

# INTERVIEW with J. ALEX McMILLAN

U.S. Representative from North Carolina's 9th district, 1985 through '94

- Born May 9, 1932, in Charlotte, North Carolina; wife Caroline
- B.A. History from the U. of North Carolina in 1954; MBA from the U. of Virginia (Darden School) in 1958
- CAREER: Army Intelligence, 1954-56; R.S. Dickson & Company, Investment Banking, VP, 1963-71; Ruddick Corp., Holding Company, VP Finance, 1971-79; Harris Teeter Super Markets, CEO, 1977-83; Mecklenburg County Board of Commissioners, 1973-76
- Elected to U.S. House to represent the ninth district of North Carolina in November 1984 by a 321-vote margin; re-elected against same opponent by a 4,112-vote margin in 1986; and reelected with over 65% of the vote in 1988, '90 and '92
- House Committees: Small Business 1985-86; Banking, Finance and Urban Affairs, 1985-89; Joint Economic Committee, 1986-88; Energy and Commerce Committee, 1989-94; House Budget Committee, Ranking Republican, 1991-94

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## PHILOSOPHY and POLITICAL ROOTS

I became assistant campaign manager for a guy named Bob Gavin. He was an attorney who argued most of his cases in federal court, so he was known around the state, and he ran against Terry Sanford [for Governor in 1962]. Terry looks fairly centrist now, but back then he had bought into the Kennedys and so forth, and I thought he was off the wall.

And while I didn't have a flat ideological bent, I tended to gravitate to the more conservative side of the spectrum. I defined it then, and still do, this way: Basically, government ought to enable individuals to be, as the Marines say, "the best that you can be." To maximize freedom [but] not as an absolute. So I view politics as sort of a scale, from heavy government involvement with limited individual choice [on one side] to the opposite mix on the other.

Because I felt we were moving toward excessive government rather strongly with [President] Kennedy and Governor Sanford, I supported Gavin. He wasn't that effective a candidate, but he came within something like 6% of winning the Governor's race [in 1962 against Sanford]. Had he won, Gavin would have been the first southern Republican Governor since Reconstruction.

The Mecklenburg party was the most active party in the state, in a modern sense. A lot of people had come from other parts of the country, so Mecklenburg County and Charlotte became one of the places in the south where Republicans, or former Democrats, could find a home. It didn't have the rural connotations that Republicanism later acquired that got associated with civil-rights issues and one thing or another.

Charlotte has always been pretty *avant-garde* in terms of race relations. The ACLU wouldn't agree with that statement, but we elected a black Mayor long ago. And Republicans almost won a Commission seat in 1972 with an African-American candidate -- he was opposed by the Black Caucus.

## **FORD, CARTER and HELMS**

I was amazed that Jimmy Carter got as far as he did, and sorry that he defeated Gerald Ford. I liked Ford. He had integrity -- he knew what he believed, and he stuck with it. Given enough time, Ford might have been one of the best Presidents we've ever had -- sort of a Republican Harry Truman. And [had he won a second term] Carter probably would've dug himself into a deeper hole than he did in the limited time he was there! [Laughter]

I guess I was one who probably would be classified as a conservative or moderate Republican, if [pause] -- that was the kindest thing the *Charlotte Observer* could ever say about me [laughter].

*So how did you feel about Jesse Helms?*

Well -- I didn't agree with Jesse on a lot of things. I do think he played the race card occasionally. He would not have conceded that; and he would overcome [such tones] by personal acts of consideration and kindness, and they were genuine.

But, I knew where Jesse came from. He was born in the next-door county. As a matter of fact, he first ran for office when I first ran for office [1972] and one of the guys sponsoring me for County Commission gave a joint fundraiser one morning for the two of us! Helms and I were there, along with the guy doing it, and not many others [laughter] -- it was "root hog or die" for both of us!

