

with fifteen or more battlefields include: Virginia (123), Tennessee (38), Missouri (29), Georgia (28), Louisiana (23), North Carolina (20), Arkansas (17), and Mississippi (16).

■ Civil War battlefields are not everywhere. Even Virginia, which has the greatest number of battlefields, has battlefields in only one-third of its counties.

■ Forty-three percent of the 384 battlefields are completely in private ownership. An additional forty-nine percent are under multiple kinds of ownership (e.g., private, state, and Federal). Only three percent of the battlefields are owned primarily by the Federal Government.

#### Battlefield Condition:

■ Eighteen percent (71) of the battlefields are already "lost." This means that the battlefield landscape has changed beyond recognition. Important parcels of a "lost" battlefield usually exist. As a whole, however, the battlefield is highly fragmented and no longer conveys an understandable sense of the battle and its setting. Additionally, 17 percent (64) of the 384 battlefields are in poor condition and are expected to be lost within a few years, if current trends continue.

■ Of the 384 battlefields, 235 are in good or fair condition, which means that the topography, land use, road networks, and mass and scale of the buildings have remained essentially unchanged since the Civil War (good condition) or that changes have occurred, but the historic setting of the Civil War battlefield is still discernable (moderate condition).

■ About half of the battlefields in good or fair condition (104) are experiencing high or moderate threats. This means that, within 10 years, most of these sites will be lost or seriously damaged.

■ Approximately one-third of the 384 battlefields face low threats. Low threats implies that some portions of the battlefield landscape may be lost, but the loss is not expected to impair the overall integrity of the battlefield.

■ Few National Park Service battlefield park units and state battlefield parks have an adequate amount of battlefield acreage, and many are threatened by encroaching incompatible land use changes.

■ Highway construction and residential/commercial development are the most common kinds of threats to Civil War battlefields. Dam construction, dredging activities, quarrying, and pollution (water and air and toxic waste) also threaten Civil War battlefields. In addition, land adjacent to many of the national parks is desirable for development. As a result, the views from and across the battlefield are altered or obstructed, reducing the park visitors' enjoyment of the battlefield and their understanding of the battle.

#### Battlefield Preservation:

Study and core areas were defined for all surveyed battlefields. The **Study Area** of a battlefield includes all places related to the battle event; it is the complete delineation of the historical site. The **Core Area** is within the study area and includes those places where the actual combat occurred. The core area encompasses what often is thought of as "hallowed ground."

• The size of study areas for the 149 Class A and Class B battlefields averages nearly 6,900 and 6,100 acres, respectively; while their associated core areas average 3,000 and 2,200 acres, respectively.

• The size of study areas for the 235 Class C and Class D battlefields averages nearly 2,600 and 2,400 acres, respectively; while their associated core areas average 800 and 1000 acres, respectively.

■ Less than 20 percent of the 384 battlefields (about 70) have been listed in or determined eligible for listing in the National Register of Historic Places.

■ Sixteen battlefields are designated National Historic Landmarks. Fifty-one battlefields are partly or entirely included within the boundaries of 38 National Park System Civil War battlefield units. Seventy-six of the 384 battlefields have some state ownership.

■ Most, if not all, of the 313 battlefields that still exist probably qualify for listing in the National Register of Historic Places. The Commission's inventory and research data will be provided to the State Historic Preservation Officers to consider nominations to the National Register.

■ Although "lost" battlefields can no longer be protected and interpreted as battlefields, they often retain areas and structures suitable for limited interpretation, museums, commemoration, and heritage tourism.

#### CONCLUSIONS:

Citizens from all walks of life and all branches and divisions of government must rally behind a cooperative effort to enshrine the values that made and make America great. As stated by Mr. Justice Peckham in United States v. Gettysburg Electric Railway Company in 1896, Congress's efforts:

*"to preserve the integrity and solidarity of the great republic of modern times is forcibly impressed upon every one who looks over the [battlefield]. The value of the sacrifices... made is rendered plainer and more durable by the fact that the government of the United States, through its representatives in Congress assembled, appreciates and endeavors to perpetuate it by this most suitable recognition... [Battlefield preservation] on the part of Congress touches the heart, and comes home to the imagination of every citizen, and greatly tends to enhance... love and respect for those institutions for which these heroic sacrifices were made. The greater the love of the citizen for the institutions of his country the greater is the dependence properly to be placed upon him for their defence in time of necessity, and it is to such men that the country must look for safety... the sacrifices are rendered more obvious and more easily appreciated when... a battlefield is preserved by the government...."*

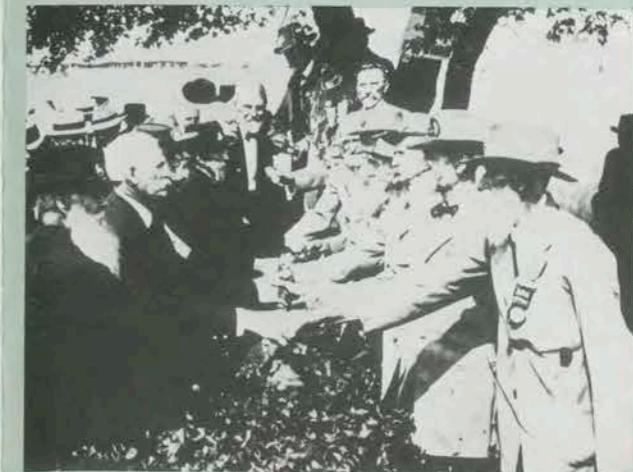


CWSAC/NPS (202) 343-3936

## IMMEDIATE ACTION AGENDA

### For Preserving Our Nation's Civil War Heritage

### CIVIL WAR SITES ADVISORY COMMISSION RECOMMENDATIONS



*"shaking hands over the wall"*  
Veterans, Philadelphia Brigade and Pickett's Division,  
July 3, 1913.

## IMMEDIATE ACTION AGENDA

This nation's Civil War heritage is in mortal danger; it is being bulldozed and is disappearing under buildings, parking lots, and highways. Recognizing this serious national problem, Senator Dale L. Bumpers, joined by other members of Congress--particularly members of the Sunbelt Caucus--proposed an act establishing the Civil War Sites Advisory Commission. Our charge was to identify historically significant Civil War sites, establish their relative importance, determine condition, assess threats to integrity, and provide alternatives for preservation and interpretation. We have faithfully discharged these obligations.

### THE MESSAGE

*In great deeds, something abides... On great fields something stays... and generations that we know not, heart-drawn to see where and by whom great things were suffered and done for them, shall come to this deathless field, to ponder and dream.*

--Joshua L. Chamberlain

The Civil War was the most formative event of our nation's history. Preserving Civil War battlefields is not a matter of glorifying or romanticizing the war or warfare. Quite the contrary; it is a matter of comprehending the war's grim reality. Battlefields are monuments, not to glory, but to the gritty courage of the men who fought and died there.

Clashing convictions and the deadly determination to fight for them explain why the war lasted four long years and cost 620,000 lives. In 1884 thrice-wounded veteran Oliver Wendell Holmes, Jr., wrote "*It was given to us to learn at the outset that life is a profound and passionate thing.*" This lesson is perhaps the most important legacy of the Civil War. The battlefields are the tangible monuments of that legacy.

As Abraham Lincoln said of Gettysburg and we can say of battlefields in 1993: mere words cannot consecrate, cannot hallow this ground. "*The brave men... who fought here, have consecrated it, far above our poor power to add or detract. The world will little note, nor long remember what we say here, but*

*it can never forget what they did here.*" We cannot consecrate Civil War battlefields--that has already been done--but we can desecrate them through apathy and neglect. It remains for us to dedicate ourselves to the great task of preventing that desecration, so that the world will not forget what they did here.

The vast majority of public sentiment expressed to the Commission, in many ways and accents, converges into one great statement of national purpose:

### CIVIL WAR BATTLEFIELDS MUST BE SAVED NOW!

The Civil War Sites Advisory Commission concurs and hereby sets forth a plan for protecting the remaining battlefields of the Civil War.

As with any emergency, the plan calls for quick, aggressive action. The nation and its heritage, those who fought North and South, the millions who each year visit America's historic places, future generations who would know the history of the United States of America, deserve no less. This is an investment in our national character.

### IMMEDIATE RECOMMENDATIONS

The Commission is unanimous in its opinion that **strong Federal leadership and aggressive action are required in partnership with states, local governments, and the private sector**. While other important recommendations are presented in the main report, **we recommend that Congress take these immediate steps:**

#### I. ENACT A "CIVIL WAR HERITAGE PRESERVATION" LAW THAT:

► Declares as a national policy that:

-Historically significant American Civil War sites and structures in the United States should be preserved as a living part of our community life; and

-The preservation of the tangible remains of the American Civil War is in the public interest and an investment in our national character because the American Civil War is the watershed event of our nation's history.

► Authorizes funds to acquire essential parcels or protective easements from willing sellers at the Priority I battlefields--those with a critical need for action (see Table titled "Priority I: Battlefields with Critical Need for Action"). Funds should be directed to the Emergency Civil War Battlefield Land Acquisition Program to provide:

-Matching grants from the Historic Preservation Fund for acquisition of non-federal battlefield lands. (\$10 million/year)

► Authorizes the Resolution Trust Corporation (RTC), the Federal Deposit Insurance Corporation (FDIC), and other government institutions to transfer significant battlefield lands under their control to the Department of the Interior, state or local governments, or non-profit preservation groups.

► Establishes an expedited mechanism for Congressional consideration of the expansion of currently authorized boundaries of National Park System units when donation of land is proposed and immediate action is required.

► Authorizes a Civil War Battlefield Stewardship Program for long-term contractual agreements between the Federal Government and private owners of battlefields. The funds and technical assistance will be used to help the owners preserve or restore the historic battle setting and provide access and interpretive materials to the public. (\$2.5 million/year)

► Appropriates up to \$0.5 million to the National Park Service for a study of the suitability and feasibility of adding units to the park system representing several major campaigns and interpretive themes not currently included in the National Park system.

#### II. REVISE THE UNITED STATES TAX CODE TO PROVIDE INCENTIVES AND REMOVE DISINCENTIVES FOR BATTLEFIELD PRESERVATION:

► Permit an executor or heirs to make a "postmortem" easement donation up to two years following a decedent's death to avoid forced sale of historic battlefield land;

► Modify Section 2032(a) of the Estate Tax Code for Civil War battlefield owners to eliminate the dollar

limitation and require that the decedents and beneficiaries materially participate in farming or business activities;

► Convert the current Federal income tax deduction for charitable donation of land or easements into an income tax credit for battlefield land;

► Allow full deduction for donation of appreciated property including land and conservation easements for individuals paying the Alternative Minimum Tax;

► Repeal the percentage of income limitation and the annual carry-forward limitations to allow full deduction of charitable gifts of appreciated property.

### COMMISSION'S FINDINGS

#### The Battlefields:

■ During the Civil War, there were some 10,500 armed conflicts, ranging from battles to minor skirmishes. The Commission identified 384 conflicts (3.7%) as the principal battles.

■ The historical significance of each battle was determined according to its relative influence on a campaign and on the war:

-45 sites (12%) were ranked "A" (having a decisive influence).

-104 sites (27%) were ranked "B" (having a major influence).

-128 sites (33%) were ranked "C" (having a contributing or formative influence).

-107 sites (28%) were ranked "D" (having a limited influence).

■ All four classes of battlefields contribute to the story of the Civil War. Because of their strategic character, the Class A and B battlefields should be an interest or responsibility of the Federal Government and state governments. The Class C and D battlefields should be a primary interest or responsibility of state governments and communities.

■ The 384 battlefields are found in 26 states. States

## THE FIFTY PRIORITY ONE CIVIL WAR BATTLEFIELDS

### A Critical Need For Action

#### Class A Battlefields:

*Less than 20% of the Core Area Protected*

Bentonville, NC  
Cedar Creek, VA  
Cold Harbor, VA  
Fort Donelson, TN  
Gaines' Mill, VA  
Glorieta Pass, NM  
Malvern Hill, VA  
Mobile Bay, AL  
Perryville, KY  
Petersburg, VA  
Port Hudson, LA

#### Class A Battlefields:

*More than 20% of the Core Area Protected*

Antietam, MD  
Chancellorsville, VA  
Chattanooga, TN  
Chickamauga, GA  
Gettysburg, PA  
Second Manassas, VA  
Spotsylvania Court House, VA  
Vicksburg, MS  
Wilderness, VA

#### Class B Battlefields:

Allatoona, GA	Mill Springs, KY
Boydton Plank Road, VA	Mine Run, VA
Brandy Station, VA	Monocacy, MD
Brice's Cross-Roads, MS	Newtonia, MO
Bristoe Station, VA	North Anna, VA
Chaffin's Farm/NM Hts, VA	Port Gibson, MS
Chickasaw Bayou, MS	Prairie Grove, AR
Corinth, MS	Raymond, MS
First Kernstown, VA	Rich Mtn, WV
Fisher's Hill, VA	Ringgold Gap, GA
Fort Davidson, MO	Secessionville, SC
Glendale, VA	2nd Deep Bottom, VA
Harpers Ferry, WV	South Mtn, MD
Honey Springs, OK	Spring Hill, TN
Kennesaw Mtn, GA	White Oak Rd, VA



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 FAX 605-332-1635

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 Sioux Falls  
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 FAX 202-224-2047

**REP. TIM JOHNSON**  
 2438 Rayburn House Office Building  
 Washington, D.C. 20515  
 Phone: 1-202-225-2801  
 Sioux Falls  
 Phone: 1-800-537-0025  
 FAX 202-225-2427

**TO CONTACT ANY STATE LEGISLATOR  
 (During Legislative Session)**

- \* Senate Lobby 1-773-3821
- \* House Lobby 1-773-3851
- \* Leave Messages

**GOVERNOR'S OFFICE**  
 Executive Office  
 State Capitol  
 500 E. Capitol  
 Pierre, SD 57501  
 1-773-3212

Secretary of State	1-773-3537
Attorney General	1-773-3215
State Auditor	1-773-3341
State Treasurer	1-773-3378
Comm. of School & Public Lands	1-773-3303
Public Utilities Commission	1-773-3201



**EMERGENCIES ONLY**  
**Ambulance Fire Police** **911**  
**TOLL-FREE HOTLINES**

AIDS Hotline	800-342-2437
Auto & Highway Safety Complaints	800-424-9393
Cancer Hotline	800-422-6237
Consumer Product Safety Complaints	800-638-2772
Consumer Protection, Att. Gen. Office	800-300-1986
Environmental Protection Info.	800-424-4000
Financial Counseling	800-568-2401
Fraud in Government Complaints	800-424-5454
Handicapped Programs Publications	800-424-8567
Hazardous Waste Info.	800-424-9346
Health, Education, Welfare Hotline	800-638-6833
Poison Control	800-952-0123
Runaway Counseling	800-621-4000
Turn In Poachers	800-592-5522
Veterans Information	800-827-1000

**CRISIS PREVENTION**  
 Watertown Area

Abuse Shelter	886-4300
Alcohol Abuse	886-9070
Child Abuse	882-7810
Crime Line	886-5707
Crimestoppers, State	1-339-7007
Drug Abuse	886-7602
Family Violence	886-4300
Sexual Assault	886-4300
Spiritual Help	See Yellow Pages under Churches
Stop A Pusher	1-339-7007
Suicide Crisis	886-5841
Veterans	886-8511
Youth Crisis	886-5841

**DRIVER'S LICENSE EXAMINERS**

1900 West Kemp, Watertown, SD - 886-6744  
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**SOUTH DAKOTA REPUBLICAN PARTY**

P.O. Box 1099, Pierre, SD 57501

1-224-7347

FAX 1-224-7349

**CODINGTON CO. REPUBLICAN PARTY**

P.O. Box 1254; Watertown, SD 57201

Paid for by the Codington Co. Republican Central Committee  
 Bill Neale, Treas., P.O. Box 1254, Watertown, SD 57201



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**SD VOTER REGISTRATION INFORMATION**

**TO REGISTER:** Must be a citizen of the USA  
 Must be a resident of South Dakota  
 Must be at least 18 on election day  
**REGISTER AT:** Auditor's Office in the Courthouse  
 City Finance Office in City Hall  
 Not. Pub. authorized by the Co. Auditor

**TO VOTE IN A PRIMARY ELECTION:** You have to be registered in a political party

★ Many people don't register to vote in order to avoid jury duty, but if you have a driver's license, your name is already on the jury rolls. ★

**ELECTION DATES\***

SD Presidential Primary	4th Tuesday in February
SD Primary Election	1st Tuesday in June
SD General Election	Tuesday after 1st Mon. in Nov.
City & School Elections:	
Florence, City/School	2nd Tuesday in April
Henry, City/School	2nd Tuesday in April
Kranzburg, City	2nd Tuesday in April
South Shore, City	2nd Tuesday in April
South Shore, School	3rd Tuesday in June
Watertown, City/School	3rd Tuesday in June
Waverly, School	3rd Tuesday in June

\* If you are not registered and wish to vote, the deadline to register is 15 days before the election.

