OUTLINE OF REMARKS

NATIONAL OIL JOBBERS COUNCIL

May 8, 1983--3:00 p.m.--Waldorf-Astoria

I. The President and the Congress

A. President Reagan has made clear that he and the 98th Congress must work together to deal with an active agenda. Already that has meant constructive action on social security. Next to be dealt with are the deficit, unemployment, and the shifting patterns of industry and job creation in our economy. At the same time we have to realize there will be major areas where we will not agree. It makes no sense to compromise away the gains won towards restraining the growth of spending, controlling the tax burden, and beating back inflation. The American people still overwhelmingly support those goals.

B. The President, the House leadership, and the Senate leadership will have to work together to forge a consensus on major decisions if we are to get the job done. That doesn't mean there won't be a lot of hard bargaining on all sides; but on some issues we simply cannot afford to have a legislative stalemate.

C. The President still sets the agenda. On taxes, spending, deficits, employment, and trade the President proposes, and Congress must dispose. Those of us who have ideas of our own will work with the White House to get things done--but leadership still must come from the President. That is why we are unlikely to see any major departure from the principles of government Ronald Reagan has espoused in his first two years in office.

D. The fact remains that there is no coherent alternative to Republican leadership. The people still recognize that our economic problems were a long time in the making, and that the cure will take time too. According to CBS/New York Times voter exit polls in the last election, voters by a 5 to 4 margin blamed our economic problems on past Democratic policies rather than on President Reagan.

II. The Economy

A. Prognosis. We have to realistically assess the state of the economy and the prospects for the next few years. The fact is that the groundwork has been laid for a stable and lasting recovery, without renewed inflation. It is absolutely crucial that we proceed with care at this point, and not throw away the gains already made.

No one should doubt that we are making progress. In March the index of leading economic indicators jumped 1.5 percent--the seventh straight such increase, and the 10th increase out of the last 11 months. In addition, industrial output rose 1.1 percent in March, and economists agree we are in a broad based recovery.

1. Inflation was cut to 3.9 percent in 1982, from 12.4 percent in 1980. This is the lowest inflation rate since 1972. And the trend is continuing: consumer prices rose less in the first quarter of 1983 than in any quarter since 1965.

2. Interest rates are down and still falling. The prime rate is down to 10 1/2 percent, way down from the 21 percent that prevailed when President Reagan took office. Home mortgage rates are down 3 points since last year. Long-term rates for business loans are off 3 to 4 points from a year ago.

3. Government spending growth rate is down to 11.2 percent this year from 17.4 percent in 1980. The 1983 budget resolution projects the growth rate of government to fall to 7.5 percent by 1985.

4. Lower taxes with major improvements in tax equity will help buoy the recovery, both on the consumer side and on the investment side. The combined effect of the 1981 and 1982 tax bills has been to lower individual taxes over 3 years by $344 billion, as well as improve compliance and tax fairness. Lower individual rates boost personal income and restore incentive, while favorable capital cost recovery rules should spur investment.

5. In January, industrial production was up 0.9 percent; housing starts were up 36 percent; the stock market is up 450+ points over last August. These are tangible evidence of recovery. Consumer confidence is rising and auto sales were up in the first 10 days in April.

B. Unemployment. The January drop in unemployment to 10.4 percent was followed by a further decline to 10.3 percent in March. That is major good news, and the decline has not been reversed, although there may be a few "blips" upward. Unemployment, of course, remains the major negative in the economic picture. High unemployment has to come down and stay down without inflationary stimulus--that is what we have failed to do in the past.

o Clearly there is a bipartisan consensus for more jobs. But resuming the inflationary policies of the past will not create lasting jobs, just an illusion of prosperity that leaves us worse off the next time we try to get "off the wagon."

o That means the most important thing we must do is judge carefully the degree of stimulus the economy can and should take, consistent with a firm anti-inflation policy. The Federal Reserve will play a key role, and has already shown a willingness to adjust its short-term goals based on an assessment of the weakness of the economy. We will not allow the recession to continue, but we will not reinflate the economy, either.

o While the main emphasis must remain on the long-term goals of growth with low inflation, there are steps we can take in the short term to deal with the plight of the unemployed. Many things have already been done:

- A new Federal supplemental unemployment compensation program was passed with the 1982 tax bill, providing additional unemployment benefits to about 2 million workers in 38 States. The House and Senate have agreed to extend this program through September 30.

