

INSTALLMENT FIVE

CAREER SUCCESS

1972 - 1979

1972 Was A Good Year

1972 was a good year for the Hystad family. We all were finally feeling settled in our Stedwick townhouse. I was happy with my job. I was earning enough money to pay the bills and keep Jan relatively happy. Jan had just turned 34, while I was much younger at only 33. Cheryl would soon turn 14; Chris would be 11 in August; Greg would turn nine in September; and Cindy would celebrate her seventh in March

My job was less demanding now that I had over two years experience as a budget analyst, and I had more time at home to play with the kids, play tennis with Jan or Howard Rohm, ride my bike around the village, swim in the indoor or outdoor pools, sail a little sunfish sail boat on Lake Whetstone, and play bridge with neighbor couples.

Meanwhile, on the national scene, Nixon was still trying to bomb North Vietnam into submission, with no success, while trying to convince the American public that he was ending the war. The Presidential elections were coming up in the fall, and he wanted to reduce opposition to the war. He was gradually reducing the number of military on the ground in Vietnam, while escalating the bombing. We were killing more and more innocent civilians, in an attempt to prop up a corrupt government in the South, all the while pretending that we were fighting for "democracy." In March of 1972, North Vietnam troops invaded the South. The U.S. responded with widespread, indiscriminate bombing of the North, including the city of Hanoi. This was another shameful chapter in American foreign policy.

National Science Foundation Expert

I was in a smooth routine in my job as Budget Analyst at the Office of Management and Budget. I knew the programs and budgets of the National Science Foundation better than any one person at NSF. I had identified all the major program and budget issues, and I was working on improving the management approach at the agency.

I had found a couple of interesting issues, which took much of my time. One was the Antarctic research program, which was managed and funded by the National Science Foundation. I conducted a thorough review of both the science program and the logistics management of the activities in the Antarctic. It was very expensive to main-

tain year-around facilities in the Antarctic, and relatively little science work could be carried out in the winter months which could not be accomplished by unmanned devices. But our national security and foreign policy people thought that the U.S. needed to maintain a strong presence there in order to discourage any possible efforts by other nations (particularly the Soviet Union) to use the Antarctic as a tool in the Cold War or to stake claim to any natural resources there. Although the science programs were advertised as the reason for our large presence there, it was clear that this was not just a science mission.

I was told that I could go to the Antarctic personally to review the activities there, during the summer months (our winter), but I couldn't justify to myself that this would be a reasonable use of taxpayer money. I knew that such a visit would not result in any major changes in programs or spending there, and I could get all the information I really needed without a personal visit. Travel to the Antarctic reminded me of all the Congressional visitors we used to get in London who claimed to be on fact-finding missions but were just getting a European vacation at taxpayer expense; I didn't want to join that class of leaches.

The other major issue that I focused on in early 1972 was weather prediction and modification. Both the NSF and the National Oceanic and Atmospheric Agency in the Department of Commerce were spending several million dollars a year on research to try to improve capabilities to predict weather, and to determine the feasibility of modifying the weather. Weather prediction efforts focused primarily on developing improved models of weather behavior in the near-term, up to four or five days in the future, which some scientists thought was now becoming feasible with the availability of larger and faster computers. Weather modification efforts focused mainly on preventing or moderating severe storms that caused major damage, such as hail storms and tornadoes.

After reviewing the primary weather prediction modeling efforts, it became clear to me that there was very little potential to significantly improve prediction capabilities. Although faster computers could process much more data, and it might be possible to develop models which could theoretically predict weather patterns, the key problem was the lack of adequate real time data on what was happening all around the world, in the oceans, in the atmosphere, on the land masses, which would impact weather conditions over the next hours, days or weeks. It seemed to me unrealistic that we would be able to collect enough such data, at an acceptable cost, to significantly improve weather prediction. And what would be the benefit of such large costs? What would be the benefit of knowing for sure that it would rain next Tuesday and Wednesday, or that it would snow on Sunday, versus having a 50 percent probability of such weather? There might be great value in being able to predict life-threatening storms, including tornadoes and hurricanes, but most weather prediction would have relatively small benefits.

Weather modification efforts could be successful only if we could predict the weather with a great degree of accuracy, so that we could then try to prevent the predicted

result. And there was great uncertainty that we would ever be able to develop the capability to prevent a hail storm or a tornado.

It seemed to me that the entire weather prediction and modification efforts of the government were largely a waste of money. On most days the typical user of such forecasts could predict the weather himself just about as accurately as the official forecasts, just by stepping outdoors. Granted that the movement of major weather fronts and storms were relatively easy to track, and the location of such fronts and storms was valuable information to boaters, pilots, farmers, and others who are most impacted by the weather. But it was possible to provide warnings of such major weather movements without a huge additional investment in research or in data gathering and modeling.

I concluded that there was no value in spending money on weather modification research at this time. And that further research on weather prediction should be focused on a few areas with potential high payoff in terms of lives saved, including research to improve warnings of tornadoes, hurricanes, and major floods, and wind shear near commercial airports.

Enjoying the Townhouse

At home, I was enjoying our townhouse, making use of the indoor swimming pool, attending parent-teacher conferences, and trying to get used to the idea that my little children were growing up. Cheryl was in 8th grade and was doing well in school, and was always “Miss Responsibility”. Chris was in 5th grade and was not quite as studious; he was into basketball and having fun. Greg was in 3rd grade and doing well, and was the up-and-coming young star on the summer swim team. Cindy was in the first grade, and had learned to talk very fast just to get a word in edgewise at the dinner table.



Here are school photos of Cindy and Chris taken in 1972.



VILLAGE NEWS

BY MONTGOMERY VILLAGE FOUNDED

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SERVING 2,325 FAMILIES



The second annual Spring Talent and Variety Show is being held by MVJHS on Friday and Saturday, March 24 and 25, 8 p.m., at the school. On Friday evening there will be 16 acts, of which the best 10 acts will return for Saturday's performance and final judging. The cost is \$1.50 for adults and \$1.00 for students.

The program will include acts from the feeder elementary schools as well as a few surprise acts for Saturday night.

Co-directed by Lenny Moyer, and Monroe Davis, the show will be aided by the school music department under the direction of Mr. Clair Christy, Mrs. Marilyn Allen, and Mr. Bill Outlaw.

Shown above at rehearsal are the "Triplets," a singing group composed of, left to right, Cheryl Hystad, Cindy Fink, and Lorrie Owens.

Photo by Derl Barringer

Here is a copy of a clip from the Montgomery Village News with a cover page photo of Talent Show stars Cheryl Hystad and her friends Cindy Fink and Lorrie Owens.

Using My Position to Help the Family

Some time during 1971 or 1972, I had the pleasure of helping my sister Eileen, as a result of my position at the White House. Eileen's husband, Jim Ostergaard, had left her and he had joined one of the military services and was stationed overseas. He had been ordered to pay child support to Eileen to help her with the cost of raising their two boys, but he had not been making his payments and was ignoring Eileen's requests for money. Eileen asked if there was anything I could do to help; she gave me the name and address of his commanding officer.

Although I had no responsibility for the military services, I decided to send a letter to Jim's commanding officer, in which I informed him of the problem and asked if there was anything he could do to see that Jim met his responsibilities to his children. I used my office stationary, which happened to say "White House" and "Executive Office of the President", which may have had some little influence on the commanding officer. In any event, in a couple of weeks I heard from Eileen that the commanding officer had immediately sent Jim home with instructions to take care of the problem. According to Eileen, Jim was not at all happy that I had intervened, but she was now receiving child support.

During my years in OMB I was able to help a few other members of the family who were having difficulties with government agencies, including helping Uncle Perrin resolve a problem with the Social Security Administration. It was one of the perks of that job.

Visiting Wally in Louisiana

During Easter vacation in 1972, we all loaded into the Rambler station wagon and drove to Lafayette, Louisiana to visit my brother Wally and his wife Ginger and their six kids. We drove to Atlanta, Georgia the first day, and then all the way to Lafayette the second day. Wally worked for Employers Mutual of Wausau, an insurance company based in Wisconsin, and his clients included offshore oil drilling companies that were working out of Lafayette in the Gulf of Mexico. His daughter Debbie, who was born in Henning when I was in High School, was now about to turn 18 years old, and Kevin was 16. Wally's kids were growing up. Wally showed us around the Lafayette area, which is just west of the Atchafalaya Basin, which is the huge swamp created by thousands of years of flooding by the Mississippi River. We tried some local food favorites, including seafood gumbo, red beans and rice, crayfish, and jambalaya.

On our way back home, we drove north through Mississippi to Tennessee, spent the night in Memphis, but didn't see Elvis, and then back home the next day.

Part Time Job for Jan

Jan took a part time job in 1972. She got a job as a receptionist at the sales office in the new model homes in a new section of Montgomery Village, called Fairidge. She

worked a few hours a day while the kids were in school, and a few hours on the weekends, assisting the salesman who was selling these houses. She assisted visitors to the model homes, providing information on prices, options, lots available, building schedules, etc. It was a fairly pleasant way for her to earn a little money and get to meet new people, without interfering very much with her role as mother and housewife.

In June of 1972, the kids were back into their swim team practice, with the Stedwick Swim Team. Cheryl was in the 13-14 age group; Chris in the 9-10 age group; and Greg and Cindy in the 8 and Under age group. Greg was one of the oldest kids in his age group, because he turned nine in September, and he had a very good summer as a competitive swimmer. He won many of his events, in free style and backstroke, and as one of the members of the relay team. Cindy was becoming a good swimmer, but was competing against kids almost two years older, so she was not winning ribbons. Chris and Cheryl both were having fun on the team, but they had tough competition against kids who had been swimming competitively for a few years. Jan was very involved in helping the parents manage the swim team, and I came to the swim meets to cheer on my kids.

The summer Olympic games in Munich in September 1972 were highlighted by Mark Spitz winning seven gold medals in swimming. My kids were excited about this, and I think it encouraged a lot of young swimmers to train harder. There also was a sad note about the Olympics, as Palestinian terrorists attacked Israel's delegation and killed eleven Israeli athletes. Americans paid little attention to this and other terrorists attacks; they were not our problem.

Promotion to Branch Chief

In July of 1972, I was called into the office of my Division Director, Jack Young. He informed me that I had been selected to be Chief of the Commerce Branch, which was also in his Division, if I wanted the job. It was a Supergrade GS-16 position, and I would be responsible for supervising four employees in the Branch. I would be responsible for the Commerce Department, Small Business Administration, Postal Service, Federal Trade Commission, Security and Exchange Commission, Panama Canal Zone, and a few smaller agencies. I accepted the job without hesitation. I was ready for a new challenge. I was 34 years old; I needed to move up in my career.

The first few months in the new job were quite difficult. I had only a few weeks to try to get up to speed on the major issues before the next budget season. Although the budget examiners working for me were expected to be the lead experts on these issues, some of the examiners were quite young and inexperienced, and I would need to provide lots of support and backup to get them through the process. So I was cramming to learn everything I could about the programs, budgets, and personnel of the various agencies.

From the first day in the new job I was confronted with the need to provide emergency funding for the Small Business Administration to assist businesses and home owners who had lost everything as a result of flooding from hurricane Agnes that had hit the mid-Atlantic states with up to 18 inches of rain in late June of 1972. The flooding had caused over \$3 billion of damage in the area, with Pennsylvania hit particularly hard. The Small Business Administration had the primary responsibility to provide emergency financial relief for the victims, and my staff and I were responsible for rushing through emergency requests for additional funding. We helped SBA prepare a budget amendment and get it to Congress, along with supporting information on the magnitude of the need.

I also was learning how to be a supervisor. Initially, I thought that my role should be limited to teaching, advising, motivating, and setting priorities for my staff. I didn't want to interfere too much in the work of my staff, because I knew how much I resented it when my supervisors tried to tell me in detail how to do my job. I believed that excessive interference by the supervisor resulted in loss of motivation by the employee, with a resulting drop in the quality and quantity of their work.

But I soon learned that my bosses considered that I was responsible for the work of my staff. If my staff did a lousy job, it was as though I did a lousy job. So within a few weeks I concluded that I needed to be much more involved in the work of my staff. I started reviewing all reports, memos, letters and recommendations prepared by my staff to make sure they met my standards. If time permitted, I would send any unacceptable work back to the originator, with instructions on what was wrong and how to fix it. If they were unable to fix it, I did it myself and then explained to the employee why I had made the changes. I made it clear that I would not accept any sloppy work; no typos; no grammatical errors; no unclear sentences; no illogical arguments; no recommendations without supporting evidence; no emotional arguments in lieu of facts.

Most of my staff had a tough time with my requirements; they were not used to meeting tough standards of quality. But two of the staff quickly shaped up, and their work required less and less correction. One of the staff, the most senior member, resisted my supervision for weeks, and his work did not improve. I was forced to correct much of his work; he left for another job within a couple of months. And the most junior staff member was almost worthless; I spent more time training him and correcting his work than I would have spent doing the work myself. But I understood that training was part of my responsibility as a supervisor.

I was beginning to understand that the role of a supervisor was more difficult than it had appeared, and not as rewarding as doing the analytical work all myself. As a supervisor, I didn't have time to get into deep research on many issues, which I enjoyed. I didn't have time to travel around the country reviewing program activities. I couldn't take full credit for the work of my Branch, but I got most of the flak if things were not done right and on time. I was now spending much of my time as a teacher, and I could get rewarded only if my students did well.

My experience learning to be a good supervisor made me understand why so many supervisors do such a horrible job. Most supervisors are selected for their position solely because they were one of the top performers on tasks that did not involve supervision; they are selected because they are good engineers, accountants, analysts, writers, etc, not because they were good supervisors. And then they receive no training on how to be a supervisor; it is assumed that anyone can supervise other people without any training. Probably a majority of supervisors fail miserably in their jobs, because they have no experience, no training, and they frequently hate the supervisory duties. This phenomenon is the basis for the Peter Principle, which says that in a large organization a person is promoted to his or her level of incompetence.

I inherited a secretary when I was named Commerce Branch Chief. She had been the secretary to the previous two branch chiefs in the position, and had been with the government for almost 30 years. She must have been competent at some time in her career, in order to move up to become a secretary to a branch chief, but now she was not able to do her job adequately. Her typing was slow and full of errors; she forgot important tasks; and she could not be relied upon to handle even the simplest assignments on her own. One day my boss called my office to ask me to come to an important meeting immediately; my secretary answered the phone and told my boss that she would get the message to me right away. She hung up the phone and forgot to tell me, sitting at my desk in the next room. That was the last straw.

I knew from experience and from institutional memory passed along by other supervisors that it was almost impossible to fire someone for incompetence; it would take years of detailed recordings of failures to perform assigned duties, and continued efforts to help her improve her performance, before I would be able to get action to dismiss her or even get her reassigned. So I decided on an alternative approach. I informed her that her work was not acceptable, and I was going to document her poor performance and place it in her personnel record, or she might want to announce that she was going to take early retirement, since she was now eligible to retire. She resisted until I drafted a performance report and gave it to her for review, after which she decided to retire. I was able to replace her with a top-notch secretary who made my work much easier. In the days before computers and word processors, and before copy machines and fax machines, a good secretary was extremely valuable.

I made it through budget season in the fall of 1972, and I enjoyed it. It was a challenge; I was learning a great deal about the programs under my area of responsibility; I was meeting many new people; I was very busy all the time. My kind of job.

Presidential Election

Nixon's White House staff was very busy also during these months. Some were busy breaking into the Democratic National Headquarters in the Watergate office building, and others were busy trying to cover up any connection to the White House. In 1972, we all heard about the Watergate break-in, but we didn't learn about all the cover-up

activities until later. Ironically, there seemed to be no need for the Republicans to use thievery and other dirty tactics to defeat George McGovern in the Presidential election that fall. Nixon had successfully painted McGovern as a radical liberal who would lead the country to socialism. McGovern had won the Democratic nomination by defeating Edmund Muskie in the primaries. McGovern strongly opposed Nixon's actions on the Vietnam war and recommended complete U.S. withdrawal (he was right). On domestic policy, he proposed a guaranteed income for all Americans.

Nixon won the election in November by a landslide despite his failure to promptly end the Vietnam War. As a public servant, I could not voice my opinions regarding the merits of the two candidates, but I was deeply disappointed that the American electorate had been bamboozled by Nixon once again. It was clear to me that Nixon was an unprincipled guy, and he had surrounded himself with unprincipled people who believed the old Marxist slogan that "the ends justify the means". And they were willing to use almost any means to achieve the "end", which appeared to be nothing more grandiose than assuring more power to Nixon.

A Larger House is "Needed"

In early 1973, Jan decided she wanted a bigger house; she wanted one of the houses in the new Fairidge section of Montgomery Village, where she was working in the model homes. I guess she had plenty of time while working there to imagine that it would be nicer to have a big detached house, with a yard. I didn't want to move. I was very happy with the townhouse. I thought we had plenty of room, and it was easy to maintain, and we were within walking distance of everything. We could walk to the shopping mall; we could walk to the indoor and outdoor swimming pools, the tennis courts, the ball fields, the schools, the park. It was a great location. And Cheryl would be going off to college in just a couple more years, and then there would be even less need for a bigger house. If we moved, we wouldn't be able to walk to anything; we would spend lots of time driving the kids everywhere. And I would spend more time maintaining a larger house and yard. Not to mention the larger mortgage payments and higher utility bills. I wanted to stay where we were, primarily because it was inexpensive; we had a small, low-interest mortgage and I was finally making enough money to pay our bills and have a little left over. I had finally reached the point where I could start to relax a bit about money, and maybe start saving money to send the kids to college.

But Jan was insistent. She needed more room. And we could afford a bigger place. And there were couples younger than we were buying those houses in Fairidge. If they could afford it, we could. And the kids would have larger rooms; they could each have their own bedroom.

I finally gave in; she convinced me that my reasons for not buying a larger house were selfish. Jan was the housewife; she was the one who had to live in the house all the time; she had to clean and cook and care for the kids. And I needed to keep her happy.

We signed a contract on a new house and picked out the lot we wanted. The house cost just over \$70,000. I expected to be able to sell the townhouse and make enough to provide a sizeable down payment on the new house. Construction would start in a few weeks, and it was scheduled to be completed by about the end of May, 1973.

