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Interview with Bob Rozen (1) by Diane Dewhirst

Robert 'Bob' M. Rozen

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George J. Mitchell Oral History Project

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Robert Rozen (1)

(Interviewer: Diane Dewhirst)

GMOH# 160

October 9, 2009

Diane Dewhirst: This is Diane Dewhirst, I'm here for the George J. Mitchell Oral History Project for Bowdoin University [*sic* College]. It is Friday, October 9, [2009], and I'm in downtown Washington, D.C., with Bobby Rozen, who is a former counsel to Senator Mitchell. Bobby, first, before we get on to Senator Mitchell's career, I'm hoping that you can tell me a little bit about yourself, and please start by spelling, if needed, your full name, date and place of birth, and your parents' names.

Robert Rozen: Okay, thank you, Diane. My full name and spelling is Robert Martin Rozen, R-O-Z-E-N, and my parents' names are Morris Rozen, M-O-R-R-I-S, R-O-Z-E-N, of course, and my mother's name was Rosalyn Eilenberg Rozen, I grew up in a small town in central Kentucky called Richmond, Kentucky. It was about twelve thousand people when I was growing up, and my father was from a small town in central Kentucky. His parents had emigrated in 1911 from the Belarus area, which later became the Soviet Union, and I guess it was part of Russia then, so they were immigrants in the twentieth century.

My mother grew up in New York City, her parents emigrated – I know a little bit less about when her parents emigrated, probably about the same time, but all four of my grandparents were Eastern European, Russian Jews. And my mother grew up in New York, as I said, and the first thing she wanted to do when she graduated high school was get out of town. She became a WAVE and lived in Washington, D.C., and then on the G.I. Bill went to a very small college in Lexington, Kentucky, Transylvania University, that was I think a school that trained ministers, Methodist ministers, and she met my father at Hillel. They settled in central Kentucky [p/o]]. We were the only Jewish family growing up in Richmond, and that probably colored a little bit of my upbringing.

DD: Date of birth?

RR: Date of birth for me was December 11, 1955.

DD: Your interests and education as a youngster?

RR: I really wasn't interested in education as a youngster.

DD: Your interests *and* education.

RR: My interests were probably sports. I went to what was called a “Lab School,” which was part of the university. There was a university in our home town, Eastern Kentucky University, and the Lab School, it was a laboratory school, a small, I guess it would be a state school rather than a county or city school, fifty-five people in my graduating class, thirty-three of us went through school for twelve years, []. About half the kids were children of [EKU] faculty members. As a laboratory school, it meant that they trained teachers at the university, then they participated in our school, elementary through high school. And the thing that I did primarily growing up was swimming. Our little school was the state champion twice when I was there, even though there were fifty-five kids in my graduating class. We were a big swimming school.

DD: Free style, back stroke, breast or butterfly?

RR: Is that really relevant?

DD: I think so.

RR: IM, individual medley, which is all the strokes, and butterfly.

DD: Very impressive, okay.

RR: So when it came time to go to college, my parents were not like our generation [] today, I don’t think they took me to any schools to look at. I applied to two schools, and I went to Miami University in Oxford, Ohio, which was about two-and-a-half hours up the road from where I lived.

DD: What did you study in school, and how’d you get to Washington?

RR: I studied, I was a Soviet studies major in college, which was an International Studies degree, and it was interdisciplinary, meaning that I took [classes in] history, economics, geography.

DD: Arts?

RR: Not arts, poli sci, and a couple of other disciplines, probably. [] I took a lot of Russian because my grandparents were all Russian and I was interested in it, it was really just a liberal arts degree. And when I graduated I didn’t know what I wanted to do, and like many people, at least then, maybe today, who didn’t know what they wanted to do, I went to law school. I got into quite a few law schools, and I decided that the best place to be would be Washington, D.C. So I came to Washington, and I went to George Washington University starting in 1977, I graduated college in ‘77, went to law school that next fall, and graduated from law school in 1980.

When I was at the end of my first year of law school, my father’s attorney in Richmond was somebody who knew Wendell Ford, I think he had worked for Wendell Ford when Wendell was

governor, Senator Ford from Kentucky, and I got an internship in the summer of '78 working for Wendell Ford, and really enjoyed it. The summer of my second year of law school I clerked for a law firm but I decided that I didn't really want to join a law firm, I wanted to work on the Hill. I was fortunate that when I graduated, [I let] people I knew in Senator Ford's office [] know that I was interested in working on the Hill.

