

JACK KEMP
ORAL HISTORY PROJECT

Interview with
DAVID R. "DAVE" OBEY
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Interviewer
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Morton Kondracke: This is a Kemp oral history project interview with former House Appropriations Chairman David Obey, Democrat of Wisconsin. We're doing the interview at Gephardt Partners in Washington, DC. It's December 13, 2011 and I'm Morton Kondracke. Thank you so much for doing this, Mr. Chairman.

David Obey: You bet.

Kondracke: Mr. Chairman, when you think about Jack Kemp, what immediately comes to mind?

Obey: I think his enthusiasm. He was conservative, and conservatives according to stereotype, are supposed to be duller, but Jack was not. He was ever the optimist. Maybe that comes from being a quarterback in the NFL [National Football League], I don't know. But I think it was the upbeat feeling that he gave to the practice of politics.

Kondracke: So, besides that, what do you think his outstanding characteristics were politically?

Obey: Let me just walk through what my experiences had been with him. The first time I worked with him on anything he was fairly new on the Appropriations Committee, and on the Appropriations Committee in those days everything was run by the Old Bulls, largely from the South, the old Democratic fairly conservative guys. In those days even our public hearings were behind closed doors. So we got those opened up, but the subcommittee chair still dominated, and the full committee chair did. So I came up with the idea of trying to get

every member of the Committee have an associate staffer—somebody who was on the committee payroll, but somebody who would be hired by that individual member. I went to Jack on it looking for a Republican cosponsor, and he grabbed it in a second because he recognized not only was it helpful for individual members, but the Republicans were understaffed on the Committee, and by giving every member an associate staffer they were increasing the staff firepower for the entire Republican Caucus. So he was enthusiastic and got a lot of people on his side of the aisle to support it. The Committee establishment was very much against that happening, but when they saw that the Repubs were going to be split as well, they gave in and let it happen. The second time that I dealt with Jack is on Foreign Ops subcommittee. I was very lucky in my ranking members through the years, because first I had Jack and then I had [M. H.] Mickey Edwards and then I had [Robert L.] Bob Livingston—all of them certifiable conservatives, but fairly congenial to work with. Jack at that time wasn't as interested in Foreign Ops as some other things because he was thinking more about his role in national politics. But he was very focused on his belief that the IMF [International Monetary Fund] was causing more harm than good by the way they were handing out austerity prescriptions to nations, especially in Latin America. There I shared Jack's view that the IMF recommendations were a mite off, but where we differed is that Jack took it to the next step and said let's not fund them. My attitude was let's try to get them to change their prescription. Probably both of us were naïve in thinking that that was likely to happen any time soon, although the IMF has now modified its approach to a considerable degree. That's the only time I ever saw Jack, I think, become very impatient with something. He was just very impatient with the IMF and didn't think it was worth dealing with.

Kondracke: How did he express his impatience?

Obey: Just, "It's not worth dealing with, not worth dealing with. Give up on those guys." Outside of that Jack did not take too much interest in the bill, so I had a fair amount of running room in putting together the bill so long as I kept Jack informed. In the end he would say, "Well, you guys are in control. I don't buy it, but fine."

Kondracke: Does that mean he didn't go to hearings?

Obey: No, no, no. Jack went to hearings. When it came to pushing an agenda he focused almost exclusively on the IMF and his unhappiness with them. He may have done other things at the staff level through his staff and mine, but I don't really recall much of that.

Kondracke: What year was it was that you got the associate staff members through?

Obey: I don't remember.

Kondracke: Early, though.

Obey: Well, what year did Jack go on the Committee?

Kondracke: Jack was ranking from '81-'87.

Obey: But what year did he go on the Committee?

Kondracke: He was on Committee fairly early, but he was on Defense Appropriations before he was on Foreign Ops.

Obey: Yes, but I mean it's the full Committee where we got the associate staffer, so it was shortly after Jack had gone on the full Committee, so it was a long time ago.

Kondracke: In the old days Republicans and Democrats used to socialize with each other after hours. Did you ever spend any time with Jack socially?

Obey: No, I don't think so. I spent time with a lot of Republicans—anybody who would have a drink somewhere. But I don't recall Jack being involved in that.

Kondracke: How about CODELS [Congressional Delegation travel]?

Obey: I don't remember if Jack and I were ever on a CODEL or not. Mickey and I certainly were.

Kondracke: Mickey Edwards.

Obey: Yes. But I don't remember if Jack—what years was he ranking member?

Kondracke: '81-'87. Basically Reagan era.

Obey: Yes. The difference is that for most of the time [Clarence D.] Doc Long was the chair. I became chairman in

Kondracke: '85.

Obey: Yes. Say that again, he was ranking from when to when?

Kondracke: He was ranking from '81-'87 and you were chairman from '85 on.

Obey: Okay. So I had him for two years as ranking member. I know Mickey Edwards and I went to the Middle East, we went to Eastern Europe together. I don't remember if Jack went on a trip in those two years or not with me.

Kondracke: You write in your book a lot about the [Newton L. Newt] Gingrich Gang and how they were rabble rousing and stuff like that. Did you regard Kemp as a member of the Gingrich Gang or not?

