

BARBER CONABLE

April 27, 1982

I caught Barber early and we talked about the negotiations. "It's very serious business and we're in a hell of a fix. We've had 13 meetings. And the principals are being very difficult. Especially Tip O'Neill and the Demorats. They want to sit in the bleachers and throw pop bottles. Now, we have finally gotten them down on the playing field. And they can't wait to get back in the bleachers to throw pop bottles again. But they don't want to be the ones to break it off. Neither side wants to be the one to break it off. So we just sit there and look at each other."

Re the atmospherics. "We get picked up in unmarked White House cars at unannounced times to be taken to undesignated destinations."

Re Pete Dom. wHe is a very serious, very bright, very hard charging guy. He wants to be responsible. So he'll go back over there and produce something that will cause us horrible trouble over here. His attitude is OK, we'll fix it up over there in the Senate. He doesn't know anything about the House. He doesn't care about the House. He's not the least bit interested in the House. He doesn't understand the political sensitivities involved. He's prepared to cap entitlements without any regard to the constituency problems over here, without regard to what the Commission does, whthout regard to the fact that you can't deal with food stamps, AFDC and veterans pensions unless you deal with social security. He is very bright. He knows the figures. He is a good guy. But he's absolutely non political and he's only interested in the Senate."

Re Dole--another Senatorial comment. "Bob Dole is a loose cannon in the meeting. He'll say 'Let's get 3 billion from a minimum corporate tax.'

And I'll say 'Bob, I just want to understand what you are doing. What preferences will you institute in the tax?' And he'll say 'Oh that. I don't care about that. We'll let the staff handled that.'" The problem is that some forms of a corporate tax could be very unproductive."

On the substance of the negotiations. "We have agreed to 30B in increases in revenue. We've agreed to twice as much of a defense cut as the President wants. The only thing the Democrats have given us on Social Security is nothing this year and a 5% increase--cap or floor--for the next two years. That's nothing. But we jumped at it and even called it the Bolling Plan. Bolling is negotiating for the Democrats--not Jim or Danny. They are being pretty responsible. But Hollings is negotiating for the Speaker. Danny is still rankling over the ways he was treated last year when the President stopped dealing with him and dealt with the boll weevils. Danny's problem was that he was too slow to come up with a plan; and when August first came around the President said 'I've waited long enough for Danny. If we're going to get a tax bill, we've got to go with the Democrats.' We are not going to give on the third year of the tax cut. We want to trade off the 30B in revenue increases for the third year tax cut. If the negotiations break off, we want them to break off on that issue. If you don't have a third year tax cut, you don't do anything for the working man. You only do something for the rich. On the third year tax cut the President has constituency problems. And we can't bring along the Republican rank and file in the House if we give up the third year. As it is, the Republicans think we are selling them out by agreeing to revenue increases. We just let him go. But the argument is that you can't cut expenditures unless you cut taxes too. So we've got to get the Democrats to sign in blood that they won't propose to cancel the third year tax cut before we go ahead.

We say you've got to give up on the third year in exchange for the 30B in piddling things. A lot of those 30B are business taxes. If we are going to propose business taxes, we've got to get agreement on the income tax. It's very wobbly."

"Twice, the President has asked to come down and meet with us. But the Democrats didn't want him to come. They felt it would seem that he was the one who was most forthcoming... Tip has not offered to come."

"I'm just there to keep Jim Jones and Danny honest. I have nothing to contribute. I have no voters."

He agreed it is now - The Politics of Blame.

Later I met him--after his W & M minority group had met in his office. "During the meeting a surprising number of them said 'agree to almost anything.' Of course, that doesn't mean they'll vote for it once I agree to it. Then, they'll come up and say 'I can't vote for that.' But they are very nervous about the reaction of the financial markets if this thing blows up."

"Phil Crane came dominated the meeting with his speeches. He never comes to the committee, but when we meet in private or go to the White House, he dominates. Reagan doesn't know what to make of him... He got an award last night as one of three 'most effective members of Congress'--from the conservative groups. On any vote taken in the House of Representatives he would come out below number 400 in effectiveness. He'll be in the bottom 35. His two great campaigns have been in favor of gold. It's American for people to hold gold. And against the metric system--it's Unamerican to have the metric system."