

THE CONGRESSIONAL BUDGET AND IMPOUNDMENT ACT

Interview #3

September 3, 1993

RITCHIE: We had just gotten to talking about the Budget Act of 1974.

VASTINE: Yes.

RITCHIE: I'd like to talk a little bit more about that to get your motives. What was it that got you sitting down, drafting the original bill?

VASTINE: Well, it was one of those issues whose time had finally come. People had been talking about it for a long time, but there was that moment when it just became so obvious that somehow Congress had to get its act together on the budget, on spending and even estimation of receipts. Partly, it was the political climate, as I think I said last time it was partly because Nixon had flaunted his powers in Congress' face and, more or less, declared that he could impound whenever he felt it necessary. I'm sure that there are folks who have done research on that, chapter and verse, and on the arguments that administration used.

But, there was a feeling in Congress that Congress was being man-handled by the Nixon Administration and disregarded. Furthermore, it didn't have its own house in order and wasn't in a very good place to defend itself—the criticisms of it were valid. It felt like the moment had come to do something, and it was in our committee—it was in our committee's jurisdiction to look at these things. We had jurisdiction over the OMB and over the enabling law that sets up the OMB and the then-budget process.

I remember coming back from Christmas recess, and one of the first things getting into that. Percy was ranking on the committee, and we felt very strongly that we needed to be out in front of the curve. There was a lot of competition with the Javits' staff. Javits was an extremely competitive senator,

as you know. Loved to be first with the newest idea. Senator Percy certainly didn't want to be second! And I didn't want him to be.

So there was all that acting all at one time. The time had come.

RITCHIE: There really were two strains there. One strain was, let's get control of the budget, and the other strain was, we have to do something about presidential impoundment. Were the Republicans as concerned about impoundment as they were about the budget?

VASTINE: No, the Democrats were concerned about impoundment, and the Republicans were concerned about uncontrolled spending. In fact, one of the ironies of the budget control bill that we began to draft was that we forgot about impoundment. Halfway through the Democrats said, "Hey! We forgot to deal with impoundment here!" So then we added, I think it was, the second title of the bill, dealing with impoundment. It was definitely the codicil to the main body of the bill, the impoundment provisions.

But nobody objected tremendously. The administration did not object, as strenuously as I thought it would, to the addition of those controls on impoundments. Partly, it was because the president was increasingly weak. Partly, it was because the OMB decided that it was definitely worthwhile to have the budget process. I remember being invited over to the Pentagon by Robert Ellsworth, who was then the deputy under secretary, for lunch in order to explain to him the budget process. He was concerned that the budget process would work against—would be used by the liberals to hurt defense spending. That was the Pentagon's concern. Certainly the interest groups—Common Cause and those folks all gathered together to decide: "What should *we* do about the budget process?" This nascent budget process. "Is it going to hurt *social* spending?" They came around to realizing that they couldn't stand in the way of this. It was good government. It really had a momentum. There was no argument you could make to stand in the way of cleaning up Congress' budget house.

Anyway, we were also at the same time able to convince them that it was a neutral process, that it didn't mitigate for or against spending, or for more spending in social programs or less spending on guns, or vice versa. It just provided Congress with a mechanism. And since the Democrats were in the majority and since they tend to be the "spenders," I guess the social action groups decided not to be worried. I remember they had a big convening downtown at one point, I think it may have been at Common Cause headquarters. We all knew up here that they were meeting to decide what they would do. And they ended up supporting the bill! We had a letter of support from Common Cause. It was very interesting—the politics of that.

Certainly, Senator Byrd—maybe we spoke about this?

RITCHIE: No.

VASTINE: I may be leaping ahead a little bit, but the Government Operations Committee reported this fandangled bill. Then, people found out what was in it, that the authorizing committees were going to have to adhere to time lines and deadlines, and thises and thats and constraints. In the initial Gov Ops bill there were many more constraints than—well, I wouldn't say many more. To be blunt, I've forgotten a great deal about what was in the original bill.

