

## IOWA TAXPAYERS' DAY

### LEAD SPONSORS:

IOWANS FOR TAX RELIEF  
NATIONAL TAXPAYERS UNION

### Tentative Schedule

9:00 a.m.	Opening Business Session Iowans for Tax Relief & Tax Education Foundation David M. Stanley, President
9:30 a.m.	Secretary Lamar Alexander
10:15 a.m.	Mr. Pat Buchanan
11:30 a.m.	Luncheon
12:15 p.m.	Senator Phil Gramm
1:30 p.m.	Senator Richard Lugar (via satellite)
2:15 p.m.	Senator Arlen Specter
3:00 p.m.	Mr. Morry Taylor
3:45 p.m.	Senator Robert Dole
4:30 p.m.	Governor Pete Wilson (may pull out due to closure of Iowa campaign office-- Secretary Lamar Alexander may fill this slot)
5:15 p.m.	Adjournment

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P.P. 10

Kevin  
- Nelson

# IOWANS FOR TAX RELIEF

AND TAX EDUCATION FOUNDATION  
AFFILIATED WITH NATIONAL TAXPAYERS UNION  
2610 PARK AVENUE • MUSCATINE, IOWA 52761 • 800/754-8220 • 319/264-8080 • FAX 319/264-2413



September 12, 1995

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**VIA FACSIMILE (four pages)**

The Honorable Robert Dole  
Bob Dole for President  
RE: Iowa Taxpayers' Day  
810 - 1st Street, N.E., Suite 300  
Washington, DC 20002

Scheduled time:  
3:00 p.m., CST

Dear Senator Dole:

Thank you for accepting our invitation to speak to our Iowa Taxpayers' Day meeting on Saturday, September 23.

This is the annual meeting of Iowans for Tax Relief, Iowa's nonpartisan taxpayer organization with more than 51,000 members. National Taxpayers Union is co-sponsoring this event.

Our organization limits its activities to the issues of taxes, government spending and debt, and limited government. Our members and the taxpayers of Iowa want to hear your specific stands on these issues.

We recognize there are many other important issues, but they are outside our scope.

Therefore, we respectfully request that in your speech to our Iowa Taxpayers' Day meeting, speak only on the issues of taxes, government spending and debt, and limited government. Please refrain from speaking on other issues, because of the limited scope of this event.

We also request: in your speech, please state your specific stand on these specific issues:

- Balanced Budget Amendment to U.S. Constitution.** Do you support this Amendment as the House passed it earlier this year? Do you favor any change in it? As President, what will you do to help get it passed and ratified?
- Tax Limitation Amendment to U.S. Constitution: 3/5 Vote.** Do you support a Constitutional Amendment to require a roll-call vote of 3/5 of all



members of each House of Congress to increase any federal tax or adopt any new federal tax? Do you favor any exception or additional provision? As President, what will you do to help get it passed and ratified?

3. **Revenue and Spending Limit Amendment to U.S. Constitution.** Do you support a Constitutional Amendment to limit the growth rate of total federal revenue and total federal spending to the rate of inflation plus population growth, unless a specific excess amount is approved by roll-call vote of 3/5 of all members of each House of Congress? Do you favor any other exception or additional provision? As President, what will you do to help get it passed and ratified?
4. **Line-Item Veto Amendment to U.S. Constitution.** Do you support a Constitutional Amendment to give the President a line-item veto on all appropriations bills? Do you favor any exception or additional provision? Should it include the option to reduce a line item? As President, what will you do to help get it passed and ratified?
5. **When and How to Balance the Budget.** Will you work to eliminate the federal deficit and balance the budget by a specific fiscal year? If so, what year? How do you plan to eliminate the annual deficit? Will you balance the budget solely by spending control, or will you consider revenue increases? What actions to control entitlements will you support? Which specific federal spending and programs will you control in each of these ways: (1) cut the dollar amount, (2) freeze the dollar amount, (3) limit growth to the rate of inflation, or (4) reduce the growth rate in some other way? Please be very specific.
6. **Payment of the Federal Debt.** After the budget is balanced, will you work to reduce the federal debt? If so, how? Pay down the debt at how fast a rate?
7. **National Sales Tax.** Do you support a national sales tax as a complete replacement for the federal income tax system? If so, should it be a retail sales tax or a European-style value added tax? What exemptions should be allowed? What tax rate would be necessary to replace the income tax?
8. **Flat-Rate Income Tax.** Do you support replacing the current federal income tax (personal, or corporation, or both) with a single flat-rate income tax? If so, what income should be subject to this tax and what should be exempt? What personal exemption amounts for taxpayers and dependents should be allowed? What deductions, if any, should be allowed? What tax rate would be necessary to replace the current income tax?
9. **Other Changes in Federal Income Tax.** Until the current federal income tax is replaced, what changes in it do you support? In addition, please state your stand on each of these proposals:
  - a. Increase the personal exemption for each taxpayer and each child. How much?

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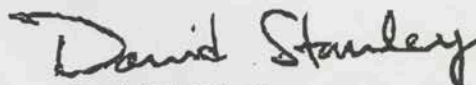
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- b. Reduce federal income tax rates. How much? In all brackets, or some?
  - c. Reduce or eliminate the tax on capital gains. Restore a partial exclusion for capital gains? Index the cost basis for capital gains?
  - d. Restore the IRA option for all taxpayers, and allow a full \$2,000 IRA for a spouse not working outside the home.
  - e. Restore the deduction for state and local sales taxes. *bl-51*
  - f. Restore the charitable deduction for taxpayers who don't itemize their other deductions.
  - g. Repeal the current provisions that take away deductions and exemptions at certain income levels.
10. **Federal Estate Tax.** What changes in the federal estate and gift taxes do you support? Should the current exemption amount be raised, lowered, or stay the same?

Thank you for your cooperation. We are giving our members and the news media this list of specific issues, and they will eagerly await your stands on these issues.

Sincerely,



David M. Stanley  
President

Copy to: Steve Gibbs (Iowa contact)



## IOWANS FOR TAX RELIEF

### 7. National Sales Tax

Every industrialized country that has a VAT or a national sales tax also has an income tax. Since Americans are already overtaxed, I don't believe we should add a new tax system to the current one -- especially since the current one is too complicated, forcing taxpayers to use either an accountant or a lawyer or both just to file their tax return.

Valued-added taxes are typically more burdensome on the lower income since they pay a higher percentage of their income on consumption. If you exempt food, medical care, etc., then the rate has to be very high.

### 8. Flat tax

The Arney bill is the pure Hall-Rabushka model from 1981. The 1986 Act attempted to get there and got close. Few deductions remain for most individuals, but many believe that the rich pay little or no tax because they can take advantage of loopholes.

A single-rate system, like Arney, will shift the tax burden to the middle class because they will lose their mortgage interest, charitable, and state income and property tax deductions and not gain much by the lower rate.

The Arney plan would lose billions of dollars if it set the rate at about 20%.