It was a five bedroom house on a lot of about 1/3 acre. The model was well designed for our family situation; it was a semi split level; on the main floor was an entrance foyer, a sunken living room, a separate dining room, an eat-in kitchen, a family room with a fireplace and sliding doors on to the back yard, ½ bath, and a “mother’s room”. A third of a flight upstairs was the master bedroom and bath, which was located over the top of the double garage. And another 2/3 of a flight upstairs were four bedrooms and a full bath, as well as substantial attic storage space. Going down from the main floor was the garage, and then at the lowest level was a basement under half of the house where there was room for a recreation room, a workshop, and the furnace room.

Tolerating Religion

I was opposed to sending or taking my kids to church or Sunday school. I believed that religious indoctrination at a young age was undesirable, because I did not believe in any super natural being, and I felt that it was wrong to encourage my children to believe in any supreme being. To me, it made no more sense than continuing to pretend that there was Santa Claus or a Tooth Fairy. However, I did not prohibit my kids from attending church services with their friends if they wished, and Cheryl decided she wanted to go to church and Sunday school with a friend of hers. For a couple of years while she was a young teenager she attended church quite regularly.

While I did not believe there was a God, I did not try to convince my children that they should be atheists. I believed that they should make their own decision when they became an adult, without feeling any pressure to agree or disagree with my views. I was firmly convinced that we could teach our children good moral standards without teaching them to believe in any religion. Actually, I believed that most religions promoted undesirable moral standards, including intolerance, self-righteousness, and selfishness, and that religious leaders and politicians used religion to promote war and other undesirable social behavior.

Vietnam Cease-Fire Accord

In January 1973, the U.S. finally agreed on a cease-fire accord with North Vietnam. The U.S. would withdraw all of our troops, and North Vietnam would release all of its prisoners of war. The U.S. continued to provide financial support and supplies to the South Vietnam government, but most people recognized that the unpopular regime in South Vietnam was doomed.

Abortion Legalized

Also in January 1973, the U.S. Supreme Court issued the famous Roe v. Wade decision which essentially struck down laws prohibiting abortion, and effectively making abortion legal throughout the country. This was a major victory for all women and sensible men. It was a major defeat for those men who fear that the right to abortion will reduce their control over women. More than 30 years later, these insecure men continue to work to overturn the Roe v. Wade decision, and the national Republican party is supporting the efforts of these idiots.

Trying to End Regional Economic Development Programs

At work in the spring and summer of 1973, I spent a good deal of my time working on trying to find a politically acceptable approach for regional economic development programs. Under President Johnson's Great Society a number of new programs were established for the purpose of providing good jobs for the unemployed in economically depressed areas of the country. The original idea was to provide grants to selected economically depressed areas to help them attract new businesses. The grants were to be used to develop industrial parks, build water and sewer systems needed by new businesses, and support local efforts to entice businesses to locate in these areas. The largest set of programs for regional economic development was administered by the Economic Development Administration under the Department of Commerce. Other programs were under the Appalachian Regional Commission and a few other regional commissions, which were independent agencies. I had responsibility for all these independent regional commissions as well as the Department of Commerce.

President Nixon's Administration wanted to abolish most, if not all, of the Great Society programs, including these economic development grants, and I was under orders to try to find some way to convince Congress to abolish or at least phase down these programs which totaled nearly \$400 million annually. Nixon's budget the prior year had recommended ending these programs, but the Democratic controlled Congress ignored his budget and provided full funding for the programs. And the political appointees who headed these agencies were doing everything they could to keep them going; Nixon's own appointees were ignoring his direction.

My job was to try to make a solid case that these programs did not work and were just a waste of money. I also was informed that if we couldn't terminate the programs, we should at a minimum try to convert the programs into block grants to states, and let the states decide how to use the money for economic development. I spent a lot of time working with the President's domestic policy staff and with the Republican staff members of the relevant Congressional committees, to try to work out a strategy that would make it past the President and also would have the support of at least the Republicans on the Hill.

One of my staff was assigned responsibility for these programs, and he firmly believed that the programs were worthless, but he was not good at producing evidence to support his contention. I worked with him for several months to pull together all available data on the impact of the programs, to see if a case could be made to either terminate or continue the programs. After we completed our study, I concluded that the programs were doing very little good for poor people; much of the money was going to consultants, advisors, planners, administrators and other middle income people, and very few jobs were created for the unemployed or poor. Funding had been dribbled out in small amounts all over the country, with little impact anywhere, to please a large number of Congressmen. The programs were having very little impact on reducing high unemployment anywhere. Spending money to set up industrial parks had little impact, because most of them were empty; it was clear that businesses did not come running to industrial parks just because lots were available with water and sewer. Counter-cyclical construction grants didn't work to help the unemployed, because they were too late; by the time the construction started, the economy was already coming out of recession, and the new construction just contributed to inflation.

I tried to find a way to provide help to the poor, as intended. I wanted the program changed to focus available funds on a very few areas, to make a big difference in a few high unemployment areas, including job training grants and incentives to employers to hire and train unskilled workers. The White House shot down all of my suggestions except block grants to states. So I proposed block grants which could be used by states to help areas of low income and high unemployment, with lots of flexibility on how it could be used within the state. Unfortunately, this would mean that each state would receive only a small amount of money, and the impact would be nil. Congress was not excited about block grants because they couldn't take credit for individual projects; not even the Republicans in Congress were interested in block grants; they had no interest in giving funds to states that the governors or state legislatures could take credit for.

After several weeks of negotiation with White House staff and Congressional staff, I finalized a proposal for a new block grant program. The White House held a press conference to announce this new initiative. It was my first experience in the White House Press room. The President's press secretary opened the meeting and then turned it over to the Domestic Council guy and me to explain the program and answer questions. We were at the podium where all Presidential staff brief the press. Representatives of the press sit around most of the day in this press room waiting for someone to come and tell them something. When they get a scrap of news, they rush off to prepare a report for their newspaper, radio or television. The job of these White House reporters seemed to me to be terribly boring.

In preparing the budget that fall, I dutifully recommended phasing out all the Great Society economic development programs and replacing them with the new block grants to states. During the course of the next year, Congress provided the requested funding for the new block grant program, but they also continued to fund all of the

older Great Society programs as well. So the Nixon Administration's efforts to reduce these programs only resulted in more money being spent, and little of it was having much impact on the poor.

While dealing with these economic development issues, and also supervising budget and legislative activities on all the other programs under my Branch, I had to deal with my boss, who was quite a challenge. Jack Young had been Director of the Division for several years, and was my immediate supervisor. He was a very competent, politically savvy and connected guy, but he had one major problem: he drank his lunch almost every day. On many days he would return to the office in mid to late afternoon quite intoxicated. He usually managed to appear fairly sober, until he started talking and it was obvious that he was not making much sense. And the next morning he would not remember anything about the previous afternoon. Some of his staff made the mistake of holding meetings with him in the afternoon, to get his approval on some issue. He would rant and rave and harass anyone present, and even if he made a decision he would have no recollection of it the next day, so they would have to start all over again. I had learned, after observing one of these meetings, never to meet with him after he had been out to lunch.

But I got lucky; during the summer of 1973, OMB made some major organizational changes, and my Commerce Branch was moved out of Jack's Division to the "General Government" Division, which had a younger, bright, sober Division Director, named David Bray, with whom I enjoyed working. He treated me more like an equal, and gave me a great deal of flexibility to do my job, as long as I kept the top honchos happy.

Moving to Fairidge

In early June, 1973, we put our Stedwick townhouse up for sale; I decided to try to sell it myself. We held open house for a couple of weekends; I always dressed in my tennis attire, and pretended that I was just on my way to play tennis at the courts just a block behind our house, whenever anyone came to look at the house. I sold the house in about three weeks, for \$48,000, which was a good profit on the \$32,000 I had paid four years earlier, and enough to give me a good down payment on the Fairidge house. The buyer of the townhouse wanted to move in quickly, but our Fairidge house was not quite finished yet. We pressured Kettler to finish our house as soon as possible (Jan worked for Kettler, and she kept bugging them). In order to get out of the townhouse on time, I had to rent two U-Haul trucks and load everything we had in the trucks for a few days, until we could get into Fairidge. We moved into Fairidge in July, on the hottest day of the year, once again, with the temperature hovering around 100 degrees.

The new house was certainly large enough for us with four growing kids. The kids each had their own bedroom, and the kids' bedrooms were separated enough from the master bedroom a half floor down, that we all had a little privacy. Cheryl was already 15; Chris was 12; Greg was 10 and Cindy was 8. My salary at the time was

\$33,283, which was near the top pay for government employees. But the new house created new financial problems; higher mortgage payments; higher heating and air conditioning bills; and lots of expenses to furnish and decorate, and to landscape outside. It kept me broke most of the time. We seldom had any extra cash.



This is a photo of the new house (taken a few years after we moved in).

The family budget was a source of growing irritation between Jan and me. She frequently complained that I spent too much time at work, and gave too high a priority to my work, but she also frequently complained that we didn't have enough money. From my perspective, I was making more money than most civil servants only because I worked very hard and I moved up the Federal pay scale very quickly compared with most civil servants my age; most civil servants never make it to the super-grade level that I had achieved. But Jan seemed to think that I could make even more money and work less. Her thinking on this issue made no sense to me, and it created a resentment by me about her lack of appreciation for the work I was doing.

Gasoline Lines

In the Fall of 1973, the country had major problems with gasoline supplies; there were long lines at gasoline stations waiting to buy gas, and there were days when I had trouble getting enough gasoline in my car to get to work. I was carpooling with two other guys who worked at OMB, and we all had problems getting gasoline because the gas stations were all closed by noon or earlier, so we had to get up very early in the morning and go sit in line to get the gas tank filled.

This gasoline crisis was the result of two separate events in 1973. The first was action by President Nixon, with Congressional support, to impose price controls on many products, including petroleum. These price controls were an effort to slow down the high rate of inflation that was gripping the country. The price controls prohibited oil companies from raising prices in response to increased demand or shortage of supplies; they could raise prices only to recover their increased costs of operation. The second related event was the Mideast War. On October 6, 1973, Egypt and Syria attacked Israel, in an all-out invasion, with the apparent intention of eliminating Israel. With U.S. help, Israel easily defeated the invaders and captured a good chunk of land from Egypt, Syria and Jordan. In response to this defeat, the Arab oil exporting companies imposed an embargo on selling their oil to any western country which supported Israel. This brought about an immediate large reduction in oil supplies to the United States, and within days U.S. oil companies were cutting back supplies to retail dealers. Then the consumers panicked and started lining up at gas stations early in the morning to make sure they could get gas. Most gas stations would use all their daily supply long before noon, and then close for the rest of the day. The gasoline companies were not allowed to raise prices to reduce demand, so the long lines continued into 1974. The Arabs finally lifted the embargo in March of 1974.

Our big new house was heated by a central furnace that burned fuel oil, and now with the sharp increase in oil prices (fuel oil prices jumped from about 28 cents a gallon to about \$1.30 a gallon), it was costing a small fortune to heat the house. So I bought a wood-burning stove which vented through the fireplace in the family room, and I bought a couple cords of firewood. I tried to keep a fire going in the stove constantly to minimize the need for the central furnace. It was a lot of extra work, and not very comfortable; it usually was too warm in the family room and too cool in the rest of the house.

There was some good news in the fall of 1973. In October, Vice President Spiro Agnew resigned after pleading no contest to a charge of income tax evasion related to alleged acceptance of kickbacks from construction contractors when he was Baltimore County Executive. Thank goodness we are rid of that loser. Agnew had the great distinction of being the only Vice President to leave the office with a criminal record. Nixon named Gerald Ford to replace Agnew, and the nomination was approved by the Congress.

Rambler Wreck

In November of 1973, we narrowly escaped disaster. Jan was driving the Rambler, taking Cindy and some of her friends home from an event in Montgomery Village. As she turned a corner, one of the back doors swung open; it had not been closed properly by the kids in the back seat. Jan reached back to close the door, taking her eyes off the road for a few seconds, and immediately ran smack into a fire hydrant on the side of the street. The fire hydrant stopped the car instantly. Cindy was in the front seat and went flying into the windshield or dashboard, and then crashed to the floor,

unconscious. No one wore seat belts back then, and air bags were not yet invented (maybe fortunately for Cindy, in view of the later deaths of children from the impact of airbags).

An ambulance was called quickly, and Jan and Cindy were taken to a hospital. Meanwhile, I was in the midst of one of my most important budget presentations of the year, presenting my annual budget recommendations on the Commerce Department budget to the Associate Director of OMB. I had completed about 90 percent of my presentation when someone came into the conference room to tell me that I had an emergency telephone call; something about my wife in an accident.

The caller was a very thoughtful guy who had been at the scene of the accident, and had asked Jan how to reach me as she was being carted away to the ambulance. She had told him I worked for the Government, and he had tracked me down somehow. He told me about the accident, and that my wife and daughter had been taken off in an ambulance; he didn't know which hospital they were headed for. I asked him if they were hurt seriously. He said "your wife seemed to be O.K., but I don't know about your daughter; she seemed to be unconscious". Damn. I didn't even think to get the guy's name. My first thought was to catch a cab and rush off to the hospital, but I didn't know which hospital they were going to. I didn't have my car at work because it was not my turn to drive today. I called the driver of the carpool, to see if he could leave (it was already after 5:00); he said he could leave in about ten minutes. I called around to find out which hospital they were in, but they had not yet arrived anywhere. So I went back into my meeting and quickly wound up my presentation. By then I was able to find out that Jan and Cindy had arrived at Montgomery General Hospital, and the emergency room people informed me that they were both alive!

Meanwhile, Cheri was at home babysitting Chris and Greg, unaware of any problem until I called her and told her that her mother and Cindy were in the hospital and that I was on the way home. When I finally made it home, I got the Saab and we all headed for the hospital. When we reached the hospital, Jan had already been checked and had no serious injuries. Cindy, however, had a serious concussion and was still under observation. She had hit the windshield or dashboard with her face, and her face was beginning to swell terribly. We waited at the hospital for a couple of hours until they released Cindy, and we were able to take her home. She apparently had no serious problems, other than the swelling of her face. By the next morning, she was almost unrecognizable. Her face was nearly twice its normal size; her eyes were almost swollen shut; her lips were huge; she looked like a horror Halloween mask. But she was still beautiful to all of us.

So the Rambler was a Wreck. Totaled. We needed another car. After searching for cars that would hold two adults and four kids who were quickly approaching adult size, I finally bought a 1973 LTD Ford that would seat six; SUVs and vans had not been invented yet, and I decided I didn't want another station wagon because the four kids were getting too big to fit into a station wagon very well. I got a good price

because it was the end of the 1973 model year, and this car had been used as a demonstrator.

Maritime Programs

At work, I began leading a major study of the government subsidies of the maritime industry. The Maritime Administration, which was part of the Department of Commerce, had two major programs to subsidize U.S. merchant shipping. One program provided subsidies to build U.S. flag ships in U.S. ship yards; that program was costing over \$300 million dollars a year in 1974. The other program provided subsidies to companies that operated U.S. flag ships, which also cost taxpayers over \$300 million. The official justification for these programs was to ensure that the U.S. had merchant ships under the control of U.S. companies, so that these ships would be available to the country in time of war or other national emergency. The only problem with this justification was that the Department of Defense said there was no national security need for such merchant ships; in time of war, the government could commandeer what ever shipping was needed if other countries were not willing to provide shipping at a reasonable price. The real reason for these subsidies was simply a welfare program for the few remaining U.S. shipyards and shipping companies. And these programs were supported by the labor unions working in the shipyards and on the ships, so both the Democrats and the Republicans in Congress supported these corporate welfare programs.

After studying the validity of the need for these programs, it was clear to me that there was no justification for operations subsidy and ship building subsidy other than providing employment for workers. Therefore, I proposed terminating the ship building programs as current construction was completed, and phasing out the operating subsidies. My recommendation was accepted by OMB management, but I knew that Congress would continue to fund the programs. As a joke, I facetiously proposed terminating the programs and just paying all workers at the shipyards and on the ships \$50,000 a year for the rest of their lives; it would cost less per year and would phase out over 40 years or so; it would be much cheaper than subsidizing the corporations. It emphasized the fact that these programs were corporate welfare rather than to support workers. It got a laugh from a few people in OMB, and a few frowns from some of the Republicans, but no one was willing to even propose it to Congress. We all knew it was a non-starter.

Testifying Before Congress

In the early months of 1974, I had my first experience testifying before a Congressional Committee. It was before the Senate Public Works Committee, regarding the budget for the Economic Development Administration and the proposed new block grant program. The Chairman of the Hearing was Senator Montoya from New Mexico, and I hope he was at least one of the stupidest Senators ever elected. I attended the hearing with the OMB Associate Director, who delivered a prepared statement (that I had written), but then he had to leave to catch a plane (or at

least that was his excuse), so I was left to answer the questions from Senator Montoya and his staff. Because I was representing the Nixon Presidency, I was considered a hostile witness by Senator Montoya, D-New Mexico.

The Senator would read a question, which had been prepared by his staff, and I would answer. But it was obvious that in most cases the Senator didn't understand the questions, and he certainly didn't understand the answers. And frequently he would garble the question so badly that the staff guy would have to repeat it so it made any sense. Since I was considered to be the enemy, the Senator would yell the question at me, and turn red in the face, and maybe pound the podium a bit. Then I would calmly answer the question, and it was clear that he was not listening to the answer. Even his staff people were getting embarrassed by this farce. After an hour or so, I was free to go. It was not a difficult experience in terms of being able to answer the questions, but fortunately it was the most disillusioning experience I ever had with the Congress.

We Got a Dog (Almost)

Now that we lived in a big house with a yard, the kids thought we should have a dog. Jan and I had both vetoed previous requests by the kids to get a dog. Because of my experience with animals on the farm I always thought that it was cruel to keep a dog penned up in a house or yard; if you have a dog they should be free to roam. And Jan had opposed a dog because she expected that she would be the one getting stuck with caring for the dog. But now Cheryl promised that she would take care of the dog, and the other three assured us that they would help. So I finally gave in and said they could get a dog. And Jan finally relented. Jan and the kids went out and bought various paraphernalia they would need, including a collar and leash, and were about to go to the dog pound to pick out a dog. At the last minute Jan changed her mind. She came to her senses just in time and decided there would be no dog at our house. It was a close one.

