

22921-6/21/82
PETE DOMENICI

+ Steve Bell

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I went to the office to see about an interview with Pete. They were planning a birthday party for him in S-207. She said "Why don't you come over to his birthday party?" I said "That's very sweet, but I'd feel funny." She coaxed me some and I said "thanks but I'd feel awkward." She said "You really would?" I said yes. She said to call at 3:00 from someplace else and that if he was going to be in "You've got him." It was an instinctive move on my part to lay back and preserve my scholar's role. Gretchen told me it was "only for staff, family and a couple of Senators." In some ways, it was a great opportunity. But it might be compromising. I surely would feel awkward with people like Steve Bell. If you think of Pete as a celebrity, it would have been a coup. If you think of him as a subject, it would have been risky. Can you go to a guy's birthday party and then come around and ask questions? Another element was that I think I thought Angela might be substituting the invitation to the party for the interview I wanted and that if I accepted the party (where I surely could not ask my questions) I might not have any claim on more of Domenici's time or good will. Anyway, my reaction was instinctive and protective of my distance from the Senator. It was not a friend's reaction. Maybe I just don't think I can be friends with these people. If Angela had asked me in advance would I have gone--when I had time to think about it. I don't know. My fear then would have been that I was already viewed as a friend and not a scholar. But I might have thought of myself as an ingrate if I hadn't accepted. All told, I guess if they had made an early point of asking me, I would have accepted--with whatever negative consequences might have accrued. Because at that point a refusal would be a snub. Did I pass up a great chance for access?

My talk with Gretchen was instructive. Yesterday, when I went to PD's office after his Reagan coup I asked Gretchen if she had gone over to Budget like Lou and Angela. Gretchen said she hadn't known the Budget Committee was meeting. "No one told me" she said. Today she asked me if they had finished the Budget last night. Apparently no one had told her. She knew that the Journal had had a complimentary editorial and told me so. But she told me the only hearing she had ever been to was the one where she and I watched PD lose the 2nd last year. It is an amazing division of labor that keeps her in Lou's office, next to Angela and still, not aware of a night meeting of the Committee and not aware that the Committee finished its markup. She is cautious about her job, I know. She was carrying a birthday note from the field staff. That's her world and her connection. She's not in on the legislative side of Pete's world.

On PD, I thought of a couple of things on the way in today. (1) He is in a sense, dealt the cards he must play with as Chairman. He doesn't pick his membership. So he has to make do with what he was dealt.

(2) Relatedly maybe, committees don't really meet a lot, as committees, so they don't have the opportunity to work out procedural rules of behavior and modes of personal accommodation. Last night, they couldn't remember what they had done on other occasions. Chiles had a procedural motion that no one understood re what is and is not germane when an authorizing committee brings out a bill in response to reconciliation. They couldn't recall its effects in the past. Someone wanted to know whether they had had sense of the Senate resolutions before and they couldn't think of any.

Anyhow the point is: what does it mean to talk of the Budget Committee, when it really doesn't meet to do business very often. It is every man for himself really--a forum for speaking out.

Sonja said this morning. "What have you been doing?" "Watching your boss on the budget?" "Do you want to know what the people are saying?"

(points to phone.) "It's been wild. The old people, veterans, retirees have been calling in. They want to talk and talk and talk and talk." The reality in the front office.

After my MA interview, I call Angela as she suggested. She says to come on over. At that point she doesn't know she's about to have a birthday party. When I get there, it's in full swing. Sonja and Joe and Carlo tell me to go in. I hang back and answer the phone for a little. They bring me some champagne and I go in. Pete sees me and yells out "Feeno" and motions me over. I congratulate him on his birthday. He says "I'll talk with you later." I go over and have cake with Loui and we talk about how difficult it must be to represent N.Y. "You can't know your constituents, so you have to have a flamboyant style," says Lou.