But it was a tougher bill. It was a bill that Senator Roth voted to report from committee, but he voted against the Budget and Impoundment Act on final passage. I think he was the only senator to do that. Because, it did not do what that good Republican thought it should do, and that is control deficit spending. He wanted a process that would result in deficit spending control, not just the *means* for control.

But to go back for a minute, the Government Affairs Committee reported the bill. Then the dons and the moguls around the Capitol figured out what was going on here. And I think they all co-signed a letter to Senator Byrd on the Rules Committee to protest. I don't think there was ever a hearing. There may

have been a hearing in Rules, but I don't think so. But what Senator Byrd did was very enlightened, and very, very commendable.

Instead of doing the bidding of the power brokers, the chairmen, he decided he would take a look at the bill and seriously study it. And he called in someone—I don't know how he found this very able guy—named Herb Jasper, who I think had been at OMB at one point. He's now at the Academy of Public Administration.

In any case, Herb was brought in as a consultant to the Rules Committee to convene a great, big staff markup consisting, initially, of the staff directors of all of the authorizing committees. We took the Rules Committee hearing room and turned it into a markup room. Basically, Herb began a process of reading through the bill and hearing what the problems were. And then he brought in the parliamentarian, who assigned Bob Dove. I think Bob had just come to the Senate, and that's where I first met Bob, through that process of rewriting the Budget Act that the Government Affairs Committee had reported.

Senator Byrd himself spent a long time on the procedures, the germaneness issue, the limitations on debate. All that sort of thing were worked out by him personally with Dove and possibly, probably with Herb and others. But Al Frohm and I kept—we were the motivators. Al Frohm was working for Muskie. I saw my job, at some point, simply the political job of making sure this damn thing passed. I was interested, of course, in its contents, but I was really more interested in the sense in the politics, in getting it to the floor and then getting it to conference.

So we'd send Senator Percy to the floor every week or ten days to press Senator Byrd. Now Muskie couldn't do this, and Ervin couldn't do it. Of course Bob Smith with Ervin was also very eager that it pass. But Ervin was so tied up with Watergate he couldn't spend much time on it. So it really fell to Muskie and Percy, and Percy was the only one who could go to the floor with the bravado and the independence of mind to press Senator Byrd! He would just go over and stand up and say, "Now, Senator Byrd, what's the story with the

Budget and Impoundment Act? It's been, already, two months since we reported it. Two and half months. It's already been ninety days!" And he would get assurances from Senator Byrd that, indeed, everything was marching along, and that he was committed to doing something, and he wasn't going to bottle it up. I'm sure that's all in the *Record*.

I remember three or four of those interventions on the floor to press Senator Byrd on. But if Senator Percy hadn't taken that kind of interest, it might have flagged. And it really was a sign of the times. It really meant something to get it done, and people thought that it would make a difference. Everybody acknowledged that Congress had come to a point where it could not continue to live under the old system where Congress didn't have any way to figure out what it was going to spend. There was no way under the old system. It wasn't actually a system. You had authorizing committees that also had budget authority. And you had the appropriations committees that were ending up appropriating less, and less, and less of what was actually spent because they didn't have control over the entitlements, they didn't have control over the loan guarantee, borrowing authorities and various other elements of the budget. So Byrd played a very constructive role. He could have been an obstructionist, and he could have done it with all of his mastery. But, instead, he turned his mastery to making the new power workable. It was a great compliment to him, I think, because he could have decided it wasn't worth changing. And he didn't do that.

RITCHIE: He's kept up some of those themes as well, on the germaneness issue. The Byrd rule, in a sense is a continuation of much was going on at that time.

VASTINE: Umhmm.

RITCHIE: And he's held their feet to the fire on those. . . .

VASTINE: Yes, he has. Yes. He's been very good in that way.

RITCHIE: Well, what's your assessment of how the budget act worked after it got passed. Were you satisfied or dissatisfied?

VASTINE: I don't want to go past this without talking a little bit about the administration.

RITCHIE: Okay. Why don't we start with the administration, then.

