \$30,000 to \$70,000 range, sort of a populist alternative to what the Republicans were proposing, which primarily benefited the wealthy. He agreed that education, minimum wage, and healthcare were all issues we should continue with. "We have to be there visually for workers. We need a host of ideas to get ourselves back to those people who abandoned us," Bonior said.

Then we met with [Victor] Fazio, who was more conservative. He was more resigned to the Republican control of the House. He mentioned immigration. He didn't convey a level of intensity to fight back against the Republicans.

We met with Barney Frank, the Massachusetts Congressman. Barney was very concerned that the President would give away too much ground in his budget. "Why would we ever slice Medicare in our budget and neutralize the issue before the Republicans basically try to decimate the program? If the challenge is to reduce the deficit, why aren't we looking at more cuts to defense? Britain and France don't want our defense, so why don't we take them at their word? Why should we be prepared to fight two wars at once? We can't let the Republicans cut education funding." Frank was convinced the ammunition would be there. We're in a waiting game for the Republican budget. We simply want to bait the traps and wait to see what the Republicans do. We can come up with a better deficit reduction path, and not take away anything

that people want. We have to be prepared to document the harm the Republicans are going to cause.

Then Kennedy went over to see Gephardt. They were close friends, and he was now the Minority Leader. Tom Foley had lost his election, so Gephardt, who had been the Majority Leader under the Speaker Foley, now was the Minority Leader. Gephardt was very uncertain of what the future held in the new Republican House. The vibes were not good so far. Republicans were taking over the Congress and would set the agenda, and the rules in the House gave complete control to the majority; so as long as they held their votes, they could do what they wanted. Gephardt was obviously sympathetic to Kennedy's strategy of moving aggressively in jobs, education, and healthcare, and resisting Republican rollbacks, but Gephardt was focused on protecting his members as best he could in this new universe.

Then the meeting with the President in December of 1994, which I think I talked about already in some detail—all the background memos we prepared. In terms of the President, we met with a number of the people around the President first.

Young: Who?

Littlefield: We met first with Alice Rivlin, who was the Director of OMB [Office of Management and Budget], with Kennedy saying, "The President's budget should be a benchmark that Democrats in Congress would try to use in a constructive way. We shouldn't give up on issues. We should emphasize the themes on which the Democrats would fight, and the themes differentiating Democrats from Republicans." Kennedy made a big pitch for education: "We should not lose the political high ground on education. Our position should be no cuts in student aid." And then healthcare: "Medicare should not be used to provide tax cuts for the rich."

Young: Rivlin agreed?

Littlefield: Rivlin told the Senator that the center of discussion at the White House was on the topic of middle-class tax cuts and deficit reduction. That was not terribly encouraging, if Rivlin was right, because she was a reliable read on the attitude of the White House. The President was focusing on the Republicans' issues: tax cuts, spending reductions, and transferring power from the Federal Government back to the states.

She had said that the central topic of concern in the Administration was how to give Governors more power over federal programs, whether for instance to leave block grants to the states, in the new job training program. She urged Kennedy to remind the President that he needed a symbolic budget, a defining budget, and to remind him about the [Jimmy] Carter Administration, how President Carter had moved to the center and left behind the core of the party. She said that the Senator should talk about rallying the base. Talk about your own campaign, that's where the President's head is; what worked in the campaign and what didn't. How you move the middle to you. Get on the political wavelength with the President and the rest will fall into place. Here's what worked for me: jobs, education, and healthcare.

Then we met with Leon Panetta, the President's Chief of Staff. Kennedy's chief goal was to emphasize the "don't cut Medicare" theme; healthcare is still a priority, lead with the minimum wage. Panetta didn't say anything that was discouraging. Then we learned that the President was

going to be giving a radio address on December 15, so we needed to meet with him before that, because we knew he'd be writing his remarks for that address, and so we got on the schedule for, I think, December 13.

We hammered out our talking points for the meeting. We met with other people on Clinton's staff, including Mrs. Clinton's Chief of Staff, Melanne Verveer. She was worried about key budget issues and how the President was coming out. It looked like the President was preparing to out-Republican the Republicans. Republicans won't buy it, it won't be enough, and we'll be halfway down the slippery slope. She urged the Senator to talk frankly and politically about how the Carter Administration moved to the center and left behind the core of the Democratic Party.

Young: Was that Verveer?

Littlefield: Yes. Tom Glynn, who worked for Reich, also urged us to talk politics, why the President won. Get the President on the wavelength of why he won. So we had our outline for the meeting with the President, which was at 6:00 at the White House, on, I think, the 13th of December. Kennedy's points were, first, the general strategy of my election can work for you; fighting for working families and demonstrating you are on their side in every conceivable way, at every opportunity. Putting people first and contrasting our positions with Republican positions.