Pete gets a call from RR and the room quiets down. From PD's side of the phone "Mr. President, thank you so much for calling... You say 50 sounds young to you?... We're going to get some of our people together over the weekend and strategize. We're going to win this one, because we're right... Yes... Yes... Exactly... Right... Right... Let me give you one thought on that 'Truth in Budgeting.' Social security has always been part of the budget. What do they expect a Budget Committee to do, ignore it?... Thank you very much, Mr. President."

Then, to the group - "He's going to do tomorrow's radio broadcast on social security. He's going to take it to 'em."

As the group fades away I drift over toward the desk. He puts his arm around me and says "I told you I was a going to get that budget through, didn't I. And I told you just how I was going to do it, didn't I? He's very happy; and I nod both times. I want to ask him just "how" he told me he would do it. But that would ruin the mood. I don't, of course. He

sits down behind the desk and he starts to tell me about the meeting with the two Bakers and Stockman on Wednesday.

"I called the leader and I said to him 'I've got twelve votes and I'm going to pass my budget out of the committee.' He says 'Well, don't you think we ought to check with the administration?' We can't pass a budget without the administration.' I said 'Mr. Leader you told me to move ahead on the budget, I've got twelve votes and we're going to pass it.' He said 'Well, you know I'm with you. Anything you say.' About ten minutes later I get a call from Jim Baker. 'Don' you think we ought to talk about this? I know what happened. As soon as I got off the phone with Baker, he called the White House and told them Domenici's got 12 votes for the budget and he's going to pass out his budget. Sen. Baker and Stockman come up to Leader Baker's office. Bell and I go over, and Bell says it's the greatest performance he's ever seen. (all through this, PD is grinning and exuberant. Of course, he's just had his own birthday party and Angela's birthday party and he's in high spirits.) Jim Baker pulls out a sheet of paper and says 'Here's a budget.' I take the sheet of paper, look at it and I toss it aside. (Here, he takes a piece of paper from his desk and dramatically tosses it aside, reenacting the whole thing.) 'I can't get 12 votes for that budget.' Jim Baker said Don't you think you ought to look at it? Howard Baker said 'maybe you ought to think it over.' Now, you know I've never been in that situation before in my life. I thought I had 12 votes; but I couldn't be sure I had 12 votes. But I said to them 'I can't pass that budget.' And I turned to Bell and asked him, can we pass that budget? "No, sir." Leader Baker, said 'Whatever you say Pete. You know I'll support you.' Well, said Jim Baker, 'let's take your budget and see if we can't make a few adjustments.' We negotiated for a while--a little up here and a little

down there, and they agreed to support it.

He holds a caucus with the Republicans but it's not clear whether he tells the Republicans he's got a deal or not. But I guess the point of the caucus is to get Republicans to pledge support for his plan. And I'm nearly certain he didn't tell them. They would not have kept a secret.

He says "Mark Andrews scared the hell out of me. He hadn't come to the caucus.... Did you see the look on their faces when I said, 'by the way,' 'The President of the United States supports this budget.' Bell told me that Hollings turned pale. None of them thought we could pull it off. They didn't know what to say. They kept asking me if I was sure I had an agreement." I pitched in and told him that I put in my notes that the Dems started to huddle. He laughed and said 'Did they really? I didn't notice that.' He was still savoring that moment. And that's what he wanted to tell me--how good it felt.

The MA "scare" was when he jumped in and started to talk about the problems. MA is a real pro. He had the presence of mind to do that just at the moment when Pete was at the peak of his high. When I watched it, I thought MA was a real spoil sport--and the staffers (Bob Struthers) got very upset when Mark did that. But Mark knew just what he was doing. Before any bandwagon got going, he was going to put Pete "on notice" that he didn't have 12 votes. (I know all this now because I've talked with Mark.) I guess Mark had already done all that privately.

Anyhow, back to Pete's office. By this time, Bell is there, Fulton, Ramona's and a couple of guys I don't even know. Pete starts doing business on the telephone--a call returned by Boschwitz and a call to Armstrong. He's doing business on the Chiles germaneness proposition and he's trying to line up Republican support against it. They think Chiles is going

to bring it up on the floor and it has become obvious that it's a threat to every committee chairman. At the time it came up Pete had the right instinct but was off balance. "If it hadn't been for that attack on me by Biden, I would have knocked the Chiles thing right out. But I was still shook by what Biden did." Then the others (Bell in the lead) went after Biden--SOB, they're playing that tape all over New Mexico says Bell (So I guess PD and Biden have not make up.)