VASTINE: Well, I just want to tell you this anecdote of going to the White House. Did I go to the White House for the signing ceremony or not? Oh, how can my memory. . . .

RITCHIE: Nixon signed it in July of '74, about a month before he resigned.

VASTINE: I got a pen for that, and I got a letter from him, a curt little note. Not a typical presidential sort of florid congratulations, you know, for your wonderful work. Okay, it was a different bill. We went to the White House. I don't think there was a White House signing ceremony for this. But, well I'm sorry, I'm floundering a little bit.

But I remember going to the White House for a signing ceremony. It may have been the ceremony for the signing for the U.S. Energy Agency. That was the precursor to the Department of Energy. That was in July. We went down with Ribicoff and, oh gosh, I have a picture of all of us standing behind President Nixon. All the moguls were there—the House guys, and Ribicoff, Chet Holifield, Rogers Morton, and Democrats. And it was the same day the *Chicago Tribune* called for the resignation of Richard Nixon. The *Chicago Tribune*! That was a big day for Richard Nixon. I think it was the first of the papers—the Republican papers anyway—to do that.

You'd have thought that he was still president for life! I mean, untouched! In the way he acted and in the way congressmen and senators acted

toward him! It was still, "Mr. President," fawning, great respect, everyone treating each other—no reference at all to anything untoward. Just amazing!

I apologize, because I was confusing that with the signing of the Budget Act. I don't think that he signed it in a public ceremony.

RITCHIE: What was the note that he sent you, by the way? Do you recall?

VASTINE: Oh, it was just: "Because of your deep interest in this bill I thought you might want to have the pen."

RITCHIE: Period.

VASTINE: Period. You know, [chuckles] maybe not even "deep interest." "Because you had something to do with this." It was really a back-of-the-hand gesture. But, anyway, I got the pen.

You see, I felt that the Budget Act—to go back to your question—did *exactly* what it was intended to do. I think the Budget Act served very well, for a period. And I think a lot of the credit—tremendous amount of the credit—goes to Senator Muskie and Senator [Henry] Bellmon, the first chairman and ranking member, because they understood it, and they made it work! And on the House side, too, I think Jim Jones was the first chairman of the Budget Committee. You had extremely able senators and congressmen running the process. I was disappointed in the choice of Alice Rivlin as the [Congressional] Budget Director. I had spent some particular amount of time conceptualizing the budget office and the budget committee process and envisaging what the CBO director would be. And she was much too—I thought—aggressively ideological. She brought much too much a point of view. This process was supposed to be neutral.

I remember the list of names being circulated for that position, and Senator Percy at that point, because he was still very important to the process, was given a list. Anyway, we didn't signal our affection for her. Though I like

her personally. She's always been very nice to me, and she's a very nice person. But I just felt she was too much a Democratic liberal economist and certainly in her work as CBO she was too frontal. She was too public in espousing points of view. But that's a quibble, I think.

Anyway, I think the budget process did what it promised. And people who attack the budget process for not having worked don't understand it, had no idea of what it really was. I mean, the budget process even before Gramm-Rudman was a way for a Congress that wanted to control spending to control it. And, it's Congress ultimately, finally, completely Congress and its inability to come to grips with the problem of deficits that has resulted in deficits. Not the budget process. Now, Gramm-Rudman obviously modified and strengthened, I suppose, the budget process. I'm frankly not enough of a student of it to provide an evaluation. I have not sat down and thought about that sufficiently to provide an evaluation of Gramm-Rudman.

RITCHIE: Was the Budget Act, do you feel, the big success of your years with Senator Percy?

VASTINE: Oh, I'd say so. Yes. I remember Senator Percy's AA coming to me and saying, "Gosh, if only I could measure my time with him in this way or have something to show for my work with Senator Percy of comparable value." It was definitely the high point.

We did some other good things in the committee. We created the Energy Department and, I guess, I had a lot to do with—everything to do with the Advisory Committee Act. What else? The Privacy Act of 1974 or '75 which is kind of a thorn in government administrators' sides as well, but was worth doing. The Budget Act was definitely the key thing.