**DEADLINES FOR FILING NOMINATING PETITIONS**

State Legislature	1st Tuesday in April
County Offices	1st Tuesday in April
City & School Positions:	
For 2nd Tues. in April elections	2nd Friday in March
For 3rd Tues. in June elections	3rd Friday in May

**SD OPENING HUNTING DATES\***

Mourning Dove	September 1st
Partridge	3rd Sat. in Sept. and 3rd Sat. in Oct.
Pheasant	3rd Saturday in October
Quail	November 1st
Sandhill Crane	Last Saturday in September
Grouse & Prairie Chicken	3rd Saturday in September
Snipe	September 1st
Waterfowl**	1st Saturday in October
Cottontail Rabbit	September 1st
Squirrel	September 1st
Turkey, Spring	1st Saturday in April
Turkey, Black Hills	2nd Saturday in October
Turkey, Custer State Park	2nd Saturday in Oct.
Turkey, Prairie	October 1st
Antelope, Archery	3rd Saturday in August
Antelope	1st Saturday in October
Deer, Archery	October 1st
Deer, Black Hills	November 1st
Deer, East River	4th Saturday in November
Deer, West River	2nd Saturday in November
Deer, Youth	3rd Saturday in September

\* Some dates may vary

\*\* See Federal Regulations



## REPUBLICAN BELIEFS



### EDUCATION

The object of education is to prepare the young to educate themselves throughout their lives.

- Robert Maynard Hutchins

### FAMILY

The Universal Declaration of Human Rights describes the family as the natural and fundamental unit of society.

- United Nations

### DEFENSE

Eternal vigilance is the price of liberty.

- Wendell Phillips

### GOVERNMENT

That government is best which governs the least, because its people discipline themselves.

- Thomas Jefferson

### TAXES

You cannot help the poor by destroying the rich.

- Abraham Lincoln

### ECONOMY

You cannot help the wage earner by pulling down the wage payer.

- Abraham Lincoln

### FEDERAL DEFICIT

You cannot keep out of trouble by spending more than you earn.

- Abraham Lincoln

Republicans believe that all children should be given the chance to have the best education possible with the available funds, and since funds are limited, they must be used to benefit the most children possible. After the basics are learned, students should be taught how to learn on their own and to think for themselves, not what to think. Schools are best run at the local level with some guidelines from the State and none from the Federal government.

We believe that the traditional family, children with a loving father and mother, is the foundation of society without which society will fail and everything possible should be done to preserve and promote it. Single-parent families are a reality and many need assistance, but everything should be done to ensure that the dependence does not become perpetual.

Republicans believe peace and freedom can only come from strength. The stealth fighters, "smart bombs" and the Cruise and Patriot missiles, all "heroes" of the Gulf War, were called unworkable costly boondoggles by the liberals but Republicans in Congress along with Republican presidents pushed hard for their development. Many believe that communism is dead and we don't need a strong military, but we must stay prepared lest another Saddam Hussein should arise.

We believe that the local government is the most efficient, the most responsive and the most knowledgeable of the people's needs. The bureaucracies of the Federal government are so far removed from the problems that their rules and regulations are often more of a hindrance than a help and lead only to perpetuating their own jobs. Only 10¢ of every dollar spent by the Federal government to help the poor ever reaches them.

Republicans believe that ultimately the poor and middle class are hurt when taxes are raised, either by having to pay more taxes and higher prices for goods and services or by jobs lost due to the "wealthy" having less to invest or spend. The wage earners should be able to keep as much of their paychecks as possible, to be spent as they like, not as someone else would like.

Republicans also believe that free enterprise can provide the best opportunity for an individual and our nation to advance and prosper. The minimum regulation needed to maintain competition is best, more restrictions become counterproductive and hinder economic growth and our ability to compete internationally.

We believe that the key to eventually balancing the Federal budget is to cut spending, not to raise taxes. Under Reagan's tax cuts, Federal revenues actually increased much faster than inflation. The problem was Congress just spent more and entitlement programs demanded more and more. In 1962 the entitlements were \$32.3 billion or 30% of the budget, by the year 2002 they will require \$1.36 TRILLION or 60%. We can't keep giving away money. We must cut the spending.

# diVersified real estate

**CHARLES A. LARKIN, III**  
**President**

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Watertown, SD 57201**

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**Res: (605) 886-7595**

**Bus: (605) 886-9522**



DEC 02 '93 12:34

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LEGI-SLATE Report for the 103rd Congress Thu, December 2, 1993 12:09pm (EST)

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**Q U I C K B I L L**  
S. 1728 by Sen. Richard H. Bryan (D-NV)  
Commercial Mortgage Capital Availability Act of 1993

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Title, Overview, Outlook:

S. 1728 by Sen. Richard H. Bryan (D-NV)  
Commercial Mortgage Capital Availability Act of 1993

Official Title (Caption):

A bill to provide regulatory capital guidelines for treatment of real estate assets sold with limited recourse by depository institutions.

Introduced on Friday, November 19, 1993

Cosponsors:

S.1728 BY BRYAN, RICHARD (D-NV) -- Commercial Mortgage Capital Availability Act of 1993

CURRENTLY: 0 Democrats  
1 Republican

---

1 Cosponsor

DOMENICI (R-NM) As Introduced 11/19/93

Committee Referrals:

11/19/93 -- In The SENATE  
Referred to Senate Committee on Banking, Housing, and Urban Affairs

Remarks by Members:

11/19/93 -- In The SENATE  
Remarks by BRYAN, RICHARD (D-NV) in "Congressional Record" (CR Page S-16485)  
Remarks by DOMENICI (R-NM) in "Congressional Record" (CR Page S-16488)

Bill Text Versions Available:

11/19/93 -- In The SENATE  
Full text of measure printed in "Congressional Record" (CR Page S-16486)

DEC 02 '93 12:34

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**Bill Text Versions Available in LEGI-SLATE**

As introduced in the Senate, November 19, 1993

Laws Bill would Amend or Repeal:

Currently, no laws are cited that would be amended or repealed by S. 1728

Press ENTER to continue:

S. 1728                   **Q U I C K   B I L L**  
Item 1 of 6               Title, Overview, Outlook              Screen 1 of 1

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S. 1728 by Sen. Richard H. Bryan (D-NV)  
Commercial Mortgage Capital Availability Act of 1993

Official Title (Caption):

A bill to provide regulatory capital guidelines for treatment of real estate assets sold with limited recourse by depository institutions.

Introduced on Friday, November 19, 1993

rces are in desperate need. If we don't act many resources will be lost, many projects will not succeed and what does survive will require much greater sums of support later on. What better way to fund this important need than through merchant marine vessels which no longer have any useful function. The National Defense Reserve Fleet was created to fill a need resulting in our steadily diminishing national merchant marine. This decline in the merchant marine is partly a result of minimal maritime heritage education. The projects funded through the National Maritime Heritage Act of 1983 will serve to increase public awareness which ultimately can beneficially impact the status of the merchant marine. Funds from the scrapping of obsolete ships from the NDRF also provides the needed support without having to allocate new funds (which add to the federal deficit).

Who benefits from this type of program?

Everyone benefits! The American people of today and subsequent generations will have a culture enriched and preserved by increasing their awareness of and access to our maritime heritage. This relatively modest amount of money can have a major impact in creating jobs and work throughout the country through the funding of maritime heritage projects. These projects will also serve to re-instate many of the traditional skills we currently in danger of losing.

Would the MARAD programs such as merchant marine academies go unfunded if proceeds of the NDRF vessels went to maritime heritage projects?

Merchant marine academies have support from the Congressional appropriations to MARAD which are separate from any funding provided by vessel scrapping. In addition, this proposed legislation does not

tion, and MARAD serves as a central resource for the entire field. As such, it is the only appropriate body for administering such a program."

By MR. BRYAN (for himself and Mr. DOMENICI):

S. 1728. A bill to provide regulatory capital guidelines for treatment of real estate assets sold with limited recourse by depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

THE COMMERCIAL MORTGAGE CAPITAL AVAILABILITY ACT OF 1988

MR. BRYAN. Mr. President, I am introducing today legislation with Senator DOMENICI that would remove impediments to the formation of a viable secondary market for commercial mortgages. I believe this legislation will foster a much needed resurgence in the commercial real estate market which will have positive consequences throughout our economy.

I know firsthand of the problems commercial real estate firms are experiencing getting financing. Earlier this year, the Banking, Housing, and Urban Affairs Committee held hearings in Nevada on the credit crunch facing the business community. We heard testimony from a number of extremely reputable firms that were having their lines of credit substantially curtailed or having difficulties rolling over loans.

The difficulty these businesses experienced getting financing were not a factor of poor economic conditions in

DEC 02 '93 12:36

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S 16486

CONGRESSIONAL RECORD—SENATE

November 19, 1993

Nevada. To the contrary, the Nevada economy has been relatively healthy. The credit crunch was more a consequence of changes going on in our State's financial institutions.

Without a doubt, our lending institutions curtailed their business lending in response to the perception that holding commercial mortgages was too risky. This legislation will address this problem by lessening the risk for lenders when they make commercial loans.

There are a number of recommendations to end this credit crunch. I believe the most immediate steps we could take would be to facilitate the growth in a secondary market for commercial loans.

Today, there is a fledgling secondary market for commercial real estate but is minuscule when compared to the secondary market for residential mortgages which numbers in the tens of billions of dollars. In fact, 53 percent of new mortgages in this country are successfully sold into a secondary market.

A viable secondary market for commercial mortgages is essential to provide liquidity and become the takeout vehicle that is currently missing from the market for construction lenders.

This legislation will also be of great benefit to the safety and soundness of our Nation's financial institutions. If we have learned nothing else from the savings and loan debacle, it is that when a financial institution becomes overly concentrated in risky investments the U.S. taxpayers are in jeopardy.

This legislation would reduce this risk by allowing financial institutions to pass along commercial mortgages to the capital markets. This would spread the risk and foster stability by increasing the liquidity of these mortgages. Securities, by design, are a more liquid form of investment than direct investment in real estate, and the more liquid the assets held by a financial system, the more stable, secure, and flexible that system will be.

The thrust of this legislation is to remove a number of impediments to the development of a commercial secondary mortgage market. This legislation would broaden the Secondary Mortgage Market Enhancement Act [SMMEA] to apply to commercial mortgage securities, amend the Employment Retirement Income Security Act [ERISA] to include a class exemption for commercial mortgage securities from being considered prohibited transactions, and change the regulatory treatment—risk-based capital requirements—of subordinated commercial loans to avoid overreserving.

The difficulties in the real estate industry resulting from various vulnerabilities in the commercial funding systems have aggravated this Nation's slow economic recovery. I believe by enacting this bill we will go a long way toward correcting this situation.

Mr. President, I ask unanimous consent that the text of the bill and a summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1728

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Commercial Mortgage Capital Availability Act of 1993".

**SEC. 1. INSURED DEPOSITORY INSTITUTION CAPITAL REQUIREMENTS FOR TRANSFERS OF MORTGAGE LOANS.**

(a) ACCOUNTING PRINCIPLES.—The accounting principles applicable to the transfer of a mortgage loan with recourse contained in reports or statements required to be filed with Federal banking agencies by a qualified insured depository institution shall be consistent with generally accepted accounting principles.

(b) CAPITAL AND RESERVE REQUIREMENTS.—With respect to the transfer of a mortgage loan with recourse that is a sale under generally accepted accounting principles, each qualified insured depository institution shall—

(1) establish and maintain a reserve equal to an amount sufficient to meet the reasonably estimated liability of the institution under the recourse arrangement; and

(2) treat as an asset (for purposes of applicable capital standards and other capital measures, including risk-based capital requirements) only the maximum amount at risk under the recourse arrangement.

(c) QUALIFIED INSTITUTIONS CRITERIA.—An insured depository institution is a qualified insured depository institution for purposes of this section if, without regard to the accounting principles or capital requirements referred to in subsections (a) and (b), the institution is—

(1) well capitalized; or

(2) with the approval, by regulation or order, of the appropriate Federal banking agency, adequately capitalized.

(d) AGGREGATE AMOUNT OF RECOURSE.—The total outstanding amount at risk with respect to transfers of mortgage loans under subsections (a) and (b) (together with the amount at risk under any provisions of law substantially similar to subsections (a) and (b)) shall not exceed—

(1) 15 percent of the risk-based capital of the institution; or

(2) such greater amount, as established by the appropriate Federal banking agency by regulation or order.

(e) INSTITUTIONS THAT CEASE TO BE QUALIFIED OR EXCEED AGGREGATE LIMITS.—If an insured depository institution ceases to be a qualified insured depository institution or exceeds the limits under subsection (d), this section shall remain applicable to any transfer of mortgage loans that occurred during the time that the institution was qualified and did not exceed such limit.

(f) PROMPT CORRECTIVE ACTION NOT AFFECTED.—The capital of an insured depository institution shall be computed without regard to this section in determining whether the institution is adequately capitalized, undercapitalized, significantly undercapitalized, or critically undercapitalized under section 38 of the Federal Deposit Insurance Act.

(g) REGULATIONS REQUIRED.—Not later than 180 days after the date of the enactment of this Act, each appropriate Federal banking agency shall promulgate final regulations implementing this section.

(h) ALTERNATIVE SYSTEM PERMITTED.—

(1) IN GENERAL.—This section shall not apply if, at the discretion of the appropriate Federal banking agency, the regulations of the agency provide that the aggregate amount of capital and reserves required with respect to the transfer of mortgage loans with recourse does not exceed the aggregate amount of capital and reserves that would be required under subsection (b).

(2) EXISTING TRANSACTIONS NOT AFFECTED.—Notwithstanding paragraph (1), this section shall remain in effect with respect to transfers of mortgage loans with recourse by qualified insured depository institutions occurring before the effective date of regulations referred to in paragraph (1).

(i) DEFINITIONS.—For purposes of this section—

(1) the term "adequately capitalized" has the same meaning as in section 38(b) of the Federal Deposit Insurance Act;

(2) the term "appropriate Federal banking agency" has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(3) the term "capital standards" has the same meaning as in section 38(c) of the Federal Deposit Insurance Act;

(4) the term "Federal banking agencies" has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(5) the term "insured depository institution" has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(6) the term "other capital measures" has the same meaning as in section 38(c) of the Federal Deposit Insurance Act;

(7) the term "recourse" has the meaning given to such term under generally accepted accounting principles;

(8) the term "mortgage loan" means—

(A) a note or certificate of interest or participation in a note (including any rights designed to assure servicing of, or the timeliness of receipt by the holders of such notes, certificates, or participation of amounts payable under such notes, certificates or participation) that is principally secured by an interest in real property; or

(B) a security (as such term is defined in section 8 of the Securities Exchange Act of 1934) that is secured by one or more notes described in subparagraph (A) or certificates of interest or participation in such notes (with or without recourse to issuers thereof) and that, by its terms, provides for payments of principal in relation to payments, or reasonable projections of payments, on notes described in subparagraph (A) or certificates of interest or participation in such notes; and

(9) the term "well capitalized" has the same meaning as in section 38(b) of the Federal Deposit Insurance Act.

**SEC. 2. AMENDMENT TO DEFINITION OF MORTGAGE RELATED SECURITIES.**

Section 3(a)(4)(A)(i) of the Securities Exchange Act of 1934 (5 U.S.C. 78c(a)(4)(A)(i)) is amended by inserting before the semicolon ", or on one or more parcels of real estate upon which is located one or more commercial structures".

**SEC. 4. AUTHORITY TO EXEMPT COMMERCIAL MORTGAGE RELATED SECURITIES TRANSACTIONS FROM PROHIBITED TRANSACTION RULES.**

The Secretary of Labor, in consultation with the Secretary of the Treasury, shall exempt, either unconditionally or on stated terms and conditions, transactions involving commercial mortgage related securities (as such term is defined in section 3(a)(4) of the Securities Exchange Act of 1934, as amended by section 3 of this Act) from—

(1) the restrictions of sections 405(a) and 407(a) of the Employee Retirement Income Security Act of 1974; and

(2) the taxes imposed under section 4975 of the Internal Revenue Code of 1986.

DEC 02 '93 12:38

P.6/6

November 19, 1993

CONGRESSIONAL RECORD—SENATE

S 16487

COMMERCIAL REAL ESTATE MORTGAGE SECURITIZATION: THE COMMERCIAL MORTGAGE CAPITAL AVAILABILITY ACT OF 1993  
INTRODUCTION

As we enter the fourth quarter of 1993, there continues to be a lack of available commercial mortgage credit. Traditional commercial mortgage lenders have fled the commercial mortgage market, affecting both new construction and sales of existing properties. Mortgage loan renewals and refinancings, even by lenders with long-term credit relationships with borrowers, are increasingly difficult to secure.

When commercial mortgage credit is being advanced, it is under much more stringent terms than historical practice or current mortgage conditions should justify. Loan-to-value ratio limits are frequently below 80 percent, required debt coverage ratios are above 1.5, and spreads against 10-year Treasuries have increased to over 200 basis points, up from 80 basis points just 8 years ago. Furthermore, additional collateral or guarantees are frequently required, even on current well-performing loans.

