

BOB FULTON

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We went to the cafeteria to talk.

"Everything has stopped. And I can almost pinpoint the hour it stopped. It was three weeks ago Wednesday that the big five met. Since then, nothing has happened--at least nothing anyone on the staff knows about. I went in to see Steve this morning and I asked him, 'Do you know something that you are keeping from the rest of us?' and he swore there isn't. I should back up and say that before that meeting, there was a lot of scurrying around by the staff. Bell, Leightheiser and Kenney met with Jim Range. Leightheiser and Kennedy poked at each other, Bell mixed it up with both of them and Range tried to control it. Then I attended some meetings when they brought in the second line guys to work on a plan. The whole idea was to get a plan that we could present to the White House as the Republican congressional plan. One of the things we did was to create what we called the "Chinese Menu," a sheet of paper with all the suggested plans and options on it; and we had each one costed out by CBO. Sometime before the big five met, Baker asked his people to come in and he asked them what they thought the various people--Domenici, Dole, Hatfield, Laxalt, Tower would accept. They talked about it and Baker would write down a number. He had eight categories. Near the end of the meeting of the big five, he pulled out this piece of paper and said, 'Here's something for you to think about.' The next day it turned up at the White House. But none of the others was consulted and none was asked to sign off on it. I don't know what Baker is up to. And I don't think Domenici does either. I know he went over and told Baker he thought we had to go ahead with the markup. Baker said he understood, but that he'd like it if

we could hold off a little longer. He may be working out something with the White House. So far as I know the big five have not met since their last meeting. Baker is carrying the ball, and the burden. He should. These things cut across everyone's turf. Domenici has done all he can. Actually, the Baker numbers aren't so very far away from the Domenici plan. All we need is for old Dutch to take it and run."

He said Domenici is flexible on the numbers. "He's flexible on the numbers. What he wants is the balance among the parts, so it will be perceived as fair. He thinks that will make it easier for the President. It will be a more saleable package when old Dutch decides he's going to have to run with it."

He thinks Dole will balk on Colas, that he'll be reluctant to touch entitlements, including Medicare, Medicaid.

Does Pete think Pres. has slapped him down. "No. People make too much of that Albuquerque speech. Domenici doesn't think he's opposing the President. He thinks he's helping pull the President's chestnuts out of the fire."

I asked about New Mexico. "Domenici is acting a lot more statesman like now. I don't think he worries about New Mexico. A year ago, he said he was going to stay on the Environment Committee so, if Stafford retired, he could move over to that Committee as Chairman, if the Budget Committee got too hot for him politically. I heard him say that. But he doesn't talk like that now. Of course, Stafford is not going to retire, so Domenici could not be chairman."

He said they could attach things like taxes and entitlement provisions to the debt ceiling, but not an entire budget resolution. He said they

could give a reconciliation instruction to the Finance Committee on the debt ceiling and attach a lot of things like entitlements. He says he'd rather not put all their eggs in one basket. So he'd just as soon see a reconciliation instruction on the debt limit; but separate action on entitlements etc. In that way, if Dems had debt limit, the other stuff wouldn't automatically fall.

Pete Davis was pessimistic when I dropped by. "It's slipping" he said and talked about what it would take to jar President into real action. A major S & L collapse, he thinks.

He showed me a letter he's drafted for PD to send to people who write him on taxes. And he talked about how it's impossible for Domenici to move far away from Reagan.

Re Reagan. "He's got the starting gun and the checkered flag." i.e., You need him to get going and he's got a veto at the end.

"The Republicans have held a lot of meetings. They say go to it Pete, we're all behind you. You're doing a great job. But when it comes time to vote, we'll have nine votes. Grassley and Symms say 'we'll do it all with entitlement. Armstrong doesn't want one drop of red ink. We lost 3 last April till we finally got them back. In November we lost two others. We'll end up with about 9 or 10 votes. Then what?"

"It's like gardening. You prepare the soil, prepare the soil, prepare the soil. That's what we're doing."

Bob Felton. "Domenici swam in Hollings wake. Hollings performed a great service to Domenici by going first. It made Domenici seem moderate."

Fulton said idea for Congress taking pay cut was Baker's.