- The President signed into law the new Job Training Partnership Act, which emphasizes training for permanent employment rather than make-work jobs. New initiatives outlined by the President focus on the long-term unemployed, youth, and on training or relocating displaced workers who lost jobs due to plant closures or force reductions.

- The targeted jobs tax credit, which was extended for 2 years by the 1982 tax bill, gives employers a real incentive to hire the disadvantaged--about 600,000 workers are certified under the program.

- The administration's enterprise zone legislation, reported last fall by the Finance Committee, can provide us with an experiment in private-sector job creation in depressed areas, through a combination of Federal tax incentives and State and local efforts to target an area for development with regulatory and tax relief, neighborhood participation, and capital and other improvements. Hearings were held in the Finance Committee April 22.

- The 5¢ per gallon gax tax increase can create over 300,000 jobs by funding much needed repairs and construction of the Federal highway system.

C. <u>The Deficit and Interest Rates</u>.

1. All our economic difficulties are, of course, related--high interest rates and slow growth boost the deficit, and higher deficits create greater uncertainty in the business community as to our future course; will there be more inflation, or less credit available for business expansion?

2. Because of this, it makes sense first of all to chart a path that is most likely to bring stable growth without inflation. Higher growth boosts revenues and cuts unemployment costs, thereby reducing the deficit as well: already, upward

revisions of growth estimates are being made in light of the economic indicators.

3. In the short term, as the President urges, it makes sense to continue to review every part of the Federal budget in an effort to bring the deficit down. This means both defense and entitlements must be under scrutiny to maximize the efficiency of every dollar spent. A balanced deficit reduction program is still our goal.

4. Continued efforts to restrain the deficit by controlling Federal spending will give the Federal Reserve a bit more room to accommodate the potential for real growth that exists in the economy without inflationary pump-priming. But restraint in both fiscal and monetary policy is crucial if we want to maintain long-term confidence in the economic program. That means long-range goals must be carefully reconciled with efforts to respond to particular weaknesses in the economy. Radical attempts to reverse course would be self-defeating and must be resisted.

III. The Budget: The House and the President

A. We all know that developing a credible, deficit-reducing budget for 1984 and beyond is going to take a lot of hard work and give and take on all sides, Democrat and Republican, liberal and conservative. The President has made his proposal, and the House has adopted a radically different alternative. We are likely to end up with something in between, but we ought to consider for a moment who is closer to the mark in terms of the vital needs of our economy and in terms of national priorities.

B. House resolution. The House-passed budget resolution, engineered by the Democratic leadership, simply is not a credible plan for meeting our priorities and achieving sustained economic growth. The House recommends a $30 billion tax increase in FY 1984 alone. Unfortunately, the Senate Budget Committee has ratified that decision, subject to modification on the floor. That is not only an unreasonable increase in the tax burden as we come out of a recession, it can only mean modification or repeal the third year of the tax cut for the working people. Why run the risk of aborting recovery? Reneging on promises is no way to run the government, and that proposal must be rejected. Even the members of the House Ways and Means committee have expressed strong doubts that any more than $8 billion in revenue can or should be raised in 1984.

C. Defense spending. The President has recommended a 10 percent real increase in defense spending, and the House recommends a mere 4 percent increase: 2.3 percent compared with the President, if you factor out the military pay increase. We all know that defense, like every area of the budget, will have to assume a fair share of the burden of deficit reduction. But surely we ought to take more seriously the President's concern about our national strength vis-a-vis the Soviet Union. We can and probably will have to modify the President's defense request, and the President will have to deal with both the Senate and the House leadership if we are to get agreement. We do have to get more out of each defense dollar spent. But the House-proposed increase is not wise, reasonable, or in the national interest. The Senate Budget Committee has voted for a 5 percent increase exclusive of pay, which is at least closer to the mark.

