

CONFEREES ON S. 774

1. The legislation that really counts will be written in Conference. Much will be up for grabs.
2. If an inadequate bill emerges, you will never live it down. It will dog you for the rest of your career. Neither the voters nor your Senate colleagues are likely to forget.

Bear in mind that the \$50 billion contained in the Administration's financing plan will probably not be enough to resolve the problem. More money will be needed down the road. And when the Administration asks for more money, the 1989 legislation will be subjected to merciless scrutiny.

3. "The House made me do it" is not a valid excuse.
4. You need a cohesive group of Senate conferees that can be counted on to stand firm for a strong bill.
5. Senator Cranston has already told his staffer (Carolyn Jordan) to think about how to undermine the restrictions on equity investments.
6. It is your prerogative as Chairman to determine the number of conferees.
7. You will maximize support for a strong bill by having 5 conferees: 3 Democrats (you and Senators Cranston and Sarbanes) and 2 Republicans (presumably Senators Garn and Heinz).

This would put you and Senator Garn firmly in control. You, Sarbanes, and Garn would form a solid majority for a strong bill, and Senator Heinz would join you on most issues.

8. No other configuration (e.g., 4 Democrats and 3 Republicans) is likely to produce such a strong, cohesive group of conferees.
9. Some Members who are not chosen as conferees will be resentful, but the stakes are so high that you should be willing to brave some temporary unpopularity.

Moreover, you have to draw the line somewhere in any event -- unless you are willing to have all 21 Members be conferees. There will always be someone who is unhappy about being left out.

10. If a good bill emerges from the Conference, it will be a triumph for you and everyone else on the Committee. Any resentments about the choice of conferees will fade into the past. And you will gain further stature with your colleagues and in the public eye.

Table

The following table lists the 13 most senior Members of the Committee. A plus (+) indicates Members who are likely to provide strong support for regulatory reform (e.g., curbing risky State-authorized powers and imposing strong capital requirements). A minus (-) indicates members who cannot be counted on to support you on those issues or who would be cutting deals to further their own agendas.

+ Riegle	+ Garn	+1
- Cranston	Heinz	+2
+ Sarbanes		
- Dodd	- D'Amato	0
- Dixon	+ Gramm	0
+ Sasser	- Bond	0
- Sanford	- Mack	-2

Comments

Sarbanes: A real stalwart for a strong bill. Will support you down the line and be a useful counter to pressure from Cranston and the thrift industry.

Heinz: Weak on goodwill, but strong on almost everything else.

Dodd: Likely to be out furthering his own agenda. Supports nontraditional thrifts -- and thus is unreliable on powers issues. Likely to cut deals with Cranston to further own agenda.

D'Amato: Weak on goodwill and powers issues (broad savings bank powers in home State). Likely to cut deals with Cranston to further own agenda.

Dixon: Weak on goodwill and capital forbearance. His staff is a center of hostility to us and likely to cut own deals.

Gramm: Very good on most regulatory reform issues.

Sasser: Unlikely to attend much, but would be likely to support you by proxy on many issues.

Bond: Weak on capital forbearance and State powers. A strong supporter of States' rights. Tends to follow Garn's lead.

Sanford: Weak on goodwill, capital forbearance, and State powers. Uncritical proponent of the thrift industry. A strong supporter of States' rights. Staff is hostile to us.

Mack: Weak on capital forbearance and unreliable on State powers.