

PETE DOMENICI

June 11, 1982

I had a longer than normal chat with Pete. He was relaxed and poured himself a weak drink. As usual, he wanted to ask me what I thought about this and that: How did Reagan do on his trip abroad? What did I think of the Israeli invasion? the Israeli military? All this takes time away from the interview. But he's naturally chatty--when he's not being run ragged. Angela ushered a Los Alamos family in to have their pictures taken with Pete. He came out from around his desk, tousled the hair of the boys, called the sister the senior member of this gang" and took them all over to his desk and the father took a picture. He asked them how long they were going to be here, where were they from (Los Alamos), could they do anything for them. And they left happy. I stood in the corner and waited. When I left, the office was full, again, of kids who wanted their picture taken. I guess this is part of his routine. If he's in, they get their picture taken with him.

The first thing he said to me, before the family came in, was "Well, the House passed a budget." I said I had gone over there and watched and that I thought they had finally succumbed to the desire to show some capacity to govern. "Yes, and most of them don't have the slightest idea what's in that bill. They showed themselves to be absolutely gutless when they voted against 8 budgets. I think they realized the public was looking at them, and that the public didn't care which budget they passed, just so long as they passed a budget." I think he was mad at the Republicans in the House. They were "gutless."

After the family left and he went over to pour himself a drink he said "We're going to do it, aren't we? I take my hat off to Bob Michel. He's

quite some player isn't he? Not to take anything away from him, but I think the Democrats were kinda played out. Once they went through self flagellation exercise and lost the Jones Budget, they didn't have the fire anymore. The press did a good job on that, don't you think. They showed the whole thing to be a . Which it was. The country wanted a budget. Well, now it's all ours. For six to eight weeks after the budget conference, it's going to be hell for those Republicans. On every committee that has to pass reconciliation legislation, the Democrats are going to make it just as hard as they can for the Republicans. They'll make the Republicans take the lead in making the cuts. Maybe that will be good politics--if the economy stays sour. But maybe the people will take it out on the Democrats for doing nothing."

"I suppose it's easy for me to say all this and take the positions I've taken because I'm not up for reelection--not now. I've come to the conclusion that it isn't worth running--or, it isn't worth winning--if you can't go ahead and do some of the things you really believe in. But I don't know how I would feel if I had to run for reelection this year and deal with social security, and veterans and medicare. Those are tough issues. It must be a bitch to run every two years. I couldn't stand it." He started out calling Republicans gutless and then developed sympathy for them.

I jumped in and asked if it didn't hurt him during the budget process that only Hatch was up for reelection and that the committee was unrepresentative in that sense." I don't know how much different it made. Not as much difference as it does on Finance, where by accident there's a whole bunch of them up.--that's too far in the other direction. I should have had two or maybe three instead of one. But considering the guys on my committee it not matter whether they were running. Tower--no difference. Bill

Armstrong--he runs on a conservative platform every time. It might be hard for Nancy Kassebaum. Boschwitz(sic)--a tough state. But guys like Boschwitz, Grassley, Gorton are prudent preparers of the way. Gorton had a very liberal reputation in his state."

I said Gorton seemed to be the one guy who was his ready ally on the committee. "That's right. But Bill Armstrong was a tremendous help to me. He was much more of a team player than he was the year before. I hope he'll do the same thing on committees other than mine. You've got to have guys like Armstrong, Domenici and Dole if you are going to govern the country. It isn't how good we are individually. It's how good we are working together. The Republicans are governing. We've got to stick together in legislating and in explaining to the country what we have done."

Steve Bell calls "I'm talking to Doc, the Doc, Professor Fenno from the University of Rochester--that of liberalism, or conservatism or yeah, in between." He's jovial and friendly at this point.

