

BOB FULTON

May 24, 1982

I had a Chinese lunch with Bob Fulton at Hunan.

He asked me if I thought they accomplished anything with all their "flailing around" last week. I said yest that the flailing itself was an accomplishment, and I said I was amazed at how seriously people took a process that is not binding.

"I think people have gradually become convinced that if they don't start arguing on behalf of something they are interested in at the very beginning of the process--that is in the budget--that they will be stopped from doing anything about it afterward. That's why so many amendments were offered on the floor last week. Usually, we have a lot of amendments that just fade away after the debate goes on for a while. This time everyone hung in there with his amendment. Maybe, the passage of the Sasser amendment encouraged them. Of course, some of them were designed to embarrass the Republicans by making them vote against those good programs. But others were cases where people had decided they were going to champion some cause all year and they wanted to get started!"

"When Domenici and Baker went into the Tuesday Policy luncheon, they thought that taking out the 40B in social security would be enough to keep the party together. They were prepared for an assault from the conservatives, but it came from everybody else." He said it was not coordinated, but a kind of breaking of the dam.

"We didn't know what hit us. After the luncheon, we started working up the new figures. Then Domenici and Bill got called to another meeting and we grabbed what we had and ran.... Then, in that meeting, other changes were made--like adding 100M to the post office."

"Domenici didn't suffer a defeat on social security. I think we salvaged almost everything there. If, after the elections, the Commission and the Finance committee do what they should do, then we will be in good shape. I think where he lost the most was on discretionary spending. Our 1983 savings in discretionary spending went from about 5B to 2B once we completed all the add backs. We gave up 3B.... We couldn't hold the line on medicare--even though Dole said he'd find the revenue for that.

On RR retirement - "I wish we hadn't lost the Sasser amendment. Equity was on our side on thatone. We knew from the beginning we would have trouble on that. Our mistake was in not compromising that out in the caucus. I don't know whether Heinz screamed about that in caucus or not. But what he did was go over to the Democrats, tell them to offer it--because he was forbidden from offering it--and he would get them some votes. The night before we knew it was probably lost. We lost by 17 votes. Our position the next day was a split the difference motion for 1985. That should have been enough to satisfy the people who wanted something done. But we couldn't get the message out. Most of the votes that went against us in the end would have stayed with the committee if we had needed them. But we fell just one or two votes short. We lost Andrews and Duresenberger and Heinz. Durenberger was the most crucial. He felt he had given a flat-out commitment to support the program. He had stood by us in every other situation. Andrews was the biggest disappointment. He had supported the budget in committee, and he went against us. We were afraid of losing some more after that. But we didn't."

"Domenici gave away 3 amendments--one to Bumpers, one to Chaffee and one to Heflin. But the biggest one he gave was to Chiles on law enforcement. It was bigger than the other three combined. He never mentioned the figure, did he. I assume Chiles said it was very important to him and Domenici wanted

to do something for him. But he didn't get anything for it. Heflin voted for the budget. Chiles didn't. I assume Hollings was on board on the Chiles amendment."

We talked about appropriations. "(Hatfield) was nowhere to be seen. Domenici and Dole were members of the gang of 17. Hatfield was not. I don't know why. But he never had any identification with the process. He won't fight against the budget. But he won't feel any strong urge to defend it either."

We noted that budget is not binding on Appropriations. He said that the Senate Budget Resolution 2 years ago did have a clause telling Appropriations how much they had to spend and what their limits were. They put it in this year, but the Appropriations staff guys found it and knocked it out before PD presented his surprise plan at the markup that key night. "They are watching us."

On Johnston amendment. "We know they were working on it. Our fear was that the administration might embrace it there on the floor. Then we would have lost a lot more votes from our side. There was a moment or two when you had the feeling something really big might happen."

I said Quayle acted like he has found the "promised land" in his speech which I think is pretty good.

We talked a lot about balanced budget. "The guy in Judiciary who wrote that thing don't understand the budget process. It's just like what we would produce if we tried to write the criminal code."

We talked about problems with balanced budget--he thought worst was that President and Congress given joint responsibility to ensure that balanced budget was accomplished.

"The tragedy of the COLAs came up when Reagan and O'Neill started pointing to each other and saying you did it, no, you did it. Baker should have stepped in and said niether of you did it, the Senate Republicans did it and it needs to be done."

We talked about representativeness of the committee. I stressed lack of liberal Republicans. He said Andrews and Quayle came from that group. (I think not) I mentioned Kassebaum and he agrred (I think not). He stressed lack of seniority. Then I stressed lack of people up for reelection. Only Hatch and Hatch was the big problem. Bob agreed and mentioned Hatch on RR retirement.