Under a flat rate plan families earning up to about \$30,000 should pay little or no federal income tax.

### 9. Other changes in the federal income tax

a. Personal exemption increase: The \$500 per child tax credit we expect to pass this year is effectively a very large increase in the personal exemption for children. The current tax law is not pro-family enough and should be changed so that families retain more of their earnings.

b. Reduce federal income tax rates: I support repealing the Clinton and Bush tax increases from 1990 and 1993, both of which either directly or indirectly raised tax rates for individuals.

c. Reduce or eliminate the capital gains tax; indexing; partial exclusion: We should cut the capital gains tax and look to eliminating it entirely. It is an obstacle to capital formation, entrepreneurship and economic growth. The current system taxes capital twice and at a minimum we need to eliminate this double taxation.

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As far as indexing goes, the experts are split. Some think the complexity outweighs the benefits and others disagree. In a pure system it makes sense, but we don't need a system so complex that it discourages people to invest.

d. Restore IRA for all taxpayers, allow a full \$2,000 deduction for a homemaker spouse: I support incentives for savings and investment, like the IRA. I am a cosponsor of Finance Committee chairman Roth's bill to provide new back-ended IRA and expand traditional deductible IRAs.

We should increase the income limits on taxpayers eligible to contribute to an IRA and allow non-working spouses to make full IRA contributions.

I also unveiled a new pension plan called the SIMPLE -- the Savings Incentive Matched Plan for Employees. It would allow small employers to set up a pension plan without all the administrative hassle. Employers and employees could each contribute up to \$6,000 tax-free, without the cumbersome nondiscrimination rules that prevent so many small employers from offering a pension plan to its employees.

e. Restore deduction for state and local sales taxes: Repealed in 1986. Iowa has a fairly high sales tax of about 5%, raised recently from 3%. This should be reevaluated in the context of overall tax reform efforts.

f. Restore charitable deduction for nonitemizers: Should be reexamined in the context of overall tax reform efforts. Whether we like it or not, charitable giving is often influenced by taxes. All people who give to charities should be treated the same, whether or not they itemize.

g. Repeal provisions that take away deductions and exemptions at certain income levels: These provisions add significant complexity to the tax system. When we reform the tax system, we should reexamine these back door tax increases.

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#### ESTATE TAX EXAMPLE

If a taxpayer owns a family business that is worth \$2 million, upon his death he can leave the business to his children and \$1.5 million of the business is exempted from the estate tax. Of the excess \$500,000, only one-half of it is taxed. Therefore, instead of paying the estate tax on \$2 million, at a 55% marginal rate, the tax is paid on \$250,000.

If a family business is owned by a husband and wife, they can each exclude \$1.5 million for their estates before leaving the business to their heirs.

ATTENTION: MIKE GLASSNER

1. Personal exemption for 1995 is \$2,500.
2. Cost of restoring non-itemizers charitable deduction is \$17.3 billion over 5 years.
3. Repealing PEP and Pease costs \$---
4. Cost of IRA proposals:
  - a. Extending current law IRAs to nonworking spouses -- \$600 million over 5 years; and
  - b. Extending IRAs to everyone (no income limits) \$34 billion over 5 years.
5. Restoring state and local sales tax deduction costs \$25 billion over 5 years.

NOTE: When we receive the PEP and Pease numbers, we will fax you a revised list with the PEP and Pease numbers.



**THANK YOU. LET ME JUST SAY  
RIGHT UP FRONT THAT AS LONG AS  
THE AMERICAN ECONOMY CAN  
PRODUCE SUCCESS STORIES LIKE  
MORRY TAYLOR'S THEN I THINK  
OUR FUTURE IS A BRIGHT ONE.**

**THE PROBLEM, HOWEVER, IS  
THAT IF AMERICA IS SUBJECTED TO  
FOUR MORE YEARS OF A CLINTON  
ADMINISTRATION, THEN THE  
FUTURE FOR ENTREPRENEURS LIKE**

**MORRY, FOR SMALL BUSINESSMEN  
AND WOMEN, FOR FARMERS, AND  
FOR ALL AMERICA'S TAXPAYERS  
WILL BE VERY MUCH IN QUESTION.**

**YOU KNOW THE RECORD. AT  
THE VERY MOMENT WHEN NATIONS  
AROUND THE WORLD HAVE  
REDISCOVERED THE PROMISE OF  
CAPITALISM AND PRIVATE  
ENTERPRISE, PRESIDENT CLINTON  
HAS TURNED HIS BACK ON IT.**



**RATHER THAN EXPAND  
INCENTIVES FOR AMERICA'S RISK  
TAKERS AND ENTREPRENEURS,  
PRESIDENT CLINTON IMPOSED THE  
LARGEST TAX INCREASE IN  
AMERICAN HISTORY--AND HE  
IMPOSED IT RETROACTIVELY.**

**HE REFUSED TO LIFT A FINGER  
WHEN JUST ONE MORE VOTE IN  
THE SENATE WOULD HAVE GIVEN**

**AMERICA A BALANCED BUDGET  
AMENDMENT.**

**HE BITTERLY OPPOSES OUR  
EFFORTS TO REDUCE THE  
REGULATORY BURDEN ON PRIVATE  
ENTERPRISE.**

**HE FIGHTS EVERY EFFORT TO  
CUT GOVERNMENT SPENDING. IN  
FACT, ON EVERY KEY ISSUE, HIS  
SOLUTION ISN'T LESS  
GOVERNMENT, BUT MORE**



**GOVERNMENT. BIGGER  
GOVERNMENT. MORE  
MEDDLESOME GOVERNMENT.**

**PRESIDENT CLINTON AND HIS  
TOP ADVISORS BELIEVE THAT WITH  
MORE TAXES, MORE REGULATIONS,  
MORE SPENDING, AND MORE  
MANDATES, GOVERNMENT CAN  
REPLACE THE INDIVIDUAL AS THE  
ENGINE THAT POWERS AMERICA'S  
ECONOMIC GROWTH.**

**THEY INSIST THAT THE  
GOVERNMENT--NOT THE  
INDIVIDUAL--SHOULD CONTROL THE  
WEALTH OF OUR NATION, TAXING  
AWAY OUR MONEY IN THE BELIEF  
THAT WASHINGTON CAN SPEND IT  
MORE WISELY AND INVEST IT MORE  
PRODUCTIVELY.**

**PRESIDENT CLINTON'S  
ECONOMIC POLICIES AND BELIEFS  
ARE OUT OF STEP WITH THE FREE**



**WORLD. THEY ARE OUT OF STEP  
WITH AMERICA. AND THEY ARE  
MOST CERTAINLY OUT OF STEP  
WITH IOWA. AND THAT'S JUST  
ONE REASON WHY AMERICA NEEDS  
NEW LEADERSHIP IN THE WHITE  
HOUSE.**