D. Domestic spending. There is widespread agreement that we cannot let the burden of deficit reduction continue to fall on benefits for lower-income Americans. But that does not mean domestic spending is untouchable--it can and must be reduced, something the Democratic budget fails to acknowledge. The House resolution provides $25 billion more for nonmilitary spending than does the President's budget. $6 billion of that difference is in the health area: and certainly we have reached the point where we should acknowledge that Federal health program costs are not under control, and that changes to control costs are very much in order. The American people do want to share the cost of reducing the deficit in a fair way. But they do not want national security risked, or the tax burden on individuals raised to an unconscionable degree, just because some members of Congress do not want to reexamine programs that may have outlived their usefullness or have become grossly inefficient. Instead, let us work together, and with the President, to reach a bipartisan agreement like that worked out on social security.

IV. The Budget: Tax Issues

A. There are lots of ways to raise revenue, but our job is to choose ways that are fair and consistent with good tax policy. We should resist the temptation to undo the progress that has been made in providing greater incentives for savings, work, and investment: those incentives will become more important as recovery proceeds. There are many base-broadening measures still to be considered that would improve the equity and efficiency of the tax code.

B. Indexing. The House budget assumes repeal of the tax indexing provision of the 1981 tax act, which takes effect in 1985. We all know that we have to compromise to get things done, but this is one area that we ought to leave alone if we are interested in sound tax policy and honesty in government. We can raise revenues--but why resort once again to back-door revenue increases generated by inflation? Tampering with indexing further risks sending a signal that we are prepared to reinflate the economy and generate revenues through bracket creep to deal with the deficit. That would mean undoing all the progress we have made over the past two years, and it would be a tremendous mistake.

C. Outyear tax increases. The President's budget recommends a contingency tax to raise $46 billion in FY 1986, consisting of a 5 percent surcharge and an oil tax, to be triggered if the deficit remains too high despite adoption of major spending cuts. It is not clear why we would need to use a "trigger" device to raise taxes based on deficit levels. It seems unlikely that a "trigger" mechanism would create the kind of reassurance on the deficit that the country is looking for.

If growth and revenues turn out better than now projected, we can always reduce taxes to the extent that becomes fiscally desirable. One possibility is to enact some additional base-broadening measures--improvements in equity and eliminating tax provisions that are economically inefficient--then provide for further rate reductions if the deficit is brought under control more rapidly than is now expected. This would maintain the momentum for a lower-rate, broader-based tax system that has been built over the last two years. It is also consistent with the administration's consideration of a streamlined and simplified tax structure with lower rates.

V. Tax Issues of Continuing Concern

A number of issues that have been around for some time may receive attention from the 98th Congress.

1. 6-month holding period. Efforts to reduce the capital gains holding period to 6 months will continue. There is very strong support for this change, because it can give a boost to capital markets at a time when greater savings and investment is vitally important to sustained economic recovery. This change was approved by the House in 1981 and by the Senate on three separate occasions in 1982, so it is time to get it enacted into law.

2. Tuition Tax Credits. Although the Finance Committee fashioned a compromise tuition tax credit proposal last year after extensive consideration, the bill received no further action last year. But the Committee's efforts could form the basis for legislation in the 98th Congress. Legislation, S. 528, was introduced February 17.

3. Enterprise Zones. The Finance Committee reported out a modified version of the administration's enterprise zone proposal last September, but no further action was taken. New legislation has been sent up by the President, and the proposal is likely to come up again in connection with discussion of job-creation and economic development proposals, and possibly could be acted on with further refinements. A major question is

whether the House will take an interest in the idea, which they did not in the 97th Congress.

4. DISC. While no specific DISC proposal was made in the 97th Congress, the issue was extensively discussed--particularly the question of legality under the GATT. The Administration has committed itself to bringing the DISC into conformity with the GATT and will submit legislation to do so shortly.

VI. Social Security

A. The National Commission developed a bipartisan package that deserves support. It is not perfect, and everyone had to swallow hard on some items: that is the cost of reaching agreement.

