

SENATOR:

Re: your speech to the U.S.-Arab Chamber of Commerce conference tomorrow:

You are expected at 1:15 pm -- they understand your schedule may slip. You will be met at the door of the meeting room. You will speak from a podium set up on the head table. About 120 are expected, seated at dining tables.

You will be introduced by Robert Conley, the Chairman of the Board of the Chamber. You are free to speak as long as you like. If you are willing to take a few questions at the end, they would welcome it; if not, fine -- totally up to you. At the conclusion of your address, a Saudi businessman and head of one of their major business associations, Abdallah Dabbagh, will respond to your remarks -- you are not expected to stay for that.

You are by far the most prominent speaker. The only other Administration official of any stature is an Ambassador Ferreter, who works on international energy issues.

They will make a video of the address, which will be available to us for our use.

NOTE: I SUGGEST YOU TAKE A QUICK LOOK AT THE SECTION ON ARMS SALES TO THE MIDDLE EAST (pp. 11 ) -- I'M QUITE SURE IT TRACKS WITH YOUR VIEWS, BUT YOU MAY WANT TO TONE IT DOWN SLIGHTLY.

AL

*Joyce*  
National  
U.S.-Arab  
Chamber  
of Commerce



1625 Eye Street, N.W.  
Suite 902-  
Washington, D.C. 20006  
U.S.A.

Telephone: (202) 331-8010  
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Answerback  
NATL US ARAB UQ

*100-120*

*amb  
Ferreter  
Intro Hall  
Energy*

*Senator,  
Want to do??  
Yes  
no*

*Speak*

*1:15 Speak*

*March 2  
Thurs  
noon*

*at Grand Hotel  
24th & M Sts*

*Oh  
can  
can  
down to  
Prayer  
2/28*

February 1, 1989

Honorable Robert Dole  
Senate Minority Leader  
United States Senate  
141 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Dole:

On behalf of the Board of Directors of the National U.S.-Arab Chamber of Commerce, I am inviting you to be the keynote speaker at a business conference on U.S.-Arab Trade and Energy Relations in the 1990s.

Conference delegates will include leading businessmen and representatives of Arab Chambers of Commerce from 16 different countries as well as government and business leaders from the United States. We would very much like to hear your remarks on what to expect from the Bush Administration and the 101st Congress regarding U.S.-Arab trade and energy relations.

The conference is scheduled for March 2nd in Washington, DC at the Grand Hotel, 24th and M Streets, NW. I am inviting you to address our luncheon scheduled for 12:30 - 2:00 PM. In addition, I am pleased to offer an honorarium of \$5,000 for your appearance as our keynote speaker.

Your immediate consideration of this request will make it possible for us to finalize the schedule for the conference. Please direct your response to J.R. AbiNader, the Chamber's President, in Washington, DC at 331-8010.

Thank you for your consideration.

Sincerely,

*Robert Conley*  
Robert F. Conley  
Chairman of the Board

/mw

*\$5,000 hon*

*National*  
U.S.-Arab  
Chamber  
of Commerce



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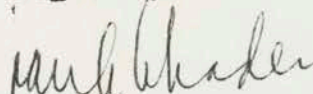
Ms. Betty Meyer  
Executive Assistant  
Senator Dole  
141 Hart Senate Office Building  
Washington, DC 20510

Dear Ms. Meyer:

Enclosed is the invitation for Senator Dole from Robert Conley, Chairman of the National U.S.-Arab Chamber of Commerce, per your conversation with George Salem.

Thank you in advance for your assistance in having our invitation considered by Senator Dole.

Regards,

  
J. R. AbiNader  
President

enclosure  
/mw

REMARKS OF SENATOR BOB DOLE  
NATIONAL U.S.-ARAB CHAMBER OF COMMERCE  
CONFERENCE  
MARCH 2, 1989

LADIES AND GENTLEMEN:

THANK YOU FOR INVITING ME. THIS IS THE JOHN<sup>W</sup>

\ TOWER FAN CLUB<sup>W</sup> MEETING, ISN'T IT?

RIGHT NOW, THE TOWER NOMINATION SEEMS LIKE  
THE ONLY THING ON THE MINDS OF MOST SENATORS. IT  
IS THE "SEASON" FOR CONFIRMATIONS. WE'VE GOT MOST  
OF THE CABINET IN PLACE, INCLUDING THE BEST



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SECRETARY OF LABOR WE'VE EVER HAD. NOW WE'LL BE  
MOVING ON TO THE IMPORTANT SUB-CABINET POSTS,  
HOPEFULLY AT A GREATLY INCREASED PACE OF ACTION.

