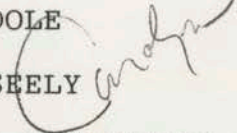


MARCH 7, 1989

TO: SENATOR DOLE
FROM: CAROLYN SEELY 
SUBJECT: SPEECH TO WASHINGTON NON-PROFIT TAX CONFERENCE

On Thursday, March 9, 1989, you are scheduled to speak to a luncheon of the Washington Non-profit Tax Conference. Congressman Schulze will also address this luncheon. The audience will consist of more than 500 leaders from the non-profit community, including foundations, churches and hospitals, their lawyers and association representatives.

Probably the most critical legislative issue facing non-profits generally is the possible reform of the unrelated business income tax ("UBIT") currently before the Ways and Means Committee Oversight Subcommittee chaired by Congressman Pickle. (On the other side, small business groups have made UBIT reform a legislative priority, as well.) Because of disagreements among Subcommittee members over proposals to broaden the scope of the UBIT significantly, this issue has dragged on before the Oversight Subcommittee for over two years. Reportedly, Chairman Rostenkowski has now asked for legislative recommendations before the Easter recess. As the ranking member of this Subcommittee, however, Congressman Schulze is certainly well positioned to comment on its progress.

In addition to Congressman Schulze, on Friday, the Conference will hear from Congressman Rangel, a member and former Chairman of the Oversight Subcommittee and from Subcommittee, Joint Tax and Treasury staff responsible for the UBIT issue. Congressmen Archer and Frenzel will also speak on Friday.

Given the apparent overkill of UBIT reform, the Conference Director would like you to address the broader budget and tax issues facing this Congress and to make political remarks, generally. You need not take questions unless you choose to do so.

*March 9
Thurs. noon
J.W. Marriott*

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George

*12:30
1:15
Luncheon
Speaker*

September 13, 1988

Honorable Robert Dole
United States Senator
141 Senate Hart Office Building
Washington, D. C. 20510

*J. H.
Main Ballroom area*

Dear Bob:

We would like to again invite you to participate in the 25th Annual Washington Non-Profit Tax Conference as you have done in prior years. The 25th Conference will be held on March 9 and 10, 1989 at the J. W. Marriott Hotel and specifically, we would like to have you as a luncheon speaker on Thursday, March 9. We, of course, will pay an honorarium of \$2,000 to you or to the charity of your choice.

As you know, we had over 600 persons in attendance at this year's Conference from the non-profit community - foundation and association executives, lawyers and accountants for non-profits and various other groups representing the non-profit area including churches and hospitals. This Conference is the largest non-profit tax conference in the country. For the 1989 Conference we are also inviting Congressmen Rowtenkowski, Archer, Pickle, Rangel and Schulze.

We would appreciate your giving consideration to speaking and look forward to hearing from you.

Sincerely,

GDW
George D. Webster
Conference Director

GDW:jh
Enclosure

9-19 Interview letter

TALKING POINTS

NON-PROFIT TAX CONFERENCE -- MARCH 9, 1989

- O THANK YOU FOR INVITING ME TO SPEAK WITH YOU

TODAY.

- O FIRST OF ALL, I BELIEVE THAT PRESIDENT BUSH IS

OFF TO A GOOD START. UNLIKE PRESIDENT REAGAN

WHEN HE TOOK OFFICE, THIS PRESIDENT IS ON A

FIRST NAME BASIS WITH MOST MEMBERS OF

CONGRESS -- BOTH DEMOCRAT AND REPUBLICAN.

AND HE IS COMFORTABLE DEALING WITH CONGRESS.

-2-

O THE PRESIDENT HAS MADE REDUCING THE BUDGET DEFICIT HIS NUMBER ONE LEGISLATIVE PRIORITY. HIS FIRST MEETING WITH CONGRESSIONAL LEADERS, WHICH I ATTENDED, WAS A BIPARTISAN MEETING ON THE DEFICIT THAT LASTED TWO HOURS. SINCE THEN THE PRESIDENT HAS INDICATED THAT HE IS PREPARED TO NAME HIS NEGOTIATORS AND TO SIT DOWN WITH THE CONGRESS AS SOON AS THE DEMOCRATIC LEADERSHIP IS READY. JUST THIS MORNING, THE BUDGET COMMITTEE CHAIRMEN AGREED TO BEGIN DEFICIT REDUCTION TALKS WITH THE PRESIDENT'S BUDGET DIRECTOR.