RITCHIE: How did you find the situation when Senator Ervin became chairman of the committee? He was interested in things like privacy. Did that open the doors, McClellan went to Appropriations—was it easier to work on the minority staff under Ervin?

VASTINE: Oh, the atmosphere under Ervin and then Ribicoff was much, much better. Bob Smith, who was Ervin's staff director, is an engaging, affable guy who was competing with Ervin's Judiciary Committee staff to try to be an important committee and do important work and show the chairmanship of Government Operations Committee meant something. So he was interested in getting along and going forward. If he could harness Senator Percy's energy that was just going to help him. He was—*is*—a shrewd and savvy guy. Furthermore, he liked Senator Percy.

Senator Percy—this is an aside—was extremely impressive in those years. I mean, in running the committee—being the minority ranking member, this guy was quite amazing. He was a very fast study. He got up at four in the morning. He peddled his bicycle. He read all his memoranda. He religiously scribbled, "yes," "no," "maybe" on them. He came to his meetings with the memorandum—or the remarks—all in hand and digested, so that when it came his time to make his opening statement and do his questions he really did it—not by rote—but with feeling because he prepared. I saw him one day come into the Government Affairs Committee—he was going to meet a big crowd of folks, I think from Illinois, in the hearing room. The issue was some arcane farm policy issue or something off the wall. He walked into my office with his memo—into my office which was in back of our reception room in the committee. Where finally we had graduated to after having started out in the Senate Courts [a converted apartment building] and then going to the Russell Building basement. And then, *finally*, we got offered the room behind the hearing room.

Anyway, he came in there and sat down beside my desk, and said, "I just need a minute of quiet." And he spent five minutes at the most reading this memo which was a single-spaced page, and walked into the next room. I just followed because I was interested and heard him deliver the contents with complete conviction and with but a few references to the memo. He was really good at that. That was something that Senator Ervin couldn't do, and other senators couldn't do quite as well. He was very, very good. Wonderful guy to work for, really, really wonderful. He responded and appreciated your work. Was very creative and supportive, and he didn't second-guess you, although

occasionally you would get these scrawled memoranda: "I thought we were going to do X or Y or Z." He was excellent. It was a little thought that occurred to me about him. I got off the subject.

RITCHIE: How about with the other Republican senators? Were you also responsible for getting them. . . .

VASTINE: No.

RITCHIE: It was just Senator Percy?

VASTINE: Oh, well, actually, no. I was quite good as minority staff director because, I must say, because I worked well with the staff of the other senators, and I could count votes, and I knew. I could whip the votes so I could convince people to vote with Percy and support Percy which is why we had power in the committee. Furthermore, I knew that some of the Democrats would come over to our side. I think I said earlier, that if Percy and Muskie didn't agree the committee would go nowhere. If Percy did not agree with what Muskie often wanted to do, it was really a big stumbling block. Our opposition would be a big stumbling block, so we had quite a bit of influence as a minority. I got along very well with them, but I missed something you said. Oh, Ervin, was easy to deal with. I had a good anecdote, but maybe it will come back to me.

RITCHIE: Senator Muskie could be—reportedly—uneasy to deal with at times.

VASTINE: Oh, yes. He was famous for his temper. You could see the blood rise in his face when he'd get mad. It would start at the collar and go all the way up. And there were sometimes—very seldom—did he let it out. I understand he saved that for his early-morning meetings with his staff when he would vent his extremely irascible nature. Very, very difficult man. It's almost as though there was something physical or chemical in the morning that drove him to be awful! But, by the time he'd gotten past his staff and to us in the

committee he tended to have calmed down. I can't remember a good story about him. I liked him and respected his judgment, and the bottom line is we did a lot of good work together with the Muskie staff.

RITCHIE: All of this was taking place in the Nixon years. What was it like to be a minority staff director on Capitol Hill during the Nixon presidency?