Obey: I thought Newt was sort of a gang of his own. I don't know who Jack was close to in the Caucus and who he wasn't. What I do know is that I think one of the great tragedies in the history of the House is that Bob Livingston never became Speaker. When Bob was my ranking member, he dug into things, he had strong opinions. Procedurally he had the same attitude in the minority that I had in the minority—that the parties needed to define their differences and raise hell with each other in order to make those differences clear, but then in the end the majority party had a right to have its program move through the place. So procedurally he would cooperate in getting the bill out of the House and I tried to do the same thing when I was in the minority. Bob is the guy who I saw stand up to Newt and to

[Richard K.] Dick Armey. I don't remember what bill it was, but I remember we were in the middle of a markup and I was sitting next to Bob after he became full Committee chairman. He was on the phone with either Armey or Gingrich, I've forgotten who it was, and Livingston finally said, "Look, goddamit. That's just nuts and I'm not going to do it." And he slammed the phone down. We needed that independence in the speaker. Livingston also understood process in a way that, for instance, [John D. "Denny"] Hastert never did. I mean, [Charles W.] Bill Young told me the story once that when Bill was chairman Hastert got frustrated because appropriation bills weren't coming out. So Denny called Young into his office and said, "Bill, when can you start reporting appropriation bills?" He said, "Speaker, first I have to have an allocation," meaning allocation from the Budget Committee. And Hastert looked at him and said, "What's an allocation?" Livingston sure as hell knew the process. And Jack would never have made that mistake if he'd been around.

Kondracke: Jack understood the process.

Obey: Oh, yes. Oh, yes.

Kondracke: Do you regard him as a man of the House, I mean, in the sense of an institutionalist?

Obey: No, I think he was more a man of the system. I think he liked, unlike [James E.] Jimmy Carter, who gave the impression that the job was drudgery, Jack had fun with the job. He would get exasperated and frustrated but he basically enjoyed the process, enjoyed politics. But I don't think the warmth of his loyalty was focused on the House.

I think it was on the Republican Party and on ideas. I think Jack and Newt both shared one quality, which is that they were always terribly excited about the last book that they read. Even if that book had been counter to the one they'd read before. I mean Jack, I think, was most enthusiastic about ideas and he enjoyed the salesmanship in pushing his view about how the economy and the budget were supposed to work.

Kondracke: Was he well read?

Obey: I don't know. He appeared to be, but I have no idea.

Kondracke: How smart was he?

Obey: I think he was pretty smart. That doesn't mean I thought he knew what he was talking about in economics. I didn't. You say you met [David A. "Dave"] Stockman last week. To me the experiences that were most important to me in the House included that fight over the Reagan budget. Stockman later admitted that the whole thing was in essence a charade in order to bring down the top rate. Stockman granted that the numbers never added up. So Stockman realized the game wasn't for real. Jack always thought the place was on the level. I think that's the difference between the two. Like the IMF, Jack was not one of these conservatives who said, "Thou must have a balanced budget" year after year after year. That's economically nuts and he knew that. But Jack, I thought, went off the deep end because it then became almost a, well, deficits really aren't going to occur. I think Jack thought in economic terms like he was permanent president of an optimist club. He just never fully appreciated that the numbers didn't

add up. You had Reagan, who recognized their mistakes and recognized the need to readjust what they'd done on the revenue side, and they did it at least twice. But Jack was always bugged by that. He was just so into the idea that tax cuts could produce a nirvana, and what they produced is a God-awful mess through the years. If Jack had stopped two-thirds of the way, and if he'd focused on explaining to Republicans that by a balanced budget in a year when the economy is sagging is not only not good medicine, it ain't achievable, he would have then been right on in my view. Today this crowd, talking about deficits, it's hard to convince these Tea Party types that deficits should be accepted under some circumstances. They don't believe that you can't cut your way to balance. When Carter was president you had [Paul A.] Volcker [Jr.] walk into his office and say, "Mr. President, we got a hell of a problem. You're going to have a deficit of \$35 billion, so you got to cut, I think he said \$13 billion from the budget to stabilize the market concerns. So we sat in [Robert C.] Bob Byrd's office for three weeks going around the table, for every account in the budget except defense. We would go through option papers and cut a nickel here and a nickel there, and in the end we wound up with \$16 billion in cuts. Passed it, and low and behold the economy didn't produce a \$35 billion deficit, it produced a \$70 billion deficit, because the economy went to hell. Jack understood that dynamic; most Republicans didn't, but then I always felt that Jack got snookered by his own enthusiasm into being much more willing to just say the hell with it. Cut taxes and everything will be all right, underplaying what the deficits would mean long-term.

Kondracke: Kemp invented the Kemp-Roth across-the-board tax cuts really modeling after something that John Kennedy had done, and

then was enacted after his assassination, lowering the top rate from 90 down to 70 and then Kemp wanted to get it down to 50 on the theory that a rising tide would lift all boats. Pre-Reagan, what did you think of that sort of idea? I know you that fought it when it came up at the Reagan . . .

Obey: Yes, well I didn't think much of it at all. I think that anybody who wants to understand the connection between budget deficits and tax cuts and the economy should look at the summary that they had last night on McNeill-Lehrer [PBS NewsHour.] In the end what that summary showed is that you cannot demonstrate that lower tax rates either have or have not had an impact on economic growth. The same thing isn't true in all circumstances. To me the problem you have in economics is that people don't listen to [A.] Eric Severeid, who said once that the most important quality to have was the courage of one's doubts in an age of dangerous certainties. That's what I thought was missing from Jack's evaluation of what was going on. At the time we had what we called the O-U-R, Obey-Udall-Reuss alternative to their budget and tax package.