A position had opened up, I think actually the chief of staff was doing Finance Committee issues, he didn't have time for it, so I became a legislative assistant, when I graduated law school, doing all the issues of the Senate Finance Committee. Senator Ford was not on the Finance Committee, so it wasn't hugely demanding. I enjoyed my time working for Senator Ford, he's a great guy, but it was not particularly challenging, because the natural progression of working on the Hill is to, if you're a legislative person, is to try to do committee work for a member who's on a committee [p/o]. I did all the Finance Committee issues, trade, health care issues and tax, and I was most interested in tax issues, so I decided to go to Georgetown and get my master's of law in tax, with the idea that it would be easier to get a job with somebody on the Finance Committee.

So the first job that came open and available was in Senator Bentsen's office, I applied, I didn't get that job. The second job was in Senator Mitchell's office, I think I was about halfway through my LL.M., because it's a night school course, and so the position became open I think in the fall of '84. I applied for that job, and Rich Arenberg was the chief of staff at the time and Charlene Sturbitts was the legislative director, so most of my interviews were with them, and I was fortunate enough to get to the point that I could interview with Senator Mitchell. I don't know if I was the only one that interviewed with Senator Mitchell. I don't have the impression that Senator Mitchell was heavily involved in personnel decisions, after working for him for ten years, so I assume that I was the only one to interview with him. So we had a nice discussion.

DD: Was that the first time you met him?

RR: That was the first time I met him.

DD: But you'd seen him in the Senate, because you were working in the Senate, right?

RR: I'd seen him and I certainly was aware of him.

DD: What were your impressions of, before you started to work for him, what were your impressions of him in his early years in the Senate?

RR: I had a very favorable impression of him. When I worked for Wendell Ford, it was a very good experience, he was a very nice guy, but his politics were really not the same as my politics, mine were a little more liberal than Senator Ford's. Senator Ford was a very good Democrat and could be counted on to vote with the party but the state is rather conservative, and I thought my political views were more in line with Senator Mitchell's political views.

DD: At the time, did you have offices next to each other, or was that not -?

RR: Actually when I worked for Senator Ford we were on the first floor of Russell, and Senator Mitchell was on the third floor of Russell, immediately above us and across the hall, but within about two or three months of joining his staff we actually came down and I was directly opposite the office I had been in [].

I started with Senator Mitchell on January 21, [1985], and the reason I know that is – excuse me, 1985. The reason I know that is because in the last six months or so of working for Senator Ford I also assumed responsibilities for the Rules Committee, because the ranking Democrat, there was a staff director there that had been there for a while, so I was kind of the liaison. So I stayed to do the inaugural, the second inaugural of Ronald Reagan. As soon as that was over I joined Senator Mitchell's office.

DD: And what was your portfolio there?

RR: My portfolio starting out was tax issues, trade issues, both of those on the Finance Committee, financial service issues, I think generally economic type issues and budget issues, if I recall correctly.

DD: Did you have the reform issues then?

RR: Campaign finance reform? I don't think I was hired to do that, but when that issue heated up, since I had done the Rules Committee work for Senator Ford and was a little bit involved in those types of issues for the Rules Committee, which has jurisdiction over campaign finance law, I think I volunteered and was given that responsibility.

DD: Okay, I know that there were dozens of issues that you were key to but the large ones, that were tax reform in the mid-'80s, campaign finance reform in the late '80s, early '90s, health care reform throughout, some of the attempts that were made in the late '80s and then the Clinton bill, the budget discussions with President Bush, the breaking of the tax pledge, and then President Clinton's deficit reduction. If I've missed anything, I don't mean to skip over your career, but before we get to those, which I just want to touch on and have you tell us some stories about them each because I know they're right there in your mind, how did you deal with Senator Mitchell? What were your, what was your working relationship like with him, how did you present material, and how did he come to decision making, or if you had a disagreement, how were those resolved?

RR: That's a lot of questions.

DD: Sorry, I'm not supposed to do that.

RR: So we first start off with what's my general impression, how did I interact with him?

DD: Yes.

RR: Well first of all, I felt like I had good access to him throughout. Of course when he became majority leader the access depended on what issues were at the forefront and he was involved in. [When] I was originally hired, the major task was to work on the Tax Reform Act. [In] 1985 and 1986 Congress spent—the tax writing committee spent—a lot of effort on tax reform, so that was ninety percent of my energy, I would say.

Senator Mitchell, I always thought he was a very good guy to work for. He was always very nice, he was I think reserved, kind of the Yankee reserve. When I worked for Wendell Ford, every day he would come back by your desk, he would walk through the office, and that was four and a half years, quite often he'd answer your phone if it was ringing, just to be funny to whoever was calling, and George Mitchell did not walk through the offices.