**ANOTHER REASON IS THAT  
PRESIDENT CLINTON HAS  
APPARENTLY GIVEN UP ON  
AMERICA. THE WHITE HOUSE IS**

**NOW PREDICTING 2.5% ANNUAL  
ECONOMIC GROWTH FOR THE REST  
OF THE CENTURY. THEY  
CONGRATULATE THEMSELVES  
BECAUSE, IN THEIR VIEW, 2.5%  
GROWTH REPRESENTS THE OUTER  
LIMIT OF AMERICA'S ECONOMIC  
POTENTIAL.**

**AMERICA'S HISTORY, HOWEVER,  
TELLS US THAT WE CAN DO  
BETTER. SINCE WORLD WAR II, OUR**

**ECONOMY HAS AVERAGED 3%  
GROWTH. DURING THE REAGAN  
YEARS, WE AVERAGED NEARLY 4%  
GROWTH.**

**WHAT IT IS ABOUT AMERICA  
TODAY THAT MAKES PRESIDENT  
CLINTON BELIEVE WE CAN'T EVEN  
LIVE UP TO OUR PAST, MUCH LESS  
COMPETE WITH THE MOST  
DYNAMIC ECONOMIES IN THE  
WORLD? WHY DOES HE THINK OUR**



**BEST DAYS ARE BEHIND US? DOES  
HE DISTRUST THE POWER OF  
MILLIONS OF IOWANS AND  
AMERICANS ACTING FREELY IN THE  
MARKETPLACE? DOES HE  
QUESTION THE CREATIVITY OF  
IOWA'S AND AMERICA'S  
ENTREPRENEURS? DOES HE DOUBT  
THE ABILITY OF IOWA'S AND  
AMERICA'S WORKERS?**

**WHATEVER HIS THINKING, I  
BELIEVE HE IS PROFOUNDLY  
WRONG. I BELIEVE THE ONLY  
BARRIER PREVENTING AMERICA  
FROM REACHING HER FULL  
POTENTIAL IS A FAILURE OF  
LEADERSHIP..A FAILURE OF  
VISION...NOT A FAILURE OF OUR  
PEOPLE.**

**AND TODAY, I'M PROUD TO  
HAVE THE OPPORTUNITY TO SHARE**

**WITH YOU MY VISION OF AMERICA.  
IT'S A VISION OF A COUNTRY WITH  
A BALANCED BUDGET, AND A LOW  
TAX RATE. IT'S A VISION OF A  
COUNTRY WHERE THE  
GOVERNMENT KEEPS ITS NOSE OUT  
OF PLACES IT DOESN'T BELONG,  
AND ALLOWS THE MAGIC OF THE  
MARKETPLACE TO WORK ITS  
WONDERS.**



**AND HERE'S HOW I WOULD  
MAKE THAT VISION A REALITY AS  
YOUR PRESIDENT.**

**FIRST, I WOULD OPERATE WITH  
THE UNDERSTANDING THAT WE  
DIDN'T DIG OURSELVES INTO A \$5  
TRILLION DEBT BECAUSE THE  
AMERICAN PEOPLE ARE  
UNDERTAXED. WE GOT THAT \$5  
TRILLION DEBT BECAUSE AMERICA  
OVERSPENDS. AND THAT'S WHY**

**WE MUST START BY REINING IN THE  
FEDERAL GOVERNMENT--AND  
RETURNING TO THE STATES AND  
TO THE PEOPLE THE POWER AND  
RESPONSIBILITY PROPERLY  
RESERVED TO THEM UNDER THE  
10TH AMENDMENT OF THE  
CONSTITUTION.**

**I AM PROUD TO SAY THAT I  
DON'T THINK ANY SENATOR--WITH  
THE POSSIBLE EXCEPTION OF**

**SENATOR GRASSLEY--HAS BEEN AS  
CONSISTENT AND AS OUTSPOKEN  
IN THEIR DESIRE TO REDUCE THE  
DEFICIT AS I HAVE.**

**I LED THE FIGHT TO PASS THE  
HISTORIC BUDGET PASSED BY  
CONGRESS THIS YEAR--A BUDGET  
THAT WILL ELIMINATE THE FEDERAL  
DEFICIT WITHIN SEVEN YEARS.**

**AND AS PRESIDENT, I WILL  
CONTINUE TO DOWNSIZE THE**



**FEDERAL GOVERNMENT TO  
ACCELERATE OUR QUEST FOR A  
BALANCED BUDGET. I WILL  
PROVIDE THE LEADERSHIP  
NECESSARY TO GET THAT ONE  
MORE VOTE WE NEED TO SEND THE  
BALANCED BUDGET AMENDMENT  
TO THE STATES.**

**I WILL INSIST ON A LINE ITEM  
VETO, SO THAT I CAN ELIMINATE  
FEDERAL PORK, AND INSIST THAT**

**GOVERNMENT LIVE BY THE SAME  
DISCIPLINE AS YOU DO IN YOUR  
DAILY BUSINESSES.**

**THERE ARE MANY OTHER  
ELEMENTS TO MY ECONOMIC  
AGENDA--SUCH AS OPENING NEW  
MARKETS FOR IOWAN AND  
AMERICAN PRODUCTS--BUT ONE  
THAT IS ON TOP OF MY LIST IS  
DRAMATIC AND REVOLUTIONARY  
TAX REFORM.**

**THIS AUDIENCE KNOWS AS WELL AS EVERYONE THE PROBLEMS WITH TODAY'S TAX CODE. WITH THE SURCHARGES THAT WERE INCLUDED IN PRESIDENT CLINTON'S LARGEST TAX INCREASE IN HISTORY, THE TOP RATE NOW STANDS AT ALMOST 40%. MIDDLE CLASS FAMILIES ARE FORCED TO WORK HARDER AND HARDER JUST TO KEEP UP--THEIR HOPES FOR A**



**BETTER LIFE TAXED AWAY BY  
GOVERNMENT.**

**THE COMPLEXITY OF THE CODE  
WASTES BILLIONS OF HOURS IN  
COMPLIANCE EFFORT AND--WORST  
OF ALL--CONVINCES MANY  
AMERICAN THAT THE TAX SYSTEM  
HAS BEEN HIJACKED BY SPECIAL  
INTERESTS. AND DELETING THE  
WHOLE TWISTED WRECK OF  
FEDERAL TAX LAW AND STARTING**

**ANEW IS THE SUREST WAY I CAN  
IMAGINE TO DELIVER REAL AND  
LASTING ECONOMIC CHANGE TO  
THE AMERICAN PEOPLE.**

**LET ME STATE IT AS CLEARLY AS  
I CAN: AS CHAIRMAN OF THE  
SENATE FINANCE COMMITTEE, I  
DELIVERED THE LARGEST TAX CUT  
IN HISTORY FOR PRESIDENT  
RONALD REAGAN. AND WHEN I SIT  
IN THE OVAL OFFICE, I WILL**