Kondracke: That was the '81 alternative, right?

Obey: In '81, yes.

Kondracke: So, do you remember what the debate was like when you brought up Obey-Udall-Reuss?

Obey: What happened is that we left town thinking that [James R.] Jim Jones had the votes on the Budget Committee for his budget. But

what the Reagan administration did is simply over the next week or so, they simply re-estimated the budgets using a different set of economic assumptions. That made it look like theirs was better on the deficit than Jones' was. I remember when [Richard W.] Dick Bolling put that budget process together. He said to me, you know, this will never work if the party leaders don't take these numbers seriously. And he was confident that there would be honest accounting, because he thought both parties would keep the other party honest. He overestimated people's ability to keep things honest on those estimates.

Kondracke: Was your Obey-Udall-Reuss alternative to the [Daniel D. "Dan" Rostenkowski] Rosty-Reagan tax cut or to the budget in the Budget Committee?

Obey: It was the tax cut. We had alternatives to both, but the Obey Udall Royce thing was on the tax side.

Kondracke: Did you have a fight on the floor?

Obey: Yes. We got a majority of Democratic votes, but not enough to win. Our problem in putting that together was that you can't put together a budget alternative that's anything but a God damn institutional press release. You can't put together a real piece of legislation unless you have the use of the staff of the Joint Tax Committee. And Danny Rostenkowski wasn't about to let us have that access, so [Richard A.] Dick Gephardt worked under the table to give us that access so that we could put together that alternative, because while Dick voted for Rostenkowski, and then in the end he voted for

the Reagan stuff, but he thought it ought to be changed so he helped us get access to that staff.

Kondracke: Did you ever have a philosophical discussion with Kemp about Keynesianism versus supply-side?

Obey: I don't think so.

Kondracke: Did you and most Democrats just think that the whole supply-side thing was nuts, or what?

Obey: Well, I thought . . .

[interruption]

Obey: I thought where they wound up was wrong but there was a kernel of truth to it, that the lack of fear, or let me put it a different way, the conviction that you always needed to have budget in balance every year regardless of economic circumstances—that we welcomed. I thought that might be a way to loosen up the sides in debating this stuff. But then Jack took it further than we were willing to go.

Kondracke: So, the '81 tax bill was Kemp-Roth, plus Rostenkowski's additions, plus a whole lot of other cats and dogs that added up....

Obey: Our big argument with Rostenkowski was not conservative versus liberal, it was optimist versus skeptic. Danny was just convinced that he could deal well enough that he could beat Reagan. He desperately wanted to stop that third year of the cuts. We felt that

he was hallucinating, that there was no way in the end we were going to beat Reagan, so what we ought to do is just produce what we thought was a more responsible alternative and get a vote on it without driving up the cost of whatever the hell it was that passed.

Kondracke: What were you going to cut?

Obey: I don't remember. I mean, we cut a lot of stuff.

Kondracke: The '81 bill was Kemp-Roth across the board, then Rosty added some stuff . . .

Obey: Oh, I know. Rosty and Reagan got into that damn bidding war. They'd go to the oil crowd and they'd go to different crowds, and out-promise each other. That's when I told people it would be a hell of a lot cheaper if we simply gave everybody three wishes. It was a God-awful auction. What happened there, instead of the debate being continually focused on what you were trying to do, the drive on each side was simply to win, to win. You bet whatever the hell substance you had to bend in order to win, and that's how they got so screwed up.

Kondracke: With enormous deficits?

Obey: Yes.

Kondracke: When Reagan started pulling back on some of the excesses of the '81 bill, Kemp was against him. So it sounds as though any tax cut in Kemp's head was good.

Obey: Yes, it seemed that way....

Kondracke: Even though in '86 then he comes along and does a tax reform which closes a lot of loopholes. Was that maturation or was that rethinking?

Obey: I don't know. I just remember when we finally did the tax reform it didn't start out that way. It started out as just a normal damn tax bill, and halfway through the place [Robert W. "Bob"] Packwood just decided, hell, this is going nowhere. Let's have a St. Paul conversion, so all of a sudden they wound up making major surgery on the tax code.

Kondracke: I mean, it did begin as Bradley-Gephardt, and Kemp-Kasten and then Rostenkowski had his own bill and then it went to the Senate, as you say, then it got transformed. Kemp at that stage was in favor of closing loopholes and lowering rates, that was his idea.

Obey: Well, he was always focused on lowering rates. Same old stuff. What I think we missed historically—Dick Bolling, back in the days when members brought their families to town and they stayed in town over the weekend and actually got to know each other—Bolling used to have these big summer parties at his place, he and his wife, Jim. He would have [Charles M.] Charlie Walker there, you know, the Republican tax guru from Treasury, and some liberals there, and they would sit and talk about how in hell you could ever get a value-added tax brought into the system. So that you didn't have to have so much reliance on any one tax source. Bolling always thought that that's

when you could really get tax reform, when you lowered the stakes on what the hell special privileges you had to have in the income tax, but you could never get people to that. It's still the thing that in my view is missing today.

Kondracke: Kemp describes himself as a bleeding heart conservative and a big government conservative and he represented a union district. Did you regard him as some different kind of Republican from the normal run of . . . ?