DD: Did he know where your desk was?

RR: I remember one time he came by my desk and he was looking for me. I said, "How did you know where my desk was?" So somebody must have pointed him in the right direction, I guess. So he pretty much stayed in his office, and [in Regina's] office, next to him, at least I'm thinking of the Russell Senate Office Building at that point, when I first joined the staff.

My impression of him, well first of all, I think he was easy to talk to. Maybe I was young and I probably was [initially] intimidated by this former federal judge, U.S. senator, who people felt was very, very smart. I always thought, sometimes people on the outside have a misimpression of people and particularly their abilities, but I must say, working internally with him, that I have no question of his abilities. He was very, very able as a U.S. senator; that all the respect that he has is due him.

I remember that there were times when I would write a floor speech or a statement for the committee, and I wouldn't be convinced of what the arguments were, but when I heard it given I would be convinced. He had a voice that had a lot of gravitas in it.

DD: How did he, you were in a lot of committee hearings with him and Martha and whatnot, can you talk about that and what he, how he approached those?

RR: Well, [after] he became leader [he] didn't go to the committee very much, at least for hearings, which was great for me because as a staffer you spend a lot of time preparing for hearings: briefing material, possible questions. The great thing about Mitchell, a lot of members' staff will do a lot of work, they [the member] may not read it, they may come ill prepared, they ask questions and they don't follow up, it's like you sit there and you listen to this, somebody asks a question and there [should be] an automatic follow up, and they just don't do it. Mitchell would follow up, he would have enough sense. He was a prosecutor, I guess, at one time. You don't have to be a prosecutor to know that, but he knew how to follow up even if the question wasn't on the paper.

So he always did a great job at hearings. I think he was a real gentleman about it. If he had a person from the executive branch who was testifying, he would have us call and tell them what the questions would be so they wouldn't be caught off guard, so he wasn't trying to catch them. I mean [as a staffer], I always try to do that, but he'd want to warn them ahead of time.

I remember one hearing that occurred, a trade hearing, and I was late preparing a statement, and I think I was late to the hearing, and they were going around and they called (the Finance Committee call on you in the order you get there), and as I walked in, he was called upon to speak. I walked in just as he was called upon, and I put the speech in front of him and he read it. [Really] bad staff work but I was really proud that he read what I gave him without reading it ahead of time, he had enough faith in me to do that, which was great.

DD: That was not true of every staff person.

RR: Yes, whatever abilities that I had, that members of the Finance Committee, I always thought they treated their tax staffers better because knowledge of the tax code, it's a very esoteric knowledge. Even though people might believe that members of the tax writing committee surely know the tax code, they really don't, and I think they're, I won't say intimidated but they're maybe, well they're intimidated by the knowledge [a staffer has] to have, and I think therefore that they are impressed. If you don't have a lot of knowledge, you're impressed with somebody that has more knowledge than you, even though that person may not have a whole lot of knowledge himself. And I think that's true with the tax code. I always thought that with Moynihan, who was a real tyrant to his staff, but he treated his tax staff better because he thought he knew more than everybody about every subject but maybe tax. So yes, I thought [I benefited] from that.

DD: I can remember one thing that he always said about hearings was, listen to the answers. And I think that's your point about the follow up questions. What was his decision-making process?

RR: Well, I think all of us found it this way regardless of the issue, [] throughout his career, [] when you told him what he should do, he invariably disagreed and argued with you, but invariably did it. So he was always complaining: "No, I can't do that," or, "No, it's not, it shouldn't be done," "No, I don't agree with that"—but he would quite often do it. And the advice is not advice in a vacuum, it's advice based upon where he had been, where he should be, based upon everything else he's done, he should be. So that was always amusing, his reaction, I think everybody on the staff had that.

And like most members, most anybody, I think whatever field, as a manager, you respect people more who challenge you, who you don't just cave in when you disagree with them, so I think part of that was just his personality, a part of it was probably wanting to challenge and draw you out and make you justify your advice to him.

So when we started out, most of it was tax reform, it was a very time consuming. He strongly believed in tax reform, tax reform meant lowering tax rates and closing a lot of loopholes. Bill Bradley had kind of taken the lead on that, Mitchell sat next to Bill Bradley; he was a supporter of Bill Bradley's views on that. The bill that passed the House was not real fundamental reform, but it moved in that direction. The bill that was originally worked on in the Senate Finance Committee that Chairman Packwood put together was a disaster; he basically took care of his constituencies and didn't move the ball toward reform. That process failed.

