

Medie - interested Jim - who PD attack Hall
who PD makes PR work

MA
Benny & Paul Kessel

BUDGET CONFERENCE

June 17, 1982

PD leads off - refers to Jones' "family squabble". - "I think Republicans have solved squabble and I'm going to present a proposal.

Have had advice of Michel and have shared info with Jones.

PD presents Possible Outcomes, June 17, 1982 (There is another possible outcome document I have dated June 16.)

Pete takes the floor and goes through his proposal.

Sums up with deficit of 103.5

Jones proposes to go function by function.

Nick Masters comes one: "I don't think any of them will pass either chamber."

Hollings - "This is not working." "Maybe that's the way to do it. Get off both sides, get your own side and then stonewall it." But it's not working. Reason we did get votes is WH.

He drags up history - "clever machinations" - goes through gang of 17 - bills on floor - several Stockman budgets. Stock will snooker us again.

No point in sitting around lending credibility to this.

WH stonewalls, committee stonewalls, unrealistic positions.

RR - "He's been the overriding influence, he's taking it away from us."

"Lack of confidence in us."

"procedurally it's headache to get a budget out."

"I've tried and Sen. D. has tried... This won't fly."

Will be passed but can't get revenue.

"I've been unindicted. PD - "He's got his orders from the WH."

PD - Great respect for you but truth is that no diff. between now and what it's been done before - Always get guys in room and work it out. This budget will not be more in error than last budget you presided over.

Pres. has given in several . Doesn't do good to talk about what we could have done. "What we could have done has been tried and failed." Sen. H has 2 budgets "freeze and save taxes" maybe a great budget but neither body will vote for it. I don't know what else to do except what we're doing. 'It's as much realism as any budget..incl. budget rank min. member is proud of."

Hollings comes back.

majority
Capitol
Metz - gets his licks in. As Metz. talks, Steve and I note that Hollings has insulted and demeaned PD by implying he's a lackey of RR. Steve says "Long would never do that to Dole...and Domenici never did that to Hollings."

Senators do all the speaking and House members sit by.

IP intra-chamber discussions that dominate

I don't think PD should have taken on Hollings - camera lights came on when PD started to talk.

Downey "the outcome has been and we are going to nick at the edges of the budget."

Chiles - goes back to Carter negotiations. Never was a meeting of the committee and they went through the . Never had a private meeting with maj. of Dems--sunshine-- Indicates that Dems did it by regular order.

Nothing would have pleased me more if we had been able to get budget that you could support. Obvious to me that you weren't going to support the budget he says to Chiles. - Sen. Metz "in envious position whether you're in maj. or min. you don't vote for them." Metz. tries to up tax

"I must vote for something. I must produce something. You don't vote for budget with Muskie. Didn't vote for Hollings. etc. I knew you weren't going to this year."

Aspin asks Charlie Flickner questions about 050. He's concerned about 50% absorption rate (Avg. is 17%). You have to take money out of readiness usually. They go around on that--PD and Aspin. PD "It's not our fault,

it appropriate fault." Tower says Senate will not take money out of readiness and says he hopes Aspin will take care of House.

Solarz wants program and country by country breakdown of foreign aid cuts. They go around on 150 - Obey jumps in as Approp. Committee member of For. Op. Subcommittee.

Budget Conference PM -

Conference is hard to manage people spend an hour waiting to get started. House has to go vote, people straggle in. Sens. sit there waiting. Tower, Hatch, Metz. Johnston. For guys who have so little time, it's the one time they are willing to cool their heels.

Nick Masters comes by "It's all over. There will be 2 more hours of posturing. That's all.

Jones comes back and says that he doesn't want to go thru it function by function--which is what they said they were going to do, and had started to do--but take up questions.

They start with postal subsidies. 3rd class non profit fund raising letters; rural newspapers. Jones is concerned; PD says he's 'hot an expert' on this. Jones says this "bothers me." Hefner asks about it.

Johnston on user fees--\$400 in user fees won't be collected. He wants that you moved to revenue figure and lumped in.

PD says it's intentional. "We split the difference, and it wasn't easy."

BJ's trying to make sure that 300 function will not be short changed. Gets explanation from PD.

Benjamin pitches for increase in Transp. function--400M plus in outlays. for Hughes transfer, FAA, Amtrak. Proposes and amendment.

PD says he has respect for Benj. but he's

We move from S207 to Cannon 210 after very brief session--Senators vote.

