

BOB GUTTMAN

March 10, 1982

Hearings start next Monday and will go all week. The big news is that Administration sent up its bill yesterday. Dan will be sponsor of it and Hatch will be co-sponsor. They have not worked out the matter of credit yet. Bob says he prefers to call them S2036 and 2038 or whatever. But he also called them Quayle-Kennedy and Quayle-Hatch or Quayle I and Quayle II. And since he spoke hopefully of the final product is Quayle-Hatch-Kennedy.

Hatch is on board and "we are putting on a show of harmony among the Republicans."

So, there are two bills in and says Bob "Dan will push the first bill and not the second."

The difference between the 2 bills "have narrowed very significantly."

"Looking back we could have had this bill a lot earlier. On the other hand we forced the bill out. So in the timing of it, everything was connected to everything else."

"We will deal separately with the administration to bring them aboard." And he thinks they can get admin. agreement with their bill.

He makes point that in getting their bill together, "The admin. dealt with the same people we did--basically businessmen and governors. They get a big reaction from businessmen and governors who have some very strong differences. The businessmen want local leadership and the governors want the state in there. The administration has gone to local delivery systems. The difference is that we have written in encouragements to business and local government agreements at the local level. The administration doesn't have that. It's a major difference."

"On eligibility they were restrictive and they have added flexibility." They had 18-25 and went to 16-25. Their top age limit is 25. They also have

10% that don't have to be "eligible." They have provision for displaced workers, etc."

"The difference now is how to define the income cut off... The elibility has narrowed substantially."

Indiana public?
"They have a governor's council to make state level decisions. We say the governor makes the decisions. He may have an advisory council; but we don't mandate it. The Indiana people are very anti-federally mandated decisions. They object to advisory councils on federalism grounds. The governors conference agrees with that position, but their spokesman, Gov. DuPont does not. There are splits among governors just like any group."

"Of course, you still have the cost difference. There is increasing certainty that those budgetary differences will be decided through the budget process, so the numbers aren't that serious. If you take the Domenici plan to keep discretionary accounts at the 1982 levels, our budget will be 3.9 under the best circumstances and 3.1 under the worst. You can define 1982 levels six different ways. This program has always had a peculiar funding structure."

On the question of what moved Hatch to Quayle he says it would be fascinating to know. "The fundamental reason was that we had the support. The administration had to go around to the same people we went to. They have the same constituencies--businessmen and governors. And when they went around to these groups they did not hear that we had sold out to Kennedy. They heard 'This is a good bill.' So the administration couldn't ram an alternative down Quayle's throat. People are a lot more cooperative when you have the horses."

"We didn't bargain with the administration. What would we have given them? We didn't bargain with Hatch. It's fascinating how little direct

communication Don has with Hatch. We have a letter from Hatch to Quayle telling us how happy he would be to co-sponsor the Quayle bill, that Quayle is the subcommittee chairman, that he's looking forward to working together and so forth. But we have never received that letter. One of Hatch's staff men gave it to us. So whether Hatch saw it and tore it up or what, it was never sent. When the administration asked us to sponsor their bill, we said 'sure.' We had always been ready to do that. It was a given. They treated it like we had make a big concession. It's hard to figure out. But we had very little direct communication with the Department or Hatch during this. It was all done through third parties."

I asked if Angresani would be involved. "I hope so. He's knowledgeable about it now. He's gotten quite an education. Mostly what he learned was that we had not sold out to Kennedy. We've had so little communication. When we find someone we can bargain with we'll come to an accommodation.... When the labor department gets bargaining power, we can deal with the substantive issues. As you move down the hierarchy--away from the White House--you'll get more substantive input. We can reach agreement. Our big problem will be keeping Kennedy on board."

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When I came in he was trying to draft an amendment to tie training to education, that would please Nickles. "If I can draft this amendment for Nickles to offer, he will support the bill... If we get him, we're golden. You can't go further to the right than he is. Now that we have Hatch, we'll get all but one or two on the committee. East will probably vote against it, maybe one more."

"We keep telling the administration that if we have a consensus bill out of the Senate, we'll be in a much stronger position in conference with the House. If we keep Kennedy on board he will be worth his weight in gold in conference. Hawkins won't be able to say he sold out the poor."

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"The administration is torn between not wanting to help Kennedy, who may be their opponent and wanting the legislation. So there's a real tension between the politics of the substance and the politics of the election."

"One interesting sidelight is that the administration doesn't have a sponsor of its bill in the House. You would think that, given their successful strategy of last year, they would have someone ready to propose the administration bill as on floor amendment. They don't have a chance in committee, of course. On the floor, maybe. But they have concentrated entirely on the Senate. I talked to the admin. people yesterday and they said, "We haven't talked to Ashbrook yet."

Later today, I bumped into Dan Quayle in the corridor. I was on the way to a Harrison Williams press conference, and was going the other way. I walked to his office with him. On Williams he said "What's he going to say, that he's still fighting?" I said I had heard he might resign and then I thought Heflin had done the trick. He said "Eagleton drove the nail in the coffin last night. He said, "In the showcase liberal, I served with him on the committee, he's my friend. But and then he let him have it. As they say, he "susplained himself."

Then I said I had talked to Bob Guttman re the bill. He put his hand to his head. "They wanted me to go down to the White House to endorse their bill. There was no way I was going to go down there to endorse it. They told everyone I was going to go down ther. We didn't know whether Hatch would endorse the bill or not. I'm sponsoring their bill now. It was quite a story. Bob Guttman can tell you all about it."

"At one point they weren't even going to introduce a bill. They were going to and in a block grant somewhere on down the road."