In the committee context, the Chiles motion is a good example of how procedure throws them into a tizzy. Maybe what you really lose when you have no institutional memory is procedural memory. And that, clearly, is something everybody had lost on the Budget Committee. Steve Bell commented on that later in our interview. "Those guys didn't have any idea what I was talking about--especially Symms--when I was explaining about silver mine tailings." Bell used it as example of committ-e being not too swift.

Pete checked with Boschwitz and Armstrong on the Chiles motion. "Are you all right on Chiles?" "Good." Boschwitz wanted some language on user fees and he and Pete worked it out. With Armstrong he said "You put your good head to work on how we can sell the social security package. I think we ought to talk about Truth in Budgeting. What else do they expect a Budget Committee to do, ignore it?"

He said the same thing to the group, and, again, to Bell as they played with the draft of a letter to legislators on the social security question. He said it to Reagan and to Armstrong. I thought it reflected a gimlet eyed view of their real problem of salesmanship. Pete's view was that you defended the 40B solvency package by saying the Budget Committee had to tackle the problem and did it honestly. His attitude was "What else would

you expect an honest Budget Committee to do?" But who cares about the Budget Committee's responsibility, or honesty or even its actions as such? The problem is, can you make the old folks take the medicine? And, then? That has to be done in language and in arguments that have nothing whatever to do with the budget process or the budget committee or what not. Pete's world is the budget committee. He should be talking about "biting the bullet" or "keeping the fund from going broke" or "delivering the checks" and not "Truth in budgeting!" I wanted to shout at him; but I didn't! Old folks fear that their benefits will be cut; but they also fear that they won't have anything. The Dems will demagogue on the basis of the first fear. The Republicans can demagogue on the second; or they can turn it around and say they'll manage the fund better and keep those checks coming. The "covenant" the Dems talk about is a covenant to keep it solvent, not a covenant to maintain a level of benefits. The Republicans problem is that all this is fine, but people may think that there's plenty of money being spent elsewhere that ought to go to keep up benefits--defense, waste in government, foreign aid, etc.

Pete turned to the group at one point and said "You know, we could have had a deal with Bolling if I had understood how they negotiate over there. He had a concrete proposal, but I didn't realize it. Over here, when you put forth a proposal you put forth a real proposal. Over there it's all very vague. I guess they have to be sure all those people are on board. I didn't understand how he was negotiating. It sounded so vague and general; but back of it all, he had a concrete proposal." A nice case of House-Senate lack of communication.

Pete told one of his callers that he was going to go home and cook some steaks outside and George Ramonas was hustling him out of the office. I left with Bell and Fulton and with Bell going full blast.

One other question I did ask Pete was who thought of the "solvency" idea. He said it was Stockman--that he had the figures ready. How they came to it was something he explained but I couldn't understand it. I had to do with what they could do on social security--to recognize the next Congress, what they could do in lame duck session (Pete's suggestion) and then Stockman came up with solvency idea - a very creative bit of legislative argumentation.

I posed the question to Bell as we left. How did you get your 12 votes? Didn't you need the President in order to get 12 votes and didn't you need 12 votes to get the President? Which came first, the chicken or the egg? He said 'They came at the same time.' I said 'Well, then, you had to be faking on one other the other because they couldn't have materialized at exactly the same moment.

He told essentially the same story Pete did in more detail. When Pete said he had 12 votes he felt pretty sure, but he probably needed the President to get Hatch. Bell talked about Hatch like he was real screwy. It's possible that Hatch may have gone if the others did. It's also possible that Chiles would have been there (as Lou said he was). In any case, Bell said they had 11 for sure when Pete talked to Baker. Bell never mentioned Chiles, and I didn't, because Bob Merry came in. But Bell did say, "We had 11 votes and that's all we needed." Merry didn't pick up on it and I didn't say anything. Eleven is all you need if the twelfth vote doesn't vote or if someone on the other side votes with you or doesn't vote. Chiles may have been "in the bag" in the sense that he would take a walk.