North Creek Swim Team

In the Spring of 1974, Jan took the lead in working with a few other neighbors to start a new swim team for the northern part of Montgomery Village, including Fairidge. Most of the initial organizing group lived in Fairidge. I agreed to help out with the new team. Chuck Gularson was elected the "President" or Team Representative, but Jan did much of the work of actually organizing the team, based on her experience at Stedwick. We hired Bruce Shafer to be the Head Coach; he had been the assistant coach at Stedwick, and all of the swimmers liked him. I agreed to be the Assistant Representative for the team and learn how to be a stroke and turn judge and referee. I would be the referee at all home meets. The referee was the official in charge of the swim meet, and was the final arbiter of any disputes regarding compliance with the rules of the meets.

We did not yet have a swimming pool in the northern part of the Village, so we had to use other pools in the Village for our home meets. That first summer, our new North Creek Swim Team was not very large, but we had a few good swimmers, including the Hystad kids. Greg was an older member of the 9-10 age group, and won many events that season. Cindy also was in the 9-10 age group and was a contender in most events even though she had just turned nine. Chris was in the 11-12 age group, and Cheryl was in the 15-18 group. There were a few other swimmers on the team, including the Hendricks, the Heatons and the Heleniks. We could have called it the 4-H club.

Nixon Resigns

In August, 1974, President Nixon was faced with almost certain impeachment and removal from the Presidency for his cover-up of the Watergate break-in, so he resigned and slunk off to California. Good riddance. Gerald Ford, the Vice President, became President, and he soon nominated Nelson Rockefeller to be the new Vice President. Many of Nixon's staff and several cabinet officers were indicted for criminal activities.

With Nixon gone, there was a massive house cleaning in the White House, with most of the staff being replaced. A guy named Don Rumsfeld was named President Ford's Chief of Staff, and a guy named Dick Cheney worked as an assistant to Rumsfeld. Paul O'Neil, who had been a Division Director in OMB, was promoted to Associate Director, and later to Deputy Director of OMB. Some people may recognize these names as they popped back up 25 years later in the Administration of Illegitimate George.

Summer Vacation in Minnesota and North Dakota

A couple of days after Nixon resigned, I took a three week vacation and we all loaded up in the Ford LTD and headed for Minnesota; I figured it was safe to take a vacation now that Nixon was gone! Actually, not "all" of us loaded up in the LTD; Cheryl did not go with us on vacation this year. She was a big girl now; 16 years old and about to start her junior year in high school. She decided she needed to stay with her girl friend rather than go to Minnesota and North Dakota with us. On the way to Minnesota, we spent the first night in South Bend, IN visiting with our old neighbors from Bayla Gardens, Jim and Janet Hall. Jim and I had carpooled to work at AEC back in 1966 and 67, before he left to take a job in South Bend with a patent law firm. Since South Bend was a good one-day drive from Gaithersburg, we made it a point of visiting them on the way (and we got free room and board as well).

We first spent a week at Scenic Point Resort on Clitherall Lake, in a little cabin right on the edge of the lake. We stayed in one of the cabins that I had helped paint when I was about 12 or 13 years old living on the farm just up the road from the resort. We went fishing and caught a few sunfish, crappie and walleye, and played in the water a little.



A photo of all of us (missing Cheryl) standing in front of Clitherall Lake.

Then we went to Watford City to visit Jan's mother and my mom and dad. My parents were living temporarily in a house owned by the Kelloggs right down by the Missouri River (my cousin Donna Quinnell, who was Dad's niece, is married to Tom Kellogg, so they were relatives). They had a couple of horses there. The kids took turns riding one of the horses, with some help from Donna's sons. It was a very welcome break from the rat race in Washington.



Photos of the kids riding horses at the Kellogg's place.

Dad was not working at all anymore. He had sold his backhoe equipment and was retired. He was 70 years old. They also had sold their nice little house in Watford City, because they planned to live in a retirement community in Blue Earth, Minnesota, the town in southern Minnesota where my sister Valeria lived with her husband and kids. They were living at Kelloggs for a few months until their move to Minnesota. After selling his equipment and the house, they had almost \$15,000 in savings in the bank, and no debt. \$15,000 was the financial wealth they had accumulated during more than 50 years of work. That sounds like a very small sum, but it was the most cash my father had ever had; dad was feeling quite wealthy.

New Bosses at OMB

After President Ford settled in, he appointed many new political appointees throughout government, including the top people at OMB. Roy Ash was appointed Director, and there was a new Deputy Director, and new Associate Directors. So I had three levels of new people who knew nothing about OMB or any of the issues we had been studying. Nixon and Ford both made a practice of bringing in people from industry to fill most positions in the Government, so they had no clue about how things got done in Washington. There was a strange assumption that private sector executives could do a better job of running government agencies than someone with government or non-profit experience.

Superficially this made sense; they might have knowledge of management systems which government agencies did not have. But in fact, bringing private sector people in to run government agencies was a very bad idea; it was probably a worse idea even than hiring public servants to run major corporations. The problems were numerous:

Most corporate executives came to the job with the perception that government was inefficient and generally screwed up, and they made it clear to the public servants that they had little or no respect for them. This obviously was not good for morale among the people who did all the work.

Corporate executives were used to the idea that they could give an order and it would be implemented; they didn't understand that in Washington almost everything requires Congressional action or at least consent. They didn't understand the concept of working with Congress to obtain support for anything they wanted to do. They didn't understand the ethics of public service. They were used to the idea that anything that made money was good as long as it was legal or you didn't get caught. In the government, even the appearance of conflict of interest, personal gain, or illegal activity could be a major problem, and government employees are expected to live by a set of ethical standards that the private sector never even considers.

Corporate executives only wanted to work for the government for a couple of years, and then return to the private sector. They saw government employment as a means of improving their ability to get future contracts or favorable regulatory treatment from

the government. So there was this constant revolving door of top management in the agencies. They would almost get competent at their jobs when they would leave to go back to industry and big bucks.

This all was very frustrating for people like me who were in the top levels of the career service, because we were the ones who had to work directly for these outsiders. We were the ones who had to spend months training the new bosses; explaining the procedures for getting anything done; explaining the history of all the programs under his (there were no "hers") area of responsibility; explaining that his predecessor tried to kill that program last year, without success (well we will try again, my way); and explaining that it was not possible to just give orders to a Cabinet officer and expect them to be implemented. We spent probably half of our time educating our bosses and reinventing the wheel, over and over. Each new boss would have some new budget procedure that he wanted to implement; each new boss thought they could be more successful than the last in changing or eliminating ineffective programs; each new boss had some different management gimmick that they insisted be implemented.

Prior to the Nixon presidency, many of the senior executive branch positions were filled by career civil servants; career people filled jobs as Deputy Assistant Secretaries, Assistant Secretaries, and even Deputy Secretaries, and frequently the Secretary would be someone with government experience, as a former Congressman, Governor, etc. At the end of the Johnson Administration there were people in top level Executive Branch positions who had been in key executive positions through the Truman, Eisenhower, Kennedy and Johnson Administrations. Nixon changed all that. He was paranoid about the reliability of career staff, because he assumed most of them were Democrats or loyal to someone else, and he wanted them replaced with his own appointees. During the course of Nixon's first term he had replaced almost all career staff in the top four or five levels of every agency. Most of these career staff left the government, so the Executive Branch lost a huge amount of talent and institutional memory in these few years. And the new political replacements were almost all short timers who wouldn't stay around long enough to become expert on anything.

This situation was discouraging to senior civil servants, who saw a vastly diminished opportunity to ever move up into the top ranks of any agency, and if they ever did, they knew they would be replaced with the next change in Administration. So, many of the brightest and most ambitious senior career people were leaving the government for better opportunities with universities, nonprofits, think tanks, and commercial firms.

Home Improvement Projects

Ever since we moved into the Fairidge house, I had been spending much of my weekends and any other spare time on various home improvement projects. The first major project was to build a large brick patio in the back yard, off the family room, and

plant a large number of flowers, bushes and trees around the property. I also terraced part of the sloping portion of the back yard to make a vegetable garden. Then I built a fish pond with a water fall coming down the terraced embankment into the fish pond; a pump re-circulated the water from the pond to the top of the waterfalls. The backyard was now quite impressive, and it was a good place for a large garden party. We had some crab feasts and other parties in the backyard, with many of our Fairidge neighbors.



Here are photos of the patio and the fish pond and waterfall.

I got gold fish for the pond, and they grew to a fairly large size and multiplied. They were my kind of pet. I didn't have to take them for walks, or clean up after them, and they didn't shed hair around the house or scratch up the furniture or chew up my slippers.

I renovated the "mother's room" on the main floor to move the washer and dryer from the basement into the mother's room, so Jan would not need to go downstairs to do the laundry. I also changed the location of the door into the half bath, so we could enter the half bath directly from the main hallway rather than going through the mother's room; it was an obvious design mistake that was relatively easy to fix.

I finished the basement area, to close off the furnace room, make a nice little workshop area, and create a finished recreation room which had a ping pong table, a bumper pool table, and a large platform for a model train and slot cars. I designed the latter train and slot car platform so it could be folded up against the wall when not in use.

I added storm windows to the house, to reduce heating costs; landscaped the front yard; built a small patio area near the front door for warm spring days; and wallpapered the entry hall and living room. With a house that size, there was no end to projects, just to keep it painted and maintain the plumbing and other equipment.

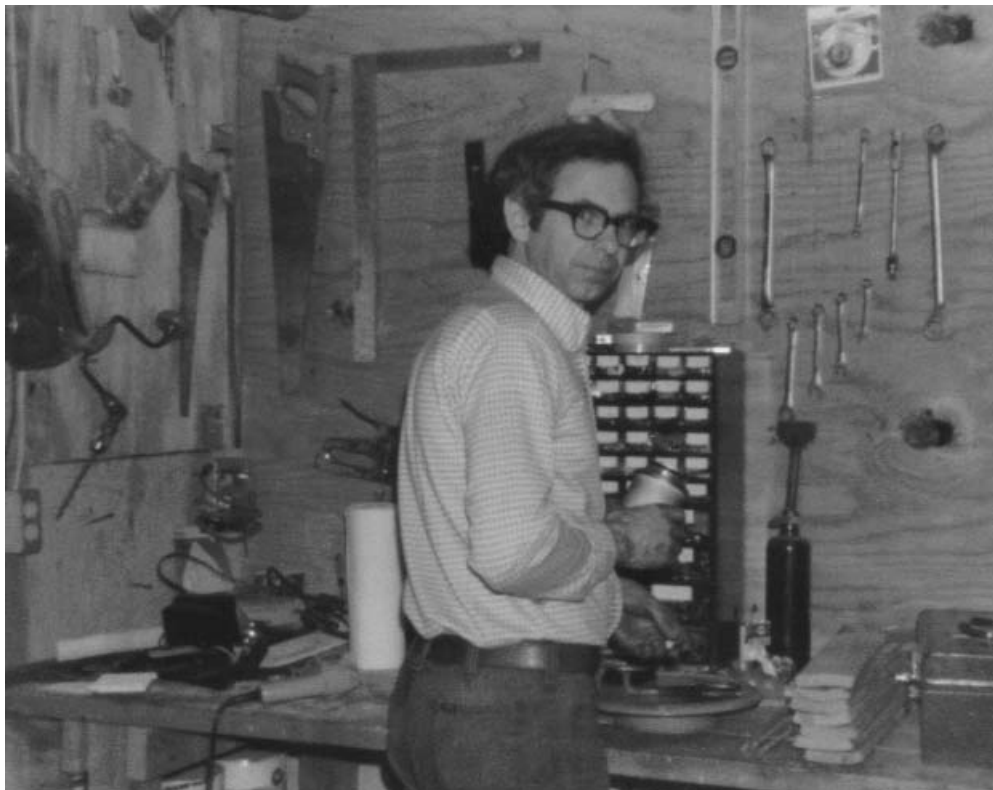


Photo of me in my workshop in the basement.

Becoming an Old Hand as Branch Chief

In the fall of 1974, I went through my third budget season as Commerce Branch Chief. I was becoming quite confident about my knowledge of all the programs of the Commerce Department, the Small Business Administration, and all the small agencies I handled. I had trained an entirely new set of Budget Examiners during the course of the past two years, and I now had two very competent employees, and two who were learning their jobs well. I was now in a position where I knew these programs, and their histories, better than anyone else in OMB, and better than most of the staff in the agencies. It made my job easier, because I didn't have to do a lot of research on every issue that came up; I already knew the background of the issues. The downside of becoming an expert was that by the third budget season, several of the issues were repeats of issues that had been hashed over sometime in the prior two and a half years, and things were getting a little boring.

But overall it was a great job. I was making the top salary allowed for career staff; I had a nice, large office; I had my own secretary who was very competent; the work was interesting and there were always plenty of challenges; and there were only a couple months a year when things were so busy that I had to work overtime, so I could usually have my weekends free. My immediate boss, the Division Director, David Bray, was smart, effective, and did not try to micromanage me. We had a very good rapport; never any problems with him; and he gave me excellent performance evaluations each year.

National Oceanic and Atmospheric Administration

In early 1975, I began helping one of my Budget Examiners in a detailed review of the programs of the National Oceanic and Atmospheric Administration (NOAA), which was part of the Department of Commerce. NOAA had a wide range of programs, including research on ocean fisheries; participating in international efforts to conserve ocean fisheries and stop over-fishing; coastal environment protection; the Weather Service; and several research and modeling programs to improve forecasting and tracking of severe weather, including hurricanes. Most of the NOAA programs were like motherhood and apple pie; they were useful to society; they were generally well managed; and they were not politically sensitive. The primary role of OMB was to try to determine a reasonable level of funding for the programs, because many of the programs could have been expanded greatly, with useful results. For example, there was a demand for more funding for data bouys to collect data from the oceans, useful for weather predictions and monitoring changes in ocean conditions. There was demand for more radars on land to monitor weather conditions, particularly to detect dangerous weather conditions such as wind shear and tornados.

After a few months of studying these programs, we found no need for major changes in direction or funding levels. We did conclude that most of the Weather Service forecast services should receive lower priority for additional funding, compared with most of the other programs, simply because the current state of scientific capability to pre-

dict weather was so poor that they really could not usefully predict much except hurricanes with any useful level of accuracy. Why spend all that money on weather forecasts so people can decide whether to take an umbrella with them in the morning?

The odd thing about this study was that we were sort of disappointed that overall the programs were necessary Federal efforts and well managed. Ideally, all government programs should be necessary and well managed, but it was more fun and rewarding for us at OMB if we could find major problems with the programs.

Small Business Administration

In 1975, I also spent time reviewing several Small Business Administration programs, particularly the large Loan Guarantee program. The program was intended to help small businesses obtain loans for their business operations. But rather than the SBA giving the loans directly to small businesses, the SBA guaranteed repayment of loans made by banks to small businesses. The banks had to follow specified criteria regarding eligibility, but otherwise the banks decided whether to provide a loan and how much to loan. The SBA would guarantee repayment of 90% of the loan amount if the small business defaulted. In theory, this program would permit a large amount of loans to small businesses, at very little cost to the government. In the early years of the program, there was very little cost, because there had not been enough time for many loan defaults, but each year the cost of the program was rising. And the cost was now out of the control of the government, because the current costs were resulting from loans made in prior years. So we were now faced with uncontrollable expenses of a few hundred million dollars a year from defaulted loans, and these expenses were expected to continue to grow in future years.

My job was to make a recommendation on what to do about this program; should it be curtailed, or stopped. Or was there a better way of helping struggling small businesses obtain needed working capital.

After many meetings with SBA staff, bankers and representatives of small businesses, we found that most banks were using the SBA guarantee for any loan they made to a small business, even though they had been making similar loans to small businesses before the SBA guarantee program started. And many banks had not increased their amount of lending to small businesses, or taken on higher-risk loans as a result of the SBA guarantee. Essentially, most banks were simply taking advantage of the SBA program to reduce their costs on loan defaults. SBA was providing significant financial assistance to banks, but small businesses were not receiving a major amount of additional capital. We also found that most of the loans were going to "small" businesses which I would not have considered to be struggling small businesses. Many already had a few hundred employees and were well established concerns. Very little of the loans went to start-up firms or very small businesses that were trying to expand.

But what could we do to change this? SBA had built up a strong constituency for the program; most of the banks in the country loved the program, and their lobbyists were not going to let the program be killed without a fight.

Democrats were in control of the Congress, and they were the promoters of the Small Business Administration; they believed that the Government should help promote small businesses, because successful small businesses helped spread the wealth in the country; they helped maintain more competition, and they provided more opportunities for people to achieve the “American Dream”. The concept was commendable, but in practice the programs had been hi-jacked to a large extent by the Republicans and the wealthy. The Republicans didn’t care for SBA, but they would tolerate it as long as most of the actual Federal money went to larger corporations and banks, which were Republican supporters.

Many Democrats on the Hill wanted SBA to provide direct loans to small business, rather than guaranteeing bank loans. They thought that this would result in more assistance to small firms that would not ordinarily receive bank financing. But the Nixon Administration had been opposing any increase in the small direct loan program, for two reasons: 1) they didn’t want it competing with banks; and 2) the direct loans required the government to spend money up front as it provided the loans, even though it would gradually recover most of that money as the loans were repaid. An increase in direct loans would result in an immediate increase in budget outlays, while an increase in guaranteed loans would show no increase in outlays until the loans defaulted. So the Nixon Administration was providing increases for guaranteed loans, while trying to reduce direct loans.

In prior budget seasons I had tried to convince my bosses to increase spending for direct loans, without any success, so I had accepted SBA recommendations for increases in guaranteed loans. It made it appear that the President was supporting small businesses, without showing any increase in spending. But as the loan defaults starting increasing, I pushed the SBA to make more realistic estimates of the future cost of defaults on the guarantees. This showed that the out-year expense would skyrocket with the increases in guarantees. I was not able to convince my bosses to switch from guaranteed loans to direct loans, but I did convince them to stop increasing the level of guaranteed loans, which were primarily benefiting banks.

I found that once again, big business had found a way to reap the benefits of a government program intended to assist those most in need. The banks and relatively large “small” businesses were receiving most of the money being spent on this program. This was a common pattern for many Federal programs; the greedy seemed to always find a way to get much of the money intended for the needy.