**DELIVER TO THE AMERICAN PEOPLE  
THE MOST DRAMATIC TAX REFORM  
IN HISTORY.**

**IN PLACE OF OUR PRESENT TAX  
SYSTEM, I WOULD PROVIDE THE  
LEADERSHIP NEEDED TO REPLACE IT  
WITH ONE WITH LOWER AND  
FLATTER RATES...WITH A SYSTEM  
THAT REWARDS PEOPLE FOR  
WORKING HARDER, INVESTING  
WISELY, AND SAVING MORE.**



**I ENVISION A TAX SYSTEM THAT  
RELIEVES THE BURDEN ON  
WORKING FAMILIES. I BELIEVE A  
FAMILY OF FOUR--EARNING UP TO  
\$25,000 OR \$30,000 PER YEAR--  
SHOULD PAY LITTLE OR NO  
FEDERAL INCOME TAX. AND I  
WOULD CREATE A SYSTEM THAT  
WOULD RECOGNIZE THAT A  
FAMILY'S MOST IMPORTANT  
RESPONSIBILITY IS RAISING ITS**

**CHILDREN. IT WOULD RESPECT  
THEIR EFFORTS IN THIS REGARD,  
INSTEAD OF PENALIZING THEM, AS  
THE CURRENT SYSTEM DOES.**

**IN DESIGNING A NEW TAX  
SYSTEM I WILL ENSURE THAT WE  
DO NOT INCREASE THE TAX  
BURDEN ON THE MIDDLE-CLASS.  
MANY OF THE FLAT TAX AND  
OTHER REFORM PROPOSALS BEING  
CONSIDERED SOUND GREAT, BUT**

**WE MUST LOOK TO THE DETAILS  
AND DETERMINE WHETHER THEY  
WILL ACTUALLY HURT OR HELP THE  
MIDDLE-CLASS.**

**AND MAKE NO MISTAKE ABOUT  
IT, THE FAIRER TAX SYSTEM I  
ENVISION WOULD STOP TAXING  
CAPITAL TWICE. TODAY, WE HAVE  
THE HIGHEST CAPITAL GAINS TAX  
OF ANY MAJOR INDUSTRIALIZED  
COUNTRY. WHEN IT COMES TO**



**COMPETITION WITH COUNTRIES  
LIKE GERMANY AND JAPAN--WHO  
HARDLY TAX CAPITAL GAINS AT  
ALL--WE'RE TYING THE HANDS OF  
THE MOST PRODUCTIVE, MOST  
INNOVATIVE PEOPLE IN OUR  
ECONOMY.**

**I KNOW THAT TODAY'S CAPITAL  
GAINS TAX PREVENTS MANY OF  
YOU FROM SELLING YOUR  
BUSINESSES, OR MAKING NEW**

**INVESTMENTS AT ALL. AND THE  
ESTATE TAX PREVENTS YOU FROM  
LEAVING YOUR FAMILY BUSINESSES  
IN TACT FROM ONE GENERATION  
TO THE NEXT. I AM LEADING THE  
CHARGE IN THE SENATE TO  
VIRTUALLY ELIMINATE THE ESTATE  
TAX FOR SMALL FAMILY FARMS  
AND OTHER BUSINESSES.**

**MY ESTATE TAX RELIEF BILL,  
WHICH I DEVELOPED WITH**

**SENATOR GRASSLEY, WILL LET  
HEIRS EXCLUDE \$1.5 MILLION OF  
THE VALUE OF THEIR FAMILY FARM  
OR BUSINESS FROM THE ESTATE  
TAX. AND IF YOU ARE LUCKY  
ENOUGH TO HAVE A BUSINESS  
WORTH MORE THAN THAT, MY BILL  
WOULD TAX ONLY HALF OF THE  
VALUE OVER \$1.5 MILLION. THIS  
BILL WILL LET FAMILIES RETAIN**



**THEIR LIVELIHOOD AND EMPLOYEES  
RETAIN THEIR JOBS.**

**MANY OF YOU HAVE TOLD ME  
ABOUT HOW FAMILIES AND THE  
COMMUNITY SUFFER WHEN A  
FAMILY BUSINESS HAS TO  
LIQUIDATE TO PAY THE ESTATE  
TAX. WE MUST DO ALL WE CAN TO  
KEEP FAMILY BUSINESSES GOING  
SO THEY CAN CONTINUE TO**

**EMPLOY WORKERS AND INVEST IN  
OUR COMMUNITIES.**

**AND WHILE I'M AT IT, I WOULD  
ALSO END THE IRS AS WE KNOW IT.  
TODAY, THE IRS EMPLOYS MORE  
THAN 100,000 PEOPLE AT A COST  
OF NEARLY \$10 BILLION PER YEAR.  
THE CURRENT TAX CODE RUNS  
THOUSANDS OF PAGES.  
COMPLIANCE COSTS ATTRIBUTABLE  
TO THE TAX CODE TOTAL IN THE**

**HUNDREDS OF BILLIONS OF  
DOLLARS EACH YEAR, AND SOME  
COMPANIES FILE TAX FORMS  
THOUSANDS OF PAGES LONG.**

**WITH AN INFINITELY SIMPLER  
TAX SYSTEM, THE 1040 FORM  
WOULD GO THE WAY OF THE  
VACUUM TUBE. AMERICANS  
COULD FILE THEIR TAX RETURNS  
ON A POST-CARD. AND  
THOUSANDS OF IRS**



**INVESTIGATORS, ACCOUNTANTS,  
AND TAX LAWYERS WOULD BE  
ABLE TO UTILIZE THEIR TALENTS IN  
MORE PRODUCTIVE WAYS.**

**AND TO ENSURE THAT  
CONGRESS DOESN'T TURN A  
FLATTER TAX SYSTEM INTO A  
POLITICAL FOOTBALL, I WOULD  
INSIST THAT CONGRESS PASS A  
CONSTITUTIONAL AMENDMENT  
REQUIRING A 3/5THS MAJORITY**

**VOTE BEFORE CONGRESS CAN  
RAISE INCOME TAX RATES. THIS  
WOULD GUARD THE REFORMS AND  
GENERALLY KEEP CONGRESS OUT  
OF YOUR WALLETS.**

**WHAT RESULTS WOULD IOWA  
AND AMERICA SEE FROM THE DOLE  
AGENDA--AN AGENDA OF LOWER  
FEDERAL SPENDING AND RADICAL  
TAX SIMPLIFICATION? I BELIEVE WE  
WOULD SEE AN EXPLOSION OF JOB**

**CREATION, INVESTMENT, AND  
ECONOMIC GROWTH. EVEN IF THE  
ECONOMY JUST REGAINED ITS  
HISTORIC LEVEL OF 3% GROWTH,  
AMERICA'S GDP WOULD BE \$410  
BILLION HIGHER BY THE YEAR 2002,  
AND THE FEDERAL DEFICIT WOULD  
BE ABOUT \$100 BILLION LOWER.**

