



THE UNITED STATES HISPANIC CHAMBER OF COMMERCE

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Vice President
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Louis Rosally
New York

Bob Leith
Puerto Rico

The Honorable Robert Dole
Kansas City Area Office
636 Minnesota Avenue
Kansas City, KS 66101

Dear Senator Dole:

As per our conversation at the reception that we attended at the Victory Hills Country Club on April 4, 1986, I would like on behalf of the National Board of Directors, to extend this cordial invitation to be our honored guest and featured speaker at the noon luncheon, scheduled in Washington, D.C. on April 11, 1986, at the Sheraton Grand on Capitol Hill.

The USHCC 1986 Hispanic Business Conference Series will provide Hispanic businessmen and women from across the country a forum for voicing their opinions on the issues affecting them. It will also provide them an opportunity to exchange ideas with government and corporate representatives on networking and procurement opportunities in an environment conducive to success and progress.

Should you need additional information, please feel free to contact Teresa C. Pacheco, Membership Services Manager at the Sheraton Grand Hotel, (202) 628-2100 after Tuesday, April 8, 1986.

Again, thank you for accepting our invitation.

Sincerely,

Hector Barreto

Hector Barreto
President

HB/az
Enclosures

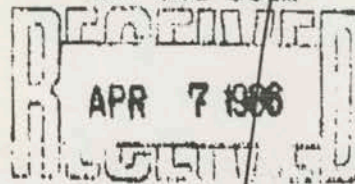
marcos Rincon

*11:15 Press Conf.
on tax issues
Barreto & Domenech*

Hector Barreto
President

marcos Rincon

SEN. BOB DOLE



KANSAS CITY OFFICE

April 7, 1986

Marcoa Rincon
Executive Director

may be after Domenech for 5 & 10 min

copy to Emilio
Senate
you have a mtg. w/ The Times at 12:15 Fri
Speak

Betty Meyer
2 Pages

April 11 Fri

11:00 Speak

UNITED STATES HISPANIC CHAMBER OF COMMERCE
NATIONAL BUSINESS CONFERENCE

"Hispanic Business: Helping Build America."

THE SHERATON GRAND - WASHINGTON, DC -
APRIL 11, 1986

Ballroom

PROGRAM

8:00 A.M. - 9:00 A.M. (Foyer)	Registration, Coffee, Danish
8:00 A.M. - 5:00 P.M. (Foyer)	Exhibits
9:00 A.M. - 11:00 A.M. (Grand Ballroom)	Opening Session Master of Ceremonies: Mr. James H. Richardson Gonzales, Director Minority Business Development Agency U.S. Department of Commerce Welcoming Remarks: Mr. Thomas Downs, City Administrator and Deputy Mayor for Operations Washington, DC Mr. Hector Barreto, President U.S. Hispanic Chamber of Commerce Honorable Esteban E. Torres U.S. House of Representatives - California Congressional Hispanic Caucus Ms. Catherine S. Hiler Acting Executive Director White House Conference on Small Business Mr. Roberto Rodriguez, President Southwest Capital Markets, Inc. San Antonio, Texas Honorable Pete V. Domenici U.S. Senate - New Mexico
11:00 A.M. - 12:00 P.M. NOON - 1:30 P.M. (Grand Ballroom)	Exhibits LUNCHEON Guest Speakers: Mr. Wilfredo J. Gonzalez Assistant Administrator for Minority Small Business and Capital Ownership Development Small Business Administration Mr. Jesse Aguirre, Vice President Corporate Relations, Anheuser-Busch, Inc. (Luncheon sponsored by Anheuser-Busch, Inc.) Special Recognition Presentations
2:00 P.M. - 5:00 P.M. (Foyer)	Exhibits

April 10, 1986

TO: THE MAJORITY LEADER
FROM: SHEILA BAIR/GEORGE PIELER
SUBJECT: TALKING POINTS FOR HISPANIC CHAMBER OF COMMERCE

Attached are remarks for your 11:00 a.m. speech before the Hispanic Chamber of Commerce's 1986 Business Conference which is being held in the grand ballroom of the Sheraton Grand. You will be following Senator Domenici. About 200 people will be present. James Richardson-Gonzales, head of the Department of Commerce's Minority Business Development Agency, will be the Master of Ceremonies.

At 11:15, Hector Barretto and Sen. Domenici will be holding a press conference in the Sagamore Hill East Room which you are invited to attend. At the press conference, Hector will be unveiling the Chamber's analysis of Packwood's tax proposal and announcing a series of 9 hearings they will be holding throughout the country on the plan.