Testifying Before Congress

In 1975, I had my second “opportunity” to testify before Congress. A House Subcommittee on Small Business requested OMB testimony on funding for the Small

Business Administration, so I went with the Associate Director to give testimony before the Subcommittee. The Associate Director, Wally Scott, read a prepared statement, which I had written, and then we both answered questions for quite some time, until Wally had to leave for some other meeting, leaving me behind to finish answering questions. There were at least a half dozen Congressmen and women at this Hearing, sitting up on their platform, looking down on me; one of the Congresswomen was Bella Abzug, wearing one of her trademark hats. I think I did a good job of explaining and defending the President's budget requests for SBA, but it was difficult because I really didn't believe that the guaranteed loan program was effective in helping small businesses.

After answering a question, explaining why we did not increase funding for the direct loan program, one Congressman called me an enemy of small business, and said it was shameful that I was responsible for SBA budgets within OMB. I couldn't say anything. It was my job to defend the President's budget, even if I didn't agree.

It Must be Summer Again; It's Swim Season

The kids were back at swim team practice again, so it must be summer. This was our second season for the North Creek team, but we still did not have our own pool. Kettler Brothers company was starting to work on the site where our new pool would be, but it wouldn't be ready until next year. Meanwhile we had to borrow other pools for our home meets. Chuck Gularson continued as team rep, and I was the Assistant Rep. Jan and I pretty much ran the meets, and I also served as Referee at home meets, and Stroke and Turn Judge at away meets. I discovered that swim team could be a lot like Little League Baseball, with overzealous parents getting out of hand. I think that sometimes I was one of those overzealous parents, considering the time and effort I devoted to the team and my obsession with how our swimmers were doing (particularly my kids). It consumed much of our spare time for a couple of months every summer.

The Race

One of the most memorable moments of that swim season was the meet against River Falls Swim Team. We had been rivals with them for two seasons now. They had beat us last year, and they were thought to be the strongest team in our division again this year, based on the won-lost record to date. And the River Falls parents and swimmers were certain they were superior in every way; they were not a graceful, pleasant opponent. It was a home meet, being held at the pool at the apartment complex in Montgomery Village. I was the Referee. The score was very close throughout the meet. The final event was the boys' relay, which included one swimmer from each age group. Going into that final event, River Falls was ahead by a few points. Whoever won that last event would win the meet. Jack Helenik was the last swimmer for our team, in the 13-14 age group. Both teams were close through the first three swimmers, the 8 and under, the 9-10, the 11-12 age groups; as the third swimmers finished, the River Falls team was slightly ahead. Now it all depended on the final

swimmers. They had to go two laps of the pool. Jack's opponent had beaten Jack in the earlier freestyle race, so there was little hope that he could catch up and win this race. But Jack seemed to have some extra propulsion; he swam faster and more gracefully than he had ever swam before. He was pulling even with the River Falls swimmer; just five meters to go; he was pulling ahead maybe. All eyes were on the finish line. As the Referee, I needed to make sure I saw the finish in case of a dispute among the lane judges and timers; I got in position. Jack touched the wall while the River Falls swimmer was still at least a foot away. We won. We won. We won the race. There was no dispute. We won the meet. We beat those snobs from Potomac.

Greg Crashes

A couple of weeks later, Greg was in a serious auto crash. He was riding in the back seat of a van driven by Mrs. Anderson, mother of two of the boys on our swim team. The boys swam in the same age group as Greg that year, and the older one usually beat Greg in his events. Mrs. Anderson was driving on one of the narrow, winding back roads near Montgomery Village when she was hit head-on by a vehicle coming around a blind curve. Greg was thrown face first into the back of the seat in front of him. Mrs. Anderson suffered a broken leg and arm, and both of her sons had significant injuries. Greg managed to get out of the car and to a house close by to call for help.

Luckily, Greg's injuries were primarily just severe bruises, particularly on the face. His face was soon swollen beyond recognition, very much like Cindy's after her accident. He looked like the elephant man, only worse.

But there was a swim meet coming up in two days against Olney Mills, and with both Anderson boys unable to swim, it was Greg's duty to carry on for his age group in that meet. He swam in the free style, the backstroke, the butterfly, and the relay, and he won every event. He was still in substantial pain, and it was particularly hard to dive into the water, but he persevered. As he would walk up to the starting marks for each race, he looked so grotesque that I think the swimmers from the other team were completely freaked out and figured they had better let him win for fear he would cast some ugly spell on them. Actually, he was a faster swimmer than the competition that day, despite his wounds.

Another Budget Season

At work, I was going into my fourth budget season as Chief of the Commerce Branch. There had been almost a complete turnover of the officials at the top of OMB; a new Director, a new Deputy Director, and a new Associate Director in charge of our Division, a fellow named Cal Collier. None of these guys had any previous experience with the budget process, and as usual they knew little about our agencies or the program issues. So we were spending lots of time educating them and revisiting the same issues that we thought had been resolved last year or the year before.

The Commerce Department had a new person in charge of its budget office, and he was a perfect example of an officious bureaucrat. He insisted that every office in the Commerce Department follow his budget preparation rules precisely, and because of his nitpicking, he failed to meet the OMB deadline for submitting the Commerce budget for our review. After he was a week late, I started speaking directly with the offices in the Department to get information from them on their budget requests. I knew the budget needs of the Department well enough that I really didn't need to get all the details from the Department. After he was two weeks overdue, I couldn't wait any longer, and my budget examiners and I prepared our budget recommendations without waiting for the Department's request. We had completed our budget review meeting with the Associate Director, before the Department finally got around to submitting its budget. We didn't make any changes as a result of their belated submission.

So basically, all that work the Commerce Budget Office had forced on all the offices in the Department was a waste of time, because they were too late. And that silly Budget Director was so proud of his budget submission; he couldn't get it through his head that it was worthless, no matter how nicely it followed all the procedures. In OMB, the old saying "Better Late Than Never" did not apply; the rule was: "Better Never Be Late". Unfortunately, this was not the end of my dealings with this dingbat.

The budget process was not very interesting or challenging this year. We had no major new issues. We revisited the same old issues on the maritime programs and the economic development programs, and we spent lots of time training our bosses. I was starting to think that it was time to move on to a different position; someplace where I could learn something new and maybe have a bigger impact. Although most civil servants in the government would have killed to get my job, I was starting to get restless. For some reason, I just couldn't be satisfied with an easy, comfortable job. I needed a tough challenge; I wanted to have a bigger impact. I decided I would start looking for another position after budget season, when things were a little quieter.

I had a small little issue regarding the U.S. Travel Service, which was under the Department of Commerce. Its purpose was to encourage foreign visitors to come to the United States, to bring in foreign currency, but it was unable to show that it made any difference in the number of tourists to this country. It seemed to me to be not much more than a source of funds for boondoggles by some Congressmen and other politically well-connected who ostensibly were going to promote the U.S. as a tourist destination. It seemed to me that most people around the world who had enough money to be able to vacation in the U.S. already had ample information about the tourism attractions of the country, and I proposed to terminate the program.

I also once again dealt with the issue of Federal subsidies for the operations of the Panama Canal Zone. The operations were supposed to be self-sufficient, collecting enough fees from shipping through the canal to pay for the costs of operations, but every year they asked for a taxpayer subsidy to keep them solvent. Just another corporate welfare program.

Even though the budget season was not very exciting, I received an outstanding performance evaluation from my boss. Some of the highlights were:

“He is an excellent analyst who has a broad, in-depth knowledge of his programs and his agencies. He has particularly good instincts for policy analysis—being able to zero in on the most feasible options quickly.

“Works extremely well under pressure and is able to handle prodigious workload with undiminished quality of product. Writes with great clarity and is a very effective communicator.

“I think he is one of the best Branch Chiefs in OMB. He continuously seeks new responsibilities and is ready and willing to assume risks.”

The Joy of Being a Father to Teenagers

Cheryl had never caused us any problems; she was always responsible, did her school work, and participated in family activities. But as she grew older she began expressing her resentment at our apparent lack of trust and over-control. She felt that we had way too many rules and restrictions on her life, compared with her friends. And she probably was right; we had no experience raising a teenager, and both Jan and I worried about the hazards for a teenage girl. Jan was the one who set all the rules, but I supported her, and was expected to be the enforcer. After some complaining by Cheryl, we lightened up a little, but still were more restrictive than we were later with the other three kids.

Cheryl had a small “accident” while driving the LTD one day. She pulled out in front of a car and the other car hit the LTD in the front end. It didn’t do a great deal of damage to the LTD, but the other car was badly damaged. Cheryl was quite shook up about it, and I know she was dreading my arrival home from work that day. I listened to her story, and then gave her a hug. My only disappointment was that the LTD wasn’t totaled; I didn’t like that car.

Cheryl was now a senior in high school and was trying to decide what she should do with her life. I very much wanted her to go to college, but she did not seem very interested. I was concerned that if I pushed her too hard to go to college it might just increase her opposition to the idea. So I tried to gently inform her of the unpleasant consequences of not going to college, and the advantages of a college education, while trying to give the impression that it was entirely her decision (which it was). In her senior year in high school she had a very light class load and had a part-time job, so she got a little first-hand experience with the working world without a college education. But it was still not clear to me that she would decide to go on to college.

Meanwhile, Chris was now in the ninth grade, and his teachers were informing us that he was not doing well in most of his classes. We learned that he had been placed in class sections for students who were behind the rest to the class. In talking with the

teachers, I got the distinct impression that the teachers had essentially given up on these students and were just going through the motions with them. It was clear that many of the students in these “slower” sections were not stupid, they just were not motivated to learn; they were more motivated to be disruptive and sort of prided themselves in rebelling against authority. By pushing these students together in the same classrooms, they reinforced each other’s efforts to goof off, rather than learn. The school was not dealing with the problem; they were just letting him slide through; they didn’t make Chris work, and had no expectations of him.

As a parent I felt sort of helpless. I tried to encourage Chris to study and to stay away from his rebelling buddies, but my pressure on him only seemed to result in Chris avoiding me more so he wouldn’t have to explain his actions. I was not able to devote enough time to him to make a difference. I don’t know if I could have made a difference even if I had all the time in the world.



Photo of my tribe, taken in December 1975, for Christmas cards.

Music, Music

Music was important in our house. Jan’s father had been a good musician, and so had my dad. And we both had an interest in playing musical instruments. We had the piano, which Jan played quite well. I could play a few simple tunes, but I had never had any piano lessons, and I never seemed to have much time to play. Jan tried to make our kids great musicians, but without any long-term success. Cheryl, Greg and Cindy all took piano lessons for awhile. Chris had a drum set which we all tolerated. And Greg also took trumpet lessons. For Christmas in 1975, I bought Jan an electronic organ that she had been admiring. In addition to organ and piano sounds, it sim-

ulated several other instruments. Jan learned to play it well, and most of the rest of us could make it produce a lot of noise.

Jan and I also had a collection of 45 and 33 records. I had started collecting some classical and jazz records before we went to London, and expanded that collection over the years, and added a lot of show tunes. Jan collected primarily country or western music.

1996

In 1996, after the President's budget had been submitted to Congress at the end of January, one of my budget examiners and I did an in-depth review of the Federal minority business development programs. The Department of Commerce had an Office of Minority Business Development to provide technical assistance to minority-owned businesses, and to ensure that government agencies doing major procurements had a minority business set-aside program. The Small Business Administration also had a program to assist small minority businesses, with loans and technical assistance. My staff guy and I spent a good deal of time trying to gather information on the impact of these programs.

I concluded that these were typical programs, intended to help the disadvantaged but primarily helping the wealthy. Most of the technical assistance funds went to white-owned and operated contractors who supposedly had expertise to help minorities start and operate businesses; and most of the money that went to minorities went to a relatively few who were already doing quite well and had some good political connections.

The individual entrepreneur who wanted help to start a new venture seldom was able to get any useful help from these programs. There may have been some validity to this approach, since most of the proposed new ventures had extremely little chance of success, because of lack of market, lack of marketing expertise, lack of capability to provide the proposed product or service, or just lack of dedication to making it work. Many of the government managers of these programs thought it was preferable to focus on helping a few minority firms who had already had some success in business and needed an additional boost to make them grow.

Jan's Medical Problem

Jan's doctor found polyps or tumors in her uterus, and recommended a full hysterectomy to ensure that cancer did not result. The surgery was performed at Montgomery General Hospital, with removal of the uterus and ovaries. She was then confined to bed at home for a few days after returning from the hospital. I converted our bedroom into a convalescent room and stayed home from work and played nurse for a few days until she was well enough to take care of herself. She was only 38; quite young to have a full hysterectomy, which results in immediate menopause. And the doctor did not provide any hormone replacement medication.

More Home Renovation Projects

Jan decided that she would like to have the wall removed between the kitchen and the family room, to make one larger room. She didn't like the feeling of separation from the rest of the family when she was working in the kitchen and others were in the family room reading or watching TV. So I removed the wall. It was not a simple task, because I needed to move a light switch, two electrical outlets, and the wall telephone, as well as patching the resulting gap in the ceiling, floor and both adjoining walls. But no renovation task is too difficult to dissuade me from knocking out a wall.

And while I was in the process of removing a wall, I decided I might as well reuse all that lumber to build a new dividing wall in the master bedroom. The master bedroom was unnecessarily large; it was sort of like sleeping in a gymnasium or hay barn; it was not cozy. And I wanted to have a "study" where I could do homework, book-keeping etc. In that very large house, there was no place for an office for me. So I reused much of the lumber, doors, etc from the kitchen wall and built a dividing wall in the bedroom, to make a small study area that could be closed off from the rest of the bedroom.

My Baby Graduates

In the spring of 1976, Cheryl graduated from Gaithersburg High School, 20 years after I graduated from high school. And the best news was that she had decided she was going to go on to college. She had decided to go the Towson State College, near Baltimore, and would be starting school in the fall. I was relieved and happy.



This is Cheryl's high school graduation photo; a beautiful young lady.

Dominoes Don't Fall

On the international scene, North and South Vietnam were merged into one country called the Socialist Republic of Vietnam. And amazingly, the dominoes did not fall. Burma, Thailand, Indonesia, Malaysia, and all the other southeast Asian countries that were expected to fall to communism like dominoes, for some reason did not. Could it be that our government's stated reason for the Vietnam war was all wrong; did almost everyone get it all wrong? Or like Iraq in 2003, were our leaders misleading us?

Bored With My Job Again

At work, I was getting bored with the annual repetition of basically the same issues; rehashing the same issues again. I found it frustrating to keep reinventing the wheel with frequent turnover at the top. We spent much of our time training new private sector people with absolutely no knowledge or concept of how the government functions; we had to train them from scratch and deal with their grandiose ideas which were completely unrealistic politically.

The job as Branch Chief also required much of my time to train new examiners. Because examiners could easily get jobs in other agencies, I would lose an experienced examiner just about every year, and I had to hire and train a replacement. I started feeling that I was not learning much new in this job. I didn't have much time for travel or to study programs in depth. I was starting to feel underutilized or over-qualified for this job.

I was getting to be very fast at dealing with the issues because I knew them inside and out, so I was becoming more valuable as a Branch Chief, and the job was becoming easier. I could have spent the remainder of my career in this job, making good money and doing a good job. Several Branch Chiefs had spent 15 or 20 years in these jobs. But I thought I was being under-utilized. There must be some other place in the government that can use my talents.

Competing to Be Division Director

In the spring of 1976, I decided to look for another position that might be more challenging and interesting. I kept starting to do a job search, but never had time to pursue it because of pressures at work. Then my Division Director announced that he was leaving to take a job with a university, and I decided to apply for his position. The Division Director job would open up a new set of programs and issues for me, and would be a real challenge, at least for a few years.

Unfortunately, at about this same time the Associate Director (the boss of the Division Director) also left OMB and a new outsider was appointed. I felt certain that the Associate Director who was leaving would have selected me to be the new Division Director, but the new guy didn't know anything about the candidates. My boss rec-

ommended me to replace him, but there were at least four other qualified candidates, and the new guy had no experience with any of them. So I decided that if I didn't get the Division Director job, I would leave OMB; I would resign and spend a few weeks to look for another job. I was confident I would have no problem finding another better job. When I interviewed with the Associate Director, I made it clear to him that I had planned to leave OMB, and would stay on only if I were selected for the Division Director job.

I didn't get the Director's job! The top managers had decided the job should go to a woman, and there was a competent woman applicant. She had no experience as an examiner or branch chief, and knew very little about the role of a Division Director, but she knew the budget process and seemed to be reasonably bright. When the Assistant Director called me to his office to inform me that he had selected the woman, he also asked that I help train her in the new position. I responded that I would be happy to do so, except that I was submitting my resignation today, effective in two weeks, so I wouldn't be around to help her. He was shocked; I guess he didn't believe me earlier when I said I would leave if I didn't get the position.

As promised, I submitted my resignation the same day, and started a job search in earnest. In hindsight it was a naïve, brash, and foolhardy thing to do. I had a family to support and a daughter about to start college and three more who would soon be college age. Why did I quit? I was making \$37,800! OMB was a nice place to work. The work was interesting. I had lots of influence. If I had stayed, I would have been promoted to a Division Director position within the next five years or sooner, and I probably would have spent the remainder of my working career at OMB and retired at age 55 with a decent retirement income. (One of the staff who worked for me, Ken Schwartz, who I hired, moved up to fill that Division Director position some 10 years later, and spent his entire working career at OMB.) It would have been a secure job, reasonably interesting, and with substantial impact. But boring.

Job Hunting

So I resigned from my secure and relatively prestigious position as Commerce Branch Chief at OMB. I had a few weeks of vacation accumulated that I could use while hunting for another job. I immediately began spending full time exploring other options, inside and outside the government. I applied for a few jobs, but nothing that really excited me. Within about a week, an Assistant Secretary of the Commerce Department called me and asked if I would chair a short term study effort for them, regarding an international trade issue; they thought that it would be a good opportunity for me while I was looking for another position. I agreed to take the assignment, and started work immediately. I was assigned two staff to help on the project, including a college professor who was working at the Department on a summer assignment.

Meanwhile, I kept up my job search. I met with several friends and acquaintances in other government offices, and I talked with a couple of consulting firms who did work

for the government. But after three weeks I had not received any offers and had not found a job I really liked. I was starting to worry a little that maybe I had been overconfident about my ability to get another position quickly.