The Joint Tax Committee put together a new concept starting all over again, and six senators signed on to that, that was called the core group. Senator Mitchell was part of that core group with Senator Bradley, I think Senator Moynihan, Senator Packwood, maybe Chafee, I can't remember who, there was like twenty members of the committee, but only six were committed to moving it forward. And so George Mitchell was part of this small group because he was committed to tax reform more than most members.

DD: And that was somewhat unique, because he was such a junior member, would that be correct?

RR: Yes, he was one of the more, I'm trying to think if he was the junior most member when I joined in '85. He was, at the same time, the chairman of the Senatorial Campaign Committee [DSCC] which probably resulted in more people coming to him. I really have a strong belief that throughout his career, he separated – I'm kind of digressing here – he separated the role of money and politics from policy. I worked for him for ten years; I think I attended one fund raiser. And I've been a lobbyist for fourteen, fifteen years, and that's almost unheard of. I know one member maybe like that. And a majority leader particularly has a lot of fund-raising responsibilities, and I was perhaps one of the top policy people for him, I was totally insulated from that, or I'll say ninety-eight percent.

DD: It was by design by him.

RR: Right, and so even though he may have seen more people, I would not have known if anyone was a contributor or not, and it just didn't affect anything I did, or any decision he made. I mean I'm thinking of tax reform, I couldn't think of any decision that was affected.

DD: Back to tax reform, wasn't his kind of attempted imprimatur on it, like it was a middle class tax cut?

RR: He believed strongly, as I believe strongly, in tax fairness. And what had happened up to '86 was, the tax code became severely eroded, a lot of wealthy people were able to cut their taxes considerably. The '81 tax bill sharply cut taxes for high income households, and he believed that what came out of the Finance Committee locked in the lower tax burden on higher income households, relative to middle income tax households.

So he offered one of the seminal [floor] amendments [during] consideration of the tax bill. The

bill that came out of committee had a twenty-seven percent maximum tax rate, it was bringing down the maximum tax rate from fifty to twenty-seven percent, he thought that that was just too generous to the highest income households. So we had, I think, one of the biggest amendments on the bill. [It] got a lot of attention.

In 1986, the debate maybe occurred in June of '86 on the Senate floor, the Senate put television cameras in in May of '86 or something like that, so [tax reform] was the first big televised [Senate] debate, [] and his amendment was one of the biggest amendments. He was, I think, proposing to put the top rate at thirty-one percent and put that money back into the middle class. Clearly it was something that should have been done. I think we only got twenty-seven votes. I remember we developed all these charts – right now charts on the Senate floor, they've got a big [production center that churns them out], but then it was just the beginning of it, we were kind of the first ones to do charts I think. In fact, I remember -

DD: Sarbanes thinks it's he.

RR: He really does? Okay. Well, I remember that we did all these charts, we had so many charts showing that the rich were going to pay more and it was all going to go to the middle class, and it was a very compelling argument. I didn't want to be the person to turn the charts, I thought that was beneath me, so my able assistant, Grace Reef, was the chart-turner. And after the debate the *New York Times* wrote a story about the use of charts and featured Grace, because she was the chart-turner for George Mitchell.

DD: I think that time was one of the first times, I think it was, that Mitchell ever got a little head sketch in the *Wall Street Journal*, for that debate.

RR: Could be.

DD: I think. I started with him earlier that year, but I think, in '85, but I think that was it.

RR: And it's ironic, that was always ironic to me, because I remember that for one reason, the person who did the sketches – there may have been more than one.

DD: And there's a word for those sketches. I can't remember what they're called, though, but those little pin drawings in the *Wall Street Journal*.

RR: Right. The person who did those was somebody I grew up with and I knew quite well. She was one of six kids in [my] Sunday school [class] that I went to school with for over a decade. I don't know if she still [draws for the *Journal*]. She's probably retired.

DD: I'd like to yell at her for some others that she's done.

RR: Laura Levy was her name. All right, so anyway, that was a huge issue, so we kept trying to move tax fairness; that was what George Mitchell was all about. And even though we were

part of this core group that got together – I think almost every member of the Finance Committee supported – and we were part of a core group, we met every morning in Senator Packwood’s office to whip this tax bill through the Senate. But throughout, Mitchell stated clearly, “I’m for it but I want this change, it’s a fundamental change, but I’m with you.” And Packwood respected that, it was a very respectful debate, and we lost. We nevertheless supported the bill because we thought we were moving in the right direction.

Now the other big issue that Mitchell had in this legislation was the Low-Income Housing Tax Credit. And – do you have a question you want to ask about that?

DD: No, I’d forgotten that. I remember you describing it to me in detail in later years so that my pea brain could understand it.

