

STEVE BELL

July 15, 1982

I asked Steve about the conference. "It was all done in private. We only held four public sessions. Some of them we had to cut short because there were so many deals being made in private. We weren't negotiating with Jones. We were negotiating with all these other principalities in the House. Like Sonny Montgomery on the veterans--he had 20 votes that wouldn't vote for the budget unless we put money back. We only won by 2 votes as it turned out."

I asked him about conferees. Why Metzenbaum. "None of the others wanted to do it. They asked until they got down to him." Well, he did not tell me the whole story on that. Pete didn't want Metz--or Andrews.

I asked about tenseness of foreign aid and he agreed. "It wasn't Tower. We knew that when all was said and done he would come. But it was that fucking Hatch. He was going to vote against us. He's weak. And now he's got that damned balanced budget amendment. Fucking Hatch nearly cost us the whole conference. It all started at a meeting of our conferees in Baker's office. We had worked out most of our problems and were about to end the meeting when all of a sudden Rudy Boschwitz said 'There isn't enough money in the 150 function; foreign aid is too low; the President wants more money than we have in the bill. We started at 900 million apart, and the House had agreed to go 286 million above their figure--in outlay. As soon as Boschwitz started to speak, Dick Chaney--who is a very reasonable guy--said 'No. The House cannot accept one penny more than we have. If we add one more penny, the House will not accept the conference report.'" He stood up. Bob Michel stood up and said flatly, 'That's non negotiable.' They turned their backs, even while Boschwitz was talking. And they all--Mrs. Martin and the other House conferees--leave. Baker is sitting there scratching his chin and

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saying 'What's this.' He calls the President and the President tells him he has to have the money. The next day, the President calls Domenici--who is in Baker's office--to tell him he has to have the money. Then Judge Clark calls. More apologetic. Pretty soon State Department lobbyists, Powell Mione and those guys are everywhere on Capitol Hill like fleas. They talk to Tower and get him all excited. They are saying Haig might resign if he didn't get the money. I'm not sure that this wasn't one of the things that accumulated in the last months to cause his resignation. At the next meeting of the conferees, the talk got very rough. The House members again said foreign aid was a non-negotiable item. They wouldn't even talk about it. When Tower argued for it, they said 'You've got all this money for defense, what more do you want' and so forth. We knew Boschwitz would propose adding the boom and that if it passed it would blow up the whole conference. Domenici went to Jones privately and said, 'You can't vote for another 600m. Won't you vote to kill it and save the conference. He said 'No, I've got to vote for it. I can't cut all my ties in the House. You guys will have to kill it.' So we went to work and developed a compromise. We would give the ^{an} administration/additional amount A, but keep outlays where we had them. Domenici called the President and told him about it. The President said he wanted the original Domenici figures, but that he didn't want to jeopardize the whole budget. He would accept it. Domenici asked the President to tell the State Department what he had decided. Then Domenici called Judge Clark, and told him what the President had decided & asked him to inform Haig. The lobbyists went away--(Solarz proposes to add the 600m). In the conference, we couldn't be sure we had it. That's why we made the motion in such a way that a tie would defeat it. We reminded Jones to word it that we agree to the Solarz motion not 'reject' it. Metzenbaum had to catch us on it afterward.

But we were ready. We thought the Democrats--except maybe Hollings--would vote for the Solarz motion. But Hollings wasn't there. He was pissed off; and I don't know that I wouldn't have been pissed off in that situation. But we knew Boschwitz wouldn't budge. He is the worst person in the Senate when it comes to money for Israel. He is worse than Stone was. We call him Menachem Boschwitz. He belongs to some small sect within the Jewish community. And I suppose he feels he has inherited the mantle of Jacob Javits. I shouldn't say this but I really think some people have difficulty distinguishing the interests of the Israele from the interests of the Senate. Anyway we knew we would lose Boschwitz. Then just 5 minutes before the vote we learn that Hatch is going to vote against us. Domenici went white when he heard that. That's why there was all that scurrying up and down the table. When I began to call the rolls, I skipped over the Democrats because they weren't there. That's when Metzenbaum jumped in and said he had their proxies. I couldn't believe it. I couldn't believe he had Hollings proxy. Domenici said he didn't believe him--called him a liar. There were more hard words after the meeting and Domenici never apologized. When we polled the Republicans, Hatch went with us and it all hinged on Towers vote. He gave us a tie. Ooooch was that close. It was the whole ballgame. If we had lost that vote we would have blown the conference; we would have had no bill; we would have had no budget. I never thought Hollings would give Metzenbaum his proxy on foreign aid. I didn't think he'd give him his proxy on anything! They had saved the proxies for just that one vote. They had not used them at all up to that vote. They were trying to wreck the conference. And they almost did."