Obey: Yes, because he was not committed to the John [H.] Roussetot view of the world that you always had to have balanced budgets. To me there was a wonderful article in either the *Times* or the *Post* a couple of weeks ago about how the differences between [Friedrich] Hayek and [John Maynard] Keynes were actually less than advertised today. The argument was that Keynes was for stimulating the economy when the economy was sagging through both spending increases and tax cuts, but that he was then also for recouping that money when the economy was running at a good, healthy clip. Hayek did not want government meddling in a lot of things, but the difference between him and his Ayn Rand disciples here today is that he did recognize that there needed to be a certain foundation of decency in terms of health care protection, in terms of retirement safety net. He assumed that you would start from a higher social safety net base than conservatives do today. If you could just devolve the debate back from political theology to political philosophy you might actually bring people closer together on this stuff.

Kondracke: So, do you think that Kemp genuinely had the welfare of working people in mind?

Obey: Yes, I think he did, but he was misguided in how far he was willing to . . . I thought what Jack lacked was nuance. I understand why he wanted to go where he wanted to go, and to a certain point, he was correct. But if you take every damn argument and drive it to its logical conclusion, you're going to be on the edges of every goddamn thing in life. That, I think, was his weakness.

Kondracke: And that was particularly true for taxes, but what else?

Obey: Well, again, with the IMF. The only two points of interaction I had with him. Instead of trying to build an alliance with people who had substantive concerns about IMF . . . In my case, for instance, I wanted to see the IMF policies significantly modified, but the way Jack pushed it, I had to wind up spending all of my time defending the existence of the damn IMF, rather than being able to try to create pressure to push them into changing or modifying their approaches.

Kondracke: Just one last thing about Reaganomics, the defenders of Reaganomics, Bob Bartley of the *Wall Street Journal* wrote this book called *Seven Fat Years*, and they all think that what they did was they conquered inflation, they did away with bracket creep, they triggered a great growth spurt in the economy, as a result of supply-side economics. What's your evaluation?

Obey: My reaction is that any damn fool can create a rapidly-expanding economy if the world's economy is in pretty good shape at

that time, and if you're pumping enough money into the system. But that doesn't mean that over the long haul, it's sound. So they built the bubble. To me the Republican hero should be [George H. W.] Bush senior, because after the Reagan deficits, when Bush became president, he began the process of attacking long-term deficits and then [William J. "Bill"] Clinton finished the job. People used to talk about what a great communicator Reagan was on economics—it's not a hard message to sell when you sell when you go to people and say, "Hey, I'm going to ask you to sacrifice as a great American by taking a tax cut." That's an easy sale.

Kondracke: And when Bush raised taxes, Kemp was against him.

Obey: yes.

Kondracke: And you regard that as a mistake?

Obey: I regard Kemp as being wrong, yes. Bush recognized that long term you needed to deal with the deficit. So at Andrews Air Force Base you got a deal. It went down the first time—Gingrich led the effort to bring it down on the Republican side and George Miller [III] and I led the effort on the House side, for opposite reasons. Newt just didn't want any taxes, and our problem was that the tax increase, as a percentage, was twice as high on the lower bracket as it was on the upper bracket, and so we thought that the distribution of that tax increase was not fair. After we brought it down, Rostenkowski adjusted toward our concerns and modified that and then they had the votes.

Kondracke: Back to the Foreign Ops, you say you were blessed with three responsible ranking Republicans and that Kemp was largely distracted by presidential politics. His staff says that the way he did it was that he didn't go line-by-line. They did, through the budget. But that he intervened on issues he cared about, like the Contras, or Israel, or IMF, or that kind of stuff.

Obey: Oh yes. IMF was his biggest focus. He was strongly in support of Israel. And I mean the Contras, hell yes, virtually all the Republicans were for the Contras, and two-thirds of the Democrats were against them.

Kondracke: You recount a White House cabinet meeting where Reagan turns things over to Kemp and he defends his policies and then turns to you and you say, "I have no intention of supporting any of this that you are in favor of." Before Kemp turned to you, what exactly was he doing at that meeting? Do you have any recollection? I think it was a Memorial Day . . .

Obey: It was after the Memorial Day, after we returned after Memorial Day, yes. I had been in so many arguments with the Reagan people that I just was determined in that meeting not to say a goddamn word. I was just going to shut up and be a good boy. But Jack finally turned to me and he said, "Well, you know Dave, we haven't heard from you. What do you have to say?" So that's when I told Reagan what I thought of his bill and what he was saying about what we wanted to do on the overall budget.

Kondracke: Reagan turns the meeting over to Kemp and then what did Kemp do?

Obey: He just went around the table asking people for their comments. I mean, normally the president does that, but Reagan came in, sat down at the place, he had his cards there, he started to read the first card and finally just put them down and said, "Oh, Jack, this is your meeting. Why don't you take over?"

Kondracke: So, Kemp walks around the world and explains what . . .

Obey: He just asks different members around the table.

Kondracke: I see. He just chaired the meeting in other words.

Obey: Yes.

Kondracke: O.K. There's this University of Michigan book about foreign aid, and it says, "In the mid-1980's, Foreign Operations Chairman David Obey, though personally a believer in foreign economic aid, pushed for cuts so that the administration would suffer for its refusal to raise taxes."

Obey: That's not...

Kondracke: Let me just finish. "Partisanship was exacerbated by personal and political clashes between Obey and ranking member Jack Kemp."