The attached remarks are based on suggestions made by Hector and his staff.

Talking Points
United States Hispanic Chamber of Commerce
April 11, 1986

-Thank you. It is a pleasure to address this year's Hispanic Business Conference. My friend Hector Barretto tells me that the Hispanic business community is growing at a rate which is 5% faster than that for the overall business sector. In 1972, there were 120,000 Hispanic firms with net receipts of \$4 billion. By 1984, there were 363,000 firms with net receipts of \$18 billion, and by 1987, it is projected there will be over 600,000 Hispanic businesses with net receipts of \$25 billion. Clearly, Hispanic entrepreneurs are becoming an integral part of the American economy and an important source of goods, services and jobs.

-There has also been dramatic growth in the Hispanic community's participation in the political process. Indeed, there are currently over 3,000 Hispanics holding elected office today. Moreover, as the community's political participation has increased, so has its support for the Republican Party. In 1984, President Reagan commanded over 1/3 of votes cast by Hispanic Americans, and I hope that by 1988, we can increase that proportion to one-half.

-For that to happen, the Republican Party can't take its Hispanic constituency for granted, and nowhere is that constituency stronger than in the business community. My Party has to continue to emphasize our common bonds -- a strong belief in traditional values, hard work, and free enterprise.

The Small Business Administration

-At the same time, we need to continue to demonstrate sensitivity to the fact that discrimination still exists in the marketplace and that the Federal government has an obligation to help ensure equal opportunities for minority entrepreneurs.

-An agency like the Small Business Administration was established with that goal in mind, and though the SBA has had its share of problems over the years, it has given thousands of minority entrepreneurs a chance to start or expand their own business, which otherwise they would not have had.

-I know that continuing the SBA as an effective source of help and support for small business is among this group's priorities. Let me assure you that a strong consensus still exists in Congress for keeping the agency alive.

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-I share your concerns about the recent firing without notice of six SBA regional administrators, two of whom were Hispanic Republicans. You may be interested to know that through the efforts of my office, all these administrators have been given several weeks additional time on the payroll to find other jobs. I also believe it will be very important for the Administration to seek out Hispanics and other minorities to fill the vacancies -- people who are committed to the agency and the fulfillment of its statutory mandate.

Tax Reform

-Another issue I know is very much on your minds is the impact of Senator Packwood's tax reform proposal on small business.

-The Packwood proposal on tax reform allows small business to expense up to \$50,000 in new investment each year (so long as total investment for the year is \$200,000 or less). This has been reduced by the Finance Committee to \$40,000 in adopting the Roth depreciation package. The limit under the House bill is \$10,000.

-The Packwood proposal also allows a deduction for interest on "small business participating debentures." These debentures could be issued by any active, domestic, corporate business with paid-in capital of \$1 million or less. Unincorporated businesses can qualify if they meet similar requirements.

-The proposal retains the House provision allowing use of a simplified dollar value LIFO method of accounting for businesses with average annual gross receipts of \$5 million or less.

-The proposal also reduces tax rates significantly more than the House bill; a top rate of 35 percent as opposed to 38%.

Conclusion

-I have only had the time to touch upon two issues of common interest. I hope at some point I can come back and talk to you again about other issues of mutual concern.

-I congratulate you on the growing strength of the Hispanic community in both the business and political arena. I hope we can strengthen our ties and continue our dialogue.

PACKWOOD PROPOSAL AND SMALL BUSINESS

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TO: SENATOR DOLE

4/10/86

FR: WALT

RE: WASHINGTON TIMES EDITORIAL BOARD LUNCHEON

Friday, April 11, 12:15 - 2 p.m.

3600 New York Avenue, N.E.

12:15 - 12:30 p.m.

Brief meeting with Arnaud de
Borchgrave in his office; Larry
Witham will meet us in the lobby

12:30 - 2 p.m.

On the record luncheon

Following is the attendance list for the luncheon:

Arnaud de Borchgrave (pronounced Ar-no)

Woody West, Executive Editor

Ken Grubbs, Deputy Editor, Editorial Pages

Josette Shiner, Deputy Managing Editor

Ted Agres, Assistant Managing Editor

Mary Lou Forbes, Assistant Editor, Commentary

Marc Lerner, National Editor

Tom Brandt, Capitol Hill reporter

From Insight Magazine:

Ron Godwin, Vice President (former Executive Director of the
Moral Majority)

John Podhoretz, Executive Editor

Tod Lindberg, Senior Editor

Don McLeod, Senior Writer

TO: SENATOR DOLE 4/10/86
FR: WALT
RE: WASHINGTON TIMES EDITORIAL BOARD LUNCHEON
Friday, April 11, 12:15 - 2 p.m.
3600 New York Avenue, N.E.