Four weeks after I had left OMB, while still working on the special study for the Department of Commerce, I received a phone call from a guy named Tom Noel from the Federal Energy Administration. He had recently been appointed as an Assistant Administrator of FEA to direct a new program called the Strategic Petroleum Reserve, which was to store up to one billion barrels of oil to guard against a future disruption of oil imports from the middle east or other major suppliers. He was now searching for key people to staff the new office, and his most urgent priority was to find someone to head up the planning and analysis group. He had recently had a conversation with an Assistant Secretary of Commerce, Joe Kasputyz, who had recommended me for the position. He wanted to know if I would be interested. I said I would like to talk further about the job; I might be interested. We arranged to meet.

Moving to the Strategic Petroleum Reserve Program

A couple of days later I met with Tom Noel in his office in FEA. He explained that President Ford had proposed the SPR in his State of the Union address in January 1975, and the Congress had authorized and provided initial funding for the SPR, and now the Administration was pushing to accelerate the implementation of the program. The law provided that there should be 150 million barrels in storage by December 1978, and 500 million barrels by December 1982. An office had been established in FEA several months ago to prepare an initial plan for storing the first 150 million barrels, and that plan had been submitted to Congress just a few week ago, in April. Tom had just been appointed to take over the program; he planned to use the staff already in the SPR office, but he was going to bring in his own people to get started with construction. But before he could start on the full program, we needed to prepare a detailed plan for the full Reserve and submit the Plan to Congress for its review. The Plan was due to Congress by mid-December, 1976. They now had less than five months to develop the Plan, get it approved, and submitted to Congress. That would be my first priority if hired.

Tom Noel told me that he wanted me to interview with his deputy, Bob Davies, who was the guy who had been directing the program before Tom was hired. I interviewed with the deputy a few days later, and shortly after that Tom gave me a call and offered me the job. I accepted. It would be a promotion to the GS-17 level, which was the second highest pay level in the government for non-political positions. My title would be Associate Assistant Administrator for Planning and Analysis.

Swim Season Again

Swim season was upon us again, and I was back at work helping the team. Greg had a great year in the second year of the 11-12 age group, and he had the second high

est number of points scored by the boys on the team. Cindy also had a good year, even though she was in the first year of the 11-12 age group.



This is a photo of Greg and Cindy with their swim team trophies.

New Beginnings

I was about to start my new job as head of planning for the Petroleum Reserve Program, and Cheryl was getting ready to go off to college. I attended an “orientation” session at Towson for parents of new students, just a day before starting my new job.

At the SPR office, I was now the new outsider. I was highly resented by the existing planning and analysis staff who had been working on the program for several months, and now had to take orders from this new guy who knew nothing about the program. I was sandwiched between two old-timers; my boss was the deputy and former head of the program, and the analysis division director reporting to me had been the chief planner until I came along. They both had a vested interest in seeing me fail. Many of the other existing staff also resented my rejection of their sloppy work.

Their opposition came to a head after about two months on the job. Some of the planning staff who were supposed to be working for me convinced the Deputy Director that I was screwing up the work on the Plan and that it would not be ready to go to Congress in December. Rather than discussing the situation with me, the

Deputy called a meeting of all the SPR staff (everyone except his boss, who had hired me), and informed all of us that he was appointing his Special Assistant to take charge of the effort to get the Plan ready for Congress. I was to report to his Special Assistant regarding my work on the Plan. Unfortunately for the Deputy and his co-conspirators, the Director who had hired me had some spies on the staff, and the Director was informed about the results of the meeting almost before it was over. Within ten minutes after the end of the meeting, the Deputy called me into his office and told me to disregard the previous meeting; I was still in charge of the Plan. And he apologized for holding the meeting.

I was told later that the Director had threatened to fire the Deputy for his actions, and would fire him if he ever heard of any future failures to cooperate with me. The Director assigned one of his spies to report to him on any uncooperative actions by staff. I never had any more problems with the Deputy or his minions in the planning office. I had been completely oblivious to the office politics going on around me; I was just focusing on doing my job. And I won the battle without taking any action myself. This reinforced my erroneous opinion that if I just did a good job, the office politics would take care of itself.

The Strategic Petroleum Reserve Plan

I had less than five months to develop a detailed Plan for the Strategic Petroleum Reserve and submit it to Congress. The existing staff had already done a considerable amount of work to initiate studies on how to build and use the Reserve, but those studies now needed to be completed and analyzed and then used as a basis for developing a cohesive Plan. We had to define the desired size of the Reserve, the type of petroleum (crude oil or refined products) to store, where to store the oil, how to purchase the petroleum to store, how and when to use the Reserve once it is built, and how to physically distribute the oil from the storage sites during a drawdown of the Reserve. In addition, we had to propose a schedule for building the Reserve, present best estimates of the costs of developing the Reserve, estimate the economic impacts of building the Reserve, and perform an assessment of the environmental impacts of building the Reserve. As of August, 1976, there were studies underway on all of these issues, but no overall plan had been developed. I had until December 15 to get the Plan done, get it written, get it approved by FEA management, have it printed, and then submitted to Congress.

Reserve Size

The first priority was to determine the desired size of the Reserve, because that decision would influence most of the other issues, including how and where to store it, economic and environmental impacts, costs, and schedule. We evaluated several oil import interruption scenarios to provide a range of potential losses of oil imports, and then evaluated the potential economic and other impacts of such losses, to come up with estimates of the benefits and costs of various Reserve sizes. I concluded that we should recommend a size of 500 million barrels, which was the size originally sug-

gested in the enacting legislation. I concluded that there was no good analytical basis to recommend a larger Reserve, and that Congress would not be willing to accept a smaller Reserve (even though our analysis indicated that it was unlikely that we would have an oil import interruption that would require as much as 500 million barrels). Some of my staff members wanted to propose a larger Reserve, and OMB analysts were arguing for something significantly smaller than 500 million barrels. I took the pragmatic approach and recommended a level that would be accepted by Congress.

What to Store?

The second priority was to decide what to store in the Reserve. We rather quickly came to the conclusion that we should store only crude oil, because we had adequate oil refinery capacity in the United States to produce whatever type of refined product we needed, as long as we had adequate crude oil supplies. Storing only crude oil would give us maximum flexibility to produce whatever products were needed in an emergency. There were several members of Congress who were urging us to store refined products in their regions. Members from New England wanted us to store fuel oil in the New England area to assure adequate supplies of heating oil for the area. Members from Hawaii wanted us to store gasoline in Hawaii to assure they were not left without adequate supplies. After studying these special cases, I recommended against storage of any refined products in these areas because it would significantly increase the costs of the program without providing any real increased protection. And I believed that this recommendation would be accepted by the Congress.

We also had to determine the desired daily drawdown capability of the Reserve, that is, how many barrels a day would we be able to take out of the Reserve to replace lost imports. Based on our analysis of potential disruption scenarios, and the planned size of 500 million barrels, we concluded that we should be able to draw down at least 3.3 million barrels a day. This would be a key design requirement for the storage sites, to have the capability to move that quantity of oil into the established private distribution system on short notice.

Where to Store?

The next major issue was to determine where to store the crude oil. The studies that were underway had examined a wide range of options, including steel tanks, huge rubber bags, surplus oil tankers, underground rock caverns, and caverns in large underground salt formations. The initial studies indicated that the underground storage in salt formations or rock caverns might be the most desirable. Initial estimates showed that such storage would be much less expensive than above-ground tanks, and it would be much less vulnerable to accidental or intentional hazards such as fire or explosion. A key remaining question was whether we could identify underground storage locations which would be readily accessible for filling and withdrawing the oil, in relatively unpopulated areas, and which could be acquired at a reasonable price. We had identified several possible sites, including several salt formations along the

Gulf coast, stretching from Mississippi to Texas, with the most likely candidates in Louisiana and the Northeast coast of Texas. We also learned that some oil companies had been storing small quantities of oil in a couple of salt formations in that area, and that Morton Salt company had excavated a large cavern in a salt dome under Weeks Island on the Louisiana coast. There also were some salt formations near the Great Lakes, and a large abandoned mine in Canada that might be used for storage.

After further examination, we concluded that all the oil should be stored in a few large salt formations in Louisiana and Texas, primarily because storage in that location would provide the fastest and least costly access into the established crude oil supply system of the country. The local ports already had the facilities to unload and load oil tankers, and three major oil pipelines ran from the Gulf coast area up the center of the country to feed refineries in the Midwest. And a large portion of U.S. refinery capacity was already located in the Gulf Coast area to process the oil from the large oil fields in Texas, Louisiana and the offshore oil fields in the Gulf. By locating our crude oil reserve in Louisiana and Texas, we could build pipelines from the storage sites directly to three oil pipeline terminals as well as to local tanker docks. From these terminals and docks we could easily move at least 3.3 million barrels a day into the system, with minimal disruption of the existing private distribution system. Reserve oil could replace most or all of normal imported crude oil coming into the Gulf region, so that remaining oil imports could be redirected to other parts of the country, including the East and West coasts.

The process of developing oil storage in salt formations is quite interesting, and seemed to be ideally suited for the Reserve. Along the Gulf coast are many of these large natural salt deposits which can be several hundred feet in width and depth. Most of them are quite close to the surface. Most of them are almost pure salt, with no significant fissures. They developed over millions of years as salt from ocean beds migrated into these geologic formations. To store oil in such formations, all that is required is to drill a hole down into the salt and pump in fresh water, which dissolves the salt, creating a cavern. As fresh water is pumped in, the resulting brine is forced out through a separate pipe in the same drill hole and disposed of in the Gulf of Mexico. When the cavern reaches the desired diameter, oil is pumped into the cavern; it floats on top of the water and brine, thereby stopping any further dissolving of the salt at the top of the cavern. The pipe with the incoming fresh water is then moved lower in the salt to continue dissolving salt below the oil, until a nice cylinder is created to hold 10 million barrels of oil. Each large salt dome might hold ten to twenty such caverns. To remove the oil from the cavern, water is piped into the bottom of the cavern, forcing the oil out a pipe from the upper portion of the cavern.

Finalizing the Plan

With the major decisions made about the character of the Reserve, we were then able to complete the analyses of the costs, development schedule, economic impacts and environmental impacts. By late November, we were nearing completion of all the required analysis. In some cases, the assigned planning and engineering staff did a

good job of providing draft reports to me to include in the final plan. But in some cases I had to take over the writing of the drafts because the assigned staff were not capable. Some of the proposed reports and sections of the Plan were virtually incomprehensible to anyone, filled with jargon and caveats, and convoluted sentences that no Congress person would understand. Fortunately, I had a couple of people on my staff, including Betsy Marcotte and Richard Zabell, who were excellent analysts and writers, and were able to help convert the research results into useable plan documents.

By the end of November, it was now all up to me to pull together all of the results and draft papers and prepare a coherent document to submit to Congress. I started by writing an Executive Summary, which had been standard practice at OMB, and I summarized in about three pages the entire Plan. I laid out the total plan in a clear and convincing way, which covered all major issues and decisions. The summary was designed to tell Congress essentially everything they would need to know to decide whether to approve the Plan. Then I prepared chapters on each of the major issues, including size, what is to be stored, how it will be stored, how it will be distributed in an emergency, etc. When I was all done, I had a Plan of over 300 pages.

As I was finishing the writing and editing, it was quickly approved by FEA management. My big boss, Tom Noel, loved the Plan. He finally had something that gave him a complete understanding of the project, and the rationale for all of the features of the Reserve.

I now faced a final major hurdle: getting the document typed in final, proofed, corrected and printed. This was 1976. We did not have word processors in FEA with the capability to handle such a production effort, and the typed drafts were in many different formats and styles. Fortunately, one of the Branch Chiefs who worked for me, Gus Whiton, was able to contract with a firm in Virginia with an early word processing program, to type the entire document in a standard format and style which we could then proof and correct without a major retyping job. As the deadline approached, we still had many additions and corrections to make. The day before we had to send the document to the printer, I went to the offices of the contractor at Tysons Corner, and proofed the final output. It was five o'clock in the morning before the last changes were made and approved by me.

The Plan was a big success. It was approved by Congress as submitted.

Now I could relax a little, after working 60 hours or more a week for the past few months. And those in the office who had opposed me earlier were now either supporting me or at least silenced.

Carter Elected President

During the crash effort to get the Plan completed, things had been going on in the rest of the world. Jimmy Carter had been elected President, defeating Gerald Ford

who had moved into the job when Nixon resigned. Carter's Vice President was Walter "Fritz" Mondale, the former Senator from Minnesota. My brother Norris knew Fritz quite well from participating in Democratic activities together in Minnesota, and Fritz' brother had been our next door neighbor in married student housing at the University of Minnesota. So I felt that I had some special connection with the Vice President.

Meanwhile Back at the Ranch

A demanding effort at work, such as preparing the SPR Plan, meant relatively little time left for the family, but now I had a breather. As 1976 ended and 1977 began, I was able to spend more time with Jan and the kids, and deal with problems at home. Cheryl was in college and doing well. Chris was in the tenth grade, but still under-achieving. Greg and Cindy both seemed to be doing fine in school. Cindy was becoming Miss Popularity, with more little girl friends than I could keep straight.



This is a photo of my four offspring, taken in late 1976.

I was trying to maintain a good relationship with Jan. We played bridge two or three times a month, usually with neighbors in Fairidge or with others in a bridge group. We played tennis with the Rohms at an indoor tennis court. We went out to dinner once or twice a month. Now that the kids were older, we didn't need a baby sitter, and it made it much easier to get away from the house.

But my relations with Jan seemed to be deteriorating. We disagreed on many things. It seemed to me that she took strong positions on many issues, and they were almost always opposed to mine. We had frequent disagreements over money; she was spending more than I was earning, and she seemed to be blaming me for our lack of

money. To help resolve that problem, we opened a separate checking account for Jan. I paid all the recurring bills, including the mortgage, utilities, insurance, car payments, etc, and the remainder of my paycheck went into her checking account for her use for groceries, kids clothing, and other miscellaneous household expenses. She was expected to live within the available funds. This helped to reduce the complaints about lack of money.

During spring break in 1977, Jan and I took the kids (except Cheryl) to Disney World in Florida. We spent several days at Disney World and then drove down to Miami and Fort Lauderdale in hopes of finding warmer weather. Unfortunately, it still was not very warm there, but we all had a fun time, and I got to spend some quality time with my family.

In 1977, Jan decided she wanted to get into the real estate business. She took a course and a test to qualify as a real estate agent, and went to work for one of the local real estate firms. She worked entirely on a commission basis. She would earn a percentage of any sales she made. If she made no sales, she would get no pay. She decided that her new job required a better car than the LTD Ford, which was getting quite shabby. So to help kick off her new career, we bought a new 1977 Chevy Caprice. It was a nice looking car, and plenty roomy for the five of us. But it was another expense, which kept us tight on money. It was hoped that Jan would make enough money selling real estate to pay for the new car, and more. I still had my SAAB which I used primarily for commuting to work.



Photo of the new Chevy Caprice in front of the house in Fairidge.

Elvis Who?

An event of little importance in August of 1977 was the death of Elvis Presley. Some of the women working in the SPR office were screaming and in tears upon hearing the news. Some claimed that they would always remember where they were and what they were doing when they heard the terrible news. For me, I had to look it up on the internet to remember when it happened and where I was. I was not a great fan of Elvis.

Draft Evaders Pardoned

An event of 1977 of great importance was action by President Carter to pardon Vietnam draft evaders. He took a lot of flak from war mongers for that action, but this clearly was a case of the draft evaders having much more sense than our leaders who were trying to send them to die in Vietnam for no good reason.

Carter's Focus on Energy Issues

When President Carter assumed the Presidency in January 1977, he immediately made energy one of his top priority issues. He particularly wanted to reduce U.S. dependency on imported oil from the Middle East, and to develop protection against another oil supply disruption like we had in 1973-4. He quickly proposed legislation to create a new Department of Energy, which the Congress enacted to be effective October 1, 1977. He appointed James Schlesinger (one of my old bosses at OMB) to be his Secretary of Energy. While awaiting establishment of the new Department, Schlesinger served as a special assistant to the President for energy.

"Accelerating" the SPR Program

One of Schlesinger's first actions was to ask the Federal Energy Administration to accelerate the SPR program as much as possible, to build a sizeable reserve earlier than the planned 500 million barrels by 1982. When this directive came down to the SPR office, the initial reaction of all the senior people there was that we really couldn't accelerate the schedule; we would have to be very lucky to even meet the original schedule. When the FEA Administrator gave this response to Schlesinger, his reaction was that this was not acceptable; certainly we could do better, and he wanted a plan as to how we would accelerate the schedule.

So the SPR Director, Tom Noel, told me that we needed to do something. He was under enormous pressure from his boss and from Schlesinger to accelerate the schedule. And Tom Noel felt that his job was on the line in any case, because he had been appointed to his job under a Republican Administration and he expected to be replaced unless he could really impress the new Democratic leadership. So Tom asked me to see if I could figure out any way to accelerate the program. He was counting on me. We couldn't go back to Schlesinger again telling him that it was impossible.

I discussed the problem with my staff and the engineering staff. We looked at every critical item in the schedule to see where we might move things along faster. It struck me that we were wasting a good deal of time trying to build a small “early” reserve using temporary systems to start filling a few existing storage caverns. This early reserve would result in maybe 20 to 30 million barrels of oil in reserve before the main systems were constructed so we could start developing the larger reserve. We were devoting a significant amount of effort to building this temporary system, which would result in a minor amount of protection. I suggested that we examine the option of killing this early temporary effort and put all our resources into building the full system. Tom Noel and the Deputy Director both liked the idea, and the engineers were asked to come up with estimates of how much we could accelerate fill with this change. After crunching all the numbers, we concluded that we might be able to get 400 million barrels in storage by the end of 1980 (in about 3 ½ years) a significant increase over the 325 million barrels by that time as proposed in the Plan.

But this was not acceptable to Schlesinger. He insisted that we should be able to do better, and told us to come up with something better. So the senior SPR staff went back over the numbers; we were there working well into the night. Some of us were arguing that we should stand our ground; we would be lying if we said we could do it faster. But our boss did not want to go back to Schlesinger with that message. He demanded a faster schedule.