B. The work of the Commission made clear that we had to confront the crisis in social security. The Commission agreed that $150-$200 billion is needed between 1983 and 1989 to ensure the solvency of the system through 1990. This means providing about a 15 percent reserve ratio by 1990 under the pessimistic--some would say realistic--assumptions.

C. The bipartisan package, includes a 6-month delay in cost-of-living adjustments, partial acceleration of scheduled payroll tax increases, coverage of new Federal workers and non-profit organizations, and partial taxation of benefits for higher-income beneficiaries.

D. We cannot forget that the payroll tax burden is already heavy and scheduled to increase, and the confidence of young people is critically low. The long-term deficit can be reduced considerably by very gradually slowing the growth of the system as people come on to the rolls in the future. The bill raises the retirement age to 67, again very gradually, for people retiring some 20 or 30 years from now. Ample time is available for people to adjust their savings and retirement decisions.

VII. Trade

A. Trade deficit is too large. The size of our trade deficit (which is now projected at $75 billion in merchandise trade and $30 billion in current account) alone means Congress will continue to look hard for ways to reform our trade policy. The system of multilateral arrangements has been called into serious question as many believe it fails to meet our needs. Many voters and members of Congress will want to see us approach more of our trade problems on a bilateral basis. The average American simply does not understand why Japanese cars and TV's sell well here but American cigarettes, beef, baseball bats, and cosmetics cannot be sold in Japan. Remedies for this type of situation are certain to be a major focus of attention in this Congress.

B. Export issues. Unfortunately, the GATT ministerial failed to make progress on the question of foreign subsidies for agricultural exports. This will continue if pressure from Congress to resolve this situation through negotiation or for other export promotion actions like the recent wheat flour sale to Egypt. S. 822, recently passed by the Agricultural Committee, would establish several export promotion activities.

I support efforts to equalize the rules under which trade is conducted. This does not mean trade war, but does mean seeking to expand East-West trade, developing a viable substitute for DISC, utilizing Ex-Im Bank resources more adeptly, and enacting the trade reciprocity bill that the Senate approved April 21. Fair access to markets must be a two-way street, and Congress will be under considerable pressure to see that that is so.

C. Import issues. As you know, the House passed "local content" legislation at the end of the last Congress. That is a drastic proposal and likely to be counterproductive in the long run if our goal is to increase access to markets and to gain maximum benefit from the mutual advantages of international trade. There may be other areas, however, where we might make adjustments: in considering extension of the Generalized System of Preferences, there may be an interest on the part of some members of the Finance Committee to seek some reciprocal benefits from the major GSP beneficiaries. There appears to be substantial support for the trade provisions of the President's Carribean Basin Initiative, however, as those countries offer U.S. exporters a potentially strong market. It may be difficult to renew the President's general authority to negotiate tariff reductions on a limited basis. It is a good sign that the Japanese have agreed to continue voluntarily to restrain their automobile imports to this market for a third year until the domestic industry has had an adequate time to get back on its feet.

D. Clearly the heat is on when it comes to seeing that American producers get fair treatment under our system of international trade. If we choose our battles carefully to secure an appropriate response from our trading partners, we have an opportunity to making trade freer and fairer, to the advantage of everyone. But we must avoid the two extremes of allowing the world to think only the U.S. will play by the rules of free trade, regardless of disadvantage to our citizens; or, on the other hand, taking extreme unilateral actions that may look good politically but that, in the long run, will provoke severe reaction and deprive us of market opportunities. We need just the right amount of leverage to open more doors, not have them slammed in our face.

VI. Conclusion

The months and years ahead must not be dominated by rigid ideologies on either side--but neither can the President or the Republican leadership be expected to cast aside the principles of Government the American people so soundly endorsed in 1980. Those principles--a more restrained Government, a freer economy, greater accountability to the American people--are as valid today as they ever were, and there is no indication that the people have changed their commitment to these same principles. Guided by these principles, we will try to work together to build on the sound foundation for recovery that has already been laid.