**BUT I REGARD 3% GROWTH AS A  
FLOOR, AND NOT A CEILING. I AM**



**CONVINCED AMERICA CAN DO  
EVEN BETTER.**

**MY FRIENDS, THIS IS NO TIME  
FOR DIMINISHED EXPECTATIONS.  
THIS IS NO TIME TO SELL  
AMERICA'S POTENTIAL SHORT.  
THIS IS THE TIME TO LET GO OF THE  
20TH CENTURY, AND EMBRACE THE  
21ST--TO SEIZE THE PROMISE OF  
THE NEW ERA BY LIBERATING THE**

**GENIUS OF IOWANS AND  
AMERICANS.**

**BECAUSE BY PUTTING OUR FAITH  
IN FREEDOM AND IN OUR PEOPLE,  
WE CAN BUILD AN AMERICA AS BIG  
AS OUR DREAMS...AS STRONG AS  
OUR HEARTS...AND AS GREAT AS  
OUR HISTORY DEMANDS.**

**THANK YOU VERY MUCH.**

**SATURDAY, SEPTEMBER 23, 1995**

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10:00 am DEPART Mackinac Island Airport en route Grand Hotel  
Driver: Albert "Buck" Sharrow  
Drive Time: 30 minutes

10:30 am ARRIVE Grand Hotel

Location: 1 Grand Ave  
Mackinac Island, MI  
906/847-3331 tel  
906/847-3259 fax

Met by: Candice Miller, MI Secretary of State, DFP Co-Chair  
Dick Posthumus, MI Senate Majority Leader, DFP Co-Chair  
Paul Hillegonds, MI House Speaker, DFP Co-Chair  
Brooks Patterson, Oakland County, MI Exec., DFP Co-Chair  
Susy Heintz, Chairman Michigan Republican Party  
Dan Musser, Sr., owner Grand Hotel  
Dan Musser, Jr., owner Grand Hotel  
David Doyle, Midwest Senior Consultant

**Note: Arrival to Grand Hotel is open press.**

Press Advance: Del Chenault

10:40 am- ATTEND Supporters Leadership Meeting

11:05 am Location: Gerald R. Ford Conference Room  
Attendance: 40  
Event Runs: 10:30 - 11:15 am  
Press: Closed  
Facility: None  
Contact: Beth Hansen  
202/253-5928 cell  
**No page service**

Paul Hillegonds gives welcoming remarks  
Dick Posthumus introduces Senator Dole  
Senator Dole makes brief remarks  
Mix and mingle

11:05 am PROCEED to holding room

Location: Dan Musser Sr.'s Office

FINAL 9/22/95 3:09 PM



**SATURDAY, SEPTEMBER 23, 1995**

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11:10 am (T)Call Florida Republican Executive Board Meeting,  
telephone # (407) 851-9000 ext. 5804  
(Mike Glassner will place call)

Note: Tom Slade, State Party Chairman will answer

11:15 am PROCEED to Terrace Room

11:20 am- ATTEND Political Meeting

12:10 pm Location: Terrace Room  
Attendance: 120  
Event Runs: 11:00 am - 12:10 pm  
Press: Open  
Facility: Podium, mic, riser  
Contact: Beth Hansen

Brooks Patterson gives welcoming remarks  
Candice Miller introduces Senator Dole  
Senator Dole makes brief remarks  
Q&A  
Mix and mingle

12:10 pm- PROCEED to holding room

12:20 pm Location: Dan Musser Sr.'s office

12:20 pm PROCEED to Main Dining Room

12:30 pm- ATTEND/ADDRESS Mackinac Island Republican Leadership  
1:20 pm Conference

Location: Main Dining Room  
Attendance: 1000  
Event Runs: 12:15 - 2:00 pm  
Press: Open  
Facility: Podium, mic, riser  
Contact: Beth Hansen

12:30 pm Pledge and invocation

12:33 pm Mix and mingle

12:48 pm Susy Heintz introduces Senator Dole

12:50 pm Senator Dole makes remarks

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**Guest and Staff Instructions**

1:25 pm *Immediately proceed to awaiting carriages.*

FINAL 9/22/95 3:09 PM

**SATURDAY, SEPTEMBER 23, 1995**

*Carriage 1:*            *Sen. Dole*  
                              *Mrs. Dole*  
                              *M. Glassner*

*Carriage 2:*            *T. Doyle*  
                              *H. Prechter*  
                              *R. Schlaff*  
                              *N. Warfield*

---

1:30 pm    DEPART Grand Hotel en route Mackinac Island Airport  
                  Driver:        Albert "Buck" Sharrow  
                  Drive Time: 30 minutes

2:00 pm    ARRIVE Mackinac Island Airport and proceed to departing aircraft  
                  FBO:            Mackinac Island Airport  
                                  906/847-3778 tel  
                                  No fax

2:05 pm    DEPART Mackinac Island, MI for Sault Ste. Marie, MI  
                  Aircraft:       King Aire 200  
                  Tail Number: N115MA  
                  Flight Time: 15 minutes  
                  Pilots:          Randy DeWitt  
                                  Lee Dean  
  
                  Seats:          7  
                  Meal:           None  
                  Manifest:       Senator Dole  
                                  Mrs. Dole  
                                  Tom Doyle  
                                  Mike Glassner  
                                  Heinz Prechter  
                                  Nelson Warfield  
  
                  Contact:        Randy DeWitt  
                                  906/478-7351 home  
                                  800/206-7367 pager

2:20 pm    ARRIVE Chippewa County International Airport  
                  FBO:            Midwest Aire  
                                  906/495-5119 tel  
                                  906/495-5254 fax

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*Mrs. Dole Schedule*

**SATURDAY, SEPTEMBER 23, 1995**

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2:25 pm Mrs. Dole departs Sault Ste. Marie, MI for Washington, DC

Aircraft: Lear 35

Tail Number: N42HP

Flight Time: 1 hour 45 minutes

Time Change: None

Pilots: Wayne Watters

Azi Perl

Seats: 7

Meal: Sandwiches

Manifest: Mrs. Dole

Heinz Prechter

Contact: Brenda

313/379-6244 home

313/246-0201 office

313/941-6520 flight office

4:10 pm Mrs. Dole arrives Washington, DC

FBO: Signature Flight Support

703/419-8440 tel

703/419-5486 fax

2:25 pm DEPART Sault Ste. Marie, MI for Des Moines, IA

Aircraft: Falcon 900 (Fisher Scientific Intl.)