VASTINE: Well, you're going away from the Government Affairs Committee, aren't you? Well, it was, first of all, I have been in the perhaps regrettable position—only in a sense regrettable position—in working for moderate Republicans when conservative Republicans have been in power in the White House. Senator Percy worked very, very hard to build good bridges with the Nixon—Ford was easier—with the Nixon White House and with the administration in general. But, frankly, they didn't—I mean he was ranking and they had to pay attention to him—but I wouldn't say it was ever a really cordial relationship.

When I first became staff director and Percy first became ranking, obviously they needed his help in the four great reorganization bills. There was a fair amount of to-ing and fro-ing and bowing and scraping on that. But when it became obvious that these things were dead, there wasn't very much more interaction.

Probably my first day on the job I went down to a meeting in the Roosevelt Room [in the West Wing of the White House] with Percy in which we met with some important person. It might have been [Peter] Flanagan. It might have been [John] Erlichman. I'm not really sure any longer. To get a pep talk on the importance the president put on these bills and the steadfastness of the White House's support. But after that there was almost nothing. It even became a fight to get a hearing! To get McClellan to call a hearing on finally the fourth bill. And there was never a markup.

Then, let's see. Shall I tell you an anecdote about [George] McGovern coming?

RITCHIE: Sure.

VASTINE: We were, however, Republicans, and we wanted to be for the president, and we wanted the president to win reelection. And we all thought, as I recall, that Senator McGovern was nuts, his economics were voodoo. So there was a Joint Economic Committee hearing. I did much of Senator Percy's economic policy work, backed him up on that. There was in the great, big then-Dirksen auditorium—I think it is subsequently transmogrified into something else—a big hearing, and McGovern was to come in and present his economic program at the request of the chairman, Senator Proxmire, who thought he was giving him a great opportunity to do that.

Indeed, McGovern came in. We were just loaded for bear! We'd gotten it all figured out—all the holes in McGovern's arguments—and thought we were going to knock great, huge holes in him. But, another lesson in how to handle the media, McGovern sat there and took unmitigated grief from the Republicans who, I think, demonstrated quite effectively, his ideas were all wet. He'd said a bunch of things that just couldn't be justified! They just didn't hold water. It was so obvious that they didn't, and we demonstrated that they didn't.

The media *did* pick up some of this. There were some clips in the evening news. But McGovern kept his calm. He handled the cameras so well that, just like my mother said about Senator Percy, a viewer couldn't tell that he was in any kind of trouble! He looked like he was winning his argument, not getting creamed, decimated by the Republicans.

But then, of course, Nixon was reelected, and Watergate began. As it evolved, people realized that it shaped the political climate and helped create the political climate in which the Budget and Impoundment Act was passable. But it also created a sense in the Senate of high drama. You probably had other people tell you all this, and you knew it yourself, but there was a feeling that this was really *something*. Wow! Holy moly. Suddenly everybody started talking about impeachment and the Senate sitting as a jury. And a trial going

forward in the Senate. At that time impeachments were even less known than they are today. There hadn't been an impeachment since the thirties. . . .

RITCHIE: A judge.

VASTINE: Of a judge. And everybody appointed somebody—of course, this was a great moment for staff rivalry about who would get to do it—who would handle the impeachment brief. And on Senator Percy's staff it was a very able young man named Bob Sloan, a very bright guy who later went to the State Department's solicitor general's office and became general counsel of the International Force for Observers in the Sinai. I haven't gotten the name quite right, International Force for something and Observers. And now, I think, is in law practice on his own.

But Bob became Percy's man on Watergate. I'll never forget how we all gathered on the day of Nixon's resignation in our Russell Building office and turned on the television to hear Nixon say farewell from the East Room. Of course, it was a moment of tremendous drama and pathos. But, also, plainly, a tremendous disappointment. Because everybody up here had their sights set on a juicy trial of the president by the Senate. And as horrible constitutionally as that would have been for the country, from the standpoint of lowly staff, it was a real *thriller!* There was a tremendous letdown. There was a palpable sense of letdown. Suddenly the landscape changed for Republicans. Gerald Ford came in. Senator Percy stopped his presidential effort. Everybody had to pull behind Ford. Ford was such a good man, I think, but was so unfairly treated by the media. The bumping of the head, for example. They made him out to be a bumbling idiot, which is unfair.