RR: Even as the tax code, they were throwing out a lot of loopholes and reducing rates, we created one new tax shelter, and that was for affordable housing. And this is something that I brought to Mitchell, something I cared about, and he cared about it but he pretty much gave me free rein because he trusted me. And the old system was really a bad system of preferences for affordable housing, it was really among a handful of tax shelters that were really heavily criticized because the benefit the tax payers got for sheltering an income didn’t equate to the benefit that renters got.

So we just totally reworked the program, creating a credit-based system rather than a deduction-based system, and we made a lot of changes in the committee, then we made further changes on the floor, further changes in conference, and he had a major amendment on the floor that we worked out. Kennedy was a big supporter with us, we worked it out with Chairman Packwood, and it was something that since then it has become, in the last twenty-four years, the primary means of building affordable housing, and it’s been a terrific program really. Mitchell was the first member of Congress to get behind it and move it.

So I think that’s a real legacy program. And we had – just to stay on the program for a while – we didn’t really have a lot of foresight in developing the program in ‘86, so after it was created we created this Mitchell-Danforth task force, brought in all these industry experts, and we kind of rewrote the law in ‘89, and we made it permanent in ‘93. There were a lot of changes throughout that Mitchell stewarded, and it was really something that he put his trust in me and whatever I did, he pretty much approved.

And he did something extraordinary. The low income housing community really appreciated all he did and they would invite him to come to ground breakings or to speak at special events, and whenever he did that he did something I think rather unique. He would always call me out and say, “It was really Bobby that did it.” But it wasn’t me that did it, because no matter how much work I did, he was the one willing to put his name on it, which was nice.

DD: You got ‘shout outs.’ Okay.

RR: So, that was tax reform, it was eventually enacted into law. I think what was interesting about that debate in the larger sense was, it was something that Ronald Reagan was behind, it was a bipartisan thing, but the Republicans very much felt that this seminal legislation would really be a landmark bill, it would be something Republicans could boast about for some time and the American people would embrace it because rates were reduced. And it really didn't turn out that way. I think that's not uncommon for, in my experience, for [major] legislation to pass, [] and for the members [of Congress] to tout it as an enormous undertaking and a great thing for the American people; the media [portrays] it that way, and it really just doesn't end up that way politically. People forget very quickly.

And the one thing about tax reform, although it reduced everybody's rates, most people, when they pay their taxes, it's through withholding. And there's a bias today, there was a bias then, toward over-withholding, so a lot of people tend to view the tax burden that they have based upon how much of a refund they get when they file their taxes, the bigger the refund, the better they felt.

Well, one minor piece of this tax reform bill that nobody focused on is, it changed the withholding schedules so people didn't over-withhold as much. [So] they got smaller refund checks back, and that kind of soured them on this tax reform. Even though their rates were lower, their taxes were cut, to them the most visible thing was the refund and it was smaller.

DD: Switching gears, can we talk a little bit about campaign finance reform?

RR: Yes, campaign finance reform. Mitchell, I believe from the very beginning, well I know from the very beginning Mitchell was involved with this. When Robert Byrd was leader, Byrd supported it, Boren was a big supporter of it, and Mitchell was one of the key players in it. And I guess I had worked on that even before '85, when I was on the Rules Committee staff, but it was something Mitchell really believed in.

DD: Did that have anything to do with his Maine background, do you think?

RR: I would say so. I'm just trying to think off the top of my head why he was so committed. I mean there's no question that he was a true believer.

DD: In public financing overall, right?

RR: Public financing, but he dropped that pretty quickly because he knew that wasn't politically feasible. He was really against soft money, and even while he was leader -

DD: Soft money being -?

RR: Soft money being money that is raised outside the federal limits, under the fiction that it's used for state purposes, and you're talking about checks of a hundred thousand dollars, a million dollars from corporations or wealthy individuals to the party committees; he just thought

that was bad. So he took this on while he was chairman of the Campaign Committee [DSCC], he took it on while he was leader. Senator Boren was the other major supporter.

He came under a huge amount of pressure from labor, and from Democratic Party officials, national party and state parties, they just thought we were idiots, they thought we didn't know what we were doing. It was kind of funny from my viewpoint because my primary job was taxes, and as a tax staffer for a member of the Finance Committee, even more for majority leader, everybody tells you how great you are, how smart you are, they kiss up to you, but on campaign finance issues all I had was people telling me I was an idiot, I didn't know what I was doing, I was destroying the party, I was destroying labor, I was destroying Emily's List, so people were very, very critical.