So after much further arguing among the staff, we decided that the only thing we could recommend is that we might be able to accelerate the schedule if the President (or the Congress) gave us exemptions from all the standard requirements placed on such programs, such as completing the long and complex environmental assessments of each storage site and pipeline, and complying with the slow and complex procurement process to select engineering, construction and operating firms, and following the slow process for hiring government personnel. If we could get exemptions from all those time-consuming requirements, we could accelerate the schedule, and maybe get 450 million barrels in storage by the end of 1980. Tom Noel presented this proposal to his bosses. The next thing we heard was that the FEA Administrator and Schlesinger had agreed on an accelerated schedule of 500 million barrels in storage by the end of 1980. I was instructed to prepare a formal Amendment to the Plan to make it official. All of the SPR staff went away from that last meeting knowing that we would not be able to meet that schedule, but it was out of our hands. But we would ultimately get the blame for missing the schedule.

I prepared the Plan Amendment to accelerate the schedule, without any details as to how we were going to do it. And I was told not to mention any exemptions from environmental, procurement or personnel requirements; those issues would be dealt with when the time came if they presented problems.

Named Acting Director of SPR Program

On October 1, 1977, the new Department of Energy was created, and the Federal Energy Administration was abolished and folded into the new Department. On Sept 29, Tom Noel was informed that he was being named, on an "Acting" basis, to be an Assistant Secretary of Energy with broad responsibilities for energy resource development, and the SPR would be just one of several programs under his jurisdiction. He was directed to appoint an "Acting" Director of the SPR program to replace himself. Tom called me into his office and informed me that he wanted me to be the acting Director. He said I was the only person who understood the entire program and who had the capability to deal with the outside world, including OMB and the Congress. I was to take over as Director immediately, on October 1. I had the weekend to prepare myself for this new assignment. In a moment of insanity, I accepted the job.

Tom Noel also informed me that he was taking several of the key SPR people with him to help him set up the new operations under the Assistant Secretary. The Deputy Director would go with him, as well as about ten other senior people in the SPR office. So here I was, with Schlesinger demanding that we accelerate the schedule, while Tom Noel was taking away several of my key staff people, when we were already short handed.

But it got worse. The creation of the new Department resulted in all sorts of bureaucratic confusion, and most actions came to a halt for a few weeks, including procurement actions, personnel hiring, and even travel requests. And the Department officials were placing a whole new set of administrative procedures on us that we all were expected to follow. By the end of the first month in the Department of Energy, we had lost at least a full month on our schedule for SPR. But it got worse. We soon found that it was taking several months to get a procurement request through the DOE system, while our schedule had assumed only a few weeks to complete new procurements. Unless we got exemptions from this system we wouldn't have 500 million barrels in storage for a decade.

Selecting a Special Assistant

When I was appointed Acting Director of the SPR, I was told I should hire a Special Assistant to help me handle many of the more routine chores that I would have. After considering three or four candidates, I selected a young woman named Betsy Marcotte, who was on the staff of my Planning and Analysis Division. She was a 26 year-old economist who had been one of the few members of my staff who had been able to produce coherent material for the SPR Plan. She was a quick study, was willing to take on almost any task, was not afraid to deal with higher level officials, and was a hard worker. Even though she had a small son, she was willing to work long hours as needed.

After being on the job as Acting Director for only a couple of weeks, it was obvious to me that we were way behind schedule and it would only get worse under the new DOE systems. And I soon had an opportunity to inform top management in DOE of this. DOE required each program director to make a formal progress report to top management every month, including detailed flow charts showing critical paths and whether we were ahead of or behind schedule on meeting those deadlines. At my first presentation I informed the Deputy Secretary and the Under Secretary that we had already fallen behind schedule due to the disruption of creating the Energy Department, and we would need special expedited handling of all procurement, personnel and environmental issues if we were to even come close to meeting the accelerated schedule. They gave me no feedback at the meeting, and unfortunately, Secretary Schlesinger was not at the meeting. It soon became clear that the Deputy and Under Secretaries did not inform him of my request, and that these two did not share Schlesinger's urgency about the SPR.

“Enemies” At Work

But it got worse. I soon discovered that there was an effort by some of my SPR staff, aided by the former Deputy Director of SPR, to convince the new DOE management to remove me from the position of Acting Director. The SPR staff were the same people who had tried to block my work on the SPR Plan. The “conspirators” included a close aid to the Under Secretary, and it soon became apparent to me that the Under Secretary had bought into the agenda of my detractors and was planning to replace me. The Under Secretary, Dale Myers, was a former Associate Administrator of NASA, and had a reputation as being able to manage large programs on a tight schedule. Tom Noel was still my immediate boss, and he reported to the Under Secretary, and Tom served as a buffer between me and the Under Secretary for now. Also, another special assistant to the Under Secretary was Jack Young, a former boss of mine at OMB, who was in my corner and was working to convince the Under Secretary that I should remain as Director of the SPR. This was a whole new level of political in-fighting that I had never before experienced, and I did not like participating in these games.

Acquiring Land for SPR

Meanwhile, I was working to try to expedite the development of the SPR. We were in the process of trying to procure several salt dome properties in Louisiana and Texas, as well as right-of-way for pipelines from tanker ports to these storage sites. The Army Corps of Engineers was serving as our agent to procure these properties, but they were not being very successful in reaching purchase agreements with the landowners. The landowners thought the prices being offered were inadequate. So the Corps decided to proceed with condemnation of some of the properties, which required time consuming court proceedings. I was working to try to resolve disputes between the Corps and landowners to avoid condemnations, and also spending time in courts in Louisiana testifying before judges regarding the urgent need for these properties.

As more and more landowners began to oppose these actions by the Corps of Engineers, the Louisiana politicians got involved. Tom Noel and I were summoned to appear at a hearing held by the Louisiana legislature, and I spent nearly two days there explaining the program, answering questions and being harassed by the local officials. Then the Governor got involved, and threatened to stop any construction activities if we didn't satisfy him and the legislature. I spent many hours meeting with the Governor's special representative for SPR issues, and many hours on the phone with him and other politicians in the state, trying to appease them. The primary problem was money, and we resolved some of the problems by agreeing to pay more for the properties, but the Corps was resisting any significant price increases because of concern that it would create a bad precedent for future Federal government acquisitions.

I was spending about half of my time in Louisiana, going down there almost every week, sometimes on very short notice. I started keeping a shaving kit and an extra change of clothes in the office to be ready for an emergency trip. Meanwhile, back in DC, we were having major problems with procurements, with the DOE procurement office making us go through a very long and slow process. At this rate it would take several months to get our key contractors hired and working. I kept asking for expedited handling of our actions, but I was being ignored by the procurement people. Only the Under Secretary or the Secretary could force faster action; the Under Secretary refused to do so, and he did not tell Secretary Schlesinger that there was any problem.

Chaos in the Department of Energy

But it got worse. I was trying to hire additional staff to replace the people who had been taken by Tom Noel, and to staff the accelerated construction program, but the DOE personnel office insisted that we follow their cumbersome new procedures for recruiting and hiring new staff, so weeks were going by without any new hires. By the end of November, after two months as Acting Director, I was convinced that we couldn't continue to manage the SPR construction program from Washington; we needed a field office to manage the program, with its own authority to hire people, handle procurements and manage the contractors. The Washington staff offices were simply too bureaucratic to move as fast as necessary, and there seemed to be no hope for improvement. My initial idea was to have an existing field office take over the construction management. The former Atomic Energy Commission had been folded into the new Department of Energy, and they had very competent field offices with experience managing large construction and operating contractors. The closest field office to Louisiana was in Oak Ridge Tennessee, and the Manager of that office was now Bob Hart, who was one of my old bosses when I worked in the Contracts Division in AEC back in 1966-67.

Trying to Open a Field Office

I called Bob Hart and arranged to go down to Oak Ridge to explain the situation to see if they would be able and willing to take on this assignment. After meeting with them, I was convinced they could handle the SPR construction management much better than the Washington office, and Bob Hart was willing to take on the challenge. So I made the proposal to Tom Noel that we turn over construction and operation management of the SPR to the Oak Ridge Field Office. The SPR office in Washington would continue to be responsible for the overall planning, establishing specifications, selecting storage sites, budgeting, dealing with OMB and Congress, and all other non-operational issues. Tom Noel agreed that we needed to do something to get the day-to-day management out of the Washington offices of DOE, which were a complete disaster. We quickly submitted the proposal to the Under Secretary for approval, and he quickly shot it down. We found out later that one of his buddies had some personal beef with Bob Hart and was opposed to giving him this new responsibility; more politics screwing up the works.

The Under Secretary did agree to establish a study group to make a recommendation on whether we should have a field office manage the SPR construction. He appointed some old cronies of his (former NASA employees) to the study group, and did not include anyone from the SPR office. A couple of weeks later the group leader informed me that they were going to recommend setting up a new field office in Louisiana to manage the SPR construction, rather than use the existing Oak Ridge Office; there would be a meeting chaired by the Under Secretary to decide the issue in a week or so.

The meeting with the Under Secretary was held to hear the presentation by the study group. I was not asked for my opinion, but I gave it anyway. I strongly objected to the idea of a new office in Louisiana rather than using an existing office, because it would take several months to set up a new office and get it up to speed to handle the large workload of the SPR project. A new office would need to find office space, hire all new staff, set up communication systems, establish administrative procedures, and a host of other time-consuming actions not required by Oak Ridge. A new office would delay development of the SPR by several months compared with using an existing office. But apparently the Under Secretary had no concerns about the impact on the SPR schedule. He was interested in playing the political games with DOE staff, rather than filling the Reserve. He approved the recommendation to open a new office in Louisiana. He would name a Manager to head the office, and I was ordered to do whatever was necessary to help establish the office.

After the meeting, I was seriously considering resigning my position. But Tom Noel and others convinced me to hang in there. They suggested that I needed to understand that this sort of political decision making was normal at these levels; I needed to relax and go with the flow.

New Boss From Outside

But a few days later Tom Noel informed me that he had decided to leave DOE because it was clear that he was not going to get the permanent job of Assistant Secretary. For the next few weeks I reported to a temporary replacement who knew nothing about the SPR and cared less. Where is Schlesinger? How could he be so interested in accelerating the fill of SPR a few months ago, and now he obviously is paying no attention to the program, and his appointees are doing nothing but delaying our efforts? I soon heard that a permanent Assistant Secretary had been selected, a guy named George Mclsaac. I knew nothing about him other than that he was coming into government from a private consulting firm.

Now I had the job of setting up a new office in Louisiana as well as trying to keep the SPR program going as fast as possible. Most of the SPR staff were unhappy with the decision to set up a construction management office in Louisiana. Some of the engineers and operations people would be required to move to the new office if they wanted to keep their jobs. And those who would stay in Washington felt that their role in the program would be diminished as the field office assumed more responsibilities. Some of the staff even called in union officials to help them fight the move. And most of them were blaming me for recommending the field office, even though I had opposed the new office in Louisiana.

Testifying Before Congress

In addition to my other duties, I had to represent the SPR program in hearings before OMB and at least four Congressional Committees. I defended the DOE budget request in hearings at OMB, and then before the House and Senate Appropriations committees. I also testified before the House and Senate Energy committees on more than one occasion. With the departure of Tom Noel, I was now the only senior person left in the office who knew the SPR plan and the details of the development effort, so I had to testify at all hearings dealing with the SPR.

While defending the SPR budget request before Congress, I ran into an old acquaintance who was out to get me. The former Commerce Department Budget Director who was late submitting his budget requests to me at OMB was now on the staff of the House Appropriations Subcommittee who handled the SPR budget. This Subcommittee was the primary Congressional decision maker on how much money we would get. The rest of Congress usually went along with whatever this Subcommittee proposed. So now the tables were turned, and instead of me reviewing his budget, he was reviewing my budget, and he was determined to give me a hard time. He told one of my staff that he was going to slash the SPR budget, just to get even with me.

Fortunately, the Subcommittee Chairman was a very competent and ethical Congressman. The staff person had prepared a long list of tough questions for the Chairman to ask me during the Hearing, and I was able to convince him that we real-

ly needed all of the money we requested. He also understood why his staff guy was out to get me, and agreed with me that I was just doing my job. He overruled his staff guy, and SPR got its budget request.

Meanwhile we were making progress in acquiring real estate in Louisiana and Texas. I held a meeting with a large number of people who owned land in the Atchafalaya Basin where we needed to run a pipeline. They were all resisting selling to the Corps; they claimed they had been paid several times as much for pipeline right-of-way by private oil companies working in the basin, and they were not going to accept the paltry sums offered by the Corps in part because it might encourage the oil companies to pay less. I suggested that they should just donate the right-of-way to the government; they could avoid the precedent of a low payment and gain a valuable tax deduction. After considering the suggestion, several of the landowners donated their property.

An Unexpected Friendship

My Special Assistant, Betsy Marcotte, had quickly become my eyes and ears among the SPR staff. She would help keep me informed about who was working, who was opposing me, who was worthless, and who should be promoted. We worked closely together on many issues, including the major task of setting up the field office in New Orleans to manage the construction effort. She also had a major role in studying potential additional sites for more storage. She traveled with me and other staff members to review construction activities in Louisiana and Texas, and to study potential additional salt domes for future storage.

During the fall of 1977 and all of 1978, we went through several very difficult challenges together, and we became very close emotionally. She was the only one who knew most of the details of what I was going through, and my victories and defeats were also hers.

For the first time in my life, I realized that it was possible to have a close relationship with a woman that was mental and emotional; someone who I could discuss complex and personal issues with, on an equal level. Prior to that, I had always dealt with women either as support staff who took orders, or as a traditional wife who also was expected to play a support role. This new experience emphasized for me the problems in my relationship with Jan. It was apparent that I was at fault for viewing her as the supporting wife; but it also was apparent that I could not have the sort of professional and intellectual relationship with her that I had with Betsy.

Field Office in New Orleans

By the spring of 1978, we had acquired office space near New Orleans for the new SPR field office, and were slowly getting staff there. Some moved from Washington, and some were new hires. We were now several months behind schedule, but no one seemed to care. The Under Secretary was still focused on internal intrigues and implementing new management systems, with no apparent concern about the SPR

schedule. At one of my monthly progress report meetings with the Under Secretary, I went through all the charts and graphs showing how far behind schedule we were, and how it would get worse unless major corrective actions were taken. I particularly urged that the field office be given full authority to recruit and hire new staff, rather than having to go through the Headquarters personnel office. The Under Secretary's only response was that the staff member who had prepared my charts had not used the proper symbol for some proposed action, and I should make sure that is corrected before the next meeting. What a worthless idiot!!

More Bureaucracy

And things got worse. The powers that be had now selected a Deputy Assistant Secretary, by the name of Dobie Langenkamp, who would be responsible for the SPR and a couple of other programs. I was to report to this new Deputy Assistant Secretary, who reported to the Assistant Secretary, who reported to the Under Secretary who supposedly reported to the Secretary (but he didn't tell him about the SPR). Before the creation of DOE, the Director of SPR reported directly to the Administrator of the Federal Energy Administration, who reported to the President. Now it was nearly impossible to even get to the Under Secretary.

And the new Deputy Assistant Secretary was a lawyer directly from a small law firm in Oklahoma who knew nothing about the government, or the SPR or oil or the oil industry or just about anything else we were doing. He was selected for the job because he had been an early supporter of Jimmy Carter in his campaign, and he wanted to be rewarded with a political appointment in Washington. So now I had to spend a good bit of my time trying to educate Dobie and George (the Assistant Secretary), and they were not quick studies. And they contributed absolutely nothing to help manage the SPR or speed up administrative actions. Dobie's major "contribution" was to insist that we build a large "score board" to show graphically how many barrels of oil we had in storage. He wanted (and got) a large board with a thermometer-type gauge from zero to 500 million barrels, and we were expected to update this every week. But we were adding such small amounts of oil to the Reserve at this point that it was not possible to see any difference on the chart from week to week. So he thought we were just not updating the chart for him, or maybe we had just stopped filling the Reserve.

I was still traveling to Louisiana frequently, primarily dealing with land issues and new environmental concerns being raised about our pipelines. The new Deputy decided that I shouldn't be traveling so much because that meant I was not available in Washington to answer his questions and keep his chart updated, so he informed me that I could not travel anymore except with his advance approval.

Political Appointee Flunks the Test

By the spring of 1978, word was reaching the Congress that the SPR program was behind schedule, and the House Energy Committee scheduled a Hearing to get the

facts. George Mclsaac, the Assistant Secretary, was asked to testify, but George didn't know anything about the program (although he had now been on board for over four months), so he told me I had to come along to testify. I also had to write his opening statement for him. After George read the statement, the Congressmen present started asking him questions. With each question, George would turn to me to give the answer. This went on for over 30 minutes, with George not answering a single question. I was able to answer all the questions with no problem, but George was starting to look like a complete airhead. Finally, the Congressman chairing the hearing interrupted when George again turned to me to answer a question. The Chair said: "No, I want you to answer that question Mr. Mclsaac." George stammered and sputtered, and it was obvious that he didn't have any idea how to answer the question. He really hadn't learned anything about the SPR program that he supposedly was directing.

Passed Over for Permanent Director of SPR

Now that they had selected a Deputy Assistant Secretary, I knew they would be focusing on selecting a permanent Director for the SPR. I really didn't expect to be selected because of the obvious opposition from the Under Secretary, but I didn't have time to even think about it. Then one day in late June, 1978, I was asked to come to a meeting with the Assistant Secretary and the Deputy. I was informed that they had selected a new Director for the SPR. He was a retired Army General named Joseph DeLuca. He had been in charge of a financial accounting operation in the Pentagon before he retired, which somehow made him highly qualified to head the SPR program. He would be reporting for duty about the first of July.

Then the Assistant Secretary said they wanted me to be the Deputy Director of SPR, reporting to the new Director. We had not had a Deputy Director for the past nine months, since I had taken over as Acting Director, and they thought I would make a great Deputy Director. I would provide continuity to the operations and make it much easier for the new Director. They spent ten minutes explaining to me what a great honor it was for me to be selected as Deputy Director, and what an important job this was, and how I was really needed, etc. I almost puked. I said I would consider the offer, and left.

I had always thought that Deputy positions should be illegal. I had never seen a Deputy who was happy with his job. They got the crappy assignments that the boss didn't want, and frequently got the blame if things went wrong, but they never got any credit. I really didn't want to take the job, but I didn't have another job lined up, and I decided not to take the risk of just resigning. I would see how things progressed.

I had been Acting Director for nine months. I had been working 14 hour days, at least six days a week during that time. I had almost no time for the family. I should have been happy to finally have a bit of a respite from the pressure. But it still felt like an insult that I was being replaced by a person who had no better qualifications for the job than I did, and who had no knowledge of or experience with the program. But I

was beginning to understand the nature of political appointments. Although I was a career civil servant, I had moved up to the top rung on the ladder, where political considerations tend to outweigh all other qualifications.