I've been to a lot of Helms rallies, and I really had a hard time stayin' even with him. But I thought the man, as he saw himself, was honest -- a genuine article. His wife covered up some of his warts well. He was always talking about somebody's wife, and what he really meant is: *If it hadn't have been for my wife, I'd really be in trouble* [laughter]. And so would Jesse!

## **COUNTY BOARD of COMMISSIONERS, 1973-76**

*Why didn't it lead directly to a political career? Did you run for reelection?*

No. Our business at Ruddick was getting so complex for its financial vice-president -- me -- and then I was spending 30 to 40 hours a week off the job; it was really wearing me down.

*"The Commission had jurisdiction over school funding, social services, hospital support, health care, police and court facilities, and zoning." So you got to see how all these government agencies worked at the street level -- right?*

Yeah. Charlotte's a growing community. I was also chair of the Social Services Board and had the liaison assignment with the School Board -- which led to major challenges associated with the most intensive Court-ordered busing in the United States. I'll give you this paper [written

for my '72 campaign] on managing growth -- it used Atlanta as an example of what we didn't want to be. We were adopting a master plan for Charlotte, one which dealt with transportation, utilities, neighborhood design, and so forth -- all of which are very much issues today.

You know, I'm not a "hands off" guy when it comes to government. Government has achieved an awful lot to make this country what it is; it's also been [a problem in terms of] what it hasn't done. And so I viewed the role of the County Commission as executing at the lowest level of government. But, at the end of the day, you had to balance the budget, you had to direct the [County] Manager, and deal with the constituents -- you were the legislature and the executive. We hired a Manager, but he did exactly what we told him to do.

In a sense, that was a really good governmental experience [and] totally unlike the eventual legislative experience of Congress, where one could deal with just a few issues, or perhaps only one, and still appear effective.

## **SHORT TAKES on HOUSE COLLEAGUES**

### **Dick Arme**y?

Dick was an economist and a professor from Texas. He wasn't quite of the same stripe as Phil Gramm, but he had his own philosophy, which was Adam Smith Plus. And he preached that same sermon over and over; he was very up-front and outspoken, and he later ended up exercising leadership. In my time [with Dick], I wouldn't have viewed him as a leader. And he probably didn't like my approach to doing things, which was more meat and potatoes "in the trenches" pragmatism on issues like health care and budget.

I felt like he was too much of the pro-growth philosophy -- that we could basically solve our [fiscal] problems by growing out of 'em. We tried the pro-growth philosophy under Reagan -- cutting taxes while never getting around to spending control. I thought [the country] deserved a more measured approach [in that] we had to concentrate on the spending side at the same time -- and maybe even on the revenue side in certain cases.

### **Tom DeLay**?

Early on, I think he kept himself pretty much in the role of an Appropriator. But he was active; he got on the floor, expressing his views; and he was a diligent Member.

Tom was dogged in his pursuit of his beliefs. He was much narrower in his interpretation of a "creative Republican Party" than I was. I think he was overly political and nasty in terms of his attitude towards his political opposition, in Texas, and ultimately that carried over to the whole Congress: It exacerbated the partisanship to a destructive extent [as opposed to] a constructive kind of partisanship -- I think there are two ways to carry it out.

For a while I'd go back [to D.C.] -- in the 2000s -- and the conversation was becoming increasingly nasty and partisan in approach. Tom became extremely aggressive in all that -- and I didn't buy into it. His grievance regarding lopsided campaign donations [by the PAC

community] was valid; but the way he was playing it was a little bit too hardball. It was fine to bring it up, but it accelerated after I left. I would've gone about it differently.

*Was DeLay as anti-government as Dick Armev was?*

Yeah -- except when it came to him. He was like a lot of Texans (Armev probably excluded): They don't like government, but they like it when the money comes home to Texas. I do give Armev credit for hanging in there with the Base-Closing Commission -- he should've tried that with the budget.