They talk about the conferees. Bell lists them and Domenici comments and hunches his shoulders and winks at me. "You mean Hatch wants to stay on my wonderful committee?" "Tower wants to go, too." "Can't take Slade Gorton with me?" "So they will have Biden, yeah and they will stop before they get to Metzenbaum. Good. I don't want Metzenbaum or Moynihan or any of those wild guys. Last time, they brought them in to 'represent the full range of their policy views.' Well, if they do, I'll have to represent the full range on my side. So we will have Armstrong etc. etc. That means I'll have to call Mark Andrews and tell him it won't work. He'll be mad. But it won't work." The tentative plan is 6 and 4. Metzenbaum would not have been the next Democrat. Sasser would. They can't object to Sasser all that much. So they must be trying to keep Mark Andrews out. As punishment? or prevention?

When he got off the phone, he wanted to talk about Reagan, Israel, etc. I turned him back by asking about his relationships with Baker. He grinned at me from ear to ear.

"We are real good buddies. If the two of us didn't work together you wouldn't have a budget. If he worked alone you wouldn't get a budget. If I worked alone you wouldn't get a budget. He did some very important things. He realized rightoff the bat that he didn't understand the budget process. Then he realized he didn't have enough good advice on the economic side. I was way ahead of him on that. So he hired a Ph.D. in economics, a man with a good reputation. And he hired a procedural guy who knows the process inside and out. Those people developed very good rapport with my staff, and that makes things much easier for both of us. We have complete confidence in one another. We sit down and talk things out; we come to an agreement and we do it. We never second guess each other. I have absolute confidence in his judgment. If he says we ought to do it, we'll do it. When we get to the floor, he has certain tasks. We decide what situations need to be taken care of and we divide up the work. If I get worried and I go off and make a few deals--I'll tell him what I've done and he never second guesses me. That's about all I can tell you."

I asked about Railroad Retirement issue: why did you lose it and how did you stop the hemorrhaging there? He said he could answer the first, but the second he didn't know about. "I can't tell you why we stopped it--just circumstances I guess. The very next amendment was one to increase retirement pensions and take it out of defense. You couldn't have a better amendment than that could you?" (I laughed and said, "You didn't put it up did you." He said "No, I did that the first time around though.")

He said he thought he knew how they lost that vote. He said there were 2 ingredients. First, people were hurt and wrote in. "I got about 700 letters--741 letters." That was normal. But, second, there was "heavy lobbying by their unions." "They lobbied all over the corridors and in the offices. This was their one big issue." They were "ordinary working folks." He told of one Republican who had gone with them on everything but couldn't on this because a RR retiree had been put on his executive campaign committee.

He said, as he finished this discussion "We tried to stop it. We delayed it. We tried everything but we couldn't stop it. I was afraid we would lose them all and wouldn't get a budget. Whew!" As he relived it and some of the emotion just came out, i.e., His comment "whew" as he sat with feet up on desk slooking off to side of the room.

He talked about the two Tuesday meetings. Of the first meeting, he said "The leadership proposed their amendment, to take out the 40 billion figure for social security solvency and put it in the reconciliation language. Their idea was that we would pass the leadership amendment and that would take care of things. Bill Armstrong got up and said "That's fine, but what's next. Are we going to get a whole lot more amendments?" I got up and said I was very unhappy. I said I was afraid we'd be eating lunch all week, losing three or four amendments every day until we wouldn't have a budget left. I said I thought we ought to find out who was going to do what; and it was decided that we needed another meeting later that afternoon. About 35 Republicans came. They meandered in. My staff and I knew where the sticking points were. So we ticked em off and I said, 'If we do this will that take care of you two guys; if we do this will that take care of you six guys?' We did that for several groups and then we asked them 'If we do all those things will you agree to no more amendments.' All

but three or four said they would. Some grumbled that 'you can't put a budget together here in this room.' I told them we knew what we were doing and that if they didn't hold the line, we would not get a budget. I told them they would have to go on the floor and cast some tough votes--against veterans. That's tough. Of course, we'll put back half that shit; but we had to keep it out at that time because the budget would be too high. Well, three or four said they couldn't agree. It was humiliating. But the rest of the guys put their hands in the air and agreed not to vote for any amendments. Baker spoke; and I said a few words about party loyalty. And we wnet out of there with our fingers crossed. We did not have full support."