It takes 30-45 minutes to reform after people get there.

Charlies comes along and says "We've been told to get ready to stay all weekend. We've got two right wing Republicans who say the deficit is too big and they won't go along... To me, optimism is having this colleague. I'm afraid for Domenici's reputation. The parliamentary situation was such that we had to make the offer. Dom. is defending the Latta budget and they don't know what is in it. The House has 3 staffers. Two are good and one is awful. But if they had 3 people as good as Sid Brown, they wouldn't know what was going on."

They open the session in Cannon. PD gets the folor to modify his proposal and "tender it to the House."

They circulate:

BA 82	777,672
Dutley 82	734,100
Rev 82	628 400
Def 82	105 700

BA 83	821,981
Out 83	769,208
Rev 83	665,900
Def 83	103,308

To get to those figures, he makes some changes:

150 he adds 150BA

700 he adds 53 in BA

53 outlays

He asks Sen. conferees if they agree. "Is it all right if I preside over my troops for a minute." Metz. wants to split the 2 functions. PD says no. Jones says Metz. can offer amend. if he wishes. He decides not to. And Domenici addition goes on the table.

Now - back to Benjamin who had his motion up when we left 207.

"I'm interested in one function because there is no one in this room

that won't come before us and make demands. If you are going to make them, raise the money."

He's asked what assumptions he makes re deficit--nothing.

7-5 Aye the House (Martin aye). PD Asks that we reject it. Senate rejects it. "counter offers"

Benjamin makes another offer that is within the scope of the conference. "We will be entirely within the scope." i.e., 150M.

B. "We have absolute necessity for FAA operation."

Ayes have it on the House side, again.

PD says they have assured Air Comptroller pay package and some other and says ought to reject "counter proposal." They vote to reject it.

Benjamin tries again for 82 figures, interstate transfers can be accommodated, wants the House passed figures in 1982.

PD wants to reject the offer still. They reject it, again.

Downey offers amendments in income security programs - food stamps, SSI, AFDC Child Nutrition - Back to original Senate version.

(On Sen. side all are there are Armstrong. On Dem. side Metz and Chiles only.) Downey is voted in by House.

(Pete distributes papers story what his proposal does in these income security areas. Says not all is reconciled. Speaks of "the coalition members" as having accepted his plan and he urges rejection of Downey (which is only asking PD to go to his original Senate figures.)

Metz. comes in "poor", "human equation." Wants a roll call

They go around, because some of the savings are reconciled and some not. They wonder about what approp. committee would have to do, and they say there are diff. score keeping systems.

PD - He likes Sen numbers of Downey, but "we have a very diff. goal and objective here. It's to get a budget.

Metz. can't get roll call because there's no clerk. Show of hands 5-2

R-D reject Downey.

Jones comes in and says that these targets can't be met he child nutrition and SSI and others to make reconciliation easier.

Wants to add 610 million in outlays and reconciliation is less for Ag. and W & M. Also same for 250 NSF-space.

They adopt Jones proposal. PD "Once Latta said I should accept it, who am I."

Downey wants more for fed. retirees. They defeat it on House side 6-7.

PD says "we've ordered less reconciliation than we hope to save. Qu: Will committees meet targets, which are not binding.

They have a little procedural talk.

Chiles wants more money for Law Enforcement. His floor amendment is getting wiped out. 250M added - I & N, DEA, FBI.

Kassebaum is interested.

PD said he did accept it on floor. He says we have 4% Fed. employee raise in another function. It will be 50M below freeze, but it includes Juvenile Justice, Legal Services, App. Com. will have 200M from demise of EPA. He says he doesn't believe what Chiles says re effect on offices and law enforcement process. "I urge that we stick with the comp. that has been worked out and I'm sorry I can't support my good friend from Florida."

Chiles goes to talk to Kassebaum up the table.

Chiles keeps saying compromise number is below what PD came in with - grouses that his amend. did not last long - says he wishes that he'd had advance to offer amendment himself to get a roll call. A nice exchange here. Chiles loses 5-3, Kassebaum goes with Chiles and Metz. PD has Armstrong proxy.

Solarz wants to add to 150 Boschwitz wants changes in it, too. They

basically want the Senate figure. Metz. argues for it.

Latta speaks out - says you won't get a budget if you go to this figure. It's down to this amendment on the budget. If this amendment succeeds, there won't be any budget. We'll have to run the course all over again. Just seems to me, since we are increasing the function over last year. There's a clear House feeling against For. aid. ("It's the first thing he's said today. And this was the subject he spoke on yesterday.")