Tail Number: N298W

Flight Time: 1 hour 25 minutes

Time Change: -1 hour

Pilots: Larry Sarkozy

Tony Liss

Cindy Cooke

Seats: 10

Meal: Sandwiches

Manifest: Senator Dole

Tom Doyle

Mike Glassner

Nelson Warfield

Contact: Deborah Ciotti

603/564-6617 pager

2:50 pm ARRIVE Des Moines International Airport

FBO: Signature Flight Support

515/256-5330 tel

515/256-5326 fax

FINAL 9/22/95 3:09 PM



**SATURDAY, SEPTEMBER 23, 1995**

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Met by: Darrell Kearney

Advance: John Horne  
202/744-1527 cell  
800/759-8888 pager  
Pin #: 1576328

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**Guest and Staff Instructions**

2:50 pm *Immediately proceed to motorcade assignments.*

*Lead: J. Horne  
Limo: Sen. Dole  
M. Glassner  
D. Kearney*

*Staff: T. Doyle  
N. Warfield*

---

2:55 pm DEPART Des Moines International Airport en route Hotel Fort Des Moines

Driver: Arik Kahle  
Drive Time: 10 minutes

3:05 pm ARRIVE Hotel Fort Des Moines and proceed to holding

Location: 1000 Walnut St.  
Des Moines, IA  
515/243-1161 tel  
515/243-4317 fax

Met by: Jeff Hunter, owner Hotel Fort Des Moines

3:40 pm PROCEED Grand Ballroom

3:45 pm- ATTEND/ADDRESS Iowa Taxpayers' Day

4:30 pm Location: Grand Ballroom  
Attendance: 350+  
Event Runs: 9:00 am - 4:30 pm  
Press: Open  
Facility: Podium, mic, riser  
Contact: Renee Klink  
515/288-1996 office  
515/250-7088 cell

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**SATURDAY, SEPTEMBER 23, 1995**

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3:45 pm Dave Stanley, President of Iowans for Tax Relief  
introduces Senator Dole  
3:48 pm Senator Dole gives remarks  
4:15 pm Q&A

---

*Guest and Staff Instructions*

4:30 pm *Immediately proceed to motorcade assignments.*

*Lead: J. Horne*

*Van: Sen. Dole  
M. Glassner  
S. Grubbs  
D. Kearney*

*Staff: T. Doyle  
N. Warfield*

---

4:35 pm DEPART Fort Des Moines Hotel en route Des Moines International  
Airport

Driver: Arik Kahle  
Drive Time: 10 minutes

4:45 pm ARRIVE Des Moines International Airport and proceed to departing  
aircraft

FBO: Signature Flight Support  
515/256-5330 tel  
515/256-5326 fax

4:50 pm DEPART Des Moines, IA for Webster City, IA

Aircraft: King-Aire 90  
Tail Number: N90MV  
Flight Time: 30 minutes  
Time Change: None  
Pilots: Denny Chesnut  
Kirk Shultice  
Seats: 8  
Meal: None  
Manifest: Senator Dole  
Tom Doyle  
Mike Glassner  
Steve Grubbs  
Darrell Kearney

FINAL 9/22/95 3:09 PM

**SATURDAY, SEPTEMBER 23, 1995**

Nelson Warfield

Contact: Elliott Aviation  
515/285-6551 office

5:20 pm ARRIVE Webster City Municipal Airport  
FBO: Storm Flying Service  
515/832-3723 tel  
515/832-3840 fax

Advance: Mark Van Reese  
800/759-8888 pager  
Pin #: 1851688

---

Guest and Staff Instructions

5:20 pm *Immediately proceed to motorcade assignments.*

*Lead: M. Van Reese*

*Van: Sen. Dole  
M. Glassner  
S. Grubbs  
D. Kearney*

*Staff: T. Doyle  
N. Warfield*

---

5:25 pm DEPART Webster City Municipal Airport en route Williams Gymnasium  
in Williams, IA

Driver: Bob Malloy  
Drive Time: 20 minutes

5:45 pm ARRIVE Williams Gymnasium  
Location: 3rd and Beech  
Williams, IA  
515/854-2660 tel

Met by: Barb Sorenson, DFP Franklin Co. Chairman

5:50 pm- ATTEND Four-County GOP Fundraiser  
6:25 pm Location: Williams Gymnasium  
Attendance: 200+  
Event Runs: 5:00 - 7:30 pm

FINAL 9/22/95 3:09 PM



**SATURDAY, SEPTEMBER 23, 1995**

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Press: Open  
 Facility: Podium, mic, riser  
 Contact: Renee Klink  
 515/288-1996 office  
 515/250-7088 cell

5:50 pm Mix and Mingle  
 6:00 pm Steve Roberts, MC and National DFP Committeeman  
 introduces Senator Dole  
 6:05 pm Senator Dole gives remarks  
 6:15 pm Dinner Served

---

*Guest and Staff Instructions*

6:25 pm *Immediately proceed to motorcade assignments.*

*Lead: M. Van Reese*

*Van: Sen. Dole  
 M. Glassner*

*Staff: T. Doyle  
 N. Warfield*

---

6:30 pm DEPART Four-County GOP Fundraiser en route for Ft. Dodge  
 Regional Airport

Driver: Bob Malloy  
 Drive Time: 40 minutes

7:10 pm ARRIVE Ft. Dodge Regional Airport and proceed to departing aircraft

INFO: Ft. Dodge Aviation  
 515/955-3434 tel  
 515/955-4254 fax

7:15 pm DEPART Ft. Dodge, IA for Washington, DC

Aircraft: Falcon 900 (Fisher Scientific Intl.)  
 Tail Number: N298W  
 Flight Time: 1 hours 50 minutes  
 Time Change: +1 hour  
 Pilots: Larry Sarkozy  
 Tony Liss  
 Cindy Cooke  
 Seats: 10  
 Meal: Dinner

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**SATURDAY, SEPTEMBER 23, 1995**

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Manifest: Senator Dole  
Tom Doyle  
Mike Glassner  
Nelson Warfield  
Contact: Deborah Ciotti  
603/564-6617 pager

10:05 pm ARRIVE Washington National Airport  
FBO: Signature Flight Support  
703/419-8440 tel  
703/419-5486 fax

10:10 pm DEPART Washington National Airport en route Watergate  
Driver : Wilbert

10:25 pm ARRIVE Watergate

FINAL 9/22/95 3:09 PM

## **IOWA TALKING POINTS**

**\*I PROMISE TO KEEP MY REMARKS BRIEF. I'VE BEEN DOING A LITTLE STUDY OF PRESIDENTIAL INAUGURAL ADDRESSES, AND DISCOVERED AN INTERESTING COMPARISON BETWEEN THE ADDRESS OF GEORGE WASHINGTON AND THAT OF WILLIAM HENRY HARRISON.**

**\*WASHINGTON GAVE AN ADDRESS OF LESS THAN 200 WORDS, AND WENT ON TO BECOME ONE OF THE GREATEST PRESIDENTS IN HISTORY. WHEN HARRISON WAS SWORN IN 1841, HE SPOKE FOR TWO HOURS IN A RAINSTORM, CAUGHT PNEUMONIA, AND DIED A MONTH LATER. AND STROM THURMOND SWEARS TO THIS DAY, THAT HE TOLD HARRISON TO KEEP HIS REMARKS SHORT.**

**\*HAPPY TO FOLLOW THAT ADVICE, BUT I DO WANT TO SHARE A FEW THOUGHTS WITH YOU ABOUT WHERE I WOULD LIKE TO LEAD AMERICA.**