I said I thought he was a fairly non-partisan, bipartisan kind of person and asked if it wasn't uncomfortable to find that he needs so much partisanship to pass budget. "It doesn't worry me. It only worries me that it won't last. We will have to go back to bipartisanship eventually. But I feel very comfortable with my 12 Republicans. It makes you feel good when you have the kind of loyalists that I have supporting me. Bill Armstrong, who knows so much about social security. Rudy Boswich, (sic) it's nice to have Rudy around. He's such a practical guy. Slade Gorton will tackle any assignment you give him and do a good job. He's the one people say is the best of the freshmen, isn't he? (Yes). I have gained confidence in them and they have gained confidence in me. Even though it's mostly my budget, it's nice to have some loyalists who are willing to stand up and defend it. I enjoy working with my 12 Republicans and it doesn't bother me a bit. It was made easier this year because the Democrats asked for things that just weren't realistic. Hollings had some good ideas, but his tax increases were outrageous. He kept

saying he had such a good budget--and he did, on COLAS entitlements, defense. But his tax increases of 180B were unrealistic. He kept telling us that his tax increases were part of the solution. He was wrong; they were part of the problem. I know this partisan pattern does not conform to the normal pattern in the Senate. It isn't the way Senate business is conducted. Mostly things are done in a bipartisan manner in this institution. I don't know whether your political historians will say our pattern is wrong or right or better or worse. But I'm perfectly comfortable with it."

I think he's gotten more partisan since he's become chairman Pete Davis said to me today 6/12 after tennis. "In the last 6 months Domenici has become aware of his own power. He has just come to realize that he can push other people around. In one way it's sad to see that loss of innocence. But it makes my job easier. On Targeted John's Tax Credit amendment last year, we were concerned because Heinz was able to take all the credit. This year, he didn't even worry about it. It was just clear to him that it would go his way or it wouldn't go at all." PD and Heinz "hate each other" Pete calls Heinz "the most conceited person I've ever met." Anyway, more for the changing Domenici.

Early on, I asked him if he had any input into the House budget decision making when it was on the floor. "I talked to a few guys. There was a lot of staff to staff explaining. But as far as getting involved in a big way, no. They made their own budget decisions."

He asked about my year and how it was going. When I said I might come back for the lame duck session, he said they would take up soc. security then. I said I was disappointed that legislators didn't bite the bullet on social security. They said "They aren't all poor. Eighty five percent of the medicare patients aren't poor. He talked about growth in health csots and said we'd have to go to a minimum payment of 1000, before medicare took effect.

Otherwise we would have to ration health care. All other options, he feels, are impossible.

We walked to the door, and then he walked me back to the desk to show me the copy of Marqus Child's last book on water. The last chapter is about his fight on the barge tax.

BUDGET CONFERENCE

June 15, 1982

They meet - PD gives gavel to Jones on rotating system. Jones says "That's the first budget vote I've won in 2 years." PD "You didn't vote." Jones "Maybe that's the secret."

Jones says there are "2 budgets both of which are supported by the President. So it's a family affair within the Republican party."

PD says they're "under pressure" to act quickly. Differences aren't major--"less than 5%" - "people of country" don't want us to hang up on 3-4%.

PD makes a speech--"many reasons to hurry."

1:00 tomorrow - S-207.

Hollings makes a speech defending his own budget "shared sacrifice." Still pushing his ideas. Uses admin comment re cut "put up and shut up."

Latta says you have to pass a budget and he likes some of Hollings but it wouldn't pass the House.

H - "were in the chicken coop when the chickens came home to roost."
He means that other members will have to the budget. He thinks that the H & S may not do what needs to be done to implement the budget.

PD says he doesn't want to go over history.