Additionally, federally-chartered commercial banks, burdened by poorly performing and illiquid commercial real estate portfolios, are constrained in their ability to modify or enhance their portfolio positions and, thus, are unable to originate new loans. Risk-based capital requirements, minimum equity standards, and the need to roll over maturing loans to avoid more REO has inhibited new lending activity over the last several years. This constraint has resulted in a diminished ability by these institutions to meet small business and corporate client needs, and is further exacerbating the economic plight of local communities. Improving the balance sheets of financial institutions by enhancing the liquidity of commercial mortgage loans would free up credit for lending in small-business and local communities. The gain here is enormous, since small businesses have such a large impact on jobs and job creation.

Enhancing securitization<sup>1</sup> procedures and the secondary market for commercial real estate loans would foster economic growth, create jobs and add to the financial stability of our lending institutions by increasing the flow of funds through capital markets and fostering liquidity. Securitization will not stimulate unnecessary new development activity. Indeed, it will contribute to the re-

covery of our commercial sector and help assure that the financial crisis experienced over the past several years, will not be repeated.

Although real estate markets in selected parts of the country have begun to exhibit signs of a possible recovery, instability and deeply depressed market values are the norm in most areas. The weakness in the commercial real estate sector has triggered devastating events that extend far beyond the development site. Thousands of businesses related to the real estate industry have failed, tens of thousands of workers have lost their jobs and numerous financial institutions have failed.

Many local economies have suffered considerably due to eroding tax bases caused by the fall of commercial real estate values. Communities have been forced to make up the difference in a variety of ways, including higher tax rates, layoffs and reduced services. Thus, the deterioration of commercial property values has cut deeply into revenues that could otherwise have been used to build new schools, repair bridges, hire police and firemen, or provide other important community services.

BACKGROUND

The commercial credit predicament can be best illustrated by the trend in commercial mortgage credit outstanding. Between 1990 and 1991, total commercial (excluding multifamily) mortgage debt outstanding dropped from \$760.4 billion to \$751.4 billion—the first drop since 1971. Over the decades since 1971, commercial credit outstanding had increased at an average annual rate of 11.7 percent. As of the third quarter of 1992, the total volume of outstanding commercial mortgage loans \$728.1 billion. As of the second quarter of 1993, total outstanding commercial mortgage debt—excluding multifamily—was just under \$700 billion.

A direct parallel to the commercial mortgage market's credit dilemma can be found in the historical development of the residential secondary mortgage market. Comparable liquidity and funding problems plagued the residential mortgage markets in the 1970s and early 1980s. However, the timely development of an active secondary market for residential mortgages, including new forms of residential mortgage-backed securities, solved what otherwise could have been a serious capital shortage for housing as well as a liquidity crisis for the institutions holding residential loans.

Also, Freddie Mac and Fannie Mae provided a consistent flow of funds into residential mortgages, eliminating regional differences in the availability of mortgage capital. Since 1979, they have successfully created and maintained a secondary market for residential mortgage-backed securities. This market now represents 63 percent of the new origination market and 48 percent of residential mortgages outstanding.

It is noteworthy that despite the nation's persistent economic and financial problems over the past five years, one problem the country has not experienced is a lack of residential mortgage financing at market interest rates. This is largely attributable to the progress made in the trading and securitization of residential mortgage loans.

MULTIFAMILY SECURITIZATION

Financing for multifamily housing has also become competitive and more difficult to obtain. The convergence of several factors in the last few years, including changes in institutional lending due to FIRREA, repercussions from the Tax Reform Act of 1986, the constriction in Freddie Mac Multifamily programs, the repeated battle for congressional extension of the low-income housing tax

credit, and reduced activity by FHA, have permanently altered the multifamily arena and has added to the frustration's of this nation's lower- and middle-income families in their efforts to obtain decent, affordable housing.

In the 1980s, thrifts and commercial banks were the primary source of financing to multifamily construction projects. In Fall, 1986, thrifts provided 53 percent of multifamily financing, dominating all other sources. By Fall, 1992, this market share fell to 36 percent and the traditional lending industry (thrifts and banks) continues to downsize its commercial real estate activity, primarily due to legislative and regulatory restraints. Stricter regulation after FIRREA has steered thrifts entirely away from commercial real estate (which includes multifamily) lending. Banks, the next logical source for financing, are constrained in their ability to make commercial loans also due to regulatory pressures. The struggle to meet risk-based capital requirements, contention with environmental liability, and the inability to connect existing loans to the capital marketplace has put acute pressure on banks' service and portfolio management.

Insurance companies are also being extremely cautious after some significant failures and with the impending threat of harsh treatment from the Investments of Insurers Model Act, proposed by the National Association of Insurance Commissioners, take-out commitments from insurance companies are likely to vanish altogether.

SECONDARY MARKET FOR LIQUIDITY AND TAKE-OUT SUPPORT

Worsening the liquidity in multifamily finance is the inability of traditional lenders to easily securitize and sell multifamily mortgages into an active secondary market. In the current market, the need to obtain financing for new originations and liquidate existing mortgage portfolios is a strong impetus for growth in multifamily mortgage-backed securities. However, the proportion of securitized multifamily loans is substantially smaller than securitized residential mortgages. Multifamily securitization, though increasing in market share, has not grown like the single-family product largely because multifamily mortgages have greater complexity and variation than residential mortgages.

However, the largest increase in market share of multifamily loans has been by mortgage securities. Their share grew from 3.3 percent in 1986 to 10.4 percent in 1992. Yet, the Resolution Trust Corporation (RTC) accounted for much of the increase and the RTC's securitization activity is supposed to be cut back tremendously in the coming year.

During the past two years, 12 multifamily issues totaling \$4.5 billion have come to market. Although largely supported by RTC assets, this massive loan packaging has established the viability of securitization and has shown that this is an important technique for creating new loan funds for income-producing real estate.

THE COMMERCIAL MORTGAGE CAPITAL AVAILABILITY ACT OF 1993 IS THE SOLUTION

While many solutions to the commercial mortgage credit crunch have been proposed—turning to other forms of lending or the raising of equity capital—the best possible solution would be to enhance the liquidity of present mortgage products. Several conditions are necessary for liquidity of commercial mortgages to be enhanced. First, and foremost, there must be legislative and regulatory encouragement.

A viable secondary market for commercial mortgages is essential to provide liquidity and become the take-out vehicle that is cor-

<sup>1</sup>What is Securitization: Securitization converts relatively illiquid real estate assets into marketable securities that can be purchased by a broad range of investors including pension funds, banks, insurance companies, mutual funds and investment funds. The securities are backed by pools of commercial mortgages, or sometimes by a single property, such as a large urban, mixed-use complex.

The cash flows generated by the underlying properties are divided to create classes of securities in accordance to risk profiles, maturity schedules and various investor criteria. These securities are analyzed and assigned credit ratings by agencies such as Duff and Phelps, Moody's and Standard & Poor's, allowing investors to compare the risks of owning them with the risks of owning corporate bonds and other marketable investments.

Securitization techniques can enhance a loan origination program whereby an institution can originate, pool and securitize new mortgage loans without the capital restraints of becoming long-term holders of the loans. Then, by packaging and selling off a significant proportion of loans to investors, lenders will be able to underwrite, process and service more mortgages without increasing their overall allocation to real estate. This directly enriches an institution's ability to manage asset-liability mix, interest rate sensitivity, and reduce capital required to meet regulatory reserve minimums.

DEC 02 '93 12:39

P.7.6

S 16488

CONGRESSIONAL RECORD — SENATE

November 19, 1993

rently missing from the market for construction lenders. The recent credit crunch for commercial real estate has pointed up the vulnerability of our financial institutions in dealing with the structural changes faced by the industry. Although there are a number of impediments to the development of a commercial secondary mortgage market, the benefits will be great to financial institutions who can more actively manage their portfolios and to borrowers who will not suffer periods of illiquidity in the market.

This reasoning is supported by almost everyone in the commercial real estate finance industry, and that is:

A broad-based secondary market for commercial mortgages would provide the appropriate forum in which commercial loans may be securitized and traded. The ability to securitize and trade loans in a secondary market, in turn, creates liquidity. Securities are, by design, a more liquid form of investment than direct investment in real estate. Moreover, the more liquid the assets held by a financial system, the more stable, secure and flexible that system will be.

The market for commercial mortgage securities is steadily growing, although the market is modest in comparison to the residential mortgage securities market. This market will evolve with or without federal intervention, however, now is the time to foster securitization methods and practices that bolster safety and soundness while providing fair and equitable market access to healthy financial institutions.

With approximately \$700 billion in commercial real estate loans outstanding in the nation's financial system, it is critical that measures be taken to assure that the institutions holding these commitments have suitable methods and policies for managing and recirculating their capital in a liquid market.

• Mr. DOMENICI. Mr. President, the Senator from Nevada [Mr. BRYAN] and I are introducing a very important bill today—the Commercial Mortgage Capital Availability Act of 1993. This bill addresses the credit crunch by removing impediments to securitization. This is the process Wall Street uses to convert relatively illiquid real estate assets into marketable securities that can be purchased by a broad range of investors including pension funds, banks, insurance companies, mutual funds, and investment funds. The securities are backed by pools of commercial mortgages or sometimes by a single property, such as a large urban, mixed-use complex.

Securitization makes money for lending recyclable. A banker makes a loan, sells it, takes the proceeds and lends it out again. Wall Street buys the loans, pools them, securitizes them and enables banks to make more loans without waiting for repayment month after month.

In the last Congress, I chaired the Real Estate Task Force. We received recommendations from 40 or more real estate and lending institutions. The task force examined ways to increase commercial real estate liquidity by expanding the secondary market. An expanded secondary market would make more credit available for commercial real estate and small business lending purposes.

In April of this year, I held a Senate Banking Committee credit crunch

hearing in New Mexico. Senator BRYAN held a hearing on the same topic in Nevada. We came to the same conclusion—we need to make it easier for the secondary market in commercial real estate to function and grow.

Testimony at the hearing in New Mexico included some very illuminating testimony from Lou Touiga who is an Albuquerque real estate broker and the chairman of the National Association of Realtors commercial investment committee.

The commercial real estate market has been hurt because the traditional sources of funding for long-term loans have either disappeared, been traumatized, or experienced considerable price instability."

He and other witnesses knew of many banks that are not making any commercial real estate loans. Those that do make loans only offer terms with very short amortization periods. This makes it difficult to satisfy debt coverage ratios and make cash flow work. Loan to value ratio limits are often below 60 percent and required debt coverage ratios are often above 1.5. Interest rates are higher too—the spreads against 10-year Treasuries are now more than 200 basis points.

Loan terms tend to be too short—5 years with the accompanying uncertainty of rollovers and the uncertainty of reappraisals and the potential of revaluations through the appraising process. To get a 20-year loan on a building, a developer needs to have tenants with 20-year leases. This is usually impossible.

Facing these serious obstacles the National Association of Realtors, the National Realty Committee and the Mortgage Bankers Association started a consortium to do the necessary work to create a secondary market for commercial lending. They have asked for Congress' help to eliminate some of the regulatory restraints in current law. For example, modify the Secondary Mortgage Market Enhancement Act to allow the securities from commercial loan pools to be accepted across all 50 States.

We also need to deal with subordination. When a banker subordinates a particular obligation and sells it, he still needs to maintain the same capital requirements as if he had held on to the loan. This locks up capital that could be loaned for other productive purposes.

We also need to modify ERISA to allow comparable treatment of commercial real estate. Commercial real estate should be treated as favorably as residential by allowing secondary mortgage securitization. This would provide parity under ERISA for commercial real estate.

The bill Senator BRYAN and I are introducing today does three things: Broadens the Secondary Mortgage Market Enhancement Act [SMMEA] to apply to commercial securities; amends the Employment Retirement Income Security Act [ERISA] to in-

clude a class exemption for commercial mortgage securities. They would no longer be classified as prohibited transactions; and changes the regulatory treatment—risk-based capital requirements—of subordinated commercial loans to avoid forcing financial institutions to set aside more reserves than are really necessary for safety and soundness of the financial institutions.

As we enter the fourth quarter of 1993, there continues to be a shortage of commercial mortgage credit. Mortgage loan renewals continue to be difficult to secure even notwithstanding long-term credit relationships. This bill will help address that problem.

I urge my colleagues to join Senator BRYAN and I in cosponsoring this bill. It is the logical extension of a bill reported out of the Banking Committee by Senator D'AMATO. He should be commended for his hard work in making more capital available to small businesses. •

By Mr. DOMENICI:

S. 1729. A bill to amend the Internal Revenue Code of 1986 to repeal the 1993 Federal income tax rate increases on trusts established for the benefit of individuals with disabilities or for college education costs of a beneficiary; to the Committee on Finance.

PERSONS WITH DISABILITIES TRUSTS TAX RATE RESTORATION ACT

Mr. DOMENICI. Mr. President, things aren't always as they seem—especially in the world of tax legislation. Included in the same section that raised the tax rates for higher income individuals were provisions increasing the tax rate for trusts with meager incomes as low as \$1,500.

President Clinton campaigned that he wouldn't raise taxes on anyone earning less than \$200,000, yet in the bill the President signed this summer, tax bracket increases begin for trusts that have income of \$1,500.

This isn't really a tax on trusts. It is a tax on people who are mentally ill and people with disabilities. It is also a tax on education.

The legislation I am introducing today would repeal that tax increase.

Trusts, at first blush, are faceless entities associated with the idle rich. But the vast majority of trusts are long term financial planning tools for people with simple goals and very special needs.

Trusts are set up to save for college or to provide a living allowance for people with disabilities or mental illness. It is a way that parents can plan for the time when they have passed on. These are worthy purpose trusts that are taking a heavy tax hit under the bill the President signed into law.

Increasing the tax rates on these faceless entities called trusts sounds appealing until we stop to realize that the money comes out of the living allowances of individuals with disabilities or mental illness.

I have experienced personally the agony a family faces as they try to

## TALKING POINTS FOR HURON

### INTRO

Having grown up on a small family farm, Larry Pressler knows the difference between show horses and work horses. Most of us from this part of the country know the difference as well. The Senate has its share of show and work horses. I can tell you that Larry Pressler is a work horse. Most important, he is South Dakota's work horse.

### HURON ISSUES

- o Larry has been a strong proponent of quality air service in South Dakota. Every year, Larry fights for full funding of the Essential Air Service. This year, he was instrumental in securing \$35 million for this program, which insures quality air service in communities in South Dakota, including Huron. Larry knows that future economic opportunity in Huron depends on access to quality air service. Larry is working with Mayor Lewis and other Huron leaders in efforts to secure a new EAS carrier for the Huron Community.
- o Larry worked with Huron's community leaders on the Dakota Central Mail Processing Plant, which will bring a number of new jobs to Huron.
- o Larry also has worked with Huron leaders to keep Huron's weather station open. He knows this weather station is crucial to ensure full and adequate weather coverage for South Dakota.
- o Larry shares the Huron community's support for the Eastern Dakota Expressway proposal currently under consideration by the State Department of Transportation. Larry knows the importance of an efficient transportation infrastructure for South Dakota and its impact on economic development. Larry is committed to working with local, state, and federal officials to secure funding for necessary highway development.

### STATEWIDE ISSUES

#### A. Small Business

Larry Pressler is the ranking member of the Senate Small Business Committee. That's a perfect role. Virtually all South Dakota business is small -- from the family farmer to the corner drug store. Larry is a champion of small business owners and the workers they employ.

- o Larry was a strong, outspoken opponent of the Clinton budget, particularly the provisions that tax small businesses at rates higher than major corporations. Larry fought hard to get those new taxes removed, but the Senate's Liberal Democratic majority refused.

- o It was Larry Pressler who spotted a provision in the Clinton budget package that would have resulted in new, costly paperwork requirements for small business. He was able to get this needless provision removed -- one of the few victories for small businessmen and women this year.
- o Larry Pressler has been one of our most outspoken advocates for NAFTA. Larry knew first hand that NAFTA will be good for South Dakota. Why? South Dakota's economic future, as well as our nation's economic future, is tied to exports. NAFTA will mean expanded export opportunities for agriculture and small business.
- o Larry Pressler is working to insure that any health care plan does not adversely impact small business. It was Larry who got 40 of his Republican colleagues to sign a letter to President Clinton, urging that any health care proposal not include mandates on small business. Larry intends to make sure that small business is not health care reform's sacrificial lamb.

#### B. Agriculture

Larry Pressler is a fighter for South Dakota's farmers and ranchers. As all of us know, America's farmers and ranchers were in need of a few fighters in Washington this year.