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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, D.C. 20510

May 6, 1983

TO: Senator Dole

FROM: George Pieler

SUBJECT: National Oil Jobbers Council speech

Attached is an outline of remarks for your talk to the National Oil Jobbers Council on Sunday and talking points on additional issues raised by the council: the highway tax bill, windfall profit tax, oil decontrol, and oil or energy tax.

Attachments

Extension of Time for Payment of Fuel Excise Taxes

- Some 7,000 oil jobbers collect and remit Federal fuels excise taxes, and will benefit significantly from the extended remittance schedule authorized under the Highway Revenue Act of 1982.

- Under IRS regulations, certain oil jobbers can be certified as manufacturers for purposes of collecting the manufacturer's excise tax on gasoline fuels.

- The House Conferees on the Surface Transportation Assistance Act of 1982 accepted a Finance Committee Amendment with modifications extending the time for payment of the gasoline tax by oil jobbers if payment is made by electronic transfer. The Act provides an additional 5 days, for a total of 14 days, after the close of the semimonthly period for payment of the gasoline tax.

Heavy Vehicle Use Tax

- Since the enactment of the Surface Transportation Assistance Act, several bills have been introduced to reduce the heavy vehicle use tax and increase the tax on diesel fuel.

- In order to fully access the arguments against the heavy vehicle use tax, I have requested GAO to study the economic impact of the increased fees on the trucking industry. In addition, DOT is studying alternative user fees for the trucking industry.

Windfall Profit Tax North Slope Oil

- I know that oil jobbers are concerned that Alaskan oil producers may be manipulating the wellhead price of Prudhoe Bay Oil for Windfall Profit Tax purposes in order to secure a competitive advantage in the domestic product market. Congress also has legitimate interest in this matter because we may be losing millions of dollars of Windfall Profit Tax revenues.

- My staff and the Joint Committee on Taxation are currently studying the transfer price methods of all three major Alaskan producers. We have also contacted the Treasury Department to urge them to look into the matter, which they are doing.

- At the present time, the Alaskan problem is one that should be addressed by vigorous IRS enforcement. The Treasury has assured us that there is adequate statutory authority for the IRS to crack down on any understatement of the proper wellhead price for Prudhoe Bay Oil. If it turns out that additional legislative authority is needed by the IRS to effectively police this problem, we would certainly be willing to consider it promptly.

Oil Decontrol

● Full decontrol of oil and gasoline unquestionably changed the balance of market forces in the energy industry. That was inevitable, because the highly complex system of price controls was frankly designed to manipulate the market. Congress will certainly give consideration to any charge that major companies are using their market power to the disadvantage of oil jobbers or unfairly manipulating the market.

● At the same time, no one should doubt that decontrol is a fact--and that Congress will be reluctant to open up the question of extensive intervention into oil pricing and marketing behavior. In other words, the burden of proof will be on advocates of intervention.

Oil Import Fee--Energy Tax

• One revenue option that is still frequently discussed as a means of reducing budget deficits is a fixed per-barrel or 'floating' fee on oil imports. For example, a $5/barrel fee on oil imports could raise some $10 billion per year. A $2 per barrel fee could raise some $4 billion per year. If domestic petroleum was also included, those revenue estimates could be roughly doubled over the next few years.

• Another way of structuring an import fee might be to fix the domestic price per barrel (subject to minimum and maximum amounts) and impose a tax in the amount of the set price and the price per barrel of imports. This would create some uncertainty as to the amount of revenue to be generated, but by establishing a level price could increase certainty for business planning and conservation efforts.

• Clearly there is no consensus in Congress on the issue of an oil import fee or other oil tax, and any proposal that might have one-sided adverse effects on a particular industry would receive very careful scrutiny before anything is done. But it is equally clear that there is a lot of interest in an import fee, because the issue is raised again and again. The most attractive argument for a fee, aside from the need for revenues, is the opportunity to perhaps accelerate the breakup of OPEC, or at least cut back its influence to a significant degree. At a time when OPEC nations are increasingly at odds with each other, and OPEC prices are undermined to a significant degree in the market, it may be a rare opportunity to seize the advantage on the energy supply issue. No one can predict where OPEC or oil prices will be in the years ahead, but there is a good case for increasing the leverage the U.S. has on that whole situation. If an import fee could do that, it is worth considering.