### **Bill Frenzel?**

Bill was one of the best Members of Congress that I worked with. As Ranking Republican on the Budget Committee during 1990, Frenzel was pivotal in forging an alliance among the Bush White House, House Democrats and Republicans to nail down a deal for discretionary spending caps and "PAY-GO" provisions on entitlements for a period of five years; this became known as The Budget Enforcement Act of 1990. To close the deal, Bush had to agree to a moderate increase in tobacco excise taxes, which the industry accepted, and a tax on luxury yachts to help fund Coast Guard rescue obligations.

Of course that meant backing off of his "read my lips, no new taxes" campaign statement. The "no-new-tax" ideologues ran for cover and we lost a lot of Republican votes on final passage, holding some 47 Republican stalwarts in achieving a bipartisan plurality. This action [of October 1990] -- the most important budget action in years -- set the pattern for caps and PAY-GO that was extended in 1995 for five more years and substantially reduced the deficit progressively and ultimately yielded a surplus [during] 1998-2001.

Bill Frenzel merits most of the credit in pulling this off.

### **Willis Gradison?**

He didn't quite have the fire that Frenzel did.

### **Porter Goss?**

Porter joined the Budget Committee in 1992 as well as serving on the Intelligence Committee. He had retired from a career in CIA and was a knowledgeable Member and a good friend.

In 1992, when I was serving as Chairman of the NATO Assembly Committee on East-West Economic Cooperation, we were having privatization plans prepared by European political economists for Eastern Block countries at their request. They proved very influential in changing the ball game. In 1993, I took four other Congressmen, including Goss, to St. Petersburg, to learn about privatization developments in that city and district. A scheduled meeting with the Mayor had to be changed as he was negotiating the price of bread with government pensioners -- who comprised 65% of the city's population -- in the face of a 200% inflation rate. The city ran the only four bakeries. The Mayor's privatization director showed up instead -- none other than Vladimir Putin, who suggested we might want to buy the four bakeries to further his plan.

## **Judd Gregg?**

I like Judd. I wish he had spoken up more in the House, but I liked him as a Congressman, and I have liked him as a Senator. Maybe he can move to Pennsylvania to take Arlen Specter's place [laughter]. He flat knows budget and tax issues.

## **Olympia Snowe?**

She was on this "ad-hoc bipartisan appropriations committee" with Tim Penny, John Edward Porter, Tom Tauke, Charlie Stenholm, Paul Henry, Lamar Smith, Fred Grandy, Harris Fawell and me. I saw Olympia as a very responsible person [and] a fiscal conservative. If you'll excuse the expression, it took a lot of balls for her to be able to stand up to some of that stuff on the Appropriations Committee, and to be able to survive up there in New England as she has. Our bipartisan committee of "fiscal hawks" offered floor amendments to Appropriations bills. The Democrats were "blue dogs" and I guess we [Republicans] were "red dogs."

## **Henry Hyde?**

Hyde's influence on our party -- and even on the other side -- was enormous. He could stand up in Committee or on the Floor and debate a position like he was Judge Bork's mentor. Whereas [Jim] Sensenbrenner looked like he was ready to set off a bomb and blow up the place, Hyde was smooth and persuasive.

When the "Brady Bill" was under consideration, Hyde, Mike Oxley (an ex-FBI man) and I decided we thought it made good sense. So we asked Wayne Lapiere, the head of the NRA, to come meet with us to discuss the possibility of their going back to an earlier position of [support for] a records check to make a gun purchase. He acknowledged that this had been the case [a decade ago] but that the issue was too hot to let go of.

We all supported the bill and it was taken up for a vote on a Friday. I was scheduled to go up in a hot air balloon at rally in Statesville the next day. Statesville had some of my most vociferous gun-rights hawks and I feared for my safety in the air above Iredell County. Fortunately, the rally had to be cancelled due to overcast conditions.