- o Larry played a leading role in the passage of legislation to provide emergency assistance for South Dakota farmers impacted by last summer's heavy rain and floods.
- o Larry Pressler fought hard to preserve the wool and mohair program, as well as the honey program. Larry knows these programs help our nation's farmers compete against heavily subsidized European farm products.
- o Larry was instrumental in keeping the wheat market in Nigeria open for American business -- a \$150 million market for America's wheat farmers.
- o And it was Larry Pressler who joined with other Western Senators against Bruce Babbitt's so-called rangeland reform plan. Larry knew this plan was not reform. It would have meant disaster for farmers and ranchers.

#### NATIONAL ISSUES

Larry Pressler is not just a South Dakota leader -- he is a national leader. Larry Pressler has never shied away from what he believes is in America's interest.

- o Larry Pressler was one of the first to criticize the lack of policy direction by the Clinton Administration in Somalia and Haiti.

o Larry Pressler is the author of a law that bars aid to Pakistan if that country is developing a nuclear weapon. Congress passed what is known throughout the world as the "Pressler Amendment" because we wanted to take a tough stand against nuclear proliferation in one of the most unstable regions of the world. Now the President wants to repeal the Pressler amendment. That would be a serious mistake. It would send the wrong message to countries trying to join the nuclear club - like China or North Korea. Your Senator's amendment has saved U.S. taxpayers \$1.8 billion in foreign aid that otherwise would have gone to Pakistan.

o Larry Pressler has been the nation's most outspoken critic of waste, fraud, abuse and thievery at the United Nations. Larry has been a crusader on this issue -- his appearance on 60 Minutes has helped raise public interest in this issue. Now, more than ever, the American people are calling for serious reform at the United Nations.

CLOSER

Like I said at the beginning, there are work horses and there are show horses. It's important to know the difference. I've worked with Larry Pressler for nearly 15 years in the Senate, and I can say with certainty that in Larry South Dakota has a true work horse in the United States Senate. Larry Pressler, we salute you.

12-02-93 04:29 PM FROM Sen. Larry Pressler

P09

HURON

EVENT CO-CHAIR: Paul Christen, Warren Lotsberg  
LOGISTICS COORDINATOR: Shannon  
EVENT COORDINATOR:

4:10 pm--cars arrive

4:30 pm--Dole and Pressler Arrive  
MET BY: Don Schneibe--Beadle Chairman

CARS: Paul Christen--Lead Car (confirmed)  
Dole, Pressler, Marle Lewis  
Dole, Pressler, Warren Lotsburg  
Marle Lewis (confirmed)  
Warren Lotsberg (confirmed)  
Paul Mavity--confirmed  
Peterson, Nelson, Beckstrom  
3rd Car--John Luddy (confirmed)  
Glassner, 2nd Dole staffer  
4th car--Shannon  
2 UST guys

GREETER: Huron University President (confirmed)  
REGISTRATION: Karen Edwards--Republican Women  
(confirmed)  
HOST/HOSTESS: Arlene/Irv Wiesel (confirmed)  
COORDINATOR: Lisa Luterman

airplane: (9) Dole, Pressler, Peterson, Nelson, Glassner, 1 Dole  
staffer, Beckstrom, 2 UST people

## TALKING POINTS FOR WATERTOWN

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### WATERTOWN ISSUES

- o Watertown's new "Vision 2004" project is exactly the kind of community led economic development initiative that makes small cities in the Midwest so great. Through Vision 2004, your community is not asking for a hand out, but rather is demonstrating a commitment to success built on grassroots community involvement. You can be assured Larry Pressler will do all he can to help ensure the success of this project.
- o A number of your businesses successfully compete in foreign markets. For instance, Ron Wheeler and Simon-Telelect manufacture hydraulic equipment here and have a subsidiary in Great Britain. Dennis Holien and Midcom do business in all fifty states and almost as many foreign countries. INTERSEPT Products is yet another example of a Watertown business gone global. Watertown can be proud of its international connections.

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12-02-93 04:29 PM FROM Sen. Larry Pressler

P08

WATERTOWN

EVENT CHAIRMAN: Dr. Bob Bartron  
LOGISTICS COORDINATOR: Lisa  
EVENT COORDINATOR: Pat

2:05--car arrive airport  
2:25--Dole and Pressler arrive.

MET BY: Dr. Bob Bartron

CARS: Dennis Holein--Lead Car (confirmed)  
Pressler, Dole, Dr. Bartron  
Pressler, Dole, Gordon Garnos  
2nd Car Burdette Solum (confirmed)  
Peterson, Nelson, Beckstrom, Glassner  
Jen--2 UST guys, 2nd Dole staffer

REGISTRATION: Al Koistenen setting up  
HOST/HOSTESS: Al Koistenen will have  
COORDINATOR: Pat Munger

Airplane: (9) Dole, Pressler, Peterson, Nelson, Glassner, Dole  
Staffer, Beckstrom, 2 UST

12/03/93

16:29

WICHITA

12/03/93

12:13

SEN. DOLE HART 141 PRESS OFFICE

NO. 536

003

002

December 2, 1993

TO: Senator Dole  
FROM: Mike Torrey  
SUBJECT: St. Louis ag meeting

Those attending the St. Louis ag meeting have been told to talk about whatever is on their minds. Regarding agriculture, you may want to point out that many decisions regarding agriculture will be made in 1994 i.e. the Clean Water Act, the Endangered Species Act, and wetlands reform. Considering the make up of the group, the following topics may come up.

LEVEES...Considering most of these folks had some association with the 93 floods, this may come up. Basically there is concern with the repair of levees which were built by the Corp but not in the federal program since the levees were not maintained. Bond has pushed hard to require the Corp of Engineers to assist in the repair of these levees. The Bond bill would cap cost at \$100 million. Legislation passed the House with a \$50 million cap. Baucus sided with the Corp in opposing this legislation and put a hold on it in the Senate. FYI, this legislation would assist 400 levees in Missouri and 100 levees in Kansas. The problem this creates is that when spring showers come, there may be additional flooding without these levees repaired. Spears is meeting with the Corp on Friday to discuss this situation.

The Bond bill is also strongly opposed by the Fish and Wildlife Service. They are waiting on a White House task force report due in February which is looking at alternatives to levee repair. Essentially, Fish and Wildlife believes the flood plain should be opened up and no levees rebuilt. Instead, they want to restore wetlands. However, they reportedly have not yet put up road blocks to levee repair in Missouri. I understand the environmental groups will be in town early next year pushing for the federal government to buy up land from property owners who are upstream from flood plains hoping to keep this land open.

PRIVATE PROPERTY RIGHTS/ENDANGERED SPECIES...A separate memo is attached. This would be a good group with which to push private property rights legislation.

GATT...They may ask you about the chances of getting a GATT agreement and if it will stand a chance in Congress. As you know, December 15 is the deadline for an agreement. You have sent letters saying hold strong on Blair House which will be of interest to the soybean folks. As of Thursday, it was rumored that there was a deal on GATT between the E.C. and the U.S. Details are sketchy but we understand that the E.C. wants to make cuts in export subsidy programs at a slower rate and they have agreed to increase their market access. I understand Kancor will meet with the President on this and then fly to Geneva on Monday.

ETHANOL...December 15 is the deadline for EPA to decide whether or not ethanol will be included in the reformulated gasoline

12/03/93 16:30 WICHITA

12/03/93 12:14 SEN. DOLE HART 141 PRESS OFFICE

NO. 536 Q04

003

program. You have sent letters to the White House asking ethanol be included. The Secretary of Agriculture is supportive but EPA is resisting. There should be attached information regarding this. *We have not received a return call on what the decision is going to be.*  
FARM BILL...Discussion of the '95 Farm Bill will start in the fall of 1994. Much of the debate will be influenced significantly by the environmental groups which will ask for additional environmental mandates on farmers. There will also be a strong faction which will want to do away with farm programs altogether. Agriculture will have fewer federal dollars to work with for the farm bill which will make any kind of program difficult. Major issues will include what to do with CRP ground, means testing, and increasing flexibility so producers can grow alternative crops. If we get a GATT agreement, this may require a major restructuring of farm programs as well.

12/03/93

16:30

WICHITA

12/03/93 12:14

SEN. DOLE HART 141 PRESS OFFICE

NO. 536

P05

004

December 1, 1993

TO: Senator Dole

FROM: Mike Torrey

SUBJECT: Private Property Rights/Endangered Species Act

**PRIVATE PROPERTY**

--S.B.177 would codify an Executive Order issued by President Reagan. Essentially the bill contains only three basic points: First, when issuing regulations, agencies should review them to determine whether it would result in a taking of private property; second, strive to reduce takings; and third, have the Attorney General certify that the first and second points have been undertaken.

--S.B. 177 has 25 co-sponsors--2 Democrats and 23 Republicans.

--Even though the rights of property owners are protected from the federal government under the 5th amendment and from state and local governments under the 14th amendment, billions of dollars in claims are filed each year against the federal government by landowners who believe their property has been taken by the government without just compensation.

--While the courts have recognized these takings are subject to compensation, it is unfortunate that citizens, at the expense of vast amounts of money and time, have had to go to court to prove their case.

--During debate in the House on the National Biological Survey, a vote was taken which prevented federal employees from going on private property without written permission to collect data for the survey. The vote passed overwhelmingly (309-115).

--Legislation similar to yours was passed several times by the Senate during the last Congress. However, with a change in the make up of the Senate, a grass roots lobbying effort will be necessary to pass this legislation in 1994.

**ENDANGERED SPECIES ACT**

--There may be action on the ESA in 1993. There are two bills receiving attention in the Senate-- S.B. 921 (Baucus) and S.B. 1521 (Shelby/Gorton). The latter is supported by many of the ag groups. S.B. 1521 considers the economic impacts on communities and strengthens the role of science in determining the listing of a species as endangered. Whereas S.B.921 does not address the issue of private property rights and it extends immediate protection to 3700 candidate species.

12/03/93

16:28

WICHITA

12/03/93 13:33

SEN. DOLE HART 141 PRESS CONFERENCE

NO. 536

P02

002

December 3, 1993

TO: Senator Dole  
FROM: Mike Torrey  
SUBJECT: St. Louis meeting

Just a couple of additional notes regarding the St. Louis meeting. Farmer John Pellet was your 1988 Farmers and Ranchers for Dole Chairman in Missouri and held an event for you on his farm which you attended. Farmer Earl Stolte hosted an event on his farm which Dave Spears attended during a St. Louis Ag trip. Both farmers were under water this year due to the flooding. They have also experienced wetland problems. Below is a brief summary of wetlands. Also, both farmers are pushing hard for the Page Avenue extension which would relieve traffic in St. Louis. However, they are running into environmental problems.

WETLANDS...Legislation will probably move in 1994 in conjunction with the Water Act. The approach should be finding a balance and common sense. You are a co-sponsor of the Bond Bill S. 824, the Wetlands Simplification Act. This bill would require the Soil Conservation Service to be the lead agency in determining wetlands. This legislation will probably be attached to a bigger bill in the future. There are 27 co-sponsors (6 D and 21 R).

BST .Monsanto will also be present. They are the manufacturers o BST (Bovine Somatotrophin) which is a growth hormone for dairy cows. It increases milk production 5-15%. The drug has been approved by FDA and is currently under a 90 day moratorium on the commercial sale of the drug. The moratorium should end around Feb. 1. Feingold is opposed to BST and is responsible for the moratorium. His next tactic may be to affect demand by saying BST is not safe for human consumption.

## TALKING POINTS FOR ABERDEEN

### INTRO

Having grown up on a small family farm, Larry Pressler knows the difference between show horses and work horses. Most of us from this part of the country know the difference as well. The Senate has its share of show and work horses. I can tell you that Larry Pressler is a work horse. Most important, he is South Dakota's work horse.

### ABERDEEN ISSUES

- o Larry Pressler has been a leader in bringing advanced telecommunications technology to Aberdeen. Recently, US West announced it will install a digital switch in Aberdeen -- this was due in large part to Larry's persistence that Aberdeen be given the state of the art in telecommunications. This technology means increased economic development opportunities for Aberdeen.
- o Larry shares the Aberdeen community's support for the Eastern Dakota Expressway proposal currently under consideration by the State Department of Transportation. Larry knows the importance of an efficient transportation infrastructure for South Dakota and its impact on economic development. Larry is committed to working with local, state, and federal officials to secure funding for necessary highway development.

### STATEWIDE ISSUES

#### A. Small Business

Larry Pressler is the ranking member of the Senate Small Business Committee. That's a perfect role. Virtually all South Dakota business is small -- from the family farmer to the corner drug store. Larry is a champion of small business owners and the workers they employ.

- o Larry was a strong, outspoken opponent of the Clinton budget, particularly the provisions that tax small businesses at rates higher than major corporations. Larry fought hard to get those new taxes removed, but the Senate's Liberal Democratic majority refused.
- o It was Larry Pressler who spotted a provision in the Clinton budget package that would have resulted in new, costly paperwork requirements for small business. He was able to get this needless provision removed -- one of the few victories for small businessmen and women this year.
- o Larry Pressler has been one of our most outspoken advocates for NAFTA. Larry knew first hand that NAFTA will be good for South Dakota. Why? South Dakota's economic future, as well as our nation's economic future, is tied to exports. NAFTA will mean expanded export opportunities for agriculture and small business.

- o Larry has been a strong proponent of quality air service in South Dakota. Every year, Larry fights for full funding of the Essential Air Service. This year, he was instrumental in securing \$35 million for this program, which insures quality air service in many communities in South Dakota. Larry knows that future economic opportunity depends on access to quality air service.
- o Larry Pressler is working to insure that any health care plan does not adversely impact small business. It was Larry who got 40 of his Republican colleagues to sign a letter to President Clinton, urging that any health care proposal not include mandates on small business. Larry intends to make sure that small business is not health care reform's sacrificial lamb.

#### B. Agriculture

Larry Pressler is a fighter for South Dakota's farmers and ranchers. As all of us know, America's farmers and ranchers were in need of a few fighters in Washington this year.

- o Larry played a leading role in the passage of legislation to provide emergency assistance for South Dakota farmers impacted by last summer's heavy rain and floods.
- o Larry Pressler fought hard to preserve the wool and mohair program, as well as the honey program. Larry knows these programs help our nation's farmers compete against heavily subsidized European farm products.
- o Larry was instrumental in keeping the wheat market in Nigeria open for American business -- a \$150 million market for America's wheat farmers.
- o And it was Larry Pressler who joined with other Western Senators against Bruce Babbitt's so-called rangeland reform plan. Larry knew this plan was not reform. It would have meant disaster for farmers and ranchers.

#### NATIONAL ISSUES

Larry Pressler is not just a South Dakota leader -- he is a national leader. Larry Pressler has never shied away from what he believes is in America's interest.

- o Larry Pressler was one of the first to criticize the lack of policy direction by the Clinton Administration in Somalia and Haiti.

o Larry Pressler is the author of a law that bars aid to Pakistan if that country is developing a nuclear weapon. Congress passed what is known throughout the world as the "Pressler Amendment" because we wanted to take a tough stand against nuclear proliferation in one of the most unstable regions of the world. Now the President wants to repeal the Pressler amendment. That would be a serious mistake. It would send the wrong message to countries trying to join the nuclear club - like China or North Korea. Your Senator's amendment has saved U.S. taxpayers \$1.8 billion in foreign aid that otherwise would have gone to Pakistan.

o Larry Pressler has been the nation's most outspoken critic of waste, fraud, abuse and thievery at the United Nations. Larry has been a crusader on this issue -- his appearance on 60 Minutes has helped raise public interest in this issue. Now, more than ever, the American people are calling for serious reform at the United Nations.

#### CLOSER

Like I said at the beginning, there are work horses and there are show horses. It's important to know the difference. I've worked with Larry Pressler for nearly 15 years in the Senate, and I can say with certainty that in Larry South Dakota has a true work horse in the United States Senate. Larry Pressler, we salute you.

12-02-93 04:29 PM FROM Sen. Larry Pressler

P07

ABERDEEN

EVENT CHAIRMAN: Vi Stoia  
LOGISTICS COORDINATOR: Staci  
EVENT COORDINATOR: Shannon

12:05 pm Cars arrive at Super 8 Aviation  
12:25 pm Pressler/Dole arrive  
MET BY: Edie Lein--Brown County Chair

CARS: Rep. Steve Cutler--Lead Car (confirmed)  
Pressler, Dole, Edie Lein (?)  
Pressler, Dole, Stoia  
2nd Car--Bill Edwards (confirmed)  
Don Peterson, Dan Nelson, Brad  
Beckstrom  
Steve Lust--Dr. Joe Chang (confirmed)  
Mike Glassner, Dole Staffer  
4th Car--Staci Kesling  
2 UST guys

GREETER: Brown County Republicans  
REGISTRATION: Brown County Republicans  
HOST/HOSTESS: Joe Lein (confirmed)

Airplane: (9) Dole, Pressler, Peterson, Nelson, Glassner, Dole  
Staff, Beckstrom, 2 UST guys

\*\*\*\*\*STACI WILL BRING FOOD BACK TO THE AIRPLANE

12-02-93 04:22 PM FROM Sen. Larry Pressler

P03

## MEMORANDUM

TO: Ju-Anne Coe  
FROM: Brad Beckstrom  
DATE: December 1, 1993  
RE: Odds and Ends

---

### AIRPLANE PASSENGERS

Chris Swanger (UST)

John Atwood (UST)

Senator Dole

Mike Glassner

additional Dole staffer

Dan Nelson, Event Chairman

Don Peterson, State Party Chairman

Senator Pressler

Jack Rentschler, (SF to Yankton only)

Steele Gudal, (SF to Yankton only)

Brad Beckstrom, Pressler staffer, (Yankton to Pierre)

### DRIVERS/PASSENGERS

Friday night:

Jack Rentschler (driver), Don Boen, Senator Dole,

Senator Pressler

Saturday:

#### Sioux Falls:

Bob Elmen (driver), Senator Pressler, Senator Dole

#### Yankton:

Louis Wudel, (driver), Milo Daily, publisher of the

Yankton Press and Dakotan, Senators Dole and Pressler

Jim Cope, will replace Milo Daily on the return trip to  
the airport.