IT'S HIGH TIME. THERE IS REAL BUSINESS TO DO --  
FOR THE CONGRESS, AND FOR THE ADMINISTRATION.  
THE ADMINISTRATION HAS TO GET ITS ACT TOGETHER,  
ACROSS-THE-BOARD; TO GRAB THE INITIATIVE ON ANY  
NUMBER OF ISSUES. IF THE ADMINISTRATION DOESN'T  
DO THAT, SOMEONE ELSE WILL. THAT'S THE WAY THINGS  
WORK AROUND THIS TOWN.



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I KNOW YOU WANT ME TO TALK ABOUT ENERGY AND  
TRADE QUESTIONS, AND I WILL. BUT I THINK IT IS  
IMPORTANT TO TAKE A QUICK LOOK FIRST AT A COUPLE  
OF BROADER QUESTIONS.

THE BUDGET DEFICIT

I START ALMOST EVERY IMPORTANT SPEECH I MAKE  
WITH SOME COMMENTS ON THE BUDGET DEFICIT. IT'S  
NOT BECAUSE MY SPEECH WRITERS CAN'T COME UP WITH  
A NEW OPENING. I DO IT BECAUSE THE BUDGET DEFICIT



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IS THE SINGLE MOST IMPORTANT PROBLEM THAT WE  
FACE IN THIS COUNTRY. TO BORROW A PHRASE FROM  
ANOTHER REGION OF THE WORLD, ON THE BUDGET  
DEFICIT, WE'RE JUST ABOUT OUT OF "MANANA'S." WE  
HAVE TO DO SOMETHING ABOUT IT, NOW.

PRESIDENT BUSH HAS EXTENDED THE HAND OF  
COOPERATION TO CONGRESS; AND HE DOESN'T HAVE  
ANYTHING UP HIS SLEEVE. HE WANTS TO WORK WITH US,  
TO GET THOSE DEFICITS DOWN.



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WE NOW HAVE THE BUSH BUDGET. CONCEPTUALLY,  
IT'S RIGHT ON THE BUTTON: IT SETS THE RIGHT  
PRIORITIES; AND IT REFLECTS SOME TOUGH DECISIONS  
THAT WERE MADE -- NOT DUCKED. DEFENSE SPENDING  
IS HELD TO INFLATION -- NO REAL GROWTH. MEDICARE,  
FEDERAL RETIREMENT, AGRICULTURAL SUBSIDIES, AND  
FEDERAL HEALTH BENEFITS -- ALL CUT. WITH THE  
ESTIMATED \$80 BILLION IN NEW REVENUES, IT WILL BE  
POSSIBLE TO MEET THE GRAMM-RUDMAN-HOLLINGS  
DEFICIT TARGET FOR 1990.





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AND WE DON'T HAVE TO READ LIPS ANYMORE; WE  
CAN JUST READ THE BUDGET -- WE CAN DO IT WITH "NO  
NEW TAXES."

WHY THE DEMOCRATS SHOULD COME TO THE TABLE

SO IT'S A GOOD STARTING POINT. NOW THE BALL IS  
IN THE COURT OF THE DEMOCRATIC LEADERSHIP OF THE  
CONGRESS -- JIM WRIGHT AND GEORGE MITCHELL AND  
THEIR BUDGET CHAIRMEN. I HOPE THEY ARE NOT  
TEMPTED TO SIT ON THE SIDELINES, AND CRITICIZE AND



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KIBITZ. THEY HAVE A RESPONSIBILITY TO DO MUCH MORE. THE PRESIDENT'S BUDGET IS ON THE TABLE. IT'S TIME FOR THE DEMOCRATS TO OFFER THEIR PROPOSALS. AND THEN IT IS UP TO ALL OF US TO SIT DOWN TOGETHER AND SEE IF WE CAN WORK SOMETHING OUT.

WE MUST GET STARTED QUICKLY. THE SENATE BUDGET COMMITTEE IS REQUIRED TO SUBMIT A BUDGET RESOLUTION BY APRIL 1. WITH AN INTERVENING EASTER



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RECESS, WE REALLY HAVE LESS THAN THREE WEEKS TO  
GET THAT JOB DONE. AND MORE PRESSING THAN  
LEGISLATIVE DEADLINES, WE ARE ALSO WORKING  
AGAINST THE TICKING CLOCK OF GROWING ECONOMIC  
UNCERTAINTIES. LAST WEEK, THE FEDERAL RESERVE  
RAISED THE DISCOUNT RATE FOR THE FIRST TIME SINCE  
THE SUMMER OF 1988; BANK INTEREST RATES WILL  
FOLLOW SUIT.