The Washington Times Editorial Board luncheon is scheduled tomorrow, April 11. Larry Witham of the Times' will meet us in the lobby at 12:15 p.m., and take us to Arnaud de Borchgrave's office for a brief meeting beforehand. Lunch will take place from 12:30 - 2 p.m.

Following is the attendance list for the luncheon:

Arnaud de Borchgrave (pronounced Ar-nō)

Woody West, Executive Editor

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April 11, 1986

AMERICAN TEXTILE MANUFACTURERS INSTITUTE, INC.

- o The U.S. merchandise trade deficit for 1985 was \$148.5 billion. For 1986, it is running at an annualized rate of about \$174 billion, but the final total is forecast by the Commerce Department at about the 1985 level.
- o We have a number of problems facing American industries which have nothing to do with their underlying competitiveness.
- o The international competitiveness of traditional industries in the South (textiles, timber, steel, footwear, petrochemicals and agriculture) is dependent on many factors.

Value of the Dollar

- o The strong dollar has been among the major causes of our trade deficit; we in Congress long ago concluded that the Administration had to take a more active role in managing the exchange rate of the dollar, and I am pleased that Secretary Baker seems to have come to the same conclusion.
- o Since the meeting of the so-called G-5 nations in September, the dollar has fallen over 20% from its Spring 1985 peak.
- o The impact of this will not likely be seen in our trade balance until later this year, but an expansion of U.S. exports and easing of imports (in volume terms) is just beginning to become evident.
- o The fact that major debtor countries which were formerly significant U.S. export markets cannot afford to purchase U.S. exports continues to be a major obstacle to U.S. exports; the Administration has been slow to deal with this problem, and even now the "Baker plan" affords little prospect of improvement.
- o But traditional southern industries in particular face problems which transcend these macroeconomic factors.

- o All labor-intensive American industries, such as apparel and footwear, face the continuing challenge of low wage foreign producers; these industries can remain internationally competitive only by increasing their efficiency through labor-saving devices and otherwise.
- o Textiles, apparel and many other industries face a variety of unfair trade practices from subsidies to diversion; Congress has become more determined to force the Administration to aggressively combat these unfair practices.

Shift in Administration Policy

- o There has been a shift in Administration policy which I believe to be the result of the Congress voting in support of such legislation as the textile bill.
- o This shift is evident in their growing use of Section 301 of the Trade Act of 1974. Since September, cases have been self-initiated (or accelerated) against Japan (leather and tobacco); the EEC (canned fruit, meat and soybeans); Brazil (informatics); Korea (insurance and counterfeiting.); and Taiwan (investment restrictions).
- o With few exceptions, these cases are still pending and the jury is out on whether the Administration will be willing to retaliate against the countries involved if negotiated solutions fail.
- o In timber, the flood of Canadian imports which now accounts for over a third of the U.S. softwood market has been generated by Canadian government subsidies; in addition to generating specific retaliatory measures in Congress, frustration with the Administration and Canadian intransigence could well derail the Administration's effort to get the Finance Committee to approve a free trade area negotiation with Canada.

- o The problems we face in steel are partly of our own making, but there is no doubt that the world is awash in over-production of steel and we need to prevent our market from becoming the dumping ground for other countries' excess capacity. The President's steel program, which Congress mandated in 1984, has not been as effective as some had hoped, but it has prevented a surge of steel imports.
- o Although unfair trade practices may not account for all of the difficulty faced by these industries, a number of us think that the Administration has been too complacent in dealing with these practices.
- o It's pretty hard to stand up for "free trade" if we are the only ones practicing it; combating unfair trade practices is not protectionist; it gives American producers a chance to compete fairly. Above all, U.S. trade policy must acknowledge that there is a difference between protectionism and retaliation or enforcement.

Benefits of Free Trade

- o Let me underscore that I personally favor a world trading system with open markets, enabling each nation to benefit from its respective comparative advantage. Historically, free trade has spurred U.S. economic growth, and fair competition from abroad has encouraged our industries to be more efficient. As a Senator from an agricultural state, I appreciate the importance of world markets of U.S. farmers. In principle, I am in agreement with the President's position on trade. I join him in rejecting knee-jerk protectionism as a solution to our trade crisis.
- o But, the United States cannot be the world's only free trader any more than we can unilaterally disarm. In the past, the U.S. blinked at other countries' trade barriers even though our markets are among the most open in the world. In view of the current U.S. political and economic climate we can no longer afford this luxury.
- o I have never seen stronger Congressional sentiment for acting on the trade front. My colleagues, including strong advocates of free trade, are fed up with what they believe to be basic unfairness.