The General Rides In

In early July the General (retired) appeared. He announced that he wanted to start immediately with a briefing by the new field office manager. Apparently the Under Secretary had advised him to start his briefing in the field (where the manager had been on board for a couple of weeks) rather than being tainted with any facts provided by me or the other senior Washington staff. So I decided to join the General at the New Orleans office, to provide some badly needed history and perspective about the project, the schedule etc, that the New Orleans office manager did not have. We met in the New Orleans office Monday morning to start the briefings for the General. As I entered the office, the Manager's secretary said I was wanted on the phone by the Deputy Assistant Secretary. I took the call and was informed by him that I was to catch the next plane back to Washington. I was to leave for the airport immediately. I was urgently needed in Washington to deal with some important budget matter. Ah so; they were serious about not wanting me in on this briefing.

Forty?

Meanwhile, away from the office, a terrible thing happened. I turned 40 years old on July 17. I had been so busy working that I hadn't noticed I was getting older. Now it slapped me in the face. Jan organized a big birthday bash for me; all of our friends and neighbors were there. Cheryl was there with her boyfriend, Allen Myers; Chris was there with his latest girlfriend, and Greg and Cindy were there with their friends. All of our good friends were there, including Chuck and Suzanne Gularson, Dennis and Anita Ferm, Wally and Sally Heaton, Howard and Peggy Rohm, Ray and Linda Brady, and many more. It was a good party, but it didn't make me any younger.

For a few weeks in the spring of 1978, we had four teenagers. Cindy turned 13 on March 18, and Cheryl was 19 until May 1. Chris was 16 and Greg was 14.



Here is a photo of the four teenagers, taken in April, 1978.

My sons were starting to cause more concerns and problems for me. They probably thought I needed some diversions from my work! Chris had his driver's license, and I had helped him buy a used GTO. He had the money needed to buy the car as a result of his work at the local Amoco station in Gaithersburg. In hindsight, I should have insisted on a less powerful car, but I didn't have hindsight. Luckily, he didn't kill himself or anyone else.

But one evening he begged to use our relatively new Chevy Caprice, saying he had a hot date, and he promised to drive slowly and carefully. In a moment of insanity, I agreed to let him use the car. Chris still was not home at midnight, and Jan and I finally went to bed. We were just settling in when I heard this loud clumping and bumping sound that seemed to be getting closer; soon it was in front of the house and then into the garage under our bedroom. I pulled on a robe and ran down to the garage. There was Chris staggering into the house from what used to be the almost new Chevy Caprice. He was so drunk he could barely speak or stand. Looking at the car to see the source of the noise, I noticed that both wheels on the right side of the car were sitting at a non-vertical angle, and attached to the wheel housing by only one nut, and one of the tires was completely flat.

Chris was in no condition to even begin to explain what had happened, and I am still not sure, but apparently he ran into a high curb or other obstruction and blew out both tires on the right side. He then tried to change the tires, but having only one spare he could only change one, and when he went to put the nuts back on, he could find only one nut for each wheel. So he drove home that way, on one completely flat tire and with both wheels wobbling crazily. And he drove off leaving the expensive wheel coverings somewhere along the road, and he was never able to find them. So I had two ruined tires, two ruined rims, and two missing wheel covers. Several hundred dollars of expense. Chris did not get to drive the Caprice much after that (or at least not with my approval).

And son Greg was spending far too much time in his room, supposedly reading and studying. I was worried that he was becoming a complete recluse, but I discovered later that he was getting high on pot. Unfortunately, neither Jan nor I had ever had any experience with pot, and had no idea what it smelled like, otherwise we would have quickly discovered this bad habit.

Shunned by New Director

My problems at work helped take my mind off the problems at home. Over the next few weeks I tried to reach an understanding with DeLuca about what role he wanted me to play as his Deputy. I suggested that I would oversee the remaining planning, budgeting and environmental assessment activities in Washington, while he focused on the construction and operation issues, including all the dealings with Louisiana officials. But DeLuca said he wasn't ready to make any specific assignments. It soon became clear that he had no intention of assigning anything to me. He was treating

me as the enemy to be defeated or ignored. I soon heard from some of my loyal staff that some of my opponents on the SPR staff were telling the General that I was working to undercut him; and he was telling some SPR staff that I had screwed up things while I had been in charge, and he was going to fix things.

Fire at Storage Site

Then a real disaster struck. I was in the office working late when I took a call from the field office manager who was calling to report that there had just been an explosion at the West Hackberry storage site, and there was now a raging fire, and it appeared that at least one person was dead. He said he was leaving to go to the site, and wanted any backup help he could get from Washington to deal with the situation. I called the General, who was already at home for the day, to give him the news. I offered to go to West Hackberry to help manage the situation, but he said he would go, and hung up. I then called the Deputy Assistant Secretary and the Assistant Secretary to give them the news before they heard it on the radio or TV. They demanded that I come to the Assistant Secretary's office to keep them informed on what was happening, and to be prepared to answer any inquiries from the press or politicians. The three of us spent most of the night in his office, periodically receiving reports from West Hackberry. We weren't contributing anything to resolving the problem, but I guess that's the role of political appointees.

During my telephone conversations with SPR people at the site, I learned that an oil rig had been doing some repair work on the piping on one of our storage caverns which was partially filled with oil under pressure. The pipe into the cavern had been plugged with a pressure retention plug which was standard practice in the oil industry, but the plug failed and oil came shooting up out of the pipe into the oil rig where it was set afire by the engine. One person was dead and another was in the hospital with severe burns. A huge fire was still burning as the oil continued to spew out of the cavern and feed the fire which could be seen for miles around. The SPR people at the site had already directed the contractor to bring in an oil rig fire fighting specialist to help put out the fire, but it may take a few days to get it under control. The local press were already on the scene, and it would probably make the late evening TV news shows in the area.

I knew that this accident would bring the vultures down on the SPR program. Everyone would be asking for investigations of the program. What had gone wrong? Why was it so far behind schedule? Within days there were several investigations underway. DOE's Inspector General started an investigation, the General Accounting Office started one, several Congressional committees scheduled hearings, and Congressional staff members were investigating for their bosses. The SPR office was soon spending more time dealing with the investigators than with building the Reserve.

Leaving the SPR Office

But DeLuca still was not giving me any assignments. I was handling many issues and responding to many inquiries just because he wasn't always available, and usually didn't have the answers, but it was apparent that he didn't want me around. So I suggested to him that I would just move out of the SPR office, with a few of my old planning staff members, and finish work on a plan for distributing Reserve oil during an emergency, while I looked for another job. He happily accepted the suggestion, and I quickly moved to space in another DOE building.

I now had almost nothing to do. We were still finishing a study on how to sell and distribute oil from the Reserve, but my staff could handle that themselves. So I started looking for another job. I contacted all my friends and acquaintances at OMB, Commerce Department, Small Business Administration, National Science Foundation, and Congressional committees to tell them that I was in the job market. I submitted resumes to several people who expressed an interest. And then I went on vacation for a couple of weeks.

Getting Away to Minnesota

In early August, Jan, Cheryl, Chris, Greg, Cindy and I drove to Minnesota to attend a Hystad family reunion and the 75th birthday party for my dad. It was held at a resort on Lake Mary near Alexandria, Minnesota. We had a small cabin on the lakeshore, with a fishing boat available for our use. It was a much-needed break from Washington. We fished and visited and I tried to catch up with what my brothers and sisters had been doing. We drove up to Henning, Clitherall and Battle Lake to see how our old stomping grounds had changed. Chris and Greg had a great time with the boat and motor buzzing around the lake and even catching some fish. Cheryl's boyfriend stayed at our house in Fairidge and finished painting the outside walls, while we were gone. I was very happy to avoid that job.

Dad was looking very old and frail, much older than his 75 years. He was starting to have some emphysema problems, and was still on valium, which made him a little dopey. Mother was still in good shape and was keeping occupied taking care of dad. They had tried living at Blue Earth, Minnesota, but dad decided he didn't like there, so they had moved back to Watford and rented a small house there for awhile. But then my sisters apparently convinced them that they should move into a senior citizens development near my sister Eileen's place in White Bear, Minnesota, and that was where they were living now, but they didn't seem to be content there, and mom was talking about moving back to Watford City. Mom was happy only when she was living in Watford.

My Senate Testimony in Louisiana

Returning to work at DOE, I was told by the Deputy Assistant Secretary that I was to accompany him to Louisiana where the U.S. Senator from Louisiana was holding a

formal Congressional Hearing on the West Hackberry fire. Joe DeLuca refused to testify, claiming that it was not his responsibility, so Dobie was going to testify, and I was to provide support for him. I was well acquainted with the Senator's staff guy who was organizing the hearing, and he had informed me that the Senator would be focusing on the causes of the fire, which he seemed to think resulted from lack of adequate DOE oversight of the contractors working on the SPR development. As the Hearing commenced, Dobie and I were sitting at the witness table. The Senator asked a few background questions which Dobie answered adequately. And then the Senator went for the juggler. He asked who in DOE had authorized or directed the contractor to conduct repair work on the cavern while the cavern was under pressure; if the pressure had been released before starting work, there would have been no accident or fire.

Dobie started to answer with what would have been a long evasive discussion about the difficulties caused by the creation of the new Department, etc. Dobie had not finished the second sentence when I grabbed the microphone away from him and said approximately the following: "I authorized the contractor to work on the caverns under pressure, in my role as Acting Director of the SPR. I made that decision last fall after extensive review by my staff and with advice from oil industry experts. I made that decision for two reasons: first I was assured by the experts that the process of using a pressure retaining plug was standard practice in the oil industry under conditions of much higher pressure than would be encountered with the SPR storage caverns, and that the plugs were highly reliable; and second, that if we required the contractor to depressurize the caverns every time before doing any work on them, it would delay the development of the SPR by a year or more, and I was working under direction from the President that accelerated fill of the SPR was of utmost national importance. I directed that the work be done under pressure because of the perceived low risks of a plug failure and the potentially high cost to the nation of slowing the development of the Reserve."

The Senator and his aide sat there looking at me for a moment, with a sort of stunned look, and then the Senator started looking down at his notes which contained a long list of questions; he scanned one page, and then another, and then another, before he came to a question related to a completely different subject. Apparently, my answer made his long list of questions irrelevant. And the Hearing ended on a relatively upbeat note.

After the Hearing, Dobie cornered me and said he was shocked that I had accepted responsibility for that decision; he thought government employees never accepted responsibility for any decision. He was very appreciative that I had gotten him off the hot seat. (A couple of years later, as Dobie was leaving government service, I was invited to his going-away party; in his final comments to the attendees, he noted that one of the highlights of his two years in government was my testimony at the Senate Hearing.)

A Major New Assignment

My performance at the Hearing did nothing to impress General DeLuca; I was still a Deputy without duties. The Assistant Secretary still needed me once in awhile to respond to questions from Congress or to help deal with the Louisiana Governor, because no one else had the institutional memory. A few more weeks went by as I continued to look for a job outside DOE. Then I received a telephone call from Al Alm, who was Assistant Secretary for Policy and Evaluation in DOE. I had worked with Al briefly while we were both at OMB. He asked if I would be interested in coming to work for him as head of a new Office of Emergency Response Planning. I met with Al the next day to discuss the details. I would report directly to him, and would supervise an existing small emergency planning staff in his office, and I probably would be able to bring along with me the staff I now had working for me on SPR issues. This would actually be a promotion, working directly for an Assistant Secretary, rather than reporting through a Deputy Assistant Secretary and office Director.

One of the reasons Al wanted to upgrade the emergency planning function was the new crisis brewing in Iran, where the Shah was in a losing battle against a huge grassroots opposition. The disarray in Iran was disrupting its oil exports, and there was concern about possible oil shortages in the U.S.

I accepted the assignment as the Director of the new office. I learned later that my old bosses at OMB had been responsible for this move. Jack Young, one of my former bosses at OMB, had learned from a friend that I was looking for a job outside of DOE; Jack discussed the situation with Schlesinger and Al Alm, who agreed that I had been mistreated by the Under Secretary and the General, and that Al could use a good person to deal with emergency issues.

Former OMB people seemed to have a special rapport with each other; we had a common understanding of how the decision-making process should work; we knew how to cut through the bullshit and focus on the real issues and real potential solutions; we were pragmatic, but had a high standard of ethics. And we knew we worked for the President; it was our job to help the President achieve his goals in the best way possible. Most of the other people at DOE didn't share this outlook and attitude. Many were pushing their own agenda rather than the President's; many seemed unable to sort through all the fluff to get to the real problem; and most seemed unable to come up with potential solutions which were politically viable.

So I was back in the saddle again. This new job was not quite as interesting as being Director of the SPR, but it was a lot less demanding while still being challenging. I was soon housed in offices in the Forrestal Building, the new DOE Headquarters, with about 15 staff working for me. About half the staff were working on SPR issues, including a new study on the desired size of the SPR, done at the request of OMB. The OMB wanted to reduce the ultimate size of the SPR to about 250 million barrels, rather than the 500 million included in the Plan. The remaining staff were focusing on

defining what actions needed to be taken to prepare for another disruption in oil supplies such as the 1973-74 Arab oil embargo.

More Turf Battles

But once again, I was in the middle of internal fights over turf and influence. My appointment greatly upset the staff of the oil and gas policy office under Al Alm, who thought they should be responsible for this oil supply emergency response planning, and for SPR planning. Over the next year, they opposed me at almost every opportunity, but they were always trying to catch up with what I was doing, and Al always came down on my side. They had only one solution to every problem – deregulate. They had good arguments in theory, but they could not get anyone to implement their ideas, which were not acceptable to the President.

Also, Jack O’Leary, the Deputy Secretary, was not happy with my appointment, because he had placed a crony of his in Al Alm’s group with the expectation that he would be in charge of emergency response planning. But O’Leary’s guy couldn’t do anything other than puff on his pipe and pretend to think deep thoughts; so Al Alm put me in charge and had the guy report to me. I soon gave up trying to get any work out of him, and just let him sit in his office on days when he felt like coming to work, which were infrequent. I still had several incompetent staff in my group, but I had a couple of good analysts, including Glen Coplon, and Betsy Marcotte. Betsy was my primary analyst and did lots of the leg work I needed done; she was excellent at pestering people for information.

The General Retreats and Surrenders

In early 1979, General DeLuca asked if he could come meet with me in my office in the Forrestal Building. I was very surprised that he would have any interest in talking to me about anything, and that he would lower himself to come to my office, but I agreed to see him. He informed me that he was resigning his job as Director of the SPR (after about seven months on the job). He made some excuse about his wife having health problems, but it was clear to me that he had decided that the pressure of the SPR job was too much for him, and he did not see things improving. DeLuca apologized for treating me so poorly when he came on board; he said that he now realized that I had been doing a good job under horrible conditions, and he just wanted to tell me that he was sorry and that he was amazed that I had stuck with the job through all the chaos of creating the new Department of Energy and that I had put up with all the crap I got from Dobie and George Mclsaac and the Under Secretary.

I was very tempted to tell him that I no longer believed a word he said, and that I would always consider him to be a sorry SOB, but instead I thanked him and rather quickly showed him out the door. In hindsight, I think he also was largely a victim; he didn’t have any idea what he was getting into and was completely misled by the Under Secretary and his cronies. But his treatment of me and some of the other old hands in the SPR program was not justified under any circumstances.

A couple of weeks later I learned that the Under Secretary had appointed another General to replace DeLuca, and I was soon hearing from my friends in the SPR office that this guy was a real fruitcake. They said he was very enamored with the fact that he had a car and driver available to him, and that the car had a phone; he supposedly would go for drives around town just so he could call people on the car phone! But maybe my friends were exaggerating. And the SPR program was falling farther and farther behind schedule. Note: the goal of 500 million barrels in storage was finally reached in mid-1986, instead of the target date of the end of 1980.

Iranian Crisis on My Desk

I had barely settled into the new job as Director of Emergency Planning, when the Shah of Iran fled the country, in January, 1979, followed by the return from exile of the Islamic leader Ayatollah Khomeini who led an Islamic takeover of the Iranian government in the next few months, with continued disruption of their oil exports. I was directed to start preparing a specific plan of action in the event of oil shortages in the U.S. I was to pull together a package of possible actions, including emergency conservation measures and other restrictions on oil use. I also was to put together initial plans for rationing gasoline if a severe shortage materialized. So now I had plenty to do, and a whole new set of issues on which to become informed in a short period of time. But it was still a fairly relaxed place compared with the SPR office.

Visit by Joyce & Family

On President's Day weekend in 1979, my sister Joyce and her husband Myron and three kids came to visit us. They drove from Columbus, Ohio where they were living at the time. They came for the long weekend, and stayed with us. They were planning to return, on Tuesday, after the Monday President's Day Holiday. But on Monday evening it began to snow. When I got up in the morning to go to work, I was shocked to find that I couldn't even open the screen door on our front step, the snow was piled at least three feet high. It was impossible for any vehicles to move that day, and it was well into Wednesday before snow plows had opened enough roads so Joyce and Myron could leave for home and I could go to work.

Gasoline Lines Again

The relative quiet at the office didn't last long. In April, long gasoline lines suddenly started appearing at gasoline stations in California, and within days they spread throughout the country. I was suddenly in the hot seat. The President expected the Department of Energy to do something to solve this problem quickly, and I was the one who was supposed to be ready with a plan to deal with such problems.

Why did we have gasoline lines? The simple answer is that some motorists in California became concerned that there would be shortages of gasoline again like we had in 1973-74, so they began to hoard supplies, and their panic spread throughout the country. Within days, motorists moved millions of gallons of gasoline from the

petroleum supply system into their gas tanks; instead of the normal situation of having automobile gas tanks averaging less than half full, we suddenly had the average gas tank being kept nearly full by silly motorists who feared they would not be able to buy gasoline when needed. The lines formed because the hoarding motorists started lining up at gas stations in the wee hours of the morning to make sure they would get some gas before the station ran out. The stations, or their suppliers, imposed daily quotas on the amount they would sell, and many stations would close by ten or eleven in the morning after dispensing their quota for the day. This practice just encouraged more people to get in line early in the morning, because it was the only way to buy any gasoline.