Obey: Well we had political clashes because, as you say, we didn't agree on the IMF, we didn't agree on the Contras, and we certainly didn't agree on economic policy. But, when I took over the chairmanship, I had a foreign service staffer by the name of [James R.] Jim Cheek, who later became our ambassador to Argentina. Cheek staffed me in my personal office on this stuff, and when I became chairman he told me the number one thing you've got to do is get control of the process. Once you control the process, you'll be able to really move substance. The second thing he told me was never have anything in your bill that you want so badly that you're not willing to give it up in order to keep control of things. That's what I tracked. What we did by our bills, on foreign aid, you can't win politically if . . . We wanted more economic assistance, not economic support fund, but we wanted more food aid, more environmental aid. [Robert W.] Bob Kasten [Jr.] and I—Bob was running the Senate committee for a good piece of that time, and he also wanted a focus on conservation and environment. You couldn't get the administration in an age of budget limits to raise the amount of money they were providing for economic aid. So I decided the only way that I could get them to support increases was if I cut the things they wanted in the bill. When you cut the military aid you then gain leverage in the negotiations so that in the end, in order for them to get more of what they wanted on the military side they would give more on the economic side. That was the tradeoff. The fact that we differed on the domestic stuff was a sidebar. But I would tell the administration, look it . . . Before I became chairman, for either eight or nine of the previous 10 years, we hadn't been able to pass a separate foreign aid bill, and I wanted to change that. To do that you couldn't get enough votes to pass it by adding to presidents' foreign aid budgets. You had to give members

the cover of being able to say that they had cut the president's budget. So when the Reagan people would bitch about that I would say, "Hey guys," well, I gave a speech to the Council on Foreign Relations and people asked how do we increase public support for foreign aid? And my response was, look at Harry Truman wasn't able to pass the Marshall Plan because the country swooned at his arguments on how important the Marshall Plan was. Harry Truman was able to get the Marshall Plan through because the public figured that Harry was taking care of things at home. And so foreign aid was one of the grace notes that people followed or swallowed, but they wouldn't have swallowed if things were going to hell in a hand basket at home, and my point to the White House was simply, hey, you think we can sell cutting education and cutting health care and cutting worker protection and OSHA [Occupational Safety and Health Administration] at the same time that we're increasing foreign aid you're nuts. I'm not going to bring a bill like that to the floor. I'll have my ass handed to me.

Kondracke: So what role did Kemp play in all this? You're talking to the administration but what's he saying to you?

Obey: Not much. Jack and I talked mostly about the IMF. He didn't talk to me much about the other stuff.

Kondracke: What did you think about Kemp's staff—Richard Billmire and Michelle Van Cleave?

Obey: I didn't really know them that well. The guy who I thought was awfully good under Reagan was [William J.] Bill Schneider. Do you remember him?

Kondracke: Um hum.

Obey: He was the guy who handled things for the State Department under Reagan and I thought he was....

Kondracke: He was a Kemp staffer before he went to the State Department.

Obey: Okay. I didn't know that. But he was awfully good, an awfully good guy.

Kondracke: You were famous for always getting a Foreign Ops appropriation through the floor, whereas you say, it hadn't been before, and then actually getting, when you were Approps chairman, getting all 13 bills passed before the fiscal year deadline. But Kemp's staff members claim that you would never let them have an alternative foreign aid bill that hit the floor. Why is that?

Obey: First of all, let me back up on the 13 bills. The reason we were able to pass all 13 bills is that when I became chairman in '94 it was a third of the way through the year when [William H.] Bill Natcher died. I simply went to [Joseph M.] Joe McDade, he was my ranking member, and I said, "Joe, I know we're going to disagree on a lot of items within these bills, but why don't we see if we at least can have at least a bipartisan 302b allocation to the subcommittees, so we would agree

on how much would be in each bill.” And then we’d argue later about where that money would go in each of the bills. And he jumped at it. That was the first and only time that we’ve ever had a bipartisan 302b. To me it’s the model for the way the system ought to work. It had nothing to do with anybody being smart. It’s just that Joe was reasonable, I worked with him, so once you took that element out of the equation, then yes, we can argue about, it becomes transactional then, and you simply work out the differences. But you’ve narrowed the differences hugely.

Kondracke: What about the point that the Republicans were never allowed to put an alternative foreign ops bill onto the floor?

Obey: We recognized, Bill Young started by offering these amendments, to condition aid to the IFIs [International Financial Institutions]. And we knew that if those amendments were voted on on the floor we couldn’t hold it because people would demagogue the damned IFIs, just like they demagogued the IMF.

Kondracke: So this was after Kemp is gone, Bill Young was doing this?

Obey: No, in our early years on the Committee when Doc Long was still chair. But we were asked by the White House, by the Reagan White House, because I told them, I said, “Look at, I can’t get our guys to vote for the bill unless at least half of your guys vote for the bill, so you want a bill, you got to find a way.” And so they said, there are certain amendments that if they come up, we can’t hold our guys. So they asked if we could limit amendments. And I said, fine, that’s fine with me. And we went to the Rules Committee and worked it out

so that we significantly limited the amendments that were offered. My argument was that if you want to have the debates, do it in full committee but not there. Now people need to understand on this, and it's amazing how few do, you had David [T.] Dreier, who always would lecture us about how we should have open rules, open rules, the Congress used to have open rules. It's true, they did. But in an era when we had open rules, you could not get a roll call vote on the House floor. The rules didn't allow it. I mean, what happened in those days is when you considered a bill in the committee of the whole, if you wanted to get a vote, it was a division vote or it was a teller vote. But you could not get a roll call vote in the committee of the whole. The only time that you could get a roll call on an amendment was if the chairman of the committee lost control of the bill and somebody was able to pass an amendment on the floor on a teller or a division vote. Then when it came to the full House, the bill manager had an opportunity to move for a roll call vote in the full House. That's the only time when you had a vote.