And I guess the thing that motivated Mitchell was, he thought that it was very bad for the system, he thought it was very bad for Congress, for members of Congress and presidential candidates to be taking this kind of money. And also, he believed that it was very bad for the Democratic Party to be relying on that kind of money, and I think he also felt that fundamentally, long term, there's always a lot more rich people that support Republicans, and corporations, and we're never going to be able to win that game.

So just to fast forward a few years, we had a lot of efforts, we had a lot of bills that went through the Senate, that maybe the House didn't enact or it got to conference and it was filibustered, and we were never able to get a bill down to the president. After he left, the bill that we worked on, most of the bill had passed, the bipartisan Campaign Finance Reform Bill, I'm not sure what year that was, but most of that was the stuff that we had put together while he was leader. And the gratifying thing was, the Democratic Party did better than ever. I mean there was one major change, the Internet was developed and it was easier to raise money from average people, but I also think that people are more inclined to give if they think their giving makes a difference. And if they see wealthy people and corporations giving money, enormous sums of money, their attitude is, they don't need my money, because they've got this big money.

So I think that enacting this legislation democratized the system. It's true that only a small percentage give, but a lot bigger percentage give today than gave before we banned soft money. And so I always think back and the lesson that I have is that all the gloom and doom that everybody said, turned out not to be the case. [RR: Subsequent to this interview, large corporate and individual sources of money entered the system as a result of Supreme Court and Federal Election Commission rulings that eviscerated the campaign finance laws.]

DD: But going back to Mitchell's role specifically, as I recall, it was when he was leader in '93 and '94, or '93, when we knew we had a president who would sign the legislation, that he pushed for Senate action, right? On a bill that had some public financing, a ban on -

RR: No public financing.

DD: No public financing, I'm sorry, ban on soft money, and low advertising rates, and wasn't

that rather controversial, in pushing that forward? And that ended up with, the House never took it up, I think, was the end result. But can you talk about that effort? I know you're saying that was the groundwork for then what happened with McCain-Feingold, but -

RR: That was, I think, about the third effort. He was leader for six years, three Congresses, and every one of those Congresses we had a major effort to move this legislation, and it was really done by Mitchell and Boren.

DD: Were there any Republicans who worked on it?

RR: Well we tried quite often to negotiate this with Republicans, we had high level negotiations many times, I remember dealing with Dole's office quite a bit on this subject. There were some members more interested than other members on the Republican side, and I know that there were Republicans involved and I just can't remember off the top of my head right now. Simpson, I think, was a supporter of some degree, but we were able to move the legislation through various stages. I think probably [in] '89 and '90 we moved something through the Senate, subject to filibuster and a caucus that was very uneasy about this, because they were hearing from party officials that this was bad for the party.

There was a lot of unease, and the legislation differed. At some points there were spending limits in the states, with greater tax credits maybe that were matched for giving but not direct public financing. And maybe the first Congress, we may have had some public financing, but we gave up pretty quickly on it because it just wasn't politically realistic. We had overall PAC limitations, we didn't have limitations on what each PAC could give but we limited it to a percentage of the spending limit in each state.

And so as the legislation, with each successive Congress I think we found out what didn't work, what prevented this from moving forward, and then made changes, we compromised. Historians can look this up and know for sure, off the top of my head it seems like we passed something in the first Congress that he was the leader of. In the second one, we maybe got it through the, the House passed something as well but we never got it through conference because it was at the last minute. The third Congress, Clinton was president, the House was always a lot more reluctant on this, Gephardt was kind of the leader of the party on it, he was the majority leader, and he was always dragging his heels, he was not a believer - we worked most closely with Sam Gejdenson on this. And by the last Congress, when Clinton was president, we had a bill that worked, I think we had some Republican support, but Mitch McConnell filibustered the conference report, and that was the defeat at the end.

I remember a couple of meetings in particular that were, I mean there were lots of caucus meetings and a lot of very reluctant members that just thought we were selling the party down the road, but I remember two meetings that were kind of amusing. One was a meeting with labor, where they brought in all these labor heads, and we met in 224, in the office, the meeting [room] off of Mitchell's direct office. And they were just irate, and they were not shy about it, they were just quite vociferous in their views. And there was something going on on the floor at

the time, and it was Mitchell, me and Martha [Pope] were in the meeting; very, very heated. I don't know that it was heated, because I don't think we were pushing back, they were just screaming at us. And Mitchell got called out to the floor after just like ten minutes of this, and Martha left with him, and it was just me for, I think, the rest of the meeting. I'm not sure he ever came back, and they were [unrelenting in their attacks]. So I thought that was kind of amusing.