The more complicated and accurate answer is that price controls established by President Nixon and continued by Ford and Carter, prevented the oil industry from raising prices in response to reductions in supply or increases in demand. So with a relatively small loss of supply from Iran and the sudden increase in demand by hoarding motorists, prices could not adjust to reduce demand. The lines worsened and continued into May and June.

For the next few months, I was putting in very long hours dealing with this crisis. Many nights I worked until well past midnight, preparing proposals for the Secretary, or preparing for twice-weekly meetings at the White House, or preparing for weekly press briefings on the crisis, or preparing for Congressional Hearings.

Dealing With Secretary Schlesinger

One Saturday, a few days after the gasoline lines started, I stopped in Jim Schlesinger's office to get his signature on some document that had to go out; he asked me what I thought we should do about the gas line situation. I was still in the process of pulling together a package of recommendations from different parts of the Department, but I told him my current thinking. I said there was little we could do assuming the President was unwilling to remove price controls, but we should at least do the following, and I listed about six steps we could take, including immediately stop filling the SPR, place minimum purchase requirements on gasoline sales to reduce topping up, which was creating this huge reserve of gasoline in cars, and initiate a campaign to encourage car pooling and use of public transportation. A few days later, Schlesinger, Al Alm and I were at a meeting in the White House, and Carter's chief of domestic policy asked Schlesinger what he thought we should do about the gasoline lines. Schlesinger repeated what I had told him, almost verbatim. The guy obviously had an incredible memory, but I was shocked that he was accepting my ideas with no modifications. Didn't he have any thoughts of his own on the subject?

Carter Fails to Act

In the next weeks the Department issued several orders to require energy conservation, including turning down thermostats, reducing the temperature of water heaters,

and several other inane and basically worthless actions that had no effect on gasoline usage. I was urging the Secretary and the White House to take stronger action to reduce hoarding by motorists, including minimum purchase requirements to reduce the number of idiots sitting in line to buy one or two gallons of gas (and there were many such people), and permitting or causing some targeted price increases on gasoline, either by higher taxes or exceptions to price controls. I also suggested that the government help reduce the panic by assuring the public that they could always buy gasoline somewhere in their community, even if at very high prices.

President Carter and his advisors never could agree on what actions should be taken, and they never did take any action to remove price controls, increase taxes or reduce hoarding. Meanwhile, most states implemented a scheme to permit motorists to buy gasoline only on odd or even numbered days, depending on the last digit of their license plate. This silly requirement at least kept hoarders from lining up at stations every day, and it made it virtually impossible for anyone to go on a driving trip that lasted more than one day. This kept many people away from summer vacations in the early summer of 1979.

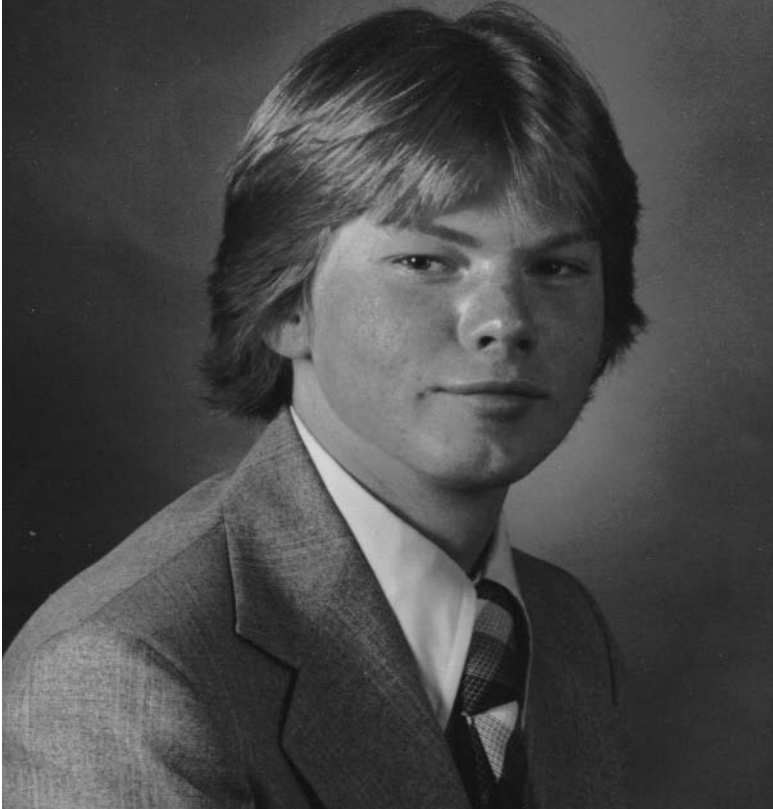
Throughout this crisis, I was meeting almost daily with the Assistant Secretary and Secretary Schlesinger, briefing them on the status of the situation, discussing what other options we could propose to the White House, or preparing for press conferences and Congressional Hearings. I joined Schlesinger at all the weekly press briefings and Hearings, to back him up with details. Betsy and I also developed a new flow diagram to depict what was happening with oil supplies; it showed all sources and quantities of crude oil, including imports and domestic production, it showed the resulting refined products from the crude oil as well as direct imports of refined products, and it showed amounts going into and coming out of inventories. This diagram was used by Schlesinger in all his press briefings and Hearings and White House meetings; we updated the numbers weekly using available data from several reporting sources.

Very Little Time for Family

Meanwhile, I did have a little time with my family. Jan and I still played bridge many Saturday evenings, and we still played some tennis on Sunday. But I used the social events to get input from our friends about how the gasoline crisis was impacting them, and to kick around ideas for resolving the problem.

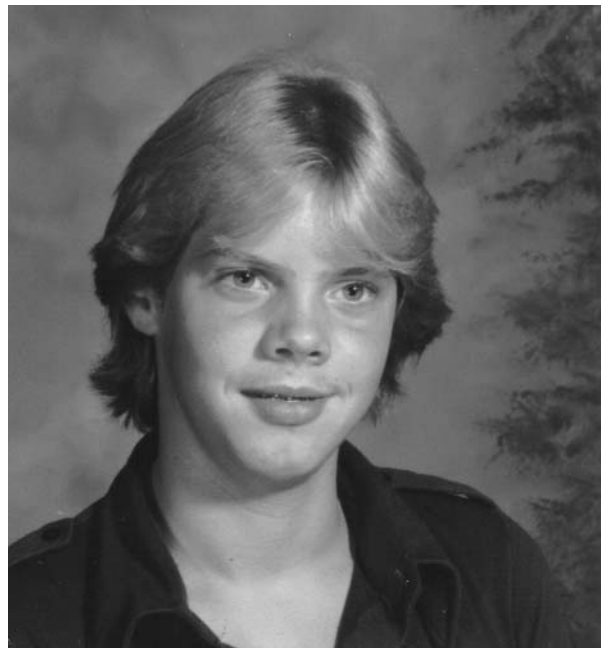
Chris Graduates

In early June, there was a major event in the family, as Christopher Carlyle graduated from high school. I was encouraging him to get additional education, either in college or in a trade school.



Here is Chris' graduation photo; pretty cool guy, huh!

And here is a photo of Greg in the 10th grade, in 1979; all my kids are growing up!



Fear of Heating Oil Shortages

There was growing concern that there might be a shortage of fuel oil for the upcoming winter heating season, and the New England congressional delegations were particularly vocal in demanding assurances that the Department would take action to assure adequate supplies. I conducted analyses that showed there would be more

than adequate fuel oil supplies for the coming winter, and Schlesinger used my flow diagram to demonstrate this to the Congress and the press.

Oil Industry Conspiracy?

By early June there were many accusations that the oil industry had created this crisis in order to drive up prices and to try to get price controls removed. These claims were repeated over and over in much of the media, and there were soon Congressional demands that the Department of Energy investigate these claims. The White House directed the Department to undertake this study, and I was given the assignment to lead the study and prepare a report by the end of July. I pulled together a small group of experts from the regulatory office, the Energy Information office and the International division of DOE, and we collected all available information on international production of crude oil, imports into the U.S., storage levels in the U.S., refinery outputs, allocation of refined products around the U.S, etc., to see if there was any evidence that the oil industry was intentionally limiting oil imports to the U.S., reducing domestic production, hoarding oil in storage, or any other action which might have resulted in an unnecessary shortage of gasoline at the pumps. We also interviewed senior executives from all the major oil companies doing business in the United States.

The conclusion of the study group, which I shared, was that we could find no evidence of any actions by oil companies to limit supplies of oil. The reduction of crude oil supplies into the U.S. as a result of the Iranian upheaval was quite small, and similar to reductions to other oil importing countries. Refinery output and inventory levels were consistent with normal practice, and final gasoline supplies to gas stations were down only slightly from prior year levels. We could find no basis for blaming the oil companies, even though there were some within the Department and the White House who were hoping we would find such evidence. I prepared a report on the findings of our study, which was made available to the press and submitted to the Congress.

Within a couple of days of the release of the Report, it was being attacked by some people as a whitewash; they were sure the oil industry was to blame. In some cases, I was personally attacked as a lackey of the oil industry. A Washington Post reporter wrote a long piece on the study report in which he claimed that I had previously worked for the oil industry and would likely return to a lucrative job in the industry. This resulted in a rush of inquiries by others in the press for information about my background and any possible conflicts of interest. The Washington Post reporter had never even attempted to contact me about the article before it was published; he had fabricated the story that I was an oil industry employee (or maybe he found out that I worked as a roughneck on oil drilling rigs when I was 18 years old!). Another example of the irresponsibility of the media. For the next couple of weeks, I was busy dealing with inquiries from the media and Congressional staff. And I never did get a lucrative job in the oil industry!

Swim Team Again

In spite of all the pressures at work, I did take time to run the North Creek Swim Team. From June through early August I worked at the swim meets every Saturday, and usually one evening a week. I was still serving as the Referee at home meets and as stroke and turn judge at away meets, as well as being Team Representative. At one of these Saturday meets, against a team somewhere in Rockville, I was busy doing my stroke and turn judge duties when I was paged over the loud speaker; I had a call from the White House operator. Somehow the White House operator had tracked me down, and put me through to the White House press office. They wanted me to come to the White House press room immediately for a press briefing about my study of whether the oil industry had caused the gasoline lines.

My Nemesis Flunks Out

I got a bit of good news in late spring, that Under Secretary Dale Myers had been fired. About time. He was a complete disaster in that job as far as I was concerned. It was a shame that it took Schlesinger so long to get rid of him. He was replaced by John Deutsch, who was a much faster learner, and who knew how to supervise people. He and his staff were quick to recognize that the current General who was Director of the SPR didn't know anything about the program, so they turned to me on several occasions for help on SPR issues.

Carter's Bomb

In late July, President Carter delivered his horrible "Malaise" speech. The speech basically said that the energy crisis in the country was so severe that we all needed to treat it as the moral equivalent of war. He said there was a general feeling of hopelessness in the country as a result of the Vietnam war loss and high inflation and oil embargos, etc, and this negative mental attitude was contributing to our problems. We needed to shape up and fight this energy war. But he didn't propose any specific actions that would resolve the perceived problem. In particular he did not propose the one action that could have made a major difference on future use of foreign oil, to greatly increase taxes on oil consumption, as they had in most European countries. Many of us in the policy office in DOE felt that a large increase in taxes on oil imports, for example, would have encouraged more domestic production, supported use of alternative energy sources including solar, and reduced oil consumption.

That speech by Carter probably was the key factor in his reelection loss the next year. In hindsight, Carter's obsession with the so-called energy crisis was stupid; yes, the country should reduce its dependence on oil from the mideast, but this required a long-term change in policies, not a "war". The only real energy crisis we had was in 1973 when the Arab countries cut off oil exports to try to punish the U.S. for its support of Israel. And we exacerbated the problem with our price controls which kept demand artificially high. Some ten years later when Iraq invaded Kuwait, the world

lost more oil exports than we did in 1979, but we had no gasoline lines or other crises in oil supplies, because we no longer had price controls.

Carter's obsession with his "war" on the energy problem was very similar to the later obsession by George W. Bush with his "war" on terrorism. Twenty suicidal guys with box cutters caused a major, but short-term, disaster, which G.W. Bush turned into a never-ending war on terrorism, with much more adverse impact on our country than the 9/11 terrorists inflicted. Carter obsessed over problems caused in large part by U.S. policies in the middle east, including our one-sided support for Israel. G.W. Bush obsessed over problems caused in large part by U.S. policies in the middle east, including our one-sided support for Israel. And like Carter, Bush proposed no real changes in U.S. policies that might help reduce the creation of mideast terrorists.

But Carter's "moral equivalent of war" energy obsession did provide a bit of humor for DOE employees. Apparently Carter's White House staff failed to notice in advance that the acronym was "MEOW". Many in DOE thought that the actions we were taking were indeed like a timid house cat.

Secretary Schlesinger Leaving

By early August, the gasoline lines had disappeared, and things were calming down at DOE. Then Schlesinger announced that he was resigning. Apparently it was by mutual agreement with the President; I think Schlesinger was getting frustrated with the inability of the President to make a decision on anything, and the President was disappointed with the inability of the Department of Energy to suddenly solve the problem. Schlesinger hosted a going away party at his home shortly before he left, and Jan and I were invited. It was a nice, low-key party, attended mainly by those in the Department who had been working most closely with him on the various crises of the past several months. He informed me at that party that I had been selected to receive an Exceptional Service Medal at an upcoming ceremony before he left.

Exceptional Service Medal

On August 22, 1979, I was awarded the Exceptional Service Medal, along with a framed citation that read as follows:

"The Department of Energy's Exceptional Service Medal is awarded to Carlyle Hystad for his performance as Director of the Office of Emergency Response Planning, Office of Policy and Evaluation of the Department of Energy.

"At the outset of the Iranian upheaval Mr. Hystad without hesitancy assumed the responsibility for developing the Department's contingency and response planning functions. Under his supervision, the Iranian Response Plan was developed and the Department's capacity both to evaluate the impacts of such curtailments and to implement effective remedial actions were significantly enhanced.

"In recognition of his professionalism, diligence and contributions to the formulation and implementation of Federal energy policy he is presented this Medal."

Signed: James R. Schlesinger, Secretary

That's nice. Although a big fat check would have been more useful. But I still have the medal and citation on my office wall, while any money would have been spent long ago.

Vacationing in New England

I decided that now was a good time get away for a short vacation, and we set off on a driving trip to New Hampshire and Vermont. We now had just Greg and Cindy with us; Cheryl and Chris were big people and had other things to do. We spent a few days on a beach in southeastern New Hampshire, and then went inland to the mountains of Vermont. We even drove the Chevy to the top of Mt. Washington, which was a bit of a hair raising ride. I tried to get out and run a few miles every morning, to help get rid of some of the toxins from the past several months at work.

As we returned to Maryland, it was time for the kids to go back to school. Cheryl would be going into her senior year in college at Towson; Chris was going to a technical school to study refrigeration; Greg was about to turn 16 and going into 11th grade in High School; and Cindy was 14 and going into the 9th grade. They grow up so fast.

On September 25, 1979, my parents celebrated their 50th wedding anniversary. Quite an amazing achievement for both of them, to stick together through nine kids and some very rough times financially. Maybe it was the nine kids that kept them together, because they spent about 35 years of their married lives working to put food on the table for those kids; maybe they didn't have much time left to think about whether they were happy in their marriage. Or maybe they were mostly happy with each other.

They had now moved back to Watford City, and were living in a nice apartment in a new senior citizen complex up on the top of the hill in Watford. The rent was subsidized, so they could afford it on their social security income. For those two, there was no place like home in Watford City.



This photo shows them with their 50th wedding anniversary cake.

Another Study on OMB Size

Back at work, I was under the gun to finish a study to submit to OMB on the ultimate size of the SPR; congress authorized up to one billion barrels, if needed; the Plan recommended 500 million barrels for now, with the possibility of more. The OMB staff guy handling the SPR wanted to limit it to less than 500 million barrels; maybe only 250, and definitely wanted to make sure it didn't go above 500. There was no way to justify any particular size, because we couldn't predict the future. We could show that the loss of oil supplies could have a huge impact on the economy, and a large reserve could prevent that impact, if the reserve were used.

I decided to take an aggressive approach, and argue for a reserve larger than one billion, on the grounds that a small reserve would never be used for fear things might get worse; so we needed a very large reserve so we would feel comfortable using some of it. It put OMB in the position of arguing against my proposed increase in size rather than having us defend against their proposed downsizing. The issue was finally decided by the President. As one of Schlesinger's last duties as Secretary, he and I met with President Carter in the Cabinet room, along with OMB staff, Vice President Mondale and other senior staff. The President dismissed the OMB recommendation for cutting the size, and agreed with us that we should make no change now in the authorized one billion barrels, and the current plan to proceed with 500 million barrels. Aha! I had won another competition.

Al Alm Leaves DOE

Shortly after Secretary Schlesinger left DOE, Al Alm announced that he also was leaving, to take a position at the John F. Kennedy School of Government at Harvard University. This was a disappointment to me, because I really enjoyed working for him, and we almost always agreed on issues. Fortunately, he was replaced by another former OMB employee, Bill Fischer, who had been a Special Assistant to Schlesinger, and we worked well together, although things were now a bit disrupted as a new Secretary was brought on board with new procedures and policies.

Second General Goes AWOL

In October, Under Secretary Deutsch informed me that I was needed to accompany the SPR Director (the second General) to testify before a Senate Committee on the status of the SPR program and the plans to use the Reserve. We were to appear at the Hearing room at 9:00 a.m. on Monday morning. As I walked into the Hearing room I was met by the Under Secretary's Assistant who informed me that the General would not be coming; he had called the Under Secretary over the weekend and submitted his resignation effective immediately. He gave no reason, but it was assumed that the General was not prepared to testify before a Senate Committee. So I was there representing DOE; I presented an opening statement and then answered questions, with no problems. Even if the General had appeared, I probably still would

have had to answer most of the questions. Anyhow, the second General bites the dust.

1979 Ends on High Note

As 1979 was drawing to a close, things were looking good. I had outlasted Under Secretary Myers and the two generals. I had received an Exceptional Service Medal, despite all the opposition I had all those months. None of my opponents received any medals. Now I would have an opportunity to do even bigger and better things for the good of the country and humanity.

I had a great family, four wonderful kids, a nice home, and we were all healthy. And I made enough income to support all of them. I had good friends and colleagues at work, and good friends and neighbors at home. Life was good.