Kondracke: Thereby members avoiding having their names associated with the way they voted. That's the point, right?

Obey: In the committee of the whole, yes. They couldn't avoid that when they were in the full House after consideration of the bill. You had very few times when that occurred. My point is today this is a different world, because you have roll calls on everything because of the voting machine. When the voting machine came in and allowed people to spend less time on the votes, then they also changed the rules to make it routinely easy to get an amendment, so every damn interest group in the country gets their little roll call vote on an

amendment, no matter how demagogic it is and then they run their 30-second ads on the damn thing and we're killed. On the IMF, for instance, we were demagogued. I forget if it was [James A. "Jim"] Baker or if it was the other Treasury secretary.

Kondracke: Baker, it was Baker who wanted to expand the IMF funding.

Obey: But who's the other secretary of the Treasury, staff chief? [Donald T.] Regan, Don Regan. I forget which one of them was Treasury secretary when this happened. But the White House asked us to vote for the IMF expansion and we did. Democrats provided the votes, and then the Republican National Campaign Committee ran ads against us for doing that. And that's when I went to them the next year, when they did the same damn thing, and when Jack cast the vote no, then I had voted aye for the appropriation, and when Jack voted no and the other Republicans voted no I publicly switched my vote and I urged the Democrats to switch their vote and we took it down. And that's when I said to the White House, "I'll be Goddamned if I'm going to bring up a bill unless you guys give us in writing a request to do it. They wouldn't give us a letter from Reagan. The most they would do is a letter from the secretary of the Treasury, and they said "That doesn't buy you a damn thing."

Kondracke: What finally happened?

Obey: That was the tone. When they realized we were going to bring down the thing then they got off their butts and worked hard enough to get enough Republican votes to give us some running room.

Kondracke: You say in your book, "The worst example of Republican irresponsibility in dealing with the aid bill is their lack of support for the funding of IMF, the World Bank and International Development Association." So, you regard that on Kemp's part as being irresponsible.

Obey: No, I was talking about the administration. I regarded the White House position as outrageous. When they were asking for the money but would not have Reagan sign a damn letter asking for it. It was clear that they wanted to feel free to continue to kick the hell out of us for doing something that they wanted us to do, but which they knew damn well was unpopular. So, with those kind of games, that's why we said, if we don't limit the kind of amendments that you can offer on the floor you'll never pass the damn thing. And then the White House will bitch at us for not being able to pass the bills.

Kondracke: In the case of the Baker, Baker comes up finally, this is after, I guess, this is that year, that year when you made that threat, and pulled the bill down. Baker came to you and wanted an increase in the funding for IMF and World Bank etc. etc. and you said, "We're not going to give you the votes unless you get the Republicans to do it." Now, the Kemp people say that the reason that they opposed IMF is that they wanted to amend things in order to have the executive directors, our executive directors, U.S. executive directors, refuse to vote aid unless government-owned enterprises were broken up, tax rates were lowered, these countries did fiscal reform and stuff like that. That that's what they were trying to get done when they opposed those bills.

Obey: They were trying to put their own version of supply-side economics in law internationally and the administration didn't want that and we didn't either. When you're dealing with the IFIs, their charters do not allow them to take money that is conditioned. So, starting when Bill Young was a junior member of the Committee, they used to offer these amendments in committee that would condition the contributions on certain actions. That was like saying, "O.K, we're not going to provide the money, because the banks wouldn't accept the money."

Kondracke: And Kemp supported those Young . . . ?

Obey: Sure, all the Republicans did. Once in a while we may have gotten a vote from, oh, who's the old guy from Kansas? Garner something, I've forgotten his last name [Garner E. Shriver]. But most of the time they went down the line.

Kondracke: So, my understanding is that, forget about amendments on the floor. You did not allow an alternative Republican bill to be voted on the floor.

Obey: Right.

Kondracke: Why?

Obey: For the reasons I just recited. Because you had no control over what kind of demagogic items they would put in the damn bill. And they would always have a hooker. I was not going to put a bill on the

floor which did what Reagan wanted to do and then have the Republicans demagogue the damn thing because Reagan was trying to meet his international responsibilities as president and they were just trying to play politics with it. So I said, "You get a bill or you don't."

Kondracke: Okay. One more question about this. Here's what Kemp's staff says about this maneuver where you say that by refusing to vote for the bill that you got the administration to convince enough Republicans to pass the bill. Kemp's people say that they were trying to get the administration to change the bill to tighten up on the IMF, to impose some of these free market standards. And that they went to, that Kemp went to the administration and said, listen, Obey is not going to vote for this bill. So you change the bill and then we'll vote for the bill and then Obey will vote for the bill. Do you remember any of this?

Obey: I don't remember it but to suggest that . . .

Kondracke: Did the bill come through with more free market stuff in it when you finally vote for it?