I worked in his administration. I'm a great admirer of the way he organized his economic policy process. Bill Siedman, who was later chairman of the FDIC, was then, had just come out of the private sector to be the economic policy coordinator in the White House. And Secretary [William] Simon, for whom I worked, was the chairman of the Economic Policy Board, I think it was called. It could have been called the Economic Policy Council, I'm not sure. I

watched the decisions on international economic policy being made. I supplied the memos backing some of them up and knew Roger Porter who was then Seidman's assistant at the White House. And I think Ford just ran a great process for decision-making.

He had to deal with [Henry] Kissinger and Simon, two of the strongest cabinet officers that, I think, any president in my memory has been served by. Very, very powerful men—who disagreed profoundly on some things, and brought their disagreements right to the president. The president used Seidman in helping make those decisions. I think President Ford did a great job. His pardon of Nixon was, by the people, unpardonable. Thought by the people to be unpardonable. I think it doomed his presidency and cast a pall over everybody. That's a long answer.

RITCHIE: How would you judge, for instance, the Nixon administration's congressional relations from your point of view? Were they any good at congressional relations?

VASTINE: Oh, you know, I don't want to sink to the level of ad hominem but there was a guy who handled Senate congressional relations on my subject, I can't remember his name. It's just as well, though, he's still around though in retirement. He was just awful! A very unpleasant guy. He'd worked for Senator [Hugh] Scott, and I didn't like him at all.

But, on the other hand, I think Fred Webber worked—I just didn't—I have to beg off that question. I don't have the big picture on that. I just don't have a recollection.

RITCHIE: Did the other minority staff directors ever get together? Did you ever plan things from committee to committee, or did you sort of work within your own committee?

VASTINE: We never got together. The closest we came to getting together was working with Senator [John] Tower over in the Policy Committee

on an economic plan for the Republicans. Senator Percy sent me over there to be his delegate. I guess this was the Task Force of the Republican Conference that had been created. And I remember meeting in that wonderful Policy Committee room with the impossible acoustics to forge a program with Senator Tower.

Senator Tower was very impressive, in spite of all his airs. He had a tendency to be arrogant, certainly later. And, of course, he had his London suits. Beautiful, tailoring. Do you recall that?

RITCHIE: Yeah.

VASTINE: Very natty. I used to do a great imitation of Senator Tower emerging, striding from the cloakroom, reaching the top riser of the Senate well before descending, rising slightly on his toes, surveying the scene, flicking his comb through his hair, straightening his tie, and descending to his seat. Very, very senatorial. He was also known to be a shirt-sleeves kind of guy. Everyone said he was an enlisted man in the navy, and a petty officer. So he was in for beer sessions with rolled up sleeves in front of the television. That was the kind of aura he brought to these sessions at the Policy Committee as we tried to decide a Republican program for economic revival.

I remember we had Secretary Simon come up. Simon caught wind—this is very effective congressional relations. Treasury gets very high marks for this. Simon came up, and we ran through our program. I had some proposal that I really liked about how many barrels we ought to save of imported oil. Simon just thought it was the stupidest idea he'd ever heard, and trashed it. But that's neither here nor there. It was a good effort, and it resulted in a nice program and a good press release. But that's the only coordinated effort I recall.

RITCHIE: What were your relations with Hugh Scott and the Republican minority leadership in the Senate in those days?

VASTINE: Well, there wasn't a lot of effort, you know. I would get calls from Bill Hildenbrand when something would come to the floor that looked like it was our business. He would call up and find out in the course of the business whether we objected to an amendment or to a bill being brought up or, you know, he did his job in that way. But, I was never part of the conference or never went to a Policy Committee meeting with Senator Percy. I guess that wasn't permitted. Or to a conference. While there may have been coordination with Percy, there was none that I recall at the staff level at all in those days.

