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CHIP HARDIN July 28, 1982

I go to the 302(b) allocations session of Appropriations—in Rm 128—Mark Andrews takes ment with him. The Chairman has a mark on 1983 outlays and BA, that has been agreed upon before. All the Republicans are there (defending their turf) except D'Amato and Specter. Hatfield makes opening remarks on how difficult processes. RR for saying today that he doesn't feel bound by 1984 and 1985 defense numbers a la NY Times; then he quotes W. Post story that says Reagan says there's plenty of room left for nondiscretionary spending cuts. He suggests they tak a look at the Treasury Appropriations. Everyone laughs.

Proxmire proposes a series of cuts--esp. in defense and foreign aid.

Stevens protests and Kasten. begins to protest. Someone says vote.

Proxmire loses 15-1 (Stennis, Inouye and Chiles vote vs. him).

Then Stevens says he needs 200M more from somewhere else. And he proposes that Tres-PO and State Commerce and Justice each give him 100m.

(Abdnor comes scurrying over to where I'm sitting to staff guy next to me and they have hurried conversation. Staff guy goes back and crouches behind Abdnor's ear).

The question at that point is whether anyone is going to give up anything of the allocation he has been given by the staff in the Chairman's proposal to help out Stevens. Someone goes down the list of proposed allocations by subcommittee stating how much above or below the comprable <u>House</u> figure each one is. Transportation is 800M over the House figure—clearly one of the greatest. The idea is to set the stage for taking the defense money out of the most vulnerable.

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Stevens has picked on two vulnerable ones Abdnor's Treasury (he's very weak and Treasury has no constituency) and Weiker's State Justice (he's everyone's pain the neck and his agencies have little constituency. Someone says, "Can we cut judiciary?" I'd be in favor of that, etc.)

Stevens presses his request for money from those two. Says he has no place to get it except force reductions in Europe. Abdnor says his money is all personnel and anything you cut, you have to lay off people. It happened last year, caused great problems. Weiker says he thought they had the allocations all worked out and shouldn't change Chairman's proposal. Says it's a little strange for Stevens, whose budget is 238B to be going after other people's small budgets. He proposes that they vote now on Chairman's proposal.

Hatfield, instead, turns to McClure "How about Interior " "McClure says his allocation is the same as the House's. Then he says real problem with the budget is entitlements and they ought to go after those. (Don't hit me, but entitlements. It's off the subject but it turns aside the request.

Hatfield "How about you Paul?" "The allocation we have is satisfactory to us, Mr. Chairman. We are under the House by 100M."

At this point Mark Andrews speaks up. He doesn't wait for Hatfield to proceed to Garn, Schmitt and Cochran. "In my office today there were 23 people from the states of five of the members around this table. If we take any more out of this bill we won't be able to fund the improvements in the Coast Guard. I don't see where we have any wiggle room at all.

We've got to explain the facts of life to these people and stop them from coming around trying to add funds to these bills. We've got to tell people they can't come over and try to add more on the floor. If we add anything

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more, we will have to sunset the CAB faster than they are scheduled. There is not wiggle room in what we have here now.

Hatfield agrees that they have to hold the line on the floor.

What Mark has done is not wait for Hatfield to put him in a justification-defensive posture. He has made a preemptive strike. He puts everyone on notice that he's under pressure—by then—to raise his numbers, and cutting would be unthinkable. He acts as if cutting his allocation is settled and real problem will be holding down his numbers on the floor. It is direct and blunt. "Nothing namby pamby about him" says Chip later. I say "he doesn't bow and curtsey" when he deals with his colleagues. "He's very effective" says Chip.

Mark's diversion turns Hatfield to some comment about the floor and he stops groing around the table. Stevens and Schmitt have the toughest job, he says, on the floor. Stevens makes a pitch and tries to educate his fellows as to how badly he is up against it "I'm going to individual subcommittee to find some way to balance it off and add it back." (200M) No one is very sympathetic. They are all sitting on their allocations.

Hatfield asks "Do I have any volunteers?" Hearing none Hatfield proposes a vote. They vote by voice vote. Stevens, Rudman and Stennis vote no.

Stevens asks for "100% support" on the floor. 'Our own people voted against us last time. Some people don't understand the trade effects that have to be made. We are operating with a ceiling here.'

Some desultory conversation about how fast subcommittees should move. Hatfield says "Do as much homework as you can, so that we will be ready to go when the House sent us a bill. You can markup your bills in subcommittee. But we cannot initiate any legislation till the House sends us a bill."

I walk back with Chip. "What did you think?" "It was pretty well wired. I suppose it could have been changed but not likely." "There was not much incentive on anyone's part to change it." "How come you came out 800M over the House figure. That's quite a feat." "Just being realistic (big grin). Good planning." "Well, there's a skill factor there, too," Chip." (Bigger grin).

"When I figured out what I thought we would need, I did it honestly—no fudge factors. Last year I had a fudge factor. But this year I did it straight. The budget is tight. During the first go around at the staff level, our allocation was cut 400M. This morning they called and told us we had lost another 100M. The subcommittee chairmen metayesterday. We didn't lose anything there. Then out of the three who did weren't at the meeting. I don't know who else lost some of this morning, but I assume others did."

"Do you know where you will absorb the 500M cuts?" "Can't tell. There are several options. The easiest things to cut are the most important politically." "Will the subcommittee be active in making that decision?" "If we were to meet tomorrow, they would be. But if we meet next January, all the numbers will have changed anyway. This subcommittee is not like the others. It is basically a pork barrel committee. You always make more enemies because of what you don't fund than you make friends by what you fund. That problem is made worse by the tight budget situation we're in. So we are in no hurry to come out with our bill."

They'll operate on continuing reso. anyway. Probably partly on what House figure is—whichever is lower.

We talk about the shifting baseline. "Moving the goal posts" as Hatfield calls it--shifting assumptions, nature of estimates, etc.

"I take the Senate budget committee assumption as my baseline, because we have to relate to their instructions. But do you see what a pernicious influence that has on the process? If I want to differ from their figures I have to justify everything I do. In the law they call it a rebuttable presumption. They are presumed to be right and I must rebut. That is pernicious. I am as devoted to cutting spending as they are. But the difference is lies in how it is done. In the appropriations process, it is done by people justifying their individual items to the committee. In the budget process, they think about the whole world and individual programs aren't advocated and scrutinized. They may be more objective than I am. I don't work for the world; I work for the committee. But in my view, what comes out of the various committee's is what's best for the world. That's the nature of democracy." (That's the gist of it.)

On the trolley ride, he shows me the lastest Newsweek. The cover story "The decaying of America." He points to a paragraph on Andrews and says "That's good press. When a national magazine has a cover story supporting your bill, you can't do better than that." A timely article when he's fighting for his allocation. We talked about Mark taking hold of this issue as 'his' national issue. Chip thinks that's right—but he and Mark don't think like Tsongas, for example. His staff would have a "national unfrastructure plan". Chip says "It's hard to push it when you don't have the money to do anything about it."

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