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THE PRESIDENT IS READY TO GO FULT-TILT ON  
BUDGET NEGOTIATIONS. I'M READY, AND I KNOW BOB  
MICHEL IS READY, TOO. IT'S TIME TO GET DOWN TO  
WORK.

SO THAT'S CHALLENGE NUMBER ONE.

PEACE IN THE PERSIAN GULF

WE ALSO HAVE SOME BIG CHALLENGES IN THE  
INTERNATIONAL ARENA, AND SO MANY OF THEM SIT  
RIGHT IN YOUR BACKYARD -- IN THE MIDDLE EAST AND  
PERSIAN GULF REGIONS.



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WE HAVE CRITICAL INTERESTS IN THAT REGION.  
INTERESTS OF SUCH MAGNITUDE THAT PRESIDENT  
REAGAN DECIDED IT WAS WORTH THE COST AND RISK OF  
A MAJOR AMERICAN NAVAL PRESENCE, TO INSURE  
CONTINUED FREE NAVIGATION IN THE GULF. IT WAS A  
WISE, EFFECTIVE USE OF AMERICAN POWER.

~~IN IMPORTANT PART~~ BECAUSE OF WHAT WE DID, WE  
NOW HAVE A SHAKY PEACE BETWEEN IRAN AND IRAQ,  
AND AN END TO THE "TANKER WAR." BECAUSE OF WHAT



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WE DID, AMERICA IS STRONGER IN THE REGION, AND --  
EQUALLY IMPORTANT -- WE ARE SEEN AS BEING  
STRONGER, AND MORE CREDIBLE.

WEAPONS SALES

WE CAN'T SQUANDER THIS OPPORTUNITY. WE MUST  
CONTINUE TO MAINTAIN COOPERATIVE SECURITY AND  
POLITICAL RELATIONSHIPS WITH OUR ALLIES AND  
FRIENDS IN THE REGION. LIKE IT OR NOT, IN THIS DAY  
AND AGE THAT INCLUDES HELPING OUR FRIENDS MEET



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THEIR LEGITIMATE DEFENSE NEEDS. I HAVE A HARD TIME  
FIGURING OUT HOW IT IS IN AMERICA'S INTEREST TO  
TURN OUR BACKS ON RESPONSIBLE FRIENDS WHO WANT,  
NOT A HAND-OUT, BUT TO SPEND HUNDREDS OF  
MILLIONS -- IN THE LONG RUN BILLIONS -- OF DOLLARS  
ON AMERICAN MILITARY EQUIPMENT; ESPECIALLY WHEN  
-- IF WE TURN THEM DOWN -- THEY CAN JUST GO AND  
PICK-UP THE SAME CALIBER, OR MAYBE EVEN MORE  
SOPHISTICATED AND THREATENING WEAPONS FROM  
OTHER SOURCES, NO STRINGS ATTACHED.



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I'M NOT SUGGESTING WE RUBBER STAMP ALL ARMS  
SALE REQUESTS, OR END ALL CONDITIONALITY. I AM  
SAYING WE MUST START LOOKING AT THESE ISSUES IN  
THEIR FULL CONTEXT, EXAMINE ALL THE RAMIFICATIONS,  
AND THEN MAKE LOGICAL DECISIONS BASED ON REAL  
AMERICAN INTEREST.

IF WE DO THAT, THEN WE CAN CONTINUE TO BE A  
KEY REGIONAL PLAYER, AND WE CAN BETTER ADVANCE  
OUR OWN INTERESTS.





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## CHEMICAL WEAPONS

ONE OF THE FIRST PRIORITIES IS TO STOP THE DEADLY SPREAD OF CHEMICAL WEAPONS IN THE REGION. IF LUNATICS LIKE QADAFFI GET THEIR HANDS ON LARGE STOCKS OF CHEMICAL WEAPONS, AND MASTER THE TECHNIQUES OF DELIVERING THEM OVER LONG DISTANCES, IT WILL BE A WHOLE NEW BALL GAME -- NOT ONLY FOR AMERICAN SECURITY INTERESTS, BUT MORE GENERALLY FOR PEACE AND STABILITY, IN THE REGION.



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IT IS TIME FOR US TO SAY TO THOSE NATIONS THAT  
SEEK TO ACQUIRE, OR CONTEMPLATE THE USE OF,  
CHEMICAL WEAPONS: AMERICA WILL NOT STAND FOR IT.