#### Aberdeen:

State Representative Steve Cutler, (driver), Vi Stcia,

Senators Dole and Pressler.

#### Watertown:

Dennis Holein, (driver), Dr. Bob Batron, Gordon Garnos,

(Publisher of the Watertown Public Opinion) Senators

Pressler and Dole

Huron:

Paul Christen, (driver), Merle Lewis, (Mayor of Huron)  
Senators Pressler and Dole, Warren Lotsberg, will replace  
Merle Lewis and return to airport.

Pierre:

Ron Holstein, (driver), Governor Walter Dale and Mrs.  
Pat Miller, Senators Pressler and Dole.

FRIDAY EVENING EVENT

Private reception beginning at 8:45. Location is the Downtown  
Holiday Inn, Embassy Room. Senators Dole and Pressler will  
arrive late.

WEATHER REPORT:

Friday afternoon/evening--chance of rain or snow throughout the  
state. high temperatures in the lower 30's. Low temperatures  
Friday night 15-25.

Saturday: dry conditions/partly sunny; highs in the 30's in the  
northeast, mid-30's in the southeast.

No major storms are predicted for the weekend.

OTHER

Mary Wiese, who worked for the SD Dole campaign in 1988 will be  
at the Sioux Falls event. She is a hostess and will be looking  
for Dole to say hello. You may want to remind him to look for  
her.

12-02-93 04:29 PM FROM Sen. Larry Pressler

P05

~~ATTACHED CHIPS SWINGER, DOWNLOADER~~

SIOUX FALLS

December 3

8:45 pm--reception, Holiday Inn (Dan and Jill)

8:45 pm--cars arrive at BA

9:00 pm--Senator Dole arrives Sioux Falls.  
Met by: Senator Pressler

CARS: Jack Rentschler--Lead Car (confirmed)  
Senator Dole  
Senator Pressler  
Don Boen (confirmed)  
Dan Nelson vehicle--confirmed  
Mike Glassner  
2nd Dole Staffer

Brad will stay behind for luggage

December 4

8:00am Pat Munger departs with luggage and breakfast  
8:30am CARS LINE UP IN FRONT OF HOLIDAY INN  
9:00am CARS DEPART FOR BUSINESS AVIATION

CARS: Bob Elmen--Lead Car (confirmed)  
Senator Pressler  
Senator Dole  
Dr. Gon Sanchez  
Dan Nelson--(confirmed)  
Don Peterson  
Jack Rentschler  
Steele Goodal  
Tom Savage--(confirmed)  
Mike Glassner  
2nd Dole Staffer  
Brad Beckstrom--(confirmed)  
2 UST guys

REGISTRATION: Marianne Goodis (confirmed)  
Kim Lawrenz (confirmed)

Carol Ketelsen (confirmed)

HOST/HOSTESS: Mary Wiese (confirmed)

EVENT COORDINATOR: Jill Schieffer

Airplane: (10) Dole, Pressler, Peterson, Rentschler, Steel,  
Nelson, Glassner, 2 UST, 1 Dole Staffer

YANKTON

EVENT CHAIRMAN: Jim Cope  
LOGISTICS COORDINATOR: Kristi  
EVENT COORDINATOR: Jennifer

9:30am Cars arrive at charter terminal  
9:50am Pressler/Dole arrive  
MET BY: Dan Fox--Yankton Republican Chairman

CARS: Louis Wudel--Lead Car (confirmed)  
Senators Dole, Pressler, Milo Daily  
Dole, Pressler, Jim Cope

2nd Car--Rudy Gertsner (confirmed)  
Don Peterson, Dan Nelson, Dan Fox  
3rd Car--Dave O'Brien (confirmed)  
2 Dole Staffers  
2 UST guys  
Kristi Stewart  
Rentschler, Steele

GREETER: Kay James, (confirmed)  
REGISTRATION: Nancy Carlson, (confirmed)  
Mary Wilcockson, (confirmed)  
HOST/HOSTESS: Marian Gunderson (confirmed)  
COORDINATOR: Jennifer Bertsch

\*\*Brad will drive a car to Yankton. Steele and Jack can return  
to Sioux Falls in this.

Airplane: (9) Dole, Pressler, Peterson, Nelson, Glassner, 1 Dole  
staff, Beckstrom, 2 UST guys

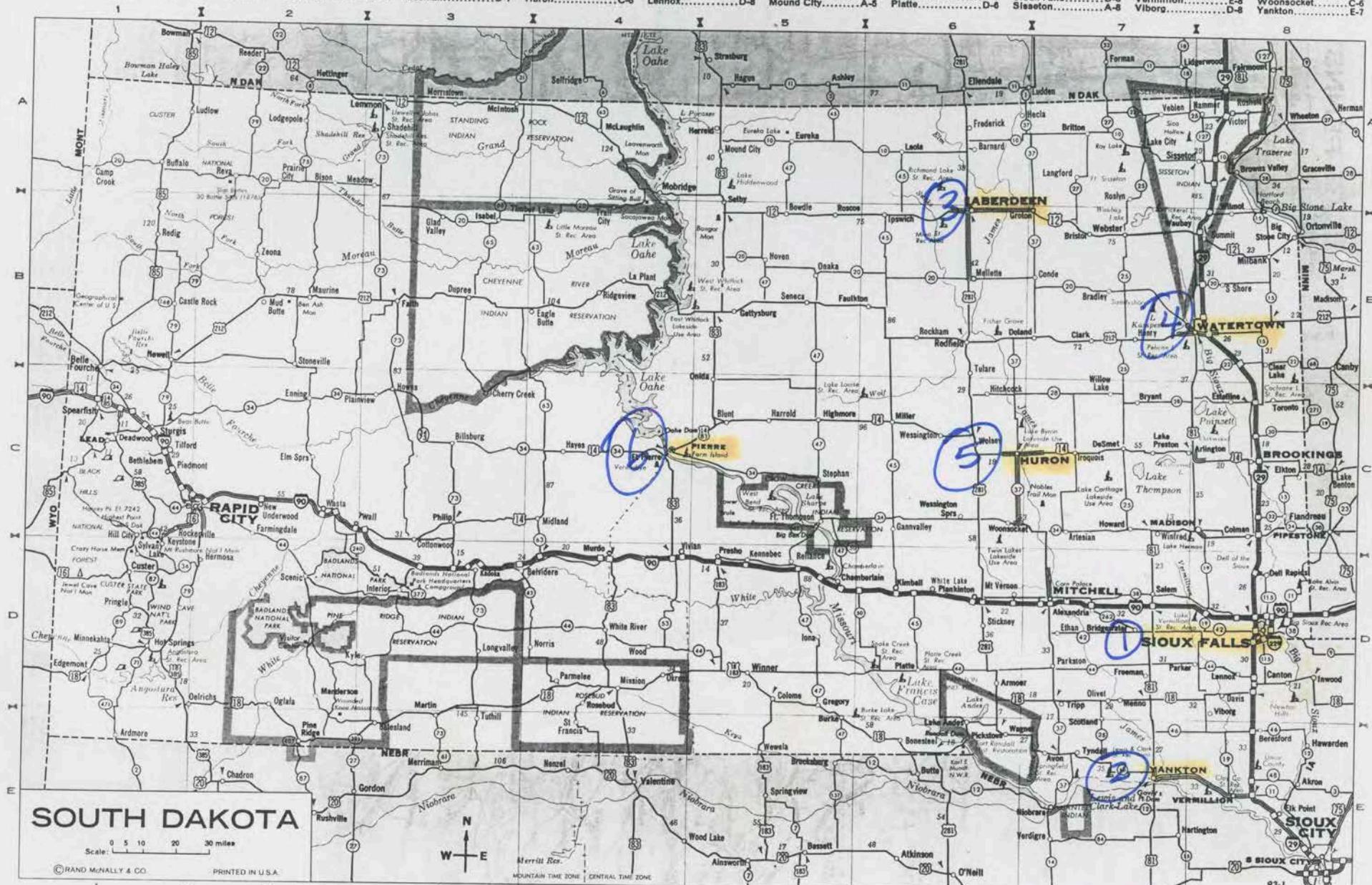
SD RCA Update

SD Demographics



SD DFP

<b>SOUTH DAKOTA</b>	Belle Fourche.....B-1	Burke.....D-5	Eagle Butte.....B-4	Gettysburg.....B-5	Ipswich.....B-6	Leola.....A-6	Mt. Vernon.....D-5	Presho.....D-5	Spearfish.....C-1	Wagner.....E-6
Population: 699,999 (1990 Census)	Beresford.....E-4	Canton.....D-8	Edgemont.....D-1	Gregory.....D-5	Iroquois.....C-7	McIntosh.....A-3	Murdo.....D-4	Rapid City.....C-2	S. Shore.....B-8	Wall.....E-3
Land Area: 75,956 Sq. Mi.	Big Stone City.....B-8	Clark.....D-5	Elk Point.....E-8	Groton.....B-7	Isabel.....B-3	Newell.....B-1	Redfield.....B-6	Stephan.....C-5	Watertown.....B-8	Watertown.....C-3
Capital: Pierre	Bison.....A-2	Clear Lake.....C-5	Harold.....C-8	Kadoka.....C-5	McLaughlin.....D-3	Madison.....C-8	Rosebud.....D-4	Stickney.....C-2	Waubun.....B-7	Waubun.....B-7
Cities and Towns	Bonesteel.....E-6	Colman.....C-3	Estelline.....C-8	Hecla.....A-6	Kennebec.....D-5	Martin.....E-3	Oliver.....D-7	Sturgs.....C-1	Webster.....C-1	Webster.....B-7
Aberdeen.....D-4	Bowdle.....B-5	Eureka.....D-5	Henry.....B-7	Keystone.....D-1	Menno.....D-7	Onida.....D-5	Rosholt.....A-8	Summit.....B-8	Wessington.....C-6	Wessington.....C-6
Alexandria.....D-7	Bristol.....B-7	Custer.....D-1	Faith.....B-7	Kimball.....C-4	Midland.....C-4	Parker.....D-8	St. Francis.....E-4	Timber Lake.....B-4	White River.....C-6	White River.....D-4
Arlington.....C-8	Brookings.....C-8	Deadwood.....C-1	Faulkton.....B-6	Lake Andes.....E-6	Milbank.....B-8	Parkston.....D-7	South Dakota.....C-3	Wessington Sprs.....C-6	Willow Lake.....C-7	Willow Lake.....C-7
Armour.....D-6	Bryant.....D-8	Dell Rapids.....D-8	Hill City.....B-6	Lake Preston.....C-7	Miller.....C-6	Pickstown.....E-6	Scotland.....D-7	Windham.....A-8	Winnert.....D-5	Winnert.....D-5
Avon.....E-7	De Smet.....C-7	De Mert.....C-7	Hot Springs.....C-8	Lennox.....C-6	Mission.....D-4	Pierre.....C-4	Selby.....A-5	Vebien.....A-7	Woonsocket.....C-6	Woonsocket.....C-6
Bowling.....A-1	Doland.....B-7	Frederick.....A-6	Hoven.....B-5	Lemmon.....A-3	Mitchell.....D-7	Plankinton.....D-6	Sioux Falls.....D-8	Vermillion.....D-8	Vilborg.....D-8	Yankton.....E-7



SOUTH DAKOTA ISSUES

1. Governor Walter Dale Miller's "Initiative for Quality Government" - an effort aimed at improving the efficiency and day-to-day operations of the state government. Lt. Gov. Steve Kirby is leading the bipartisan commission to solicit public input and then recommend ways to improve state government. Some of the key points:
  - o No-new taxes
  - o Cut red tape
  - o Reduce rules and regulations
  - o Improve services
  - o More government contracts with private sector
  - o Freeze/cut government employment levels
  - o Cut travel by state employees
  - o Eliminate unneeded boards and commissions

Miller points out that this is not like V.P. Gore's "Reinventing Government" plan in that South Dakota "doesn't need to be reinvented... [the] state government isn't broken...we can't wait until something is broken before we try to improve it."

2. Gambling - A statewide referendum on increased betting limits was held in September and defeated. There are suggestions that an East-West schism is developing in S. Dakota as a result. The controversy arose when actor Kevin Costner and his brother Dan had lobbied to raise the limit from \$5 to \$100 to ensure the future of the \$65 million Costner resort in Deadwood. Gov. Miller stated, "I am not interested in disrupting, disbanding or expanding gambling."
3. Morrell's Meat Packing Plant - Located in the Sioux Falls area, it has been rumored that it may close. However, it is safe for the moment. Coincidentally, this was the same plant that Gov. Mickelson and others were lobbying to save when their plane crashed on their return from Cincinnati.
4. The State has a surplus, less than 3% unemployment, and no state income tax. They do have a 4% sales tax, a special construction excise tax and gambling which brings in tourists. Gov. Mickelson created 6,000 jobs during his tenure.
5. Many state officials are concerned about how the Clinton Health care plan will affect rural South Dakota. (See attached briefing paper)

**SOUTH DAKOTA**

**Ronald G. Schmidt**  
**National Committeeman**

**Present**

National Committeeman, South Dakota, elected -  
September 25, 1993

**Personal**

124 South Euclid  
Pierre, SD 57501

(605) 224-0461 (o)  
(605) 224-1607 (f)  
(605) 224-2810 (h)



## SOUTH DAKOTA

**Don Peterson**  
**Chairman**

### Present

Chairman, South Dakota Republican State Central Committee,  
elected - February 25, 1991  
Member, Board of Governor's Economic Development  
Board of Directors, Industry and Commerce, American Seed  
Trade Association, American Feed Industry Association,  
National Federation of Independent Business  
Member, Yankton Chamber of Commerce  
Member, Yankton Manufacturers Association  
President, Yaggie's, Coyote Seed Mills, Inc.

### Previous

Vermillion City Commission, 1957 - 1961  
South Dakota House of Representatives, 1977 - 1978  
South Dakota Senate, 1979 - 1986  
Member, Yankton College Board of Trustees, 1974 - 1989  
President, Yankton College, 1985 - 1989

### RNC Activity

Member, Committee on Call, Republican National Convention,  
1992

### Personal

Spouse: Marlys  
Children: Two  
Education: Honorary Doctorate Degree of Laws and Letters,  
Yankton College

Post Office Box 1099  
Pierre, SD 57501

(cont.)

(cont.)

- (605) 224-7347 (GOP)
- (605) 224-7349 (f)
- (605) 665-7801 (o)
- (605) 665-0102 (o/f)

## SOUTH DAKOTA

### Arlene Ham National Committeewoman



#### Present

National Committeewoman, South Dakota, elected -  
August 16, 1988  
Chairman, Rio Grande Water Compact, 1982 -  
South Dakota Veterinary Board of Examiners, 1991 -  
Owner and Broker, Conrad - Ham & Associates, Better Homes  
and Gardens Realty

#### Previous

Vice Chairman, South Dakota GOP, 1970 - 1978  
Chairman, South Dakota GOP, 1978 - 1980  
South Dakota Racing Commission, 1983 - 1987  
Member and Board of Directors, U.S. West, 1988  
Member and Board of Directors, Industry Commerce, 1986 -  
1988  
South Dakota Lottery, 1987 - 1991  
4-H Foundation Board of Directors, 1988 - 1992  
President, Rapid City Chamber of Commerce  
Board of Directors, Black Hills Board of Realtors  
South Dakota Realtors Association, 1982 - 1988

#### RNC Activity

Member, Committee on Arrangements, Republican National  
Convention, 1992  
Member, Site Committee, Republican National Convention,  
1979

#### Personal

Spouse: Donald  
Children: Two

(cont.)

(cont.)

Conrad - Ham & Associates  
3121 West Chicago  
Rapid City, SD 57702

(605) 343-1600 (o)  
(605) 343-1648 (f)  
(605) 348-1506 (h)

## SENATOR PRESSLER INTRODUCTORY REMARKS FOR SENATOR DOLE

I am pleased to introduce our special guest today. In addition to being our Republican Senate leader, he is a good friend of mine. I am greatly honored by his presence here today. Bob Dole knows South Dakota better than any national leader. He has visited our state many times over the years. He has logged countless miles traveling from one end of the state to the other. All some national leaders see of South Dakota when they visit is a runway. They fly in, do a quick press conference at the airport and jet off to metropolitan areas with big media markets. Bob Dole doesn't do things that way. Our busy schedule today -- six South Dakota cities in one day -- is proof of that.