The second one that I'll just point out, similar meeting, and this meeting was in 221, was with Gejdenson and Mitchell and a bunch of state party chairs, and I remember Gejdenson was kind of a character, and he couldn't stop talking. And we were in Mitchell's office and Mitchell was trying to read a briefing to prepare for the meeting and Sam Gejdenson just wouldn't shut up, and finally I asked Mitchell if he wanted me to tell Sam to shut up so he could read this. So finally he shut up, Mitchell read it, we went in, the state parties yelled at us as well.

So anyway, I think he showed a lot of bravery on this. He did the right thing, it was something he really believed in, and he struggled to bring everybody else along, particularly Gephardt and some key members of his caucus.

DD: Let's move to another subject. Can you talk a little bit about the health care effort that the Senator took, primarily with the Clinton administration, but also some of his other works through the Finance Committee?

RR: Well, I don't know the exact year. Clinton was of course elected in '92. I would say going back to maybe '88, '89, '89 let's say, Mitchell was very involved with putting together a comprehensive health care reform bill to deal with the uninsured and to change the insurance system. Chris and I, Chris Williams, who was the health staffer, and I had countless meetings in Senator Riegle's office with [the staffs of] Senator Kennedy, Senator Rockefeller, Senator Riegle, Mitchell, and there may have been one or two other members. And there were major bills introduced, and I would say '91-'92 was probably the culmination where we really put together a major comprehensive bill.

And that legislative effort, we ended up working a lot with the Clinton campaign, or a certain amount. I think they used a lot of the work we did on it – Pryor may have been involved as well – I think that the work that we did was used quite a bit, or a certain amount, in Clinton's campaign, and this major effort that we headed up in the Senate, or we did with these other offices, also helped set the national agenda and bring attention to the issue. There was attention, but I think it helped encourage the Democratic candidate to make this a major issue.

DD: And then in '93 and '94 with Mrs. Clinton's effort, and Moynihan and others.

RR: Right, so when he [i.e. Clinton] got elected it was the major issue, one of the two or three major issues that he wanted to tackle: welfare reform and deficit reduction. The year started off with a minor failed aborted effort for a minor stimulus bill, but deficit reduction became the big issue to start '93. And the reason for that is, even though he didn't campaign on deficit reduction as much, he campaigned on a middle class tax cut and health care reform and other issues, I think

the market reaction, Rubin kind of convinced Clinton that it would be very good for the markets, and ultimately for the economy, if we showed greater fiscal discipline, so '93 was actually devoted to deficit reduction. And I feel a little bit strange starting at '93 because you need to kind of go back to '90 if you're going to talk about deficit reduction. Do you want to talk about that?

DD: Briefly, yes.

RR: After the [huge 1981 Reagan] tax cut we had a lot of deficit reduction, [in 1982 there was] a tax bill really written by Dole, [and in 1984 there was a large] tax bill written by Rostenkowski. The entire decade of the eighties we had efforts to reduce the deficit. I remember one effort in '89, the Finance Committee had a smaller deficit reduction effort, and they were going to do it on excise taxes, and that offended Senator Mitchell's sense of fairness so we got the committee to drop excise taxes. [In 1990], George Bush [had been president for a year]; he ran on a pledge of "Read my lips, no new taxes." We were facing in the fall of the year a major sequester—[that is, spending cuts] across the board—a sequester of government programs if we didn't reduce the deficit. So by the late spring, early summer, it was clear we had to have a major deficit reduction effort, [a] bipartisan [effort].

DD: Mitchell was leader at that time.

RR: Mitchell was the leader at that time. Gephardt was the majority leader [in the House], he was kind of at the forefront on the House side, he got appointed as the guy to lead up the efforts for the Democrats. But George Mitchell and Jim Sasser strongly believed that we should not get into this debate without George Bush First repudiating his "no tax" pledge that he ran on in 1988, when he became president. We just thought that, all right, if we go and we have a big bipartisan effort, and it includes spending cuts and tax increases, the Republicans will say, well the tax increases, that's because we did that for the Democrats and [we] had no choice.

So early on, the House wanted to fold on this, and Mitchell and Sasser were adamant, they were not going to do this until the president eats his words, basically. They had the support of Dick Darman with doing that. They had a [] White House meeting, and it resulted in Bush making a statement that taxes had to be on the table, and that seriously eroded his position [within the Republican Party]. But it had to be done, and it was really done only because Mitchell and Sasser were relentless in making it get done. I think it was also, you know, the right wing of the Republican Party really turned on Bush after that, they turned on Dick Darman, they thought he set the president up, but that's the way it had to go.