He agreed with me that it was as tense a moment as there was. Maybe matched by the next story he told.

I asked him about partisanship. Was the budget destined to be partisan from the outset. "No. Let me tell you a story. It's an example of how little things can change big things. I've told it to several newsmen, but none of them has picked up on it. (Merry did, I think.) After the gang of 17 negotiations broke down with the meeting of Reagan and O'Neill, Baker held a press conference. Domenici and I were there, and we walked back to his office together. 'What do we do now he asked. You should call a markup for tomorrow morning. Send out the notices.' Or 'he said 'we'll do that.' When we got back to the office he said 'What do you think our first move ought to be?' 'Call Fritz Hollings.' I said. I thought that the gan of 17 had made a great deal of progress and that the committee could build on that record in a bipartisan way. He called Hollings and Hollings came over, brought Liz Tankersly with him. They agreed to try to cooperate to see what could be worked out along bipartisan lines. More important they agreed not to hash over the past and start handing out blame for what had gone wrong. They agreed if they, as leaders, did not engage in that sort of bipartisan rhetoric the others on both sides would probably not do so either. They made a deal. When I wrote Domenici's opening speech, I did it in that spirit. Talking with Liz the next morning, I knew things weren't going right. When we got to the markup, there was a speech by Hollings that was so partisan and so strong that Dan Riegle wouldn't even read it; he put it in the record instead. Then Hollings shows up and delivers it. He could not restrain himself. He couldn't hold back. Domenici was mad as hell. When Hollings finished, he gaveled the meeting to a close, which was very uncharacteristic of him. He regarded it as a betrayal of an agreement. When we got back to hif office he said "We've been betrayed. What do we do now.' I said 'You need

12 votes. They will have to be 12 Republican votes.' And from that day we set about getting 12 Republican votes. I said to Liz 'What did you do to us? You broke our agreement.' He said, 'No you broke it. Domenici was on a TV show this morning and he blamed Tip O'Neill for the breakdown of the Gang of 17.' I said 'He was on with Dick Bolling and everything was very amicable.' The truth is that Hollings couldn't resist the opportunity to get attention. While the Gang of 17 had been meeting, we had had the Democrats staff and these analysts in here several times working at a bipartisan approach to do things. Since that Hollings speech, relations between the two staffs have been bitter and frosty. We have not talked with them since."

Steve was on the phone with Bob Merry, predicting "a bloody appropriations season" which would end in either an omnibus continuing resolution or an omnibus appropriations bill (a la 1950). He thinks appropriators will bust the budget. Says they are upset by supplemental and eager to "appropriate."

"Budgeters budget; appropriators appropriate" One holds back; one busts out.

Gail Fosler calls and checks in with Steve from a conference in Cal. He asks her to call the next day, too.

There's a kind of a family thing here. He chatted with her like a brother. Hi to Sid, etc.