IT IS TIME TO SAY TO THOSE PRIVATE COMPANIES  
WHO THINK MORE OF THE ALMIGHTY DOLLAR, OR ~~THE~~  
DEUTSCH MARK, OR YEN -- THAN THEY DO ABOUT THE  
POTENTIAL VICTIMS OF A WAR OF CHEMICAL WEAPONS:  
AMERICA WILL NOT STAND FOR IT.



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TOGETHER WITH SENATOR GARN, SENATOR HEINZ  
AND OTHERS FROM BOTH SIDES OF THE AISLE, I HAVE  
INTRODUCED LEGISLATION THAT WOULD SHUT-OUT OF  
THE AMERICAN MARKET ANY COMPANY THAT "KNOWINGLY"  
HELPS THE LIKES OF QADAFFI ACQUIRE A CHEMICAL  
WEAPONS CAPABILITY. THE MESSAGE IS CLEAR: DEAL  
WITH QADAFFI, AND YOU CAN KISS GOOD-BYE TO THE  
AMERICAN MARKET. WE WILL BE PUSHING THE BANKING  
COMMITTEE TO MOVE QUICKLY ON THAT LEGISLATION; I  
HOPE TO SEE HEARINGS IN MARCH.



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SO THOSE ARE SOME OF THE PARTICULAR  
CHALLENGES THAT WILL OCCUPY US IN THE DAYS  
AHEAD. NOW LET ME ALSO SAY A FEW WORDS EACH  
ABOUT THE TWO TOPICS THAT YOU PARTICULARLY ASKED  
ME TO ADDRESS: ENERGY AND TRADE.

ENERGY

LAST WEEK, I MET WITH THE SAUDI OIL MINISTER AND  
THE SAUDI AMBASSADOR HERE IN WASHINGTON, PRINCE  
BANDAR. THE TOPIC, OF COURSE, WAS ENERGY;



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A CENTRAL QUESTION IN OUR BILATERAL RELATIONSHIP  
WITH SAUDI ARABIA AND MANY OTHER COUNTRIES; AND  
A CENTRAL QUESTION FOR AMERICA.

WE'VE ALL PRETTY WELL PUT-OUT OF OUR HEADS  
BOTH THE GAS LINES, AND THE PANIC HEADLINES, OF  
THE 1970'S. AND CERTAINLY, THERE HAVE BEEN SOME  
MAJOR CHANGES SINCE THEN, IN HOW THE MARKET IS  
STRUCTURED AND OPERATES. BUT OVER-DEPENDENCE  
ON FOREIGN OIL IS STILL A THREAT TO AMERICAN



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SECURITY INTERESTS AND AMERICAN PROSPERITY. RIGHT  
NOW, WE DO HAVE SOME RELIABLE SUPPLIERS. BUT  
THERE IS NO ESCAPING FROM THE FACT THAT, OVER THE  
LONG RUN, DEPENDING ON IMPORTS FOR 50% OR MORE  
OF OUR NEEDS IS VERY RISKY. IT ALSO EXACTS AN  
IMPORTANT ECONOMIC COST, TO THE TUNE OF ABOUT  
25% OF OUR OVERALL TRADE DEFICIT.



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SO OUR GOAL MUST REMAIN TO REDUCE OUR  
IMPORTS. IT HAS TO BE A MULTI-PRONGED APPROACH.  
ENERGY CONSERVATION ISN'T QUITE THE VOGUE IT USED  
TO BE, BUT IT IS JUST AS IMPORTANT AS EVER. SO IS THE  
QUEST FOR ENERGY EFFICIENCY. AND, OF COURSE, WE  
MUST CONTINUE TO DEVELOP ALTERNATIVE FUELS, LIKE  
THE GASOHOL THAT HAS MEANT SO MUCH TO THE  
AGRICULTURAL REGIONS I REPRESENT.



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WE ALSO MUST DO WHAT WE CAN TO GET OUR  
DOMESTIC OIL INDUSTRY BACK ON SOLID FOOTING.

ALTHOUGH WE HAVE OVER 80% OF THE WORLD'S OIL

WELLS, WE CANNOT MAINTAIN A STABLE AND

PROSPEROUS DOMESTIC INDUSTRY AT TODAY'S PRICES.

THAT IS A COLD, HARD ECONOMIC FACT.