We are very fortunate to have a Republican leader like Bob Dole. Why? Because he understands rural America. He stands up for our small businesses on Main Street and for our farmers and ranchers and for hard-working middle class men and women. Under Bob Dole's leadership in the United States Senate, we Republicans are working hard to preserve free enterprise and the entrepreneurial spirit in our country.

-2-

With the Democrats controlling both houses of Congress and the White House, we Republicans don't set the agenda in Washington. The Clinton administration, especially with its tax-and-spend mentality and its costly health care proposal, seems intent on taking this country down the road to socialism. We must not let that happen. Socialism has failed in eastern Europe, the former Soviet Union, and elsewhere around the globe. Those countries are now trying to emulate the American free enterprise system.

Our nation's problems cannot be solved through more government programs. Bob Dole is leading the charge against the Clinton socialistic agenda. I am pleased to stand shoulder-to-shoulder with him in that fight. It means a great deal to me that he is generously giving so much of his time to do these events in South Dakota today. I thank all of you for being here and ask you to join me in welcoming one of our country's greatest leaders--Senator Bob Dole.

## SUGGESTED COMMENTS FOR INTRODUCING SENATOR PRESSLER

Today's guest of honor is no stranger to us. He has consistently reflected our views in Washington, DC. His top priority has always been to put South Dakota first.

Really, Larry needs no introduction. Over the years, we have all come to know and respect him. Larry Pressler is rock solid. He is a leader. Most important, he has integrity.

Larry Pressler grew up on a family farm outside of Humboldt, South Dakota. He was educated in South Dakota schools. He was active in 4-H, and was president of the student body at the University of South Dakota. He went on to become a Rhodes Scholar and served in Vietnam.

In 1974, Larry ran for the House of Representatives. His platform emphasized political reform and new ideas. He ran a grassroots campaign on a shoestring budget. He operated without a campaign staff. Despite the odds

against him, Larry was one of just a few Republicans running against a Democratic incumbent to win national office that year. He was re-elected to the House in 1976, with 81 percent of the vote, a record-setting margin. Two years later, he ran for the United States Senate and won. His re-election in 1984 garnered him the highest statewide margin in the number of votes and percentage of voters in South Dakota history. In 1990 we returned him to Washington.

Many of us forget just what kind of person Larry really is. He spends a great deal of time helping South Dakotans in need. Larry cares about the people he represents.

In 1979, Senator Pressler achieved nationwide fame for doing all the right things in "ABSCAM" investigation. U.S. District Judge George C. Pratt wrote this about our Senator:

"Pressler, particularly, acted as citizens have a right to expect their elected representatives to act. He showed a clear awareness of the line between proper and improper conduct."

Larry continues to represent us in the way he should. Currently, he serves on the Commerce, Science and Transportation Committee, Foreign Relations, Judiciary and Aging Committees and this year he became the Ranking Member of the Senate Small Business Committee.

Senator Pressler has an impressive record of accomplishments on behalf of South Dakota. He has represented us well. Larry, we salute you!

It is my honor to join Senator Bob Dole in paying tribute to our Senior Senator Larry Pressler.

## TALKING POINTS FOR SIOUX FALLS

### INTRO

Having grown up on a small family farm, Larry Pressler knows the difference between show horses and work horses. Most of us from this part of the country know the difference as well. The Senate has its share of show and work horses. I can tell you that Larry Pressler is a work horse. Most important, he is South Dakota's work horse.

### SIOUX FALLS ISSUES

- o The people of Sioux Falls cannot think of or look at the EROS Data Center without thinking of Larry Pressler. Why? Larry Pressler is EROS' champion in Washington.
  - o Larry consistently seeks full funding for EROS and EROS-related projects, including the planned expansion of the Data Center.
  - o It was with Larry's help that EROS became the data archive for NASA.
  - o It was Larry's legislation that made EROS the central data archive for the LANDSAT program.
  - o Larry also worked with EROS to make it the central locale for the United Nation's environment program.
  - o Finally, with Larry's help, EROS can make most of its data available for sale -- this gives EROS a promising source of funds to help finance future projects.

The bottom line is clear: The growth of EROS has meant growth in good jobs in the Sioux Falls area.

- o Larry also has been involved in the creation of what has become a regional financial center in Sioux Falls. He is extremely proud and excited by the economic development financial giants like CITIBANK have brought to the community.

### STATEWIDE ISSUES

#### A. Small Business

Larry Pressler is the ranking member of the Senate Small Business Committee. That's a perfect role. Virtually all South Dakota business is small -- from the family farmer to the corner drug store. Larry is a champion of small business owners and the workers they employ.

- o Larry was a strong, outspoken opponent of the Clinton budget, particularly the provisions that tax small businesses at rates higher than major corporations. Larry fought hard to get those new taxes removed, but the Senate's Liberal Democratic majority refused.

- o It was Larry Pressler who spotted a provision in the Clinton budget package that would have resulted in new, costly paperwork requirements for small business. He was able to get this needless provision removed -- one of the few victories for small businessmen and women this year.
- o Larry Pressler has been one of our most outspoken advocates for NAFTA. Larry knew first hand that NAFTA will be good for South Dakota. Why? South Dakota's economic future, as well as our nation's economic future, is tied to exports. NAFTA will mean expanded export opportunities for agriculture and small business.
- o Larry has been a strong proponent of quality air service in South Dakota. Every year, Larry fights for full funding of the Essential Air Service. This year, he was instrumental in securing \$35 million for this program, which insures quality air service in many communities in South Dakota. Larry knows that future economic opportunity depends on access to quality air service.
- o Larry Pressler is working to insure that any health care plan does not adversely impact small business. It was Larry who got 40 of his Republican colleagues to sign a letter to President Clinton, urging that any health care proposal not include mandates on small business. Larry intends to make sure that small business is not health care reform's sacrificial lamb.

#### B. Agriculture

Larry Pressler is a fighter for South Dakota's farmers and ranchers. As all of us know, America's farmers and ranchers were in need of a few fighters in Washington this year.

- o Larry played a leading role in the passage of legislation to provide emergency assistance for South Dakota farmers impacted by last summer's heavy rain and floods.
- o Larry Pressler fought hard to preserve the wool and mohair program, as well as the honey program. Larry knows these programs help our nation's farmers compete against heavily subsidized European farm products.
- o Larry was instrumental in keeping the wheat market in Nigeria open for American business -- a \$150 million market for America's wheat farmers.
- o And it was Larry Pressler who joined with other Western Senators against Bruce Babbitt's so-called rangeland reform plan. Larry knew this plan was not reform. It would have meant disaster for farmers and ranchers.

## NATIONAL ISSUES

Larry Pressler is not just a South Dakota leader -- he is a national leader. Larry Pressler has never shied away from what he believes is in America's interest.

- o Larry Pressler was one of the first to criticize the lack of policy direction by the Clinton Administration in Somalia and Haiti.
- o Larry Pressler is the author of a law that bars aid to Pakistan if that country is developing a nuclear weapon. Congress passed what is known throughout the world as the "Pressler Amendment" because we wanted to take a tough stand against nuclear proliferation in one of the most unstable regions of the world. Now the President wants to repeal the Pressler amendment. That would be a serious mistake. It would send the wrong message to countries trying to join the nuclear club - like China or North Korea. Your Senator's amendment has saved U.S. taxpayers \$1.8 billion in foreign aid that otherwise would have gone to Pakistan.
- o Larry Pressler has been the nation's most outspoken critic of waste, fraud, abuse and thievery at the United Nations. Larry has been a crusader on this issue -- his appearance on 60 Minutes has helped raise public interest in this issue. Now, more than ever, the American people are calling for serious reform at the United Nations.

## CLOSER

Like I said at the beginning, there are work horses and there are show horses. It's important to know the difference. I've worked with Larry Pressler for nearly 15 years in the Senate, and I can say with certainty that in Larry South Dakota has a true work horse in the United States Senate. Larry Pressler, we salute you.

## TALKING POINTS FOR YANKTON

### INTRO

Having grown up on a small family farm, Larry Pressler knows the difference between show horses and work horses. Most of us from this part of the country know the difference as well. The Senate has its share of show and work horses. I can tell you that Larry Pressler is a work horse. Most important, he is South Dakota's work horse.

### YANKTON ISSUES

- o The people of Yankton know well Larry's commitment to this community. Larry Pressler found a use for Yankton College's facilities and property after the College had been closed and lay idle for a number of years. Thanks to Larry Pressler, the College was converted into a minimum security federal prison -- renovating an historic landmark and bringing many new jobs to the city.
- o Larry has been a strong proponent of quality air service in South Dakota. Every year, Larry fights for full funding of the Essential Air Service. This year, he was instrumental in securing \$35 million for this program, which insures quality air service in communities in South Dakota, including Yankton. Larry knows that future economic opportunity in Yankton depends on access to quality air service.
- o Larry also worked with Yankton officials to secure funding for the development of the beautiful Riverside Park along the Missouri River near downtown.
- o Larry shares the Yankton community's support for the Eastern Dakota Expressway proposal currently under consideration by the State Department of Transportation. Larry knows the importance of an efficient transportation infrastructure for South Dakota and its impact on economic development. Larry is committed to working with local, state, and federal officials to secure funding for necessary highway development.

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December 1, 1993

TO: SENATOR DOLE  
FROM: STACY HOFFHAUS  
SUBJECT: UPDATE ON PRESSLER FOOD STAMP BILL FOR TRIP

SENATOR PRESSLER HAS BEEN TRYING TO CHANGE TWO 1990 FARM BILL PROVISIONS AFFECTING FOOD STAMPS FOR INDIAN HOUSEHOLDS. HIS LATEST EFFORT WAS BLOCKED BY SENATORS INOUYE AND McCAIN. KANSAS SOCIAL AND REHABILITATION SERVICES SUPPORTS THE PRESSLER FIX.

BACKGROUND BOB GREENSTEIN GOT PROVISIONS IN THE FARM BILL TO PROHIBIT STATES FROM REQUIRING MONTHLY REPORTS FROM RESERVATION HOUSEHOLDS AND TO REQUIRE STAGGERED ISSUANCE OF FOOD STAMPS TO THESE HOUSEHOLDS. IT TURNS OUT BOTH PROVISIONS WOULD BE BURDENOME TO STATE WELFARE AGENCIES AND MANY INDIANS. SENATOR PRESSLER SOUGHT THEIR REPEAL, BUT DUE TO OPPOSITION FROM THE NAVAJO ONLY SUCCEEDED IN DELAYING THEIR IMPLEMENTATION.

THERE IS SUPPORT AMONG INDIANS FOR REPEALING THE STAGGER REQUIREMENT; OPINION IS MIXED ON MONTHLY REPORTING. (STATES HAVE THE OPTION OF REQUIRING WELFARE RECIPIENTS TO REPORT ON CHANGES IN THEIR HOUSEHOLD CIRCUMSTANCES EITHER ON A MONTHLY BASIS OR ONLY AS THEY OCCUR). SOME INDIANS ARGUE THAT POSTAL DELAYS AND CULTURAL PROBLEMS MAKE MONTHLY REPORTING DIFFICULT FOR THEM.

LEGISLATIVE STATUS PRESSLER AND LEAHY INTRODUCED A BILL COMBINING THE PRESSLER FIX WITH A HOUSE BILL ENSURING CONVENIENCE STORES AREN'T KICKED OFF THE FOOD STAMP PROGRAM FOR NOT MEETING THE RETAIL STORE DEFINITION. LEAHY THOUGHT REPUBLICANS, INCLUDING YOU, WOULD LIKELIER ACCEPT THE RETAIL STORE CHANGE IF THE PRESSLER FIX WAS ADDED. THE STRATEGY BACKFIRED WHEN INOUYE'S STAFF OBJECTED TO THE PRESSLER FIX ON THE UNJUSTIFIABLE GROUNDS THAT THEY WEREN'T CONSULTED (AG HAD A JOINT HEARING WITH INDIAN AFFAIRS IN PART ON THIS ISSUE). A COMPROMISE FAVORABLE TO INDIANS WAS OFFERED TO INDIAN AFFAIRS BUT STAFF SAID THEY DIDN'T HAVE TIME TO REVIEW IT AND THEY'D ONLY ACCEPT ANOTHER DELAY. CONGRESS PASSED THE DELAY WITH LANGUAGE PROTECTING CONVENIENCE STORES. BOTH EXPIRE MARCH 31.

OUTLOOK INDIAN AFFAIRS WILL LIKELY AGREE TO MODIFY THE STAGGER PROVISION IN A WAY THAT WOULD SATISFY KANSAS BUT MAY NOT AGREE TO THE MONTHLY REPORTING COMPROMISE (KANSAS WANTS THE COMPROMISE BUT IT'S NOT AS IMPORTANT AS FIXING THE STAGGER PROVISION). IF INDIAN AFFAIRS WON'T AGREE TO THE PRESSLER FIX, CONVENIENCE STORES IN KANSAS WILL VIGOROUSLY LOBBY OUR OFFICE TO AGREE TO DETACH THE RETAIL STORE CHANGE FROM PRESSLER'S LANGUAGE. PRESSLER'S STAFF NOW BELIEVES THEIR FIX WON'T PASS WITHOUT BEING ATTACHED TO THE CONVENIENCE STORE CHANGE, WHICH DEMOCRATS WANT. I WILL TRY TO GET OTHER STATES THAT SUPPORT THE COMPROMISE PRESSLER LANGUAGE TO CONTACT INDIAN AFFAIRS.

**U.S. Senate  
Republican Policy  
Committee**

Don Nickles, Chairman

Kelly D. Johnston, Staff Director

**Regulation Watch**

Mark Whitenton  
Director, Regulation Watch

see attached letter

November 23, 1993

**\* Autumn Gasoline and Diesel Fuel Price Increases**

**Clean Air Act Requirements Add Long-Term Costs  
on Top of Clinton Excise Tax Hikes**

*The price hikes are a government-made disaster, and truckers, shippers, truck stop operators, oil producers and refiners are getting hit.*

Senator Kay Bailey Hutchison 11/18/93

**Summary**

Prices at the pump for gasoline and diesel have been going up in many areas of the country due to a combination of the 4.3 cents-per-gallon Clinton energy tax increase and implementation of the Clean Air Act Amendments of 1990. Retail prices of gasoline and diesel fuel are not fully reflecting the new costs because dropping crude oil prices since August have partially offset these costs. Gasoline prices have been impacted again this fall as the Clean Air Act rules increase the cost of making gasoline by two to three cents a gallon for gasoline supplied to 32 metropolitan areas that have decided to implement the program (over one-third of all gasoline sold in the United States). Initiated last fall, this winter-time rule requires that expensive "oxygenates" be added to gasoline to combat carbon monoxide emissions primarily from the initial start-up of pre-1986 engines. The additives reduce gas mileage two to three percent for all cars, imposing a hidden cost on consumers.



Effective October 1, 1993, a new Clean Air rule has increased the cost of diesel fuel (currently by perhaps more than six cents a gallon) by requiring all on-road diesel fuel to contain fewer sulfur compounds. A series of spot

→ \*Crude prices hit 5 year low on Fri 12/2, so  
problem should be abating

shortages (and high prices) for low-sulfur diesel fuel in the Midwest and the Great Plains was created largely by the Midwest floods having interrupted a major product pipeline, while at the same time having delayed many harvest activities until late September.

## Pump Prices Increased October 1 Due to Clinton Tax Hike

Despite his campaign statements last year that he would not increase Federal excise taxes on gasoline, President Clinton upon taking office immediately proposed a 7.5 to 8.2 cents-per-gallon "Btu" tax on motor fuels and other energy sources. Republicans largely were responsible for defeating the original proposal, and reducing the Clinton energy tax to a 4.3 cents-per-gallon tax increase only on motor fuels. Contrary to sound energy and environmental policies, this tax also applies to alternative motor fuels such as propane, compressed natural gas, methanol, and ethanol.

### *Gasoline:*

As required by the Omnibus Budget Reconciliation Act of 1993 (OBRA '93), the federal excise tax on gasoline went up 4.3 cents per gallon from 14.1 cents per gallon to 18.4 cents per gallon, a 31 percent increase. [See RPC *Reality Check*, "After Clinton Promised No Increase Last Year, His New Gas Tax Hike Kicks In This Friday," 9/29/93.]

Combined with an average state tax per-gallon of 19 cents, the average U.S. motorist is now paying about 37 cents in taxes for each gallon. This represents about 35 percent of the retail price of gasoline.

### *Diesel:*

Additionally, the federal excise tax on diesel fuel used by cars, trucks, and buses went up on October 1 from 20.1 cents to 24.4 cents per gallon. The federal excise tax on railroad diesel fuel was increased by 4.3 cents on October 1 from the previous 2.6 cents per gallon. The federal excise tax on fuels used in inland waterways transportation was increased by 4.3 cents from the pre-October 1, 1993, rate of 17.1 cents per gallon. Diesel fuel that is used for off-road purposes (such as farming, logging, and construction) is not included in the increase. Fuels used by state and local governments, nonprofit schools, and intra-city buses also are exempt.