**\*BEFORE WE LOOK AT WHERE AMERICA IS GOING, WE NEED TO CONSIDER WHERE WE'VE BEEN UNDER THE CLINTON ADMINISTRATION.**

**\*CANDIDATE CLINTON PROMISED CHANGE, BUT PRESIDENT CLINTON HAS GIVEN US THE BIGGEST TAX HIKE IN HISTORY, AN INEPT FOREIGN POLICY, INCREASES IN CRIME AND DRUG USE RATES, AND AN ATTEMPT TO TURN YOUR HEALTH CARE OVER TO THE FEDERAL GOVERNMENT.**

**\*I HAVE A VERY DIFFERENT VISION FOR AMERICA IN THE 21ST CENTURY.**

**\*AS PRESIDENT, I WOULD CONTINUE THE WORK OF THIS HISTORIC CONGRESS--DOWNSIZING GOVERNMENT, BALANCING THE BUDGET, AND RETURNING POWER TO THE STATES AND TO THE PEOPLE, LIKE WE DID WITH THE HISTORIC WELFARE REFORM LEGISLATION THE SENATE PASSED LAST WEEK.**

**\* ANOTHER BUREAUCRACY THAT NEEDS REFORMING IS THE IRS. I WILL MAKE OUR TAX SYSTEM SIMPLER, FLATTER, AND FAIRER.**

**\* LET ME SAY THAT ONE PART OF THE TAX CODE THAT IS ALREADY FAIR IS THE FEDERAL PROGRAM TO PROMOTE THE DOMESTIC PRODUCTION AND USE OF FUEL ETHANOL.**

**\* THERE'S BEEN SOME TALK IN THE HOUSE OF REDUCING THAT PROGRAM. SENATOR GRASSLEY AND I HAVE WRITTEN TO THE WAYS AND MEANS COMMITTEE, EXPLAINING THAT THESE PROPOSALS COULD ACTUALLY INCREASE FEDERAL EXPENDITURES.**

**\* THE REASON IS SIMPLE: OUR ETHANOL INCENTIVES CREATE A DOMESTIC MARKET FOR FARMERS THAT RESULTS NOT ONLY IN LARGER FARM INCOME, BUT ALSO FEWER FEDERAL FARM PROGRAM EXPENDITURES.**

**\* SENATOR GRASSLEY AND I WILL CONTINUE TO LEAD THE FIGHT FOR ONE OF THE FEW BRIGHT SUCCESSES IN OUR EFFORT TO ACHIEVE ENERGY INDEPENDENCE.**

**\* AS PRESIDENT, I WILL ALSO RECONNECT GOVERNMENT WITH THE CONSERVATIVE VALUES WHICH MADE THIS COUNTRY THE GREATEST ON EARTH.**

**\* YOU KNOW THE VALUES I'M TALKING ABOUT. LOVE OF GOD, LOVE OF COUNTRY, LOVE OF FAMILY. HONESTY, DECENCY, AND PERSONAL RESPONSIBILITY.**

**\* AS YOU MAY KNOW, A FEW MONTHS BACK I GAVE A LITTLE SPEECH IN HOLLYWOOD. IN THAT SPEECH, I SIMPLY SUGGESTED THAT THOSE IN CHARGE OF OUR ENTERTAINMENT INDUSTRY HAVE A DUTY TO BALANCE COMMON DECENCY AND THE INTERESTS OF OUR CHILDREN WITH THEIR DESIRE TO MAKE A PROFIT.**

**\* AFTER THAT SPEECH, I ALSO RECEIVED A LOT OF LETTERS FROM AMERICANS WHO DON'T LIVE IN**



**HOLLYWOOD. AND THEY MADE IT ABSOLUTELY CLEAR THAT AMERICANS ARE CONCERNED ABOUT THE LOSS OF ANY SENSE OF SHAME OR STANDARD OF DECENCY IN OUR POPULAR ENTERTAINMENT.**

**\*OUR GOAL IS NOT TO IMPOSE OUR MORALITY ON ANYONE ELSE. IT'S TO STOP THE ENTERTAINMENT INDUSTRY FROM IMPOSING A DEBASED MORALITY ON THE REST OF US.**

**\*BUT IT'S NOT JUST THE ENTERTAINMENT INDUSTRY THAT'S THE PROBLEM. IT'S ALSO OUR GOVERNMENT, OUR COURTS, AND OUR SCHOOLS. LET ME GIVE YOU SOME EXAMPLES.**

**\*ACCORDING TO RECENT STUDIES, DRUG USE AMONG KIDS IS UP--WAY UP. BUT THIS ADMINISTRATION HAS SCALED BACK ENFORCEMENT AND PREVENTION. WHEN OUR PRESIDENT WARNS ABOUT SMOKING, HE'S TALKING ABOUT CIGARETTES. SMOKING WILL KILL YOU,**

**AND KIDS SHOULDN'T DO IT. BUT WHAT'S THE MESSAGE OF AN ADMINISTRATION IN WHICH THE PRESIDENT THINKS WE OUGHT TO REGULATE TOBACCO, BUT HIS SURGEON GENERAL THOUGHT WE OUGHT TO LEGALIZE DRUGS?**

**\* CRIME IS MORE RANDOM AND MORE VIOLENT, BUT OUR SYSTEM OF JUSTICE DOESN'T SEEM TO KEEP ANYONE IN JAIL. WE SHOULD PUT AN END TO PAROLE FOR VIOLENT OFFENDERS. PUT LIMITS ON THE ENDLESS APPEAL PROCESS. AND TEENAGERS WHO COMMIT SERIOUS, VIOLENT CRIME SHOULD BE REMOVED FROM THE JUVENILE COURTS AND TRIED AS ADULTS.**

**\* GOVERNMENT POLICIES INTENDED TO BRING US TOGETHER ARE INSTEAD TEARING US APART. THE FAILED SYSTEM OF GOVERNMENT PREFERENCES AND SET-ASIDES KNOWN AS AFFIRMATIVE ACTION MUST END. WE SHOULD STOP DIVIDING AMERICANS BY RACE AND GET**

**BACK TO THE SIMPLE PRINCIPLE OF EQUAL TREATMENT  
FOR ALL.**

**\* BUT PERHAPS NOWHERE IS THE FAILURE OF LIBERAL  
GOVERNMENT POLICY MORE EVIDENT THAN IN THE  
CLASSROOM.**

**\* OUR SCHOOLS SHOULD REFLECT THE VALUES OF  
AMERICA AND TEACH AGAIN THE VALUE OF THE  
AMERICAN DREAM. WE MUST GUARANTEE THE RIGHT OF  
EVERY AMERICAN TO ENJOY RELIGIOUS LIBERTY AND  
FREEDOM OF CONSCIENCE. AND WE MUST GUARANTEE  
THE RIGHT OF OUR CHILDREN TO VOLUNTARILY PRAY IN  
SCHOOL. AND WHILE WE'RE AT IT, WE NEED TO  
CONTINUE THE FIGHT TO ENSURE THAT PARENTS CAN  
SEND THEIR CHILD TO THE SCHOOL OF THEIR CHOICE.**