Anyway, according to Bell's account, they were thinking bipartisanship all during the meetings of the Gang of 11. Hollings however, attended only 3 or 4 meetings, which might have been a tip off. Anyway Bell and Tom Kessly were doing staff work together and Pete thought he had a deal with

Hollings that "we wouldn't bring up any history and that we would work for a bipartisan agreement.

Then, on May 4, Hollings comes back from the dentist and lets fly with a speech so string Riegle wouldn't even read it! It's full of "history." Hollings proposes that they vote on the Reagan budget etc.

Pete's words to Bell after he had gaveled the meeting over was "He has vilated the covenant." At which point "We dusted off the old Domenici plan--which had been laying around since last September and which was the one we eventually passed--with a few modifications."

So in Domenici's view, Hollings signalled the end of bipartisanship. The Domenici people see Hollings as unpredictable and running for President.

Bell says about the members of the Committee "I began to get good vibes from the TFI's and from the members. They were in a pre-galvanic state waiting to be galvanized. They were a hockey team suited up and ready to take the ice. Open the gate and out they'd come. Put the spotlight on them, drop the puck and they would skate--not very well maybe--but they were ready to play. In our caucuses they would say things like 'we don't need the President.' When social security would come up, they would say 'we're not worried about social security.' We've got some pretty feisty guys on that committee. And they had gotten the feeling that if no one else here is going to do anything they would have to. Did we have twelve votes? Yes, we had 12 votes. But could we get them all at the same time? These votes were like electrons moving in a field. There's a Heisenberg principle at work. The electrons are in a certain configuration which keeps changing. I figured we had 36 hours in which all twelve--or eleven--would be in the right place. When markup began, I thought we had eight votes--all except Grass

Symms, Kasten and Hatch. They were opposed to large tax increases. But you noticed that when Grassley and Symms spoke the first day they said to Domenici 'I don't like your tax increases, but if I don't get the decrease I want, I'll vote with you.' Kasten believes much more strongly in the President's tax cut. But I thought that once he got a vote on his plan and lost, he could be brought along--if only we could get the tax increase (3 years) below 100 billion--95, even 99. Hatch was another story. He said he had to have the President. But maybe the pressure of the others would bring him in. We couldn't be sure. Once we negotiated the smaller tax number, Domenici told Howard Baker we had 12 votes and he was going to pass the Domenici plan and budget out of the committee. That first step, in my judgment, set in motion--inevitably--everything that followed. The first step is the hardest, but once you take it everything follows. The ball rolls till it gets to the bottom of the bill. Did we have twelve votes. I felt then that we had twelve votes if the President got on board. But I also felt we had twelve votes if the President didn't get on board."

On the meeting with Baker, Baker, Stockman and, he thinks, Dorman and Rubenstein. He said that "when Domenici turned to me and said Bell, can we pass the budget, if it had been me I'd have taken it, signed it, sealed it, stamped it and run with it, but I said "No sir."

Jim Baker's willngness to take it. "I learned a lot about the President. That's some stud we've got there. When he goes to buy a house, he doesn't want to talk to the real estate agent or the county sheriff or the neighbors or anyone else. He want to talk to the person who owns it. Do you own the house? That's what he want to know. If you own the house, I'll talk to you. We owned the house. And he bought it."

"The moment Ronald Reagan left the White House and drove up to Capitol Hill Tip O'Neill knew the ball had gotten out of the chute and was roaming around in his yard."

Bell, Bob Merry and I talked for a long time. I finally had to break it off at 7:10 to go out to dinner. We had some beer, on top of my champagne at Angela's party. So I didn't have great recall. And he gets off the point a lot (always comes back, though). But I finally felt I had gotten over the Bell barrier. He said he'd been suspicious of me, but that a couple of staff guys had said I was OK and that did it. I'm not sure I believe that; but something did the trick.