-3-

THE BUSH BUDGET

O IN ADDITION, PRESIDENT BUSH HAS MADE GOOD ON HIS CAMPAIGN PROMISES TO PRODUCE A KINDER AND GENTLER BUDGET AND TO MEET THE GRAMM-RUDMAN-HOLLINGS TARGETS WITHOUT RAISING TAXES. NOW I DIDN'T REALLY APPRECIATE THE MERITS OF THE FLEXIBLE FREEZE UNTIL NEW HAMPSHIRE. BUT THE CONCEPT IS REALLY QUITE SIMPLE. IT MERELY RESTRAINS THE GROWTH IN FEDERAL SPENDING TO THE RATE OF INFLATION.

-4-

- O EVEN WITHOUT ANY CHANGES IN CURRENT POLICY, FEDERAL REVENUES WILL INCREASE BY MORE THAN \$80 BILLION IN 1990. WITH THIS REVENUE GROWTH, IT WILL BE POSSIBLE TO MEET THE 1990 G-R-H DEFICIT TARGET, IF CONGRESS STICKS TO THE PRESIDENT'S PLAN.

-5-

- O MOREOVER, IN SPITE OF THE CLAIMS MADE BY SOME DEMOCRATS, THIS BUDGET DOES NOT LEAVE THE TOUGH CHOICES TO CONGRESS. THE PRESIDENT HOLDS DEFENSE GROWTH TO THE RATE OF INFLATION, AND SIGNIFICANTLY CUTS OTHER PROGRAMS.

WHY CONGRESS NEEDS TO COME TO THE BARGAINING
TABLE

- O PRESIDENT BUSH'S BUDGET MAY NOT BE ALL THINGS TO ALL PEOPLE -- NO RESPONSIBLE BUDGET EVER IS -- , BUT HIS BUDGET IS A SERIOUS, WORKABLE FIRST STEP. NOW, THE DEMOCRATS NEED TO LAY THEIR

-6-

CARDS ON THE TABLE, SO THAT SERIOUS

NEGOTIATIONS CAN PROCEED.

- O MOREOVER, AS YET NO DEMOCRAT, NOT EVEN THE DEMOCRATIC APPOINTEES TO THE NATIONAL ECONOMIC COMMISSION WHO DISAGREE WITH THE PRESIDENT, HAS COME UP WITH A CONSTRUCTIVE ALTERNATIVE. THE DEMOCRATS APPARENTLY PREFER TO CRITICIZE THE PRESIDENT, RATHER THAN CONFRONT THIS PROBLEM.

-7-

- O I BELIEVE THAT IT IS IMPORTANT THAT WE
ACCELERATE THE NORMAL BUDGET PROCESS WHICH
CAN DRAG ON UNTIL OCTOBER OR NOVEMBER.
IMPORTANT DEADLINES ARE LOOMING: THE SENATE
BUDGET COMMITTEE IS REQUIRED TO REPORT A
BUDGET RESOLUTION BY APRIL 1. WITH A TWO WEEK
EASTER RECESS AT THE END OF MARCH, LESS THAN
TWO WEEKS ARE LEFT TO COMPLETE THAT WORK ON
TIME.

-8-

- O STARTING BUDGET NEGOTIATIONS NOW IS THE ONLY RESPONSIBLE THING TO DO. THE FINANCIAL MARKETS ARE NERVOUSLY AWAITING A SIGNAL THAT CONGRESS INTENDS TO ACT RESPONSIBLY TO MEET ITS DEFICIT REDUCTION TARGETS WITHOUT A SEQUESTER. IN RESPONSE TO ACCELERATING PRICE GROWTH, THE FEDERAL RESERVE HAS RAISED THE DISCOUNT RATE FOR THE FIRST TIME SINCE AUGUST, 1988, AFFECTING EVERYTHING FROM THE PRIME RATE TO HOME MORTGAGES.