**\* AND WITH ALL THE DIVISIVE FORCES TEARING AT  
OUR COUNTRY TODAY, WE NEED THE GLUE OF LANGUAGE  
TO HELP HOLD US TOGETHER. IF WE WANT TO ENSURE**



**THAT ALL OUR CHILDREN HAVE THE SAME OPPORTUNITIES, WE NEED TO INSIST THAT ALL CHILDREN BE TAUGHT ENGLISH IN OUR SCHOOLS, AND ENGLISH SHOULD BE ACKNOWLEDGED ONCE AND FOR ALL AS THE OFFICIAL LANGUAGE OF THE UNITED STATES.**

**\*WE ALSO NEED A PRESIDENT WHO WILL REASSERT AMERICA'S ROLE AS LEADER OF THE FREE WORLD.**

**\*IF I AM PRESIDENT, THE MEN AND WOMEN OF THE AMERICAN ARMED FORCES WILL NOT BE ASKED TO RISK THEIR LIVES FOR ADVENTURES DREAMED UP BY BOUTROS BOUTROS GHALI.**

**\*I WILL PUT A STOP TO POLICIES WHICH DISMANTLE OUR DEFENSE AND HOLLOW OUT OUR MILITARY.**

**\*LET ME CLOSE BY SAYING THAT YES, AMERICA HAS PROBLEMS. TOUGH PROBLEMS. BUT I HAVE NO DOUBT THAT WE CAN SOLVE THEM.**

**\*I HAVE SEEN AMERICANS PERSEVERE THROUGH THE DUSTSTORMS OF THE '30S AND THE POVERTY OF THE GREAT DEPRESSION. I HAVE WITNESSED THE COURAGE OF AMERICANS IN WAR, AND THE STAGGERING SPLENDOR OF OUR PRODUCTIVITY IN PEACE.**

**\*I HAVE WATCHED AS THIS COUNTRY HAS BEEN TESTED AND TESTED AND TESTED AGAIN. AND YOU CAN'T COME THROUGH ALL OF THAT WITHOUT BECOMING AN OPTIMIST ABOUT AMERICA.**

**\*I'VE SEEN OUR COUNTRY OVERCOME TOO MUCH ADVERSITY NOT TO BELIEVE THAT OUR BEST DAYS ARE YET TO COME.**

**\*TOGETHER, WE CAN RENEW THE FOUNDATIONS OF OUR SOCIETY. AND IF WE PUT OUR FAITH IN GOD AND OUR TRUST IN FREEDOM, IT WILL ONCE AGAIN BE WITHIN OUR POWER TO BUILD AN AMERICA AS BIG AS OUR**

**DREAMS...AS STRONG AS OUR HEARTS...AND AS GREAT  
AS OUR HISTORY DEMANDS.**



SEP 22 '95 02:40PM

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- 135 HART SENATE OFFICE BUILDING  
WASHINGTON, DC 20510-1501  
(202) 224-3744  
TTY: (202) 224-4479  
e-mail:SENATOR-grassley@44444.senate.gov
- 721 FEDERAL BUILDING  
210 WALNUT STREET  
DES MOINES, IA 50309-2140  
(515) 281-4890
- 208 FEDERAL BUILDING  
101 1ST STREET SE.  
CEDAR RAPIDS, IA 52401-1227  
(319) 382-4622

# United States Senate

CHARLES E. GRASSLEY

WASHINGTON, DC 20510-1501  
September 18, 1995

- 103 FEDERAL COURTHOUSE BUILDING  
320 6TH STREET  
BAYLOR CITY, IA 51101-1244  
(712) 333-1888
- 210 WATERLOO BUILDING  
521 COMMERCIAL STREET  
WATERLOO, IA 50701-6497  
(319) 232-4467
- 116 FEDERAL BUILDING  
121 E. 4TH STREET  
DANVERS, IA 52801-1813  
(319) 222-4331
- 387 FEDERAL BUILDING  
8 SOUTH 6TH STREET  
COUNCIL BLUFFS, IA 51501-4284  
(712) 272-7103

The Honorable Bill Archer  
Chairman  
Committee on Ways and Means  
1102 Longworth HOB  
Washington, D.C. 20515

Dear Bill:

We understand that the Ways and Means Committee is considering proposals to dramatically change and reduce the federal program to promote the domestic production and use of fuel ethanol. In the face of America's dangerous and increasing reliance upon foreign sources of energy, it is ill-advised to undermine one of the few bright successes in our fight for energy independence.

As reported, these proposals are so proscriptive, they bring into question our commitment to a regulatory reform agenda. Dictating who can produce, how much can be produced and sold into which markets, embraces the command and control tools of a typical planned economy that our party opposes.

Moreover, the irony is that these proposals could actually increase federal expenditures! The reason is simple: our ethanol incentives create a domestic market for our farmers that results not only in larger farm income, but also fewer federal farm program expenditures.

Enclosed you will find a copy of a GAO report just completed which, concludes, just as did the GAO report in 1990, as well as analyses completed by the Department of Agriculture and others, that budgetary savings attributable to increased grain demand for ethanol more than offsets the outlays from reduced excise tax collections. In short, this latest GAO report states:

\*\* Using the Acreage Reduction Program levels projected under the current farm program, the elimination of the tax exemption for ethanol blends results in a net loss to the U.S. Treasury from 1996 - 2000 of \$2.5 billion if ethanol use drops by 50 percent and \$5.4 billion if ethanol use drops 90 percent.

As you know, however, the use of the ARP masks the real effect of eliminating the tax incentive. An analysis, therefore, assuming no ARP, will give us a more precise measure of the adverse impact of eliminating ethanol incentives. GAO concludes:

\*\* With no ARP for corn, the losses to the U.S. Treasury would be

Committee Assignments:

FINANCE  
GOVERNMENTAL AFFAIRS

JUDICIARY  
OFFICE OF TECHNOLOGY ASSESSMENT

BUDGET  
SPECIAL COMMITTEE ON AGING

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\$3.2 billion or \$6.3 billion, with 50-percent and 90-percent declines in use, respectively.

Frankly, industry experts familiar with ethanol production will consistently maintain that the loss of market to the ethanol industry would be at a minimum 90-percent.

While the increased cost to the federal government should be alarming enough, tampering with ethanol incentives will additionally hurt farm income - not just for corn farmers, but also for wheat, barley, sorghum, and potato farmers. GAO concludes that loss of farm income could be as high as \$1.2 billion per year!

As you can therefore see, your decisions in Ways and Means can greatly compound the problems facing our House and Senate Agriculture committees in meeting their own reconciliation instructions, drafting a new farm bill, and at the same time minimizing the adverse impact on our family farmers.

Bill, we realize that since this GAO report was just recently completed, that you did not have the benefit of its findings. We urge you to consider the enclosed copy thoroughly, and to remove the proposed modifications to the ethanol tax program from your Committee bill.

Sincerely,

Charles E. Grassley  
United States Senator

Bob Dole  
Republican Leader

Enclosure