

BOB GUTTMAN

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I bump into Bob coming off the metro. We start by talking about the trouble in getting a room for the markup. "We got a room from the Banking Committee. But they can kick us out with zero notice. It's one of the perils of the process. We may end up meeting while the Senate is in session. It's one of the little things that can go wrong. And anything that goes wrong is a problem for us."

"We haven't heard a word from the administration." I asked about the real sticking point. He said "wage subsidies". "We have left that part of the bill sufficiently vague. But that may be the final philosophical controversy." We talked about idea of wage subsidies. First, he separates wage subsidies from allowances. "They (admin) lump them together. But I separate them. On the matter of allowances, say for day care, it doesn't much matter, philosophically, whether the limit in the bill is 10% or 15%. But when you get in subsidizing the wages while people are in training, you get into the area where training for jobs gets over into actual job creation. In the past, the incentive to use funds to create jobs has been overwhelming. And people are scared that will happen again. The problem is that some of the best training programs were on the job training, where the government picked up some of the wages. Yet some of the worst parts of the programs came from that. If you subsidize the wages of an extra maintenance person in the Park Service, are you training someone for an old job or are you just creating a new job. It's hard to legislate against that without hurting the good programs. We have put same language in, but it may not be strong enough for the administration. It's a philosophical matter for them. And there is the additional problem of judging performance. We say we will judge these programs by how you are doing on the job after 6 months. But

performance tests are so difficult to administer and judge. Then there is the Youth Summer Employment Section. The administration is against it. IT was originally part of their social safety net. But now it's gone. I can't help thinking they will want some flexibility in there. The businessmen I've talked to do. They realize that if the PIC Councils are running the training problem, that young people will protest in front of their offices, not the mayor's office. They want a little oil in there in case of crisis. Summer employment could turn out to be the big issue between us."

All this was a reflection on what problems the negotiations with Kennedy have produced for Quayle's relations with the administration.

"I think our real problem with the administration is the personality clash between Donovan and Kennedy. If we exchanged the numbers of our two bills and put a-1 their provisions into 2036 and all of ours into 2481, they would still stick with 2481."

"The administration has taken so many different positions in the last 6 months, that I don't know what CETA is to expect. They have gone from zero to 180."

"The administration has to come up with a bill that is perceived as a major change from the CETA systems. That was such an unpopular program. They cannot accept anything that can be portrayed as the same old CETA system. That is the bottom line for the administration."

"The interesting political situation is that the admin. has concentrated all its attention on the Senate. They have spent their time on the difference between the Quayle bill and their bill. Meanwhile, the House is proceeding to markup its bill--the Hawkins bill. If they pass that bill and we go to conference with them on that bill, I'm afraid the result will surely be a

bill that is vetoable. Try as you may, the Hawkins Bill is just the same old CETA system. The admin. has got to have an alternative presented over there--in the committee or at least on the floor. But there is still no admin. bill in the House. I keep kicking them in that direction. But all they can see is the Quayle bill. That's because Kennedy's name is on it. There is no Kennedy in the House, so they don't pay attention. So much of that problem results from Donovan's personality."

Petri and Aspin have introduced the Quayle Bill in the House. Johnson' Wax President got interested,, likes Quayle bill and got Wisc. members to introduce it. "The administration could rally around the Aspin-Petri bill over there--or any other bill they could put in--but they haven't."