Pete has been conducting the meeting really. Jones came in with one amendment and got it and that's all. Latta went along with Jones on that. But Pete, not Latta has to carry the load.

Regulaf supports Latta and this is first thing he says.

If a little fight like Downey or Solarz went to the Senate, everyone would give him respect and a wide birth.

I think Metz. and Solarz drive away Senators on Repub. side.

Aspin makes a helpful statement re. Latta. "Not a good idea" to pass it if people are going to go off the reservation.

PD "Aspin is right on." "No one who has spoken for the amendment will vote for budget. He talks about his case with Michel and Latta and NSC Allen. "There are no votes forthcoming in the House with this on it.

We have a fragile budget.

Talked to President this afternoon - "wants a budget, the one etc. he tells what RR said "I urge that my conferees support me. - etc."

When Pete gives this speech, the room is absolutely still, for the one time today! He talks in a loud "That's asking for it but I don't think it's asking too much when the entire budget is at risk."

Tower speaks up, and says how important foreign aid is to us. It's a way of building up other countries. He says 600M will cost us a lot. Counties

reject - parochial and short sighted in the ex. If I vote with

President I'd go with "enormous reluctance" since it's a great mistake."
"It's voted national interest." "Can't be poud of it." Don't
know how he'll vote.

Hatch agrees with Tower - he'll vote with PD. "Most paramount thing here toda.
PD - abundant respect. I'm sorry - he gives emotional talk. Very emotional.

Metz. wants to know where Dems are. Does Metz. have proxy? Big brouhaha
over proxies - very emotional 5A 5N not passed.

Metzenbaum says Lots of that
for Metz.

Jones calls for recess till 8:30.

That was most tense moment in entire budget process!!!

They go to dinner 7:30 - 9:30.

Came back and House accepts Domenici package with only one no that
I heard. Senate accepts their 82 & 83 figures.

PD has proxies at this point from Tower and Boschwitz.

They then move to 84 & 85 numbers and to reconciliation and technical
problems.

On 84-85 Jones "At least let us look at em." Conference is moving
pretty fast noce. Dems. have made last stand.

A Cong. fellow who works for Solarz says he's gone to NY to visit 4 Dem
clubs and seek their endorsement. He'll leave at 9:00 and get to the clubs
at 10:30. He might have stayed; but when he learned Tower had left proxy with
PD, he went to NY.

They discuss reconciliation language - House presents their language.

Aspin, Jones, Regula go on about changing deadline for reconciliation
measures should be in one package. Jones says committees will comply better
if they go with separate bills.

Aspin says they have "very difficult enforcement program", i.e., the coalition that passed the bill had no participation by leadership, chairmen, subcommittee chairman of approp. "Have to accommodate such that they don't rub noses in it." "We are trying to get compliance in people who didnot participate in the process at all and who must enact savvy."

Aspin calls this "the politics of the thing." It's a nice point and a nice speech.

PD - has "great empathy" - some of his people "aren't very authoritative." PD says if the House votes aye then it's the House that speaks. Why do you want to encourage separate votes.

JOnes says his best judgement is that "this will improve chances of reconciliation."

Regula says it will not improve chances of reconciliation and that it's a change in budget act.

House votes for Aspin 5-4.

PD thinks it's a "serious problem." He talks about procedural features of budget act. Doesn't like to acquiesce. They defer it. In evening session, no Sen. Dems. come. PD has it all to himself.

After the 10:00 PM break Bob Michael comes in and sits behind Regula.

After 10:00 break Sens. present are PD, BA, NR, RB. House Jones, Aspin, Latta, Regula, Bethune. Downey, Benjamin, Donnelly. (Hefner was there before break.)

Hollings leaving his proxy with Metz. was most partisan and insulting thing he could do!! N- wonder Pete was dumbfounded. Couldn't believe he would do it. It's a good measure of partisanship on Committee that Hollings would leave and call on the most partisan member of the Dem. side to do whatever he wanted with it. Hollings on putting Metzen. on the conference committee

was designed to make it tough for Pete. Hollings bailed out. Chiles busy

in there--till he lost his amend. Fact that Pete did not defend Chiles amend. and let it go shows limits of friendship. Chiles up for reel. - But Pete needs a budget. For Pete "saving the process" now means "get a budget."

At 11:00 I went home - I don't know who voted out the budget on the House side.