Obey: I really don't remember the details of this. What I was not for is putting Jack Kemp's economic philosophy in the law of the land and applying it to other countries. We didn't believe that lower marginal tax rates was the best route for some of these Third World countries. We thought adequate levels of services was more important, and in most of those societies, especially the Central American societies, the economic elite was already getting away with murder and we were damned if we were going to create a virtual tax-free society for those

bastards. My attitude was Jack wasn't secretary of state and I wasn't secretary of state and we weren't trying to limit . . . My attitude was if you want to impact the international financial institutions, persuade the administration to take a different approach with those institutions, but don't try to define IMF policy or World Bank policy from the floor of the House of Representatives because it will always be the lowest common denominator and it will always be overly simplistic. Example. I became chairman the same time that [Mikhail S.] Gorbachev came to power. When Eastern Europe broke away from the Soviet Union, we had a huge question about how the hell you help those Eastern European countries convert from a centrally-directed Marxist economy to free market democracies. So [Lawrence S.] Larry Eagleburger, Bush administration, came in with a very inadequate response in terms of money. Everybody knew it had to be increased. And Eagleburger came to us and said, "Look, we don't really know what we're doing. This is all uncharted territory. So, do us a favor: give us as much flexibility as possible, and in a year from now if we've screwed things up, kick our ass off." And so that's essentially what we did. We put in some modest limitations to try to make people in the Committee comfortable, but essentially tried to leave it so that Bush had an opportunity to respond to whatever the hell was popping up. The only change that we made was that we about doubled the money that they made available to them. And then we ran into a problem where we were into the Polish debt forgiveness issue, I think this was when Mickey was the ranking member.

Kondracke: Yes, I think so.

Obey: Our problem was that if we didn't get the administration to get East European commercial banks to forgive that debt, then every damn dollar we would appropriate, to Poland, for instance, would simply be recycled to a West European commercial bank. And we weren't about to finance that operation. So there we simply told the administration we would not approve a dime for the creation of this new East European development bank unless they got the commercial banks to . . .

Kondracke: Forgive that.

Obey: Yes, because we were already forgiving ours on this side of the ocean. That's when [David C.] Mulford in the end negotiated that and got those European banks to belly up to the bar.

Kondracke: Let's go to Central America. On El Salvador, for example, there was an elected government and they were being attacked by guerillas, but there were also death squads. Did you ever have a fight with Kemp about what to do about military aid to El Salvador?

Obey: I don't remember if we did or not. Understand, [Roberto] D'Aubuisson, who was the leader of the right wing death squad operation, the way D'Aubuisson used to target people for assassination is to go on television and denounce them by name. Jim Cheek by that time was deputy assistant secretary for Central America, and he went down to Salvador to warn the right wing not to carry out a coup against [José N.] Duarte. And he said if you do we'll cut off your aid. So, D'Aubuisson went on television and denounced Cheek by name, and that's when people said you got to get him the hell out of the

country because these crazy bastards will do it. So that was the atmosphere that we were working with when we were dealing with Salvador.

Kondracke: But Reagan wanted military aid to El Salvador, right? And do you remember what Kemp's--Kemp was in favor that, I think.

Obey: I'm sure he was but I don't remember anything about Jack on it.

Kondracke: O.K. And on Nicaragua he was pro-Contra.

Obey: Yes.

Kondracke: You were anti-Contra—against aid to the Contras. Do you remember any fights about that?

Obey: Not with him. The fight I remember was with [Theodore F.] Ted Stevens. That was . . .

Kondracke: You don't have to recount that. But on the Dear Comandante letter, when the Democrats, you wrote a letter at [James C.] Jim Wright [Jr.]'s request, I believe.

Obey: No, Jim wrote the letter.

Kondracke: Jim wrote the letter. To [J.] Daniel Ortega, and said, "Have elections."

Obey: Yes.

Kondracke: In effect. And you got attacked by Republicans.

Obey: Yes, what Jim thought and what we thought is that having people who were opposed to aid to the Contras send a letter to the Marxist government saying you ought to have elections. We thought that would get their attention, because it wasn't their traditional enemies who were saying that; it was the people who supposedly were their allies. We took a step which we thought was going to buttress the administration's case with the Sandinistas and instead they kicked our ass off for it.

Kondracke: Right. You said that you were attacked by "a cadre of Republican right-wing House members led by Newt Gingrich and also [Robert S.] Bob Walker." Kemp?

Obey: I don't remember if Jack ever gave one of those speeches or not. I don't think so. The language that Gingrich used and Walker used, "We came here to defend *our* country," implying that we came here to defend somebody else's country. It was just McCarthyism, sly McCarthyist attacks on the Democrats.

Kondracke: But Kemp—you don't remember engaging Jack.

Obey: I don't think Jack participated in that. I wouldn't swear to it but I'd have to go back and look at the Record, but I don't think so.

Kondracke: Do you know anything about Kemp's involvement with [Oliver L.] Ollie North?

Obey: No.

Kondracke: No. Okay. In 1985 Kemp and Bob Kasten passed an amendment denying U.S. funds to international programs participating in coercive abortions or involuntary sterilization. It was directed at China, at China's one-child policy, denying funds to the United Nations Population Fund. Do you remember that fight?

Obey: There were two or three iterations of that fight. I don't remember exactly what the formulation was each time. I do know that I was caught in the middle because I believed that the Chinese policy was coercive, so that's when we produced the formulation that said that whatever amount the UN Pop gave to China, we were going to deduct that amount from the amount of money we appropriated to them. Because I thought people who said the Chinese policy was not coercive were naïve.

Kondracke: So you basically agreed with Kemp on that.