• Other energy-type taxes proposed include an increase in the gasoline tax or an across-the-board energy tax based on units of energy produced (e.g. a BTU tax). Congress just raised the gasoline tax by 5¢ per gallon late in the last session, and it may be reluctant to reopen that issue. An across-the-board energy tax has the theoretical advantage of being neutral with regard to different energy sources, but in practice it may be difficult to structure a truly neutral tax. In addition, it may be unwise to open up a comprehensive new revenue source: Congress might find it too attractive to pump up the tax in the future.

• All in all, while several types of energy taxes have attractive features, it still makes sense to put first priority on improving the tax code, tax compliance, and closing loopholes if we need to raise revenues: there is plenty of work yet to be done.

NOTES for possible inclusion into speech by Honorable Robert Dole before the National Oil Jobbers Council (NOJC) Convention in New York City 5/8/83.

ISSUES SHEET

- the recent passage of the Highway Revenue Act of 1982 included a 5-day extension of the excise tax remittance schedule for gasoline tax remittors. NOJC considered this a great victory. Some 7,000 oil jobbers collect and remit federal fuels excise taxes. NOJC is appreciative of the efforts of Senators Dole and Bentsen for their cooperation on this issue during Senate Finance Committee deliberations last December.

- since the decontrol of oil and gasoline (January 28, 1981), oil jobbers have suffered very slim margins in the marketing of petroleum products. Major oil companies have made many corporate decisions which adversely affected independent marketers, such as withdrawals from rural marketing areas, changes in credit and jobber payment terms, raising prices to jobbers while keeping prices lower to refiner owned and operated gasoline outlets. Oil jobbers are now considering amendments to the Petroleum Marketing Practices Act which would mandate that refiners treat their independent jobber customers on a more equitable footing, equal to their own refiner company operations.

- oil jobbers are also in favor of changing some of the provisions of the Windfall Profits Tax which would disallow certain refiners from taking advantage of tax loopholes and using these savings to subsidize refiner company operations which compete with jobbers. NOJC feels that changes in the tax treatment of Alaskan North Slope oil would: (1) enhance retail gasoline competition (by eliminating unfair tax loopholes) and (2) raise additional revenues for the federal treasury. One way which NOJC feels would help eliminate this unfair situation is to allow sales of ANS crude oil to foreign countries, which would establish a true wellhead price for ANS oil and Windfall Profits Tax calculations.

- oil jobbers also wish to change certain provisions in the Truth-in-Lending/Cash Discount Act which would allow for the cost of consumer credit to be passed through to the customer using credit cards. Now jobbers must absorb portions of the cost of credit card usage which are passed down to them by refiners in the form of surcharges. NOJC wishes to gain an exception for oil companies' credit cards which would allow refiners to assess this surcharge on monthly billings to consumers directly, eliminating the need for small business jobbers to "eat" the cost of credit card receipt processing.

- oil jobbers are strongly opposed to any new or increased tax on petroleum, crude oil or product. This opposition includes proposals to impose an oil import fee, a Btu tax or any type of oil consumption tax. NOJC feels that fiscal restraint and closing of current tax loopholes (like Alaskan crude oil) are ways to reduce the federal deficit, not by overtaxing oil and oil products.

-- Mike Scanlon 331-1198

NOTES for possible inclusion into speech by Honorable Robert Dole before the National Oil Jobbers Council (NOJC) Convention in New York City 5/8/83.

DATA SHEET

- definition of term "oil jobber" -- an oil jobber is an independent small business distributor of petroleum products such as motor gasoline, diesel, heating fuels and other oil products and tires, batteries and accessories.

- there are three (3) types of oil jobbers: (A) gasoline jobbers, (B) heating fuel dealers, and (C) gasoline chain retail marketers. Each operates in a different way: the gasoline oil jobber is both a wholesaler (selling to retail dealers) and a retailer (owns/operates his own retail stations) of motor gasolines and diesel fuel. The heating fuel dealer mainly retails heating oils to residential, commercial and industrial customers. The gasoline chain retail marketer owns and operates a string of stations selling gasoline and diesel fuel, but usually does not wholesale product to dealers.