Later on, of course, when I became staff director of the conference, by that time there were meetings every Friday in the Policy Committee's back room in Bob Potts' office. But, in the Percy era, in the '70s, I don't recall that at all. No effort. Scott was liked.

RITCHIE: It was still the era when the committees were, in a sense, baronies and most of the business went on in committees, not Senate-wide.

VASTINE: That's correct. As I recall it.

RITCHIE: Well, what was it that made you decide to leave the Senate then in '75 to go to the Treasury Department?

VASTINE: Let's see. To be honest, after the Budget Act passed and after it became clear that Senator Percy would not participate in it, there wasn't a heck of a lot that was interesting. The committee's agenda is not a very exciting agenda. Though, for a period in the '70s, it was quite exciting because of the Consumer Protection stuff and the Budget Act and because of other things we did. And because we had a very high quality committee. Ribicoff was a good chairman, too, though he liked publicity and cameras and got bored quickly if they weren't there. His staff were excellent. We, at the end, did some interesting work on control of exports of fissionable material.

It was time for a change. I remember we had created a commission, the Commission on Strategic Materials and Commodities, or something like that,

that needed an executive director. Percy had taken a big hand in rewriting it on the Senate floor. And I knew that they were going to be looking for an executive director. Just about that same time, which I guess was in the late winter and early spring of 1975, I had developed a relationship with a guy at the treasury, a deputy assistant secretary who did congressional affairs. We'd become warm friends, and he told me one day—he knew of my interest in international trade and I think he knew of my interest in moving on—and he told me one day that a man I knew named Howard Worthington had died in office. Died on the spot, virtually at his desk. This guy, Howard Worthington, was deputy assistant secretary of the treasury for International Trade and Raw Materials Policy. He worked under an assistant secretary named Gerald L. Parsky whom I had known when we created the U.S. Energy Agency.

Parsky had begun as Secretary Simon's executive assistant. Very young man, very brilliant, a lawyer, Princetonian. Came out of a law firm. Came to Simon's attention somehow, and was suddenly elevated by Simon into a very powerful person at the treasury. Simon took a kind of iconoclastic move from the standpoint of the treasury, he took a whole piece of the international division of the treasury and he gave it to Parsky and made him assistant secretary. He bifurcated the international activities of the treasury into two assistant secretaryships. Parsky was riding high. He had all the sexy issues. He had trade and commodity policy. He had energy, and he had the office of New York finance. And a few other things though I've forgotten. He had three deputy assistant secretaries to work on those matters with him. And I became one of them. Essentially, when my friend told me about the death of Howard, I called up Jerry Parsky. I got his attention, and he said, "I'll consider it." And he considered it, and I got an offer to go be the executive director of the commission and deputy assistant secretary of the treasury; and I leaped to treasury.

I want to go back for a minute that relates to Parsky and Simon and essentially to the Nixon administration and how things work. Early one Sunday morning—I mean *early* one Sunday morning, like seven o'clock, I had a call from

Senator Percy from his home in Georgetown who said, "Bob [imitates]. There's going to be a meeting," in his inimitable way. Do you remember him very well?

RITCHIE: Oh, yes.

VASTINE: I used to do great Percy, by the way. When I'm in good voice, I do a great Percy. I'm not there yet today. He called me up and said, "There's a meeting at the treasury at 9:30, and you're to be there. Go there. Get down." I said, "What about?" He said, "Just go to the treasury. Nine-thirty. Go in the secretary's entrance."

So I went down to the treasury, and went in the secretary's entrance; and we were escorted up to the secretary's conference room, a room I subsequently got to know well. And we were given a presentation by Simon about the need for immediate congressional enactment of an energy agency to give him the powers he needed. He'd just been appointed energy czar. Charles DeBono had been the guy in the Nixon White House. I can't recall. No! It was Governor [John] Love of Colorado who was brought in and who was a very sweet man, but he didn't have the moxie. Simon, who was then deputy secretary of the treasury, did, and he took on being energy czar with a vengeance. That's when he and Parsky began their relationship. He was famous for returning congressional phone calls at two and three in the morning. Because we had energy rationing, essentially, and senators and congressmen would call up.