LOU GALLEGOS

July 16, 1982

I went to ask Lou about the CMS system and the printouts. He talked about the mail and the change in mail as a result of chairmanship. "It's crazy. But I guess it's just a reflection of human nature. The first wave letters we got assumed that since he was chairman of the Budget Committee, he was sitting on a big bag of money. They figured it all he had to do was reach in the bag and distribute the loaves. (Here he flings his arms out as if he's sowing seed.) The next phase was the belief that if you are Chairman of the Budget Committee you must be a buddy of Ronald Reagan's. That means if we will pick up the phone, we can get anything we want. All of a sudden, things that were never considered possible now become double--everything from programs to projects to White House tours. Here's a letter from a guy who tells us he wants us to get him the Botanical Gardens for a reception. Now we have creeping in request from businessmen to take care of their problems. We always had this, but it comes with increasing regularity. This material (he hefts a packet of material an inch thick) is from one of the largest financial empires in New Mexico. They have a problem with the IRS. They have dozens of lawyers; but here they have dumped the thing in the Senator's lap. You call and we'll accept. There is no limit I guess. The chairmanship brought rising expectations. And every miracle you pull off just adds to expectations. Before the chairmanship we were expected to drain the swamp; now we're expected to create a Garden of Eden. Resources are scarcer now than they were. The letters mention that. In fact, that's precisely why they are coming to us--they think we are their only chance to get what they want. The demands are humorous. (He chuckled.) It has given me a great opportunity to observe human nature. I may become the complete cynic, like Philip Wylie. I'll write another Generation of Vipers saying that everyone is no good."

"We get the mail on many of the subjects we always get. Before he became chairman, they had a New Mexico twist; now they have a national emphasis. People used to write us to say the doggie was up the tree and ask us to do something about it. They just assumed there was something the government could do about it. Now they write and say I read in the paper that the doggie is up in the tree, what are you guys going to do about it?"

Another result of chairmanship. "We get 10-12 letters a day about jobs in this office. By a ratio of 10-1 they come from outside New Mexico. People read about the Budget Committee or they read personal articles about Domenici. A chemistry develops and they say 'That sounds good, I'll apply for a job.' We used to handle them individually; but finally I had to create a library item for them."

"In 1981, our correspondence on the subject of political appointments consumed two man years. It took one-quarter of my time. We handled everything from the Italian ambassador to the Alcohol Control Board in Albuquerque. Some of the letters were about jobs that weren't political. That guy in the social security office is no good. Now that you Republicans are in, fire him."

"Did you get your share?" "Yes we got our share both in rank and in quantity. We got 25 of our people in political positions. There were some disappointments--people we should have gotten. But we lucked in on some others. In some departments, they converted political positions into career positions before the Administration got its act together. In other cases, the Carter appointees changed their spots and kept th jobs anyway. That happened in the Energy Department. Domenici has been on the Energy Committee for a good length of time, and we don't have a single person in that Department. That hurts us in the kind of networking that goes on around this town. And it shows in our relations with them. They are very hard to work with. Of course, your own people are hard to work with sometimes; but you know you can get them."

Hiring of Press Secretary Bradshaw a kind of accident. They have 150 applications--a couple of them well known in Washington (Andrea Best(?) and ABC press Sec'y for Ted Koppel, he mentions). Lou asks KOA if they have anyone interested. Guys at KOA talk about it in Jim's presence. Jim is freelancing. He visits Fran; they like him. Lou calls him. "He was so inquisitive that he interested me. I spent three hours answering his questions." He tells Pete that they have 4 finalists plus Bradshaw "he's worth looking into." ("And I used a ploy, saying that in a lot of ways he's like Steve Bell. Domenici lit up.") Arranges for Pete to meet Jim in Las Cruces. "The vibes were right. When Pete got home from New Mexico, he called up. He was happy. 'I offered him a job; you work out the arrangements. A press secretary is not an appendix to Domenici. It's a vital organ. And it has to be a healthy organ. He is not healthy, given his concern for PR, without a press secretary with whom he has good rapport. It's working--not up to where I'd like it. But he has better rapport with Jim at this point than he had with any other press secretary except for Steve Bell. Domenici relaxes by becoming loquacious. He loves to reminisce about the City Commission and whatever. Jim will sit there and listen. Martha would interpret, , criticize and edit all the time.

Lar CMS "If your CMS operation doesn't work well, you can forget about the rest."

He is spending July working "campaign manual". "About half the assumptions we went on last time still hold. But a presidential year makes a lot of difference."