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I DO NOT ANTICIPATE EARLY ACTION ON ANY MAJOR  
NEW ENERGY LEGISLATION IN THE CONGRESS. THE  
ADMINISTRATION HAS INCLUDED TAX-RELATED  
INCENTIVES FOR DOMESTIC ENERGY PRODUCTION IN ITS  
BUDGET. BUT ANY SUCH PROPOSALS WILL LIKELY BE  
CONTROVERSIAL, AND WILL CERTAINLY BE EXAMINED  
VERY CAREFULLY ON CAPITOL HILL. BUT I DO BELIEVE  
THAT ONE IMPORTANT



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## CRITERION

~~CRITERIA~~ TO APPLY TO ANY SUCH LEGISLATION IS: WILL IT

HELP US STABILIZE AND INCREASE DOMESTIC

PRODUCTION, AND REDUCE OUR DEPENDENCE ON

FOREIGN OIL.



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TRADE

WITH THE EXTRAORDINARY TRADE DEFICITS THAT  
HAVE DEVELOPED OVER THE PAST FEW YEARS, IT IS ALSO  
EASY TO LOSE SIGHT OF OUR PERSPECTIVE ON  
INTERNATIONAL TRADE. TRADE SHOULD NOT BE A  
POLITICAL ISSUE; AND IT SHOULD NOT BE AN  
IDEOLOGICAL ISSUE.



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TRADE IS SIMPLY THE BUYING AND SELLING OF  
GOODS ON THE OPEN MARKET. HOWEVER, THERE MUST  
BE A MARKET -- AND THAT MARKET MUST BE OPEN.  
PROTECTIONIST TRADE LAWS WILL DO LITTLE TO REDUCE  
THE U.S. BUDGET DEFICIT WHICH IS AT THE ROOT OF  
MANY OF OUR TRADE PROBLEMS. ACCORDINGLY, I HAVE  
SUPPORTED TRADE LEGISLATION AND POLICIES WHICH  
WILL STIMULATE WORLD TRADE, SUCH AS FREE-TRADE  
AGREEMENTS, AND A "FAST TRACK" PROCESS TO  
FACILITATE THESE NEGOTIATIONS.



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CONVERSELY, I HAVE CONSISTENTLY SUPPORTED  
STRENGTHENING THE LAWS WHICH DEAL WITH THE  
UNFAIR TRADE PRACTICES OF SOME FOREIGN FIRMS.  
LAST YEAR'S OMNIBUS TRADE LEGISLATION INCLUDED A  
MODIFIED VERSION OF MY "SUPER 301" PROVISION WHICH  
PROVIDES FOR UNILATERAL ENFORCEMENT OF OUR  
RIGHTS UNDER TRADE AGREEMENTS TO COMBAT UNFAIR  
FOREIGN TRADE PRACTICES.



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NOW THAT THERE IS AT LEAST A TENTATIVE PEACE IN  
THE PERSIAN GULF, I HOPE THAT WE CAN DEVOTE OUR  
JOINT RESOURCES TO IMPROVING OUR ECONOMIC  
RELATIONSHIPS. BUT LIKE EVERYTHING ELSE IN  
INTERNATIONAL AFFAIRS, THIS MUST BE A TWO-WAY  
STREET. IF WE ARE TO INCREASE TRADE AND  
INVESTMENT BETWEEN OUR COUNTRIES, THERE MUST  
ALSO BE ASSURANCES THAT THE RIGHTS OF AMERICAN  
BUSINESSES, INCLUDING<sup>"</sup> INTELLECTUAL PROPERTY  
RIGHTS<sup>"</sup>, WILL BE RESPECTED.



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## CONCLUSION

THE BOTTOM LINE IS: WHETHER WE'RE TALKING ABOUT TRADE, OR ENERGY, OR GEOPOLITICS OR THE BUDGET -- THERE'S A LOT TO BE DONE. AND WE'RE NOT GOING TO GET IT DONE, UNLESS WE ALL START WORKING NOW, AND WORKING TOGETHER.

THAT GOES NOT ONLY FOR THE GOVERNMENT -- THE PRESIDENT AND THE CONGRESS -- BUT FOR ALL OF US. IN THE BUSINESS COMMUNITY, ON ISSUES LIKE TRADE;



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IN YOUR PARTICULAR SEGMENT OF THE BUSINESS  
COMMUNITY, ON ISSUES LIKE OUR POLICIES TOWARD THE  
MIDDLE EAST -- YOU HAVE A KEY ROLE TO PLAY.

SO I DO APPRECIATE THE CHANCE TO BE HERE  
TODAY; TO GIVE YOU MY VIEWS; AND TO EXPRESS THE  
HOPE THAT YOU WILL JOIN WITH US IN TACKLING THESE  
GREAT CHALLENGES WHICH FACE ALL AMERICANS.