So throughout the summer of '90 we had a lot of discussions on deficit reduction -

DD: Was this at Andrews?

RR: No, this was in the Capitol, and then we decided that what we really ought to do, since we weren't making a lot of progress is, we ought to go out to Andrews Air Force Base and have

discussions until we reach an agreement. But before we could get to Andrews, before that process started, Iraq invaded Kuwait and the president said, this won't stand, and so August of 1990 was a lead-up, not a lead-up to the war, but Iraq was a major point of discussion. Bush's popularity went [up] a huge amount. Not as high as after they invaded, but the country rallied around him.

And we were going out to Andrews right after Labor Day, and the attitude of most of the participants, certainly the House Democratic attitude was, we just [have] to give in as quickly as possible, because the president's really popular, he's got the country behind him, we're not in a good position, how quickly can we fold. That's the way we [viewed the House] side. And Mitchell and Sasser, and I think Byrd and Bentsen, didn't see it that way. So we went out, we met, Mitchell decided that since the president wasn't going to be there, he shouldn't be there, we decided that was the best strategy. You don't want to have your top negotiator there while their's isn't, because you strike a deal and then the other side doesn't have to agree to it. So Mitchell wasn't there, but people were there on his behalf, his staff, and other senators.

And what happened at Andrews, Mitchell was briefed every night, he was a key player, he was certainly part of all of the strategizing on what happened. We went out to Andrews, and we were kind of deadlocked. At that time the big issue -

DD: We've got to shorten this, (*unintelligible*).

RR: Okay, okay. You're missing the best things.

DD: Okay, go ahead, keep talking on it.

RR: Well, let's just say that at Andrews, we didn't get anywhere and we were kind of, this was a time when everything that we did we ran through CBO [Congressional Budget Office] lens to see, what was the distribution of the tax increases we were going to have, and the distribution of the spending cuts. The model that CBO had created was a model, for the tax side, was something they created originally for George Mitchell. After he lost his middle class tax cut amendment in '86 we went to CBO and we said, "Well help us tell the story. What's happened to the distribution of taxes over the last ten years?" And they created a model that looked at the distribution of taxes [among income classes] which showed it getting more unequal, and that became the model that was used at Andrews for distribution analysis, so every proposal that we did, we had a distribution analysis.

And everything the Republicans put on the table was more unfair [than the current law], everything we insisted was that the tax system be more fair, and it prolonged the debate. So we didn't reach an agreement at Andrews, we came back to the Capitol, and we had meeting after meeting, day after day. The country was absorbed with this, Congress was absorbed. And finally the thing that kept us from reaching an agreement and the other major thing that Mitchell the previous year defeated was, and was I think a hallmark of his time as leader, was that the Republican insisted on reducing capital gains tax rates to give rich people lower taxes.

The hallmark of the '86 deal was, ordinary tax rates go down [and] the capital gains [tax] rates go up. Immediately after the '86 tax bill, the Republicans in '89 tried to push through a cut in the capital gains rate. He said that was unconscionable. The House passed it, and he [i.e. Mitchell] basically had his finger in the dike and prevented the capital gains tax cut in '89. So in 1990, that continued to be the dominating issue. We had a budget deal all done, but the Republicans said, "We're not doing it."

And I think that it was a revelation to Mitchell and other negotiators. They knew that Republicans generally favored looking out for higher income households, but they were kind of shocked [at the extent to which Republicans would fight for tax cuts for the wealthy over everything else]. They were willing to hold up this whole deficit reduction package, this economy, everything, on further cuts for rich people. I think [congressional Democratic leaders] were kind of shocked by that. So that got into the public sphere, that is, we leaked exactly what was holding things up. People knew at that point that we would have had a deficit reduction deal except Republicans insisted on capital gains tax cuts. When that got out, the Republicans had their, this was after the Congress already defeated the first deal that was struck over tax issues, but when that came out they were embarrassed, and we quickly struck a deal on our terms that was a much better deal than we would ever have gotten.

And it was kind of ironic, since we went into Andrews with the idea that, how quickly can we get defeated here, because the president's standing, by that time his standing had plummeted because of this capital gains issue. So that was the '90 deal, five hundred billion dollars in cuts. And you got to give Bush credit on this, that he agreed to it and we had a big deficit reduction. But it was clear by '93 that we needed to do more, the administration was totally devoted to this, George Mitchell and his leadership was totally devoted toward further deficit reduction, and it was an arduous task during most of '93 to get this done.

DD: We're running out of time here. Let's do this, we will finish this piece and we will let Bowdoin decide what more they need, either from health care or on deficit reduction. So I may need to come back. Thank you.

End of Interview