- there are approximately 15,160 oil jobbers operating in the U.S. NOJC represents some 75 percent of the universe of jobbers or some 11,400 marketing companies.

- roughly one-half of the motor gasoline sold in the U.S. is marketed by jobbers; about 85 percent of the heating oil used in homes and residences is marketed by oil jobbers.

- jobbers own/operate some 20,000 retail gasoline outlets and supply another 75,000 with petroleum products.

- jobbers sell product as franchisees of major oil companies using the refiner's brand name and they also sell some product on an unbranded basis, using their own trade name.

- some 95 percent of oil jobbers are currently classified by the S.B.A. as small businesses and therefore eligible for S.B.A. programs.

- oil jobbers market approximately 90 percent of all fuels consumed in the rural/agricultural areas of the U.S.

- oil jobbers also own and operate their own fleets of trucks in distributing product to their customers.

-- Mike Scanlon 331-1198

nojc National Oil Jobbers Council
1707 H Street, N.W., 11th Floor
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April 18, 1983

Mr. Roderick A. DeArment
Deputy Chief Counsel
U.S. Senate Committee on Finance
2227 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Rod:

Chairman Dole has graciously accepted NOJC's invitation to keynote our Spring Convention in New York City on May 8, 1983. Chairman Dole's speech will take place about 2:45 p.m. on Sunday, May 8th, at the Waldorf-Astoria.

I would also like to extend to you an invitation to join us at our Spring Convention on that same date. It would be our hope that you would speak to our Legislative Committee Meeting between 4:00 p.m. - 5:30 p.m. on May 8th, then join us for our "Welcome to New York" cocktail party and a private dinner party for Chairman Dole that evening.

Janet Newport of our staff shall be contacting you in the near future to learn of your decision.

Also enclosed are some notes I thought might be appropriate for possible inclusion in the Chairman's remarks or background briefing.

I hope that you will be able to attend. NOJC shall be pleased to secure hotel accommodations for you on May 8th and reimburse you for your travel expenses.

Best regards,

Mike

Michael T. Scanlon, Jr.
Vice President - Policy

MTS/mag

Enclosures

cc: Janet Newport

nojc National Oil Jobbers Council
1707 H Street, N.W., 11th Floor
Washington, D. C. 20006 202/331-1198

APR 20 REC'D

April 19, 1983

Dear :

U.S. Senator Robert J. Dole, Chairman of the Senate Finance Committee, has graciously accepted our invitation to keynote NOJC's Spring Convention to be held in New York City during May.

In conjunction with Chairman Dole's appearance in New York on May 8th, I am hosting a small dinner party in his honor that evening on behalf of Campaign America (the political action committee chaired by Mr. Dole).

I extend to you an invitation to join us for dinner and conversation with Senator Dole at the Waldorf-Astoria Hotel at 7:30 P.M. on Sunday evening, May 8, 1983. I believe that such an intimate gathering provides an unusual opportunity for leaders in the petroleum and financial communities to meet the Finance Committee Chairman and to discuss, on a personal basis, issues of importance to us all. I trust that you, or a person you might designate, will be able to attend.

FOR EFFECT!

In order to assure a lively exchange, I am limiting the number of attendees to about twenty persons.

Since Campaign America exists to provide political funding to worthy Republican candidates for federal office, I would ask that either a contribution or firm pledge of $1,000 per person accompany your reservation for this dinner. The contribution may be made personally by check or via a corporate political action committee donation.

I realize that time is short; however, just having confirmed the Chairman's schedule, I would ask that you contact me directly in order to reserve a place at the table May 8th. Responses will be handled on a first-come basis.

Considering Chairman Dole's heavy Washington schedule and the important tax work which faces his committee this session, I feel strongly that this affair will be a unique chance to meet with him face to face and to engage in some candid give and take. I hope to hear from you soon.

Sincerely,

Michael T. Scanlon, Jr.
Vice President - Policy

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