-9-

O SQUABBLING OVER THE BUDGET PREVENTS US FROM
MOVING FORWARD ON THE APPROPRIATIONS
PROCESS, AS WELL AS TACKLING IMPORTANT
PROBLEMS LIKE THE SAVINGS AND LOAN CRISIS AND
THE CLEAN-UP OF NUCLEAR WASTE. THE PRESIDENT
SHOULD NOT HAVE HIS AGENDA HELD HOSTAGE BY A
CONGRESS THAT PREFERS TO POINT FINGERS
RATHER THAN FACE UP TO THE TOUGH BUDGET
CHOICES.

-10-

TAXES

- O I AGREE WITH THE PRESIDENT THAT TO BALANCE THE BUDGET WE NEED TO LOOK AT SPENDING CUTS AND NOT NEW TAXES. I DO NOT BELIEVE TAX INCREASES ARE A SUBSTITUTE FOR SPENDING RESTRAINT TO REDUCE THE FEDERAL BUDGET DEFICIT.

- O I ALSO BELIEVE THAT KEEPING THE LOWER RATES ENACTED IN 1986 IS VERY IMPORTANT, BOTH AS AN ECONOMIC INCENTIVE AND TO CONVINCCE TAXPAYERS THAT OUR TAX LAWS ARE FAIR. IN 1987, I INTRODUCED A RESOLUTION ADOPTED BY THE SENATE THAT WE SHOULD NOT ATTEMPT TO REDUCE THE DEFICIT BY TAMPERING WITH TAX RATES.

-11-

O THE BUDGET PROPOSED BY PRESIDENT BUSH MAKES GOOD ON HIS CAMPAIGN PROMISES TO MEET THE GRAMM-RUDMAN-HOLLINGS DEFICIT TARGETS WITHOUT RAISING TAXES. SOME DEMOCRATS HAVE INDICATED THAT THE PRICE FOR ENACTING SOME OF THE PRESIDENT'S PROGRAMS, SUCH AS LOWER CAPITAL GAINS TAXES, MUST BE INCOME TAX RATE INCREASES. I BELIEVE THEY WILL FIND THAT WHEN THE PRESIDENT SAID "NO NEW TAXES", HE MEANT IT. THAT INCLUDES EXCISE TAXES, AS WELL AS RATE INCREASES.

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IMPLICATIONS FOR NON-PROFITS

- O THE ON-GOING BUDGET DEFICIT SITUATION MAY

HAVE IMPLICATIONS FOR THE NON-PROFIT SECTOR

AS WELL. IN THIS AREA, AS IN EVERY OTHER, THERE

WILL BE INCREASED SCRUTINY OF FOREGONE

REVENUE TO ENSURE THAT ANY LOSS REMAINS

JUSTIFIED.

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- O THE ORGANIZATIONS REPRESENTED IN THIS ROOM
ARE PERFORMING VALUABLE AND ESSENTIAL
SERVICES. AND THOSE OF US IN GOVERNMENT
WANT TO OFFER YOU OUR SUPPORT SO THAT YOUR
GOOD WORK CAN CONTINUE.

- O BUT THIS IS A TWO-WAY STREET. WE ALSO NEED
YOUR COOPERATION IN EFFORTS TO IMPROVE IRS
ADMINISTRATION SO THAT THE TAX BENEFITS WHICH
YOU SO RIGHTLY DESERVE ARE NOT ABUSED BY
EITHER YOUR ORGANIZATIONS OR YOUR
BENEFACTORS.

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CONCLUSION

- O ALL OF YOU PLAY A KEY ROLE IN MAKING THIS A KINDER, GENTLER AND BETTER NATION. AND I HOPE THAT YOUR JOB CAN BE MADE EASIER IF WE WORK TOGETHER MORE CLOSELY IN THE FUTURE.

- O THANK YOU.