His second point was that key areas are job training, Medicare, healthcare, tax policy, minimum wage, and protecting college financing. The third point was that you need to keep the base on our side. Unions, minorities, women, gays, education groups, and the health community all worked like hell for me and helped the campaign enormously. We need energetic support of our base heading into the 1996 election, and then we will pick out areas where Republicans are clearly extreme and publicize them—orphans, food programs, gag rule on doctors about certain treatments and procedures.

And then we made the point that the budget was a political document, so his budget should avoid making cuts in core programs. Let the Republicans do that and then we attack them. Resist all cuts to student aid, no Medicare cuts except to pay for health reform, job training, and we should pay for the middle-class tax cut by reducing corporate welfare subsidies and tax expenditures.

The Senator and I drove in his car to the White House for the Clinton meeting. We were ushered up into the family wing of the White House. We went into the Lincoln Office on the second or third floor of the White House. Pat Griffin, the Director of Legislative Affairs for the President was there. Harold Ickes and Chief of Staff Panetta and the President sat in Victorian red velvet chairs, around a circular table that obviously was modeled after what had been there in the Lincoln era. I think the President had advance warning of what the Senator had on his mind, because the President spoke right up and said, "I take it you want us to stick with the working family themes?" Senator Kennedy agreed and said, "We laid the building blocks so I could return to the Senate to continue the effort to strengthen security for middle-class and working families. We need to identify certain powerful policy positions to symbolize this commitment." First, no cuts to Medicare. On education, no cuts to college aid. And there's a discussion about each of these topics. The President went even further than the Senator. He raised the idea of total tax deductibility for all college expenses. That was a surprise to the Senator.

Young: You had mentioned, in your earlier interview, how President Clinton would—his way of going beyond what you were even proposing.

Littlefield: Yes, it's very disarming. I mean Clinton was charming and spectacular in the meeting, no doubt about it. He also asked about the minimum wage, and he said, "When they talk about indexing capital gains, why don't we talk about raising the minimum wage, and how do you feel about managed care for the elderly, providing a full drug benefit in Medicare?" So they talked for over an hour. We left the Senator's memo behind for the President, with Pat Griffin. The Senator dictated his notes in the car on the way back. The President took in everything we said, disagreed with nothing, even added the idea of tax deductibility for college tuition. Kennedy was impressed. But then the President didn't say he would follow our advice, and he's famous for making people feel that he has heard what they say to him and even agrees with them, but then proceeds ahead in a different direction.

So then on December 15, the President made his ten minute address to the nation, his first important policy statement since the watershed election five weeks before. He said he wanted to review the economic situation. "For too long, too many Americans have worked longer for stagnant wages and less security. The economics statistics are moving up, but most of our living standards aren't. We have to change that. Tonight I propose a middle-class bill of rights. College tuition should be tax deductible; there should be a tax cut of up to \$500 for the parents of each child under 13. IRAs should be expanded for the middle class, and participants in job training should be given the funds directly as a voucher, to pay for their choice among training programs."

So the headlines were that President Clinton announced that he would outline plans for tax breaks and for a middle-class bill of rights, and we were pleased, Kennedy was pleased. There was no talk about paying for tax cuts by cutting Medicare, as we feared there would be. There was a strong commitment to education in the tax deductions. There was no mention of minimum wage or a specific health expansion, but the tone was right and no damage had been done. So we felt good. Christmas was coming and we could relax a little bit, because Clinton at least had said some of the right things. Clinton had laid the groundwork for tax cuts in areas that served the need of working families, such as education and training, and not blindly cutting taxes to benefit the wealthy, and he did not go the way we had feared he would, to say there should be major cuts to Medicare and Medicaid.

The Senator left Washington for Cape Cod, for Christmas week, and when he came back to Washington to be sworn in for a sixth term in the Senate, he would be back in the minority. But his staff and he were ready for 1995; strategy was set. He had done what he could to rally the demoralized Democratic troops, and the foundation was laid to resist the Republican juggernaut. Then there's a whole long tale of what happens, starting with Kennedy's speech on January 4, which was titled, "What Democrats Should Fight For."

Young: Speech?

Littlefield: His agenda-setting speech.

Young: Yes. Where was this one?

Littlefield: It was at the National Press Club on January 11. The speech was carried live on C-SPAN. January 4 was the date that the newly elected members of Congress were sworn into office, and Kennedy was sworn into office. It was a big Kennedy event. Then when Kennedy gave his speech, it was covered live by C-SPAN, all the networks. It was sent by the new Democratic Leader, Daschle, to all the Democratic Senators, and by Gephardt to all Democratic House members. It's a great speech. You have to get hold of it.

Young: Well, I've made a note about all of these.

Littlefield: These agenda-setting speeches?

Young: Yes.

Littlefield: I have the speech here, but basically it's everything we've just been talking about. It ends with, "Let's renew our cause as Democrats. Let's hold our standard high and advance it proudly. Let's be who we are and not pretend to be something else, and if we do, we will have a strong and winning case to take to the American people in this new Congress and in all the years ahead. The Republican majority will be a transient one and the Democrats will be proud to be Democrats again."