Anyway, we got called to the treasury on a Sunday morning and told that this was urgent and we had to pass it, and pass it quick. So we had hearings almost immediately, and I think it was done indeed very quickly. But I remember Simon wanting to be *both* deputy secretary of the treasury and energy czar! That was a provision of the initial draft that we were given.

Finally, we got to conference; and I remember our conference was in the Atomic Energy offices up in the east front of the Capitol up in the secure area, no windows.

RITCHIE: Attic floor.

VASTINE: We were coming down to the wire on agreeing on a conference report, and this issue of Simon being both—I think it had been dropped at one point. I'd gotten a call from the treasury saying, "Don't forget about Simon wanting to be both." So I said to Senator Percy, "Now, what are we going to do about Simon?" because if we didn't look out for Simon as the minority nobody was going to. I remember calling up Parsky at the treasury saying, "You know this puts us in a bit of an awkward position. How can this guy really be both?" Parksy went and talked to Simon, and Simon said, "Well do it if you can. But it's not life or death." So Simon went on to be secretary of the treasury and that was good enough, I think.

Do you want to stop there?

RITCHIE: Well, I was going to tell you that tonight I am going to hear a sort of Percy institution. I'm going over to the American Political Science Association for a performance of the Capitol Steps.

VASTINE: Oh, that's nice.

RITCHIE: Didn't they begin as a group of Percy staff members, at his annual Christmas party?

VASTINE: That's right. But after I was there. I didn't know any of them. They later came on after I was there. They were in the Government Operations Committee staff.

RITCHIE: I wondered if in some respect they were a reflection of Percy, their humor and slight irreverence?

VASTINE: Why don't you ask them? [Laughs] Let me know. Well, he took himself very seriously. Senator Percy was very much the senator. There was not a lot of irreverence or joviality around. He *liked* being senator, and he

liked being treated as a senator. He liked being addressed as "The Senator." He didn't encourage any of the staff to call him Chuck, though there were a few that did just because they'd known him forever. So I'm not so sure he can be credited with creating that atmosphere.

RITCHIE: One question about that period is: how does a senator's committee staff work with his personal staff?

VASTINE: It's so much a matter of personalities. I made it a practice to stay very close to the personal staff. I would pay a visit practically every day. Our offices, thank goodness, were quite close; but, you know, I came and visited with the legislative director and the press secretary, the senator's personal secretary of twenty-five years, and the AA—occasionally—not always, because he wasn't the easiest guy to hang out with. But his secretary, certainly, and the legislative staff. I was acutely aware that you could be knifed from the personal staff if you weren't really careful.

RITCHIE: I would think there would be some rivalry for attention for senators, that they might not appreciate a committee staff, being something else to have to deal with.

VASTINE: Not in my experience, no. If you're doing your job at the committee staff level and providing the senator with the material he needs to use that forum to his political advantage and public relations, press advantage, the committee staff can sometimes gain ascendancy over the personal staff. It really depends, but I also have seen cases where committee staff gets isolated and doesn't know how to build bridges with the personal staff and gets too far out in front or off in left field and is cut off at the knees.

It's really like everything else up here, it all comes down to personal relationships. The people skills of the individual involved. Sort of sixth sense. I have a highly developed self-protective paranoia. So I'm constantly watching, obviously as a result of my Hill training. [Laughs] So we'll see.

RITCHIE: Well, very good. Maybe we should wrap it up today.

VASTINE: Well, if I think if anything else on the Government Affairs side, I'll make a note. You asked earlier a question that I wanted to say more about it, I think the relationship with Ervin and what it was like to be in the minority.

RITCHIE: If you'd like to begin with that the next time.

VASTINE: Yes, if I think of it.

End of Interview #3