## **And...Robert Michel**

Bob Michel is a collegial human being, and a great patriot. His style grew out of the way Congress used to operate -- you know, Leader [Joe] Martin ran the House the way Leader Ford would later run the House (or at least the Republican Members). There were a group of guys, including many moderate Democrats, who basically got along with each other -- it was collegial. That's also how meetings [run by Bob] went. He gave wide latitude to his ranking committee members. Only under extreme circumstances did he exercise any strong constraint or "urging" over them -- not unless really pushed.

I got along with him fine. And he appointed me as his representative on the Budget Committee for four years; he also appointed me to the Joint Economic Committee, and to the NATO Assembly -- all three. (I did participate in budget battles before I had any committee reason to do so.) So, I was part of the Leadership during 1991-94. Bob Michel and I trusted each other.

## **BUSH's '88 PLEDGE comes back to haunt him**

I thought the Budget Control Act of 1990 was a tremendous turning point, so I got out there and participated in the debate. The Leader was for it, of course; Newt didn't vote for it. We had a lot of defections. But I thought it did some great things. It picked up on where Gramm-Rudman left off, or failed -- by picking up on PAY-GO as a principle. We didn't get 100%, but we got a lot of [what was needed from] PAY-GO as a concept. The Act also established a benchmark on the rate of increase in discretionary spending. And so I decided, "This is the first serious thing I've seen on the budget since I've been here."

*The only thing [Republicans] remember [about that '90 Act] is the little bits and pieces of tax increase that Bush had to agree to.*

This was mostly a tobacco tax! In fact, we had the tobacco companies tell us "go for it" because "it's lower than we're ultimately going to get; and so we'd like to see it at 8 cents for a year," or whatever it was. That's when Republicans crossed the line from being pragmatic fiscal-control guys into becoming ideologues -- so tax replaced financial responsibility.

*The other aspect was the tax on luxury boats.*

Which was offered to fund Coast-Guard rescues of boat-owners. Yet it became a hot-button issue -- and another illustration of the party moving from a basic core principle to a collection of irrelevant trivialities that wouldn't amount to a row of beans.

I'll put it to you this way. Newt has come back and said, "We extended those caps later." But basically the caps held up into the Clinton Administration -- and I firmly believe that the guys who made it hold up were Erskine Bowles and Robert Rubin. At that time, Newt Gingrich worked with them to build upon the '90 and '95 budget bills to achieve a surplus [that lasted four years]. And President Clinton bought into it. He had been with the Democratic Leadership Council -- people in their party who did have some vestige of fiscal responsibility. They also held to it. PAY-GO and caps, coupled with declining interest rates and inflation -- and at least a stabilization in defense spending -- all came together to create the surplus [by 1998]. It took a bipartisan effort to hold it together.

*Well, don't forget strong economic growth [during 1993-99].*

And economic growth, no question about it -- although there's a limit to how much you can generate by cutting taxes. At some point, you can cut the price of goods [but] you're not going to sell any more. I would submit that the drive to achieve budget balance created the confidence to take long-term risks in the economy. A program of fiscal responsibility can thereby produce economic growth, which to me makes more sense than waiting for an expanding economy to somehow overtake the budget deficit.

The Budget Control Act of '90 is really what caused Bob Michel to ask me to serve as his representative on the Budget Committee. How that was structured is that the majority leader on each side got to appoint a representative. For the other side, it was [Dick] Gephardt, and I was Bob Michel's appointee. That's what entitled me to be a part of the Leadership. That led to a lot of things without my necessarily being elected to anything.

## **HEALTH CARE and the GOP's '92 SLUMP**

President Bush lost that damn election because he didn't bring up a bunch of good health-care reform ideas we had. Bill Clinton heard about a number of those ideas and started talking about 'em.

And then -- this is late in the game -- young George appears on the scene. At one of our weekly congressional Bush Campaign advisory meetings, he shows up. I had never met him before. He had a real swagger. So we tell him: "Here's some of the things we've been saying. We have been stressing the need to focus on domestic issues [because] Republicans have ended up looking brain-dead on the domestic side..." And he says: "Well, I don't know about all that, but my old man's a fighter and we're gonna win this campaign." [Laughter]

That was the end of the discussion. I thought: DAMN [more laughter].