### *Aviation Fuels:*

Effective October 1, 1993, the 4.3 cents-per-gallon tax increase applies to jet fuel and aviation gasoline for private aircraft. For commercial aviation, the increase will not take effect until October 1, 1995.

#### **Gasoline Cost Increases:**

(cents-per-gallon)  
Clinton Tax: 4.3  
Oxygenation: 2 to 3  
Mileage Loss: 2 to 5  
Total: 8.3 to 12.3

#### **Diesel Cost Increases:**

(cents-per-gallon)  
Clinton Tax: 4.3  
Low-Sulfur: 6 to 7  
Total: \* 10.3 to 11.3

\*Plus Repairs for older engines.

Note: Retail impact of cost increases is being masked by falling crude prices.

ee, glas: int no wo<sup>2</sup> ready to add more abut 10 \*

methods of 11 note adding

## Clean Air Act's October 1 Requirements Compound Pain of Tax Increase

### Gasoline

Some of the recent gasoline price increases are a result of the Clean Air Act's provisions requiring the use of oxygenated fuels in those metropolitan areas found by the Environmental Protection Agency to have excessive concentrations of carbon monoxide (CO). This requirement goes into effect on different dates in the 32 nonattainment areas that have decided to implement the program (see adjacent chart). The gasoline sold in these areas accounts for about one-third of the total gasoline sold in the United States.

To reduce carbon monoxide emissions from cold engines, oxygenates such as MTBE, ETBE, or ethanol, are mixed with gasoline during the winter driving season. The blending of approximately one-third of all gasoline used in the United States by these more-expensive oxygenate additives is estimated to add somewhere around two to three cents to the cost of producing a gallon of gasoline. How much of that increased cost gets passed through to the retail price at the pump depends in large part on local marketing conditions.

One year ago, in the tri-state area around New York City, gasoline prices increased five to seven cents per gallon at the same time the oxygenated fuel program went into effect. Although data for this fall are generally unavailable, the price of gasoline in the New York City tri-state area in October increased over September prices by three cents more per gallon than the 4.3 cent federal gasoline excise tax increase that went into effect on October 1.

#### *Hidden Tax: Lower Gas Mileage*

It should be noted that there is an additional "hidden tax" involved with the use of oxygenated gasoline in that the use of such fuel decreases average automobile mileage by two

#### **CO Nonattainment Areas and Dates of Oxygenated Fuel Program**

##### Sept. 1 to Feb. 28

Spokane, WA.

##### Oct. 1 to Jan. 31

Chico, CA; Fresno, CA; Minneapolis-St. Paul, MN-WI; Modesto, CA; Reno, NV; Sacramento, CA; San Francisco-Oakland-San Jose, CA; Stockton, CA.

##### Oct. 1 to Feb 28

Las Vegas, NV; Los Angeles-Anaheim-Riverside, CA; Phoenix, AZ.

##### Oct. 1 to Apr. 30

New York-Northern New Jersey-Long Island, NY-NJ-CT.

##### Nov. 1 to Feb. 28

Albuquerque, NM; Baltimore, MD; Colorado Springs, CO; Denver-Boulder, CO; El Paso, TX; Fort Collins-Loveland, CO; Grant's Pass, OR; Greensboro-Winston Salem-High Point, NC; Hartford-New Britain-Middletown, CT; Klamath County, OR; Medford, OR; Missoula, MT; Philadelphia-Wilmington-Trenton, PA-NJ-DE-MD; Portland-Vancouver, OR-WA; Provo-Orem, UT; Raleigh-Durham, NC; San Diego, CA; Seattle-Tacoma, WA; Washington, DC metro area.

to three percent. This unintended consequence is a result of the fact that oxygenation of gasoline decreases gasoline's Btu content by that amount. Thus, assuming gasoline prices of approximately \$1 per gallon, the mileage penalty for drivers in a carbon monoxide nonattainment area may be two or three cents per gallon on top of the 4.3-cent Clinton gas tax and the two to three-cent oxygenated fuel cost.

## Diesel Fuel

### *Low-Sulfur Diesel Requirement Is Currently Adding Over 6 Cents to Cost of Fuel*

The 1990 Clean Air Act Amendments require that only low-sulfur diesel fuel be sold for on-road use after September 30, 1993. This new diesel fuel may contain no more than 0.05 percent sulfur by weight, compared to the previous average of 0.25 percent sulfur by weight. Both the Environmental Protection Agency and refiners had estimated that producing and supplying such fuel will add several cents per gallon to the cost of supplying diesel fuel. At a November 18 hearing conducted by the Surface Transportation Subcommittee of the Senate Committee on Commerce, Science, and Transportation, the American Trucking Associations' witness testified that the association had estimated the increased cost of the fuel would be between three and seven cents per gallon.

There are many variables that establish the retail price of diesel, including crude oil prices, any major disruptions in refining or supply, and timing of cool weather in the United States and in Europe (which affects demand for heating oil, a product virtually identical to traditional diesel fuel). It is too early to determine what will be the long-term price impact of the new low-sulfur diesel requirement.

### *Spot Shortages Cause Hardships to Many*

This nationwide regulation took effect on October 1, 1993, and was accompanied by spot shortages and price runups which were particularly acute in the Midwest and Great Plains.

The November 18 Surface Transportation Subcommittee hearing was convened by the subcommittee chairman to hunt for "opportunism, greed, and, perhaps, illegal price collusion." However, the testimony revealed the causes of the shortages and price run-ups to be due largely to the recent floods in the Midwest, exacerbated by the simultaneous Federal cost increases effective October 1 imposed by the Clinton 4.3 cents-per-gallon tax increase (which was opposed by every Republican Senator, see roll call vote #167 on June 24, 1993) and the low-sulfur diesel fuel mandate.

At the November hearing, the Amoco witness concluded that the spot shortages and large price increases in some areas were a combination of two factors:

- 1) Floods: Midwest flooding curtailed refinery runs, and the unscheduled shutdown of the Explorer product pipeline reduced supplies of the low-sulfur diesel fuel. In addition, the flooding delayed harvesting for many, compressing demand for diesel to late September and into October.

- 2) Consumer Response: The fact that the new, low-sulfur diesel fuel was more expensive caused retailers and consumers to wait until after September 30 before purchasing any of the new fuel.

#### ***Hidden Cost for Older Diesel Engines: Leaking Fuel & Repairs***

There are already evident at least one unintended adverse consequence of the Clean Air Act's low-sulfur diesel fuel mandate. Many owners of diesel powered trucks, cars, and off-road vehicles have been complaining that the new low-sulfur diesel fuel is damaging their engines. At the November 18 subcommittee hearing, the witness for the American Trucking Associations testified that "thousands of trucks were forced to undergo costly repairs" since October 1.

The most commonly reported damage is to the fuel-injection pump seals (called "o rings") in older diesel engines. The new low-sulfur fuel does not create as much expansion in these seals (made of nitrile) as was provided by traditional diesel fuel. This side-effect of low-sulfur diesel may cause brittle and cracked "o rings" to leak diesel fuel out of the engine and onto the ground, raising environmental and safety concerns. At the moment, the solution is to replace the cracked "o ring" with a new one, but engine and vehicle manufacturers are busy working on a more permanent solution.

#### ***January 1 Dyeing Requirement Raises Concerns***

Many are concerned there may be additional spot shortages of tax-exempt, dyed fuel on January 1, 1994, the date that a new federal diesel fuel dyeing requirement is scheduled to go into effect. In order to facilitate enforcement of the new 4.3-cent excise tax, OBRA 1993 provided that the Clinton excise tax will apply to any diesel fuel or heating oil that is **not dyed**. Thus, all the tax-exempt products and uses, such as home heating oil, off-road diesel, and diesel used for emergency vehicles, must be dyed in order for a consumer to avoid payment of the tax at the time of purchase. A consumer who purchases diesel that is not dyed must pay the tax and, if eligible, apply for a refund. If this rule is promulgated with sufficient notice, the dyeing requirement is not expected to significantly increase the cost of diesel fuel.

Unfortunately, the Treasury Department has yet to promulgate its regulations on how this program is to be implemented. During the November 18 hearing, Ranking Republican Kay Bailey Hutchison expressed her strong concern that the dyeing regulations were not yet published even though the effective date is only six weeks away. She referred to the simultaneous implementation of the tax increase and the environmental regulations as the "October regulatory onslaught." Subcommittee member Conrad Burns also expressed his concern about this issue.

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Staff Contact: Al Cobb, RPC Visiting Fellow, and Mark Whitenton, 224-2946

## APPENDIX

### Average Gasoline and Diesel Prices by State

September 21 v. November 16, 1993

(Source: AAA Fuel Gauge Report. In \$ per gallon.)

Geographic Region	GASOLINE 9/21/93	GASOLINE 11/16/93	DIESEL 9/21/93	DIESEL 11/16/93
<u>New England</u>	<u>1.22</u>	<u>1.26</u>	<u>1.17</u>	<u>1.22</u>
Conn.	1.31	1.34	1.34	1.28
Maine	1.20	1.20	1.18	1.22
Mass.	1.21	1.20	1.17	1.22
N.H.	1.18	1.19	1.01	1.02
R.I.	1.23	1.24	1.23	1.27
Vt.	1.19	1.21	1.16	1.21
<u>Mid-Atlantic</u>	<u>1.23</u>	<u>1.26</u>	<u>1.20</u>	<u>1.24</u>
D.C. Met Area	1.13	1.32	1.22	1.30
Del.	1.19	1.24	1.10	1.19
Md.	1.26	1.32	1.23	1.29
N.J.*#	*1.01	*1.08	#1.19	#1.23
N.Y.	1.27	1.31	1.29	1.34
Pa.	1.17	1.21	1.17	1.22
Va.	1.20	1.22	1.13	1.17
W. Va.	1.37	1.35	1.25	1.33
<u>Great Lakes</u>	<u>1.22</u>	<u>1.24</u>	<u>1.15</u>	<u>1.31</u>
Ill.	1.28	1.31	1.20	1.38
Ind.	1.14	1.15	1.06	1.24
Mich.	1.02	1.18	1.12	1.24
Ohio	1.21	1.23	1.19	1.31
Wis.	1.23	1.23	1.11	1.32
<u>Midwest</u>	<u>1.21</u>	<u>1.24</u>	<u>1.11</u>	<u>1.25</u>
Ark.	1.18	1.20	1.10	1.19
Iowa	1.12	1.25	1.13	1.31
Kan.	1.17	1.23	1.11	1.27
Minn.	1.24	1.29	1.12	1.31
Mo.	1.13	1.15	1.03	1.15
N.D.	1.17	1.27	1.14	1.27
Neb.	1.25	1.28	1.13	1.37
S.D.	1.24	1.27	1.14	1.27

Geographic Region	GASOLINE		DIESEL	
	9/21/93	11/16/93	9/21/93	11/16/93
Southeast	<u>1.22</u>	<u>1.23</u>	<u>1.13</u>	<u>1.18</u>
Ala.	1.23	1.23	1.12	1.18
Fla.	1.29	1.29	1.19	1.23
Ga.	1.15	1.18	1.08	1.12
Ky.	1.19	1.19	1.08	1.16
La.	1.27	1.31	1.19	1.27
Miss.	1.19	1.21	1.09	1.16
N.C.	1.24	1.22	1.19	1.18
S.C.	1.14	1.14	1.04	1.11
Tenn.	1.23	1.24	1.16	1.19
<u>Southwest</u>	<u>1.23</u>	<u>1.25</u>	<u>1.14</u>	<u>1.25</u>
Ariz.	1.30	1.38	1.29	1.43
N.Mex.	1.32	1.40	1.29	1.38
Oklahoma	1.15	1.19	1.08	1.22
Texas	1.24	1.23	1.35	1.22
<u>West</u>	<u>1.34</u>	<u>1.40</u>	<u>1.26</u>	<u>1.47</u>
Alaska	1.28	1.46	1.13	1.28
Calif.	1.37	1.40	1.32	1.50
Colo.	1.32	1.37	1.36	1.45
Hawaii	1.67	1.70	1.71	1.86
Idaho	1.29	1.33	1.25	1.43
Mont.	1.30	1.38	1.17	1.50
Nev.	1.41	1.43	1.32	1.50
Ore.*	*1.38	*1.30	*1.29	NA
Utah	1.19	1.26	1.15	1.39
Wash.	1.27	1.39	1.21	1.40
Wyo.	1.11	1.23	1.16	1.33
<u>United States</u>	<u>1.24</u>	<u>1.27</u>	<u>1.16</u>	<u>1.27</u>
<u>Crude Oil</u> <u>(per barrel):</u>	<u>18.10</u>	<u>16.75</u>		

[Note: Gasoline price is average of all grades sold; includes all taxes; For N.J. and Ore., \* regular unleaded used. Diesel price is average of self serve; full service used for N.J. Crude oil price is the spot market quotation for that day printed in the *Wall Street Journal*.]

**U.S. Senate  
Republican Policy  
Committee**

Don Nickles, Chairman  
Kelly D. Johnston, Staff Director

**For recorded updates on  
legislation please call  
(202) 224-6888**

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## **Regulation Watch**

Mark Whitenton  
Director, Regulation Watch

Please Deliver Immediately To:

Mr. Jim Whittinghill  
Deputy Chief of Staff  
Office of the GOP Leader  
S-230

**PLEASE NOTE:** For instant updates on floor action, tune in to Channel 2 on the Capitol Cable System. If you have any questions, please call the Policy Committee at 224-2946.

## **Please Expedite!**

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BILL BRADLEY, NEW JERSEY  
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## United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

November 9, 1993

The Honorable Lloyd Bentsen  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue N.W.  
Washington, D.C. 20220

Dear Lloyd:

This letter is a follow-up to conversations that members of our staffs have held with Assistant Secretary Samuels and members of his staff regarding the diesel fuel tax collection provision of the Omnibus Budget Reconciliation Act of 1993. We understand that it is the desire of the Treasury Department to have temporary and proposed regulations related to this provision promulgated prior to the end of November.

As you know, we are concerned about the economic and environmental problems that may stem from implementation of this new collection system. Specifically, the dyeing requirements may contravene the Clean Air Act Amendments of 1990 by creating a financial incentive to use dyed, high-sulfur diesel fuel.

Further, the dyeing requirements may place financial hardships on refiners and petroleum marketers. First, the refiners may be forced to install expensive dyeing equipment on the heels of the required installation of sophisticated desulfurization equipment. Second, some marketers may be forced to purchase undyed fuel for tax-exempt purposes because dyeing equipment may not be fully operational by the January 1, 1994 effective date, and thereby be placed at a competitive disadvantage.

We appreciate the diligent efforts of members of the Office of Tax Policy and the Internal Revenue Service in studying the issues related to diesel dyeing and in drafting regulatory guidance. We recognize that Treasury regulations may not be able to resolve all of the concerns raised with respect to the diesel dyeing provision. However, we urge that you use the regulatory authority provided in the statute to address as many of the concerns that have been raised as legally possible.

As the regulations go through the review process, it is our hope that guidance relating to the following issues be given the highest priority:

--color of dye;

--concentration of dye;

--use of splash dyeing in the early stages of transition to the new system;

--appropriate exemptions from dyeing;

--coordination with the dyeing required under the Clean Air Act;

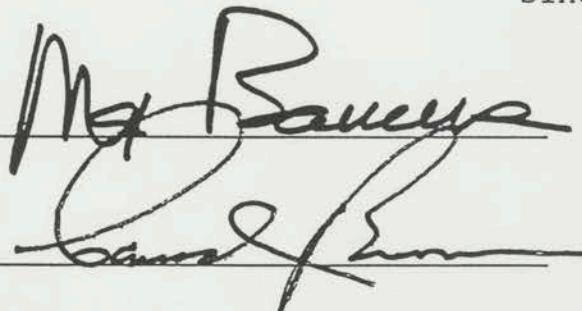
--certification requirements with an emphasis on administrative simplification; and

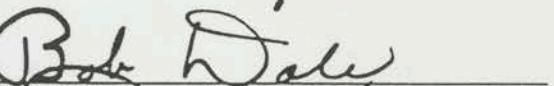
--simple refund procedures for payment within 20 days of the filing of a claim.

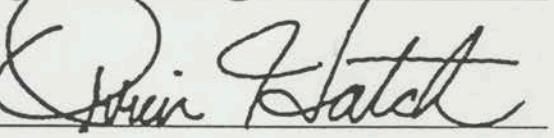
As taxpayers and government officials adjust to the mechanics of the new collection system, we urge you to be as flexible as possible in enforcing the four corners of the statute in the early part of 1994.