Obey: Not fully. They wanted to go further and just cut off the whole damn program, and I didn't want to cut off family planning. But I didn't want, my problem was that the UN population people in essence defended the Chinese program. They claimed that they could not reach the conclusion that it was coercive. I just thought that was hair-brained, that there was no way you could not reach that conclusion.

Kondracke: Okay. On the Middle East, Kemp was big time pro-Israeli and big time Likud [political party], so did you ever have any fights with him about that?

Obey: I'm sure we had arguments about it, yes. My biggest argument was with Doc Long before I became chairman. Because when he ran for reelection, in his fundraising letters he would attack me for being anti-Semitic. And he would say, "Now is Obey anti-Semitic? Well, I don't know, but some people say he is." It was that dirty way that he used to get . . .

Kondracke: But he was a Democrat.

Obey: Yes, but Democrats are not without sin either. [laughs] I was strongly for the peace process. In fact, when I was chairman, I discovered that the Israeli ambassador was having a meeting in the U.S. Capitol Building with a bunch of people who were talking about how to get around George Bush and Jim Baker. They were, at that time the issue was loan guarantees and whether we would provide them. Bush and Baker were saying no, they didn't want to, because so long as . . . I mean, Jim Baker in his book pointed out that he felt he was cut off at the legs when the Israelis were expanding their settlements on the West Bank, and he wanted to stop that embarrassment. [Yitzhak] Shamir didn't want to do that. I basically supported the administration on it. So, the ambassador had a meeting with members of Congress to try to overcome Bush. We were talking about this earlier. And I found out about the meeting and I showed up. I listened for a while and then basically told them, "I don't agree with George Bush, but I sure as hell agree with him on this one, and if

you guys think you can get the votes and pressure my subcommittee into getting the votes to go around Bush, be my guest, but I'm the guy who decides if this damn bill ever sees the light of day. And if you've got the votes, you ain't going to have a bill." I don't remember if Jack . . .

Kondracke: Jack was in HUD by that time.

Obey: I think that's right. That's right.

Kondracke: As I understand it, what Kemp always wanted to do with Middle East appropriations was to amend military aid to Egypt to force them to stop anti-Jewish propaganda and such things.

Obey: And I felt there that while I agreed with the intent of where Jack wanted to go, I thought it would be destructive to muck around with Camp David. So I always defended the administration's prerogative on that issue.

Kondracke: Now, on the Arrow Missile Defense System, anti-missile system, Kemp was always for it and you supposedly were against it because of violating the ABM [Anti-Ballistic Missile] Treaty.

Obey: I don't remember.

Kondracke: O.K. Solidarity in Poland. So, the way I understand from the Kemp people is that [George P.] Shultz, Secretary Shultz, was reluctant to support Solidarity because he was afraid that there would be a big crackdown and Soviet tanks would roll in, or something like

that. And Kemp wanted to support Solidarity anyway, and that you were with the administration on that one.

Obey: I don't know what they're talking about. I don't remember Jack being involved in that issue at all. I certainly remember Mickey Edwards. What the administration was concerned about is you had the argument, is [Wojciech] Jaruzelski a Polish patriot or is he a tool of the Russians? Nobody really knew. The administration was treading on eggs. I don't remember any involvement at all on the part of Jack.

Kondracke: Well, supposedly, supposedly there was a meeting of the Polish-American Congress in Washington, and Richard Billmire, who was Kemp's staffer, had an interview with some Polish language-paper in Wisconsin, and said that you were standing in the way of Solidarity, and then you chewed out Billmire. Do you remember that?

Obey: I remember that paper writing that, but I don't even remember who Billmire was.

Kondracke: Okay.

Obey: But understand, when Mickey became ranking member, Mickey and I went to Poland in the midst of martial law, and we discovered that the main issue at that time was chicken feed. The problem is that you had the boycott going on and Solidarity was taking the position that we ought to exempt chicken feed from that boycott because they did not want to be blamed for the loss of that protein source, if all those chickens died because they couldn't feed them. We came back and the question was whether or not you should provide that

exemption or not, and Mickey and I both thought we should. The right wing thought that you shouldn't. They wanted us to just block everything. So at that point we were supporting Solidarity's caution on that and the right wing was unhappy because we came back and recommended to the administration that they provide that exemption.

Kondracke: It sounds like you developed a really close relationship with Mickey Edwards that you never had with Kemp.

Obey: Yes, Mickey paid a lot more attention to the bill than Jack did. And Mickey was much more nuanced. Mickey is a very nuanced guy. Jack was always, I thought, he cut the cake in much larger slices than Mickey did.

Kondracke: More doctrinaire?

Obey: Yes.

Kondracke: Yes. So, last question. How do you think Jack Kemp should be remembered in history?

Obey: Well, I don't know that history will remember many of us who served in Congress. Jack will probably be remembered as someone who was positive about . . . unlike Reagan who taught people that government was the enemy . . . Jack didn't believe that. He thought that government could be used for constructive purposes enthusiastically. So I think that's his number one legacy as a Republican. He was not an anti-government Republican. And secondly, whatever issue he got involved in, he swung for the fences.

There's good in that and there's bad in that. The good is that he had passion and cared about things. The bad is that when you lose nuance you often lose effectiveness. But he was basically a good-hearted person trying to do the right thing with a tool that he didn't think was dirty, like the Tea Party types do today.

Kondracke: Right. Thank you so much for doing this. I appreciate it.

Obey: You bet.