In the final month of the '92 campaign, Bush's polls were really weak. I ended up on a train with him going through my district -- from one end to the other, about 60 miles. So Caroline and I and George Bush are sitting on the back of a railroad observation car, out in the open. He's got a loudspeaker, crowds gather along the way, and he's bantering back and forth. We had a great time talking with him. He could be the most collegial, pleasant guy.

It's sad -- he didn't need to lose that election.

## **HEALTH CARE (in 1993-94) with a local twist**

I wanted to link what we were trying to do in Congress with my local health-care community, which was typical of the United States as a whole. So I formed a task force on health care. It was directed by the Chancellor of the University of North Carolina in Charlotte, who'd formerly been Chancellor of the University of Birmingham, which had the major medical school in the state of Alabama.

I got doctors, top hospital administrators, insurance people, litigating lawyers -- everybody with any relation to health-care [delivery and policy]. And I knew this ought to be bipartisan, so I invited John Spratt to be co-chair of the committee with me. The task force had meetings, came up with a lot of good stuff, and we put together a big report. Didn't go anywhere -- or it went into the same trash bin as all the other stuff on health care.

But [changing laws or regulation] wasn't the only purpose. My other objective was to make these people talk to each other -- at the level where they do their work, not through their lobbyists in Washington and taking a narrow position [so that] everything just ends up in a standoff.

There existed -- on both sides -- the will to put together a bipartisan package. But the Democrats [in Washington] dropped the ball and I believe the Republicans made a major effort to cooperate.

## **PUBLIC'S LACK of KNOWLEDGE**

Half the population doesn't know the difference between a Member of Congress and a member of the state legislature. "So what did you do?" "I was a Congressman." "Oh, were you in Raleigh or in Washington?"

## **SINGLE ISSUES, POLICY STRAITJACKETS**

*Tell me fundamentally what is wrong with a single-issue group -- pro-life, pro-choice, gun rights, term limits, or whatever -- starting a PAC, running ads, going to federal candidates and saying: "We don't care what else you're for or against; as long as you back our stance, we'll give you money..." Is that anti-democratic? What is the argument against that?*

I support some of the "single issues" you just mentioned. But they were not what I ran on or where I spent most of my time. I guess my argument would be that there are too many of them. They may be compelling in a given district, or in a few districts, but not in the majority of areas, and certainly not in Charlotte-Mecklenburg.

*Doesn't [organizing support for one or two such issues] increase citizen involvement? "Okay, I don't understand politics, but I support gun rights and I'll give that group a donation."*

Yeah, but I don't think citizen participation is *ipso facto* good -- especially if it's only about a single issue.

*The cat has just been let out of the bag here, folks [laughter].*

Well, it depends on who you get to participate! Theoretically it's a good idea -- but, you know, this country moved into it somewhat reluctantly. And when you participate for narrow reasons, then it probably does not work well for the system as a whole. Congress protects single issues while letting the budget, and recently the whole economy, go ballistic.

I think single issues distract voters and their representatives away from facing up to the overriding issues of the day. It is like gun control, as an example. Those supporters, pro and con, will give money and get all fired up while ignoring fundamental issues facing the nation.

Single issues have seized a majority of each party [and the result is far less] ability on the part of Congress to focus on overriding problems and opportunities: (a) "No tax increase" pledges trump exploding deficits that call for spending restraint, and spawn weak-kneed approaches to major issues; (b) federal insurance trumps cost-effective and competitive management of health-care delivery.

*But it's hard to come up with any kind of a system that would take away that right.*

True. So my idea wouldn't be to limit what they do; it would be to elevate what the broader-based interest might support -- those are the fundamental things that really matter. Freedom matters more than guns, welfare or unions, or whatever happens to be your special issue.



Remember, the Founders were not single-issue people. They dealt with the whole. They created a broader consensus that could accommodate the differences in details and among jurisdictions.

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