

Key Luther

april 23  
2195 R HOB

MEMORANDUM

April 7, 1987

To: Senator Dole  
From: Mark Bisnow  
Re: Remarks to Hal Daub group

You are scheduled to speak to a small group of financial supporters of Hal Daub on Thursday morning, April 23, in 2105 Rayburn.

They are expecting 25 to 40 in attendance, most of whom are