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July 9, 1970

TO: Pat Moynihan
FROM: Donald A. Webster *DW*
SUBJECT: Welfare Reform

My thoughts on the President's role with regard to FAP are as follows:

1. Timing -- I think it very important the President meet with the Republicans on the Finance Committee before the Hearings resume on July 21. This is the only way I can see to prevent the Republican members from being so critical in Hearings that they become strongly committed publicly and thus more difficult to turn around. Howard Cohen tells me that Secretary Richardson may feel that the meeting with the President should be after the Hearings resume.

2. Nature of Meeting -- An evening cruise on the Sequoia would be ideal. My second preference would be a breakfast.

3. Attendance -- I lean to a small meeting. It is likely to be more uninhibited and free-wheeling and more productive to the extent that it is limited to the political pros. (This is, after all, essentially a political exercise.)

4. Attitude of Members -- The President should know that Senators Williams and Curtis appear to be irreversibly hostile. Senators Bennett and Miller will probably go along, but with no great enthusiasm. Senators Jordan, Hansen and Fannin are opposed on philosophical grounds, but are disturbed at having to buck the President. I think these three are most likely to respond to his appeal for support.

5. Other Comments in Meeting with Republicans --

(a) Several of these members want to express their deep concern to the President over the proposal. They feel he has been sold a bill

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of goods and want the opportunity to explain why. The President will certainly get an ear full, but I think it is very important that he listen fully to their concerns.

(b) There would be little profit in discussing the merits of the welfare reform proposal. Most of these members oppose the concept of what they regard as a guaranteed income and the inclusion of the working poor.

(c) The President will have to make an appeal on the basis of Party loyalty and support for his program, stating as strongly as he can the importance he attaches to it. He should, of course, ask for their active support, but failing this, express his hope that they will at least permit the Bill to reach the Senate floor.

6. Contact with Democrats -- It will also be important before Hearings are resumed, for the President to touch base with Senator Long and possibly some of the other majority members of the Committee. Senator Long is described by the Committee's counsel as going through "mental torment" over this Bill. Senators Talmadge and Byrd are strongly opposed. Senators Hartke and Harris will probably support it. The attitudes of the remaining majority members have not yet become clear.

On numerous occasions, the Committee's counsel has expressed to me his concern that unless the Committee reports out a Welfare Bill, the FAP may be attached to the Social Security Bill on the floor of the Senate. I think the Committee will report some welfare reform legislation, but it is likely to be substantially watered down from the President's proposal. Increasingly I get the impression that the Committee may simply vote to initiate FAP pilot projects. OEO briefed the Committee Staff on July 8 on their experimental programs, and the counsel asked whether they might come and testify before the full Committee. My suspicion is

that the Committee will conclude that FAP should not be approved until the experimental or pilot project approach is pursued and all of the results are in. This would put them in the posture of being for welfare reform but, from their point of view, in a prudent and fiscal responsible way.

I am not yet sure what is the best approach for the President to take with Senator Long and the other Democrats. I am sure, however, that he is not likely to get far with them until the Republican support has been built up.

cc: Ed Morgan