- o Trade already is and will continue to be a major political issue in the 1986 and 1988 elections. Many in Congress are already moving to gain early political advantage. Hundreds of trade bills have been introduced to date. The stakes are high-- maybe control of the Senate in 1986.
- o Members of Congress are being pressed by American businessmen and women, by farmers who cannot sell their products and by workers who have lost their jobs.
- o As Senator Thurmond has often reminded us, it is estimated that foreign competition resulted in the loss of at least 222,000 jobs in the U.S. last year.
- o Many of us reject protectionism and strive instead for a system of equal access to all markets; but the challenge if we hope to prevent a tide of real and perceived protectionist measures, is to devise other meaningful responses.
- o When a plant closes in a town, the workers are not interested in the fine points of the comparative advantage theory of free trade and how the cumbersome GATT system works. The workers, textile workers and others, want jobs and protection from unfair trade practices.

Textile Imports/Multifiber Arrangement (MFA)

- o The trade deficit for textiles and apparel in 1985 was \$17.9 billion. The deficit for January/February 1986 was up about \$500 million compared to the same period in 1985.
- o As you know, the response to this growing deficit was the Thurmond/Jenkins Bill which imposed tight quotas on textile and apparel imports. The bill passed the Senate by 60 to 39 (November 13) and the House by 255 to 161 (December 3). On December 17, 1985 the President vetoed that legislation.
- o I voted for this bill out of concern for the industries and accompanying jobs that are disappearing from our economy.

- o While I am prepared to accept the price of adjustment in an open world trading environment where other countries pay a similar price for open markets, I am not prepared to insist that our people bear the burdens of free trade alone.
- o Too many of our trading partners, many of them major producers of textile and apparel, are quick to exploit the benefits of our open market but slow to permit us to sell them those competitive products which we produce.
- o Many of you in this audience have urged that an attempt be made to override the President's veto early in August.
- o Such an effort makes sense to the extent that you are able to secure the votes to in fact override. In the absence of that assurance you may be better served by clarifying your position on the content of any extension of the MFA.
- o I, for example, have agreed to sign letter which lists a number of key objectives for the United States as they enter into negotiations on an extension of the MFA.
- o The second extension of the 1974 MFA expires July 31. The first negotiating session by the GATT Textile Committee on a third MFA extension began last week.
- o The stated U.S. position is one in favor of a four or five year extension that provides for "orderly growth and the ability to prevent destabilizing import increases." We also want to include other fibers including silk and ramie, a substance similar to flax.
- o It appears that the developing exporters have only reluctantly agreed to an MFA extension, but are insisting that the U.S. agree that there will be no further extensions when it expires.
- o The negotiation of a new MFA offers an important opportunity to address your concerns. The objective should clearly be to relate import growth from all source to domestic market growth. I believe this can be done through a forceful implementation of all provisions of a new MFA.

Congress, the Constitution and Trade Policy

- o As the problems with the trade deficit have grown, so has the consensus that Congress must reassert its broad constitutional authority over trade policy. Under Article I of the Constitution, the Congress is expressly vested with the power to regulate commerce with foreign nations and to set tariffs. The erosion of this authority had its origin early in this century and has continued over the years to the point that Congress has ceded to the Executive Branch the primary role not only in implementing these policies but also in setting our overall trade policies.
- o In reasserting its constitutional mandate, Congress could impose tighter constraints on executive negotiating authority by placing explicit limits on certain trade areas, thereby reducing the broad discretion the Executive Branch has in trade matters.
- o Whatever specific steps are decided upon, one thing is clear--Congress thinks that American trade policy is in shambles, and Congress seems prepared to pick up the pieces--if you can believe all the rhetoric.

Conclusion

- o The clock is ticking. Ticking for our trading partners throughout the world, who need to take some decisive action soon.
- o The clock is also ticking here at home. We must do something, quickly, on two fronts. We have to get our deficits, and our dollar, under control. And we must set up an effective mechanism to deal with trade issues on a comprehensive basis. If we ignore this problem any longer, we put at risk our own prosperity and our role as the engine of global economic progress.