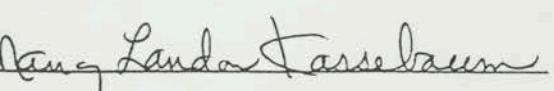
Finally, we sincerely believe that it is absolutely necessary that the regulations (or some other form of guidance) be issued as soon as possible, but certainly no later than November 30, 1993. To the extent that a solution to any aspect of this issue may require coordination between the legislative and executive branches, we request that you advise us how to best proceed.

Sincerely,

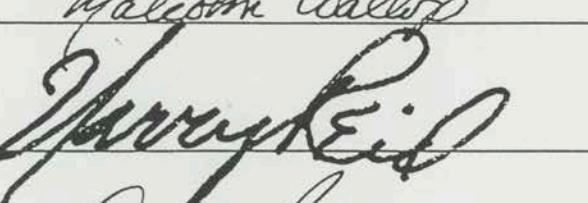
  
Michael J. Barnes

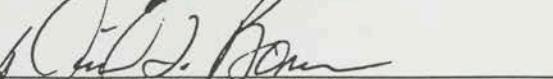
  
Bob Daly

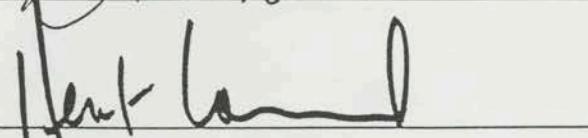
  
Brian Hatch

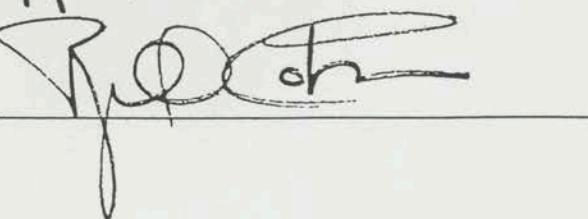
  
Henry Landau

  
Malcolm Waller

  
Jerry Kuhl

  
G.W. Barr

  
Kent Loeffelholz

  
Tom O'Brien

John H. Chafee

Jesse Helms

C. S.

12-02-93 04:29 PM FROM Sen. Larry Pressler

P02

# FRIDAY , 8:45 pm RECEPTION

MEMORANDUM TO: Campaign America  
FROM: Friends of Larry Pressler  
DATE: 12-3-93  
RE: RECEPTION LIST

8:45 pm Private reception welcoming Senator Dole  
Downtown Holiday Inn, Burgundy Room, 10th Floor  
Sioux Falls.

## RECEPTION GUESTS:

\*Jack Rentschler, businessman, EVENT CHAIRMAN, Rentschler's Truck Stop, 88 Dole Delegate.

*Don Boen & guests	Boen & Associates (Insurance)
Gary Olson, Pres.	Norwest Bank
Mike Nichols	Nichols Media (Printers)
Kevin Schieffer, Attorney	DM&E Railroad
Steve Neff, CPA	Eide, Helmecke Accountants
Dan Nelson, TOUR CHAIRMAN	J.D. Byrider Car Sales
State Rep. Dave Munson	Govt Affairs VP, Citibank
Ron Williamson, Pres.	Citibank (South Dakota)_
Linda Laskowski, VP	US West
Dr. Gon Sanchez	Himself, Neurosurgeon
Art Nordstrom+wife, son	Nordstrom's Auto Salvage
Brian Haberman	Himself/supporter
Bill Baker, Pres.	First National Bank
Roger Haugo, Pres.	Valley Exchange Bank
Roger Larsen	Williams Insurance
Vance Goldhammer+1	Attorney, 88 Dole Delegate

\*Jack Rentschler and Don Boen will join Senator Pressler at airport at 9:00 pm to pick-up Senator Dole.

SOUTH DAKOTA DFP

Dwight Adams, E.D. - may show up at an event  
Hazel Gabel, Admin. Asst.  
Sheldon King (not attending any events)  
Mery Wiese - will be at Sioux Falls event  
Karen Olson

SENT BY:Xerox Telecopier 7020 : 5-27-93 : 23:17 :

BOB DOLE:# 5

## SOUTH DAKOTA

**Status of Incumbent:** Gov. Walter Dale Miller(R) plans to seek a full term in 1994.

**Filing Date:** April 5

**Primary Election:** June 7

### POTENTIAL CANDIDATES

#### REPUBLICANS

Bill Janklow, former Governor  
Dave Billion, fmr state Sen./car dealer  
Jan Nicolay, State Rep.  
Scott Heiderpin, fmr. St. Senator  
Mark Barnett, Attorney General  
Jack Rentschler, fmr. State Representative  
& fmr. Sioux Falls Cty. Cmmr.

#### DEMOCRATS

Jim Beddow, Pres. of Dakota Wesleyan University  
Jim Burg, Public Utilities Commissioner  
Lars Herseth, State Senator  
Ted Muenster, former gubernatorial cand.

#### Early Line

The tragic death of Governor Mickelson has created a new dynamic in the governor's race for 1994. Governor Miller plans to seek a full-term, and the political dust has yet to settle, especially among Republican suitors for the seat. Prior to Mickelson's death, a number of potential candidates had expressed an interest in running. Most observers felt former governor Bill Janklow was the clear front-runner.

Democrat likely hopefuls include Ted Muenster, who ran a strong race against U.S. Sen. Larry Pressler in 1990, and state Sen. assistant majority leader Lars Herseth, who lost to Mickelson in 1986. Dakota Wesleyan University president Jim Beddow and state Public Utilities Commissioner Jim Burg may also consider the race.

A Political/ Media Research poll of 3/28-31 set up the following hypothetical matchups for '94 between Janklow and some of the potential Democrat challengers:

Janklow(R) 45%	Barnett(R) 30%	Janklow(R) 46%	Barnett(R) 32%
Muenster(D) 34%	Herseth(D) 29%	Herseth(D) 24%	Muenster(D) 26%

Whether former governor Bill Janklow (1979-87), Attorney General Mark Barnett, Sioux Falls car dealer Dave Billion, ex-state Rep. Jack Rentschler, and state Rep. Jan Nicolay will consider a challenge to Miller will be determined by Miller's performance during the remainder of the term.

On May 25, 1993, Miller's nominee for Lt. Governor, Steve T. Kirby, was confirmed by the South Dakota legislature. Lt. Gov. Kirby is a 43 year old lawyer/venture capitalist from Sioux Falls, SD (see attached bio).

#### Other state-wide offices

Lt Gov. Sec. State Atty. Gen. Treasurer Auditor

## SOUTH DAKOTA DEMOGRAPHIC PROFILE

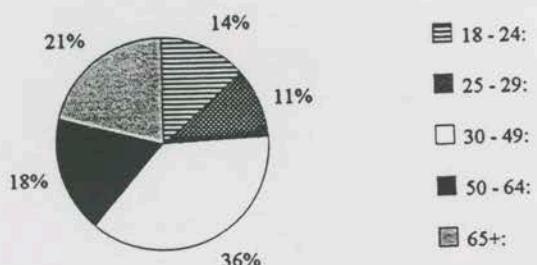
### *Population Data*

1990 Total Population:	696,004
Total Voting Age Population:	497,542
% of Total Population Voting Age:	71.5%
Black Voting Age Population:	2,019
Nationwide Rank:	49
% Black Voting Age Population:	0.4%
Nationwide Rank:	47
Hispanic Voting Age Population:	2,934
Nationwide Rank:	49
% Hispanic Voting Age Population:	0.6%
Nationwide Rank:	45
Asian Voting Age Population:	1,998
Nationwide Rank:	50
% Asian Voting Age Population:	0.4%
Nationwide Rank:	50

### *Voting Age Population Data*

18 - 24:	68,113
25 - 29:	53,143
30 - 49:	185,013
50 - 64:	88,942
65+:	102,331

### *Voting Age Population Distribution*



### *1992 Party Registration*

Number of Counties: 66

Republican:	215,285	48.0%
Democrat:	189,935	42.4%
Other:	43,072	9.6%
Total:	448,292	

## SOUTH DAKOTA 1992 ELECTION SUMMARY

### HISTORICAL PRESIDENTIAL PERFORMANCE

	REP. VOTE	REP %	DEM. VOTE	DEM %	OTH. VOTE	OTH %	TOTAL	REGISTRATION
1992 BUSH/CLINTON/PEROT:	136,718	40.8%	124,888	37.3%	73,295	21.9%	334,901	448,292
1988 BUSH/DUKAKIS:	165,415	52.8%	145,560	46.5%	2,016	0.6%	312,991	440,301
1984 REAGAN/MONDALE:	200,267	63.3%	116,113	36.7%	0	0.0%	316,380	442,790
1980 REAGAN/CARTER/ANDERSON:	198,343	61.3%	103,855	32.1%	21,431	6.6%	323,629	447,508
1976 FORD/CARTER:	151,505	50.7%	147,068	49.3%	0	0.0%	298,573	425,532
1972 NIXON/MCGOVERN:	166,476	54.2%	139,945	45.5%	994	0.3%	307,415	392,256
1968 NIXON/HUMPHREY/WALLACE:	149,841	53.3%	118,023	42.0%	13,400	4.8%	281,264	348,254

### STATEWIDE ELECTION RETURNS

	REP. VOTE	REP %	DEM. VOTE	DEM %	OTH. VOTE	OTH %	TOTAL
1992 SENATE:	108,733	33.4%	217,095	66.6%	0	0.0%	325,828
1990 GOVERNOR:	151,198	58.9%	105,525	41.1%	0	0.0%	256,723
1990 SENATE:	135,682	53.8%	116,727	46.2%	0	0.0%	252,409
1986 GOVERNOR:	152,543	51.8%	141,898	48.2%	0	0.0%	294,441

### STATE SENATE

YEAR	SEATS	DEM	REP	OTH	NET
1992	35	20	15	0	-3
1990	35	17	18	0	-2
1988	35	15	20	0	-4

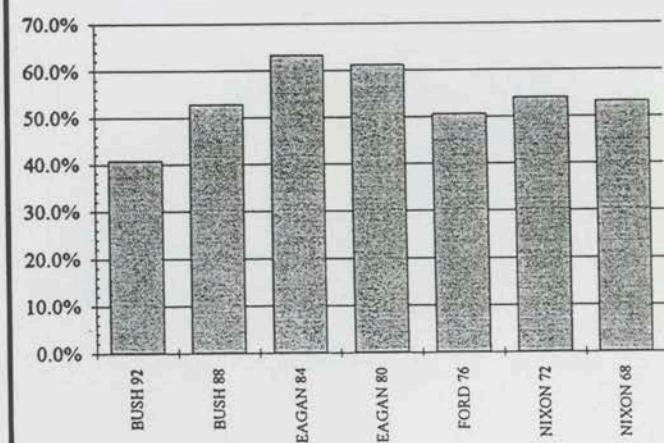
### STATE HOUSE

YEAR	SEATS	DEM	REP	OTH	NET
1992	70	29	41	0	-4
1990	70	25	45	0	-1
1988	70	24	46	0	-3

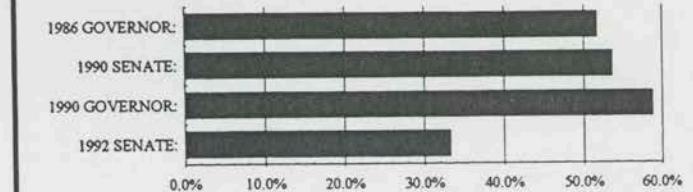
### U.S. HOUSE OF REPRESENTATIVES

YEAR	SEATS	DEM	REP	OTH	NET
1992	1	1	0	0	0
1990	1	1	0	0	0
1988	1	1	0	0	0

### REPUBLICAN PRESIDENTIAL PERFORMANCE



### REPUBLICAN STATEWIDE PERFORMANCE



12-02-93 04:29 PM FROM Gen. Larry Pressler

P10

PIERRE

EVENT CHAIRMAN: Ron Schmidt  
LOGISTICS COORDINATOR: Jill  
EVENT COORDINATOR: Staci

6:15--cars arrive  
6:35--Pressler/Dole arrive  
met by Governor and Pat Miller  
Ron Schmidt

CARS: Ron Schmidt--Lead Car (confirmed)  
Senator Dole  
Senator Pressler  
Governor and Mrs. Miller  
Ron Holsteen  
Peterson, Nelson, Beckstrom  
John Zimmerman--confirmed  
2 Dole staffers  
Georgia Hansen--confirmed  
2 UST guys

Jill Schieffer

## TALKING POINTS FOR PIERRE

### INTRO

Having grown up on a small family farm, Larry Pressler knows the difference between show horses and work horses. Most of us from this part of the country know the difference as well. The Senate has its share of show and work horses. I can tell you that Larry Pressler is a work horse. Most important, he is South Dakota's work horse.

### PIERRE ISSUES

- o Larry knows the importance of an efficient transportation infrastructure and its impact on South Dakota's economic development. Larry shares the Pierre community's support for the 4-lane highway proposal to link the State Capitol to Interstate 90. As you know, this proposal is currently under consideration by the State Department of Transportation. Larry is committed to working with local, state, and federal officials to secure funding for necessary highway development.
- o Another issue that is of great concern to state and local governments is the federal government's increasing enactment of unfunded federal mandates. These mandates -- that the federal government requires of state and local governments, but refuses to pay for -- have become a serious problem. Congress gets the credit for a new program. State and local officials get the tab. Republicans in the Congress are fighting hard to end this abusive practice and Larry Pressler is right there with us all the way. At all levels of government, the responsibility for paying for new initiatives should be put where it belongs -- with the governing body that creates the program, law or regulation.

### STATEWIDE ISSUES

#### A. Small Business

Larry Pressler is the ranking member of the Senate Small Business Committee. That's a perfect role. Virtually all South Dakota business is small -- from the family farmer to the corner drug store. Larry is a champion of small business owners and the workers they employ.

- o Larry was a strong, outspoken opponent of the Clinton budget, particularly the provisions that tax small businesses at rates higher than major corporations. Larry fought hard to get those new taxes removed, but the Senate's Liberal Democratic majority refused.
- o It was Larry Pressler who spotted a provision in the Clinton budget package that would have resulted in new, costly paperwork requirements for small business. He was able to get this needless provision removed -- one of the few victories for small businessmen and women this year.

- o Larry Pressler has been one of our most outspoken advocates for NAFTA. Larry knew first hand that NAFTA will be good for South Dakota. Why? South Dakota's economic future, as well as our nation's economic future, is tied to exports. NAFTA will mean expanded export opportunities for agriculture and small business.
- o Larry has been a strong proponent of quality air service in South Dakota. Every year, Larry fights for full funding of the Essential Air Service. This year, he was instrumental in securing \$35 million for this program, which insures quality air service in many communities in South Dakota. Larry knows that future economic opportunity depends on access to quality air service.
- o Larry Pressler is working to insure that any health care plan does not adversely impact small business. It was Larry who got 40 of his Republican colleagues to sign a letter to President Clinton, urging that any health care proposal not include mandates on small business. Larry intends to make sure that small business is not health care reform's sacrificial lamb.

#### B. Agriculture

Larry Pressler is a fighter for South Dakota's farmers and ranchers. As all of us know, America's farmers and ranchers were in need of a few fighters in Washington this year.

- o Larry played a leading role in the passage of legislation to provide emergency assistance for South Dakota farmers impacted by last summer's heavy rain and floods.
- o Larry Pressler fought hard to preserve the wool and mohair program, as well as the honey program. Larry knows these programs help our nation's farmers compete against heavily subsidized European farm products.
- o Larry was instrumental in keeping the wheat market in Nigeria open for American business -- a \$150 million market for America's wheat farmers.
- o And it was Larry Pressler who joined with other Western Senators against Bruce Babbitt's so-called rangeland reform plan. Larry knew this plan was not reform. It would have meant disaster for farmers and ranchers.

#### NATIONAL ISSUES

Larry Pressler is not just a South Dakota leader -- he is a national leader. Larry Pressler has never shied away from what he believes is in America's interest.

- o Larry Pressler was one of the first to criticize the lack of policy direction by the Clinton Administration in Somalia and Haiti.

- o Larry Pressler is the author of a law that bars aid to Pakistan if that country is developing a nuclear weapon. Congress passed what is known throughout the world as the "Pressler Amendment" because we wanted to take a tough stand against nuclear proliferation in one of the most unstable regions of the world. Now the President wants to repeal the Pressler amendment. That would be a serious mistake. It would send the wrong message to countries trying to join the nuclear club - like China or North Korea. Your Senator's amendment has saved U.S. taxpayers \$1.8 billion in foreign aid that otherwise would have gone to Pakistan.
- o Larry Pressler has been the nation's most outspoken critic of waste, fraud, abuse and thievery at the United Nations. Larry has been a crusader on this issue -- his appearance on 60 Minutes has helped raise public interest in this issue. Now, more than ever, the American people are calling for serious reform at the United Nations.

CLOSER

Like I said at the beginning, there are work horses and there are show horses. It's important to know the difference. I've worked with Larry Pressler for nearly 15 years in the Senate, and I can say with certainty that in Larry South Dakota has a true work horse in the United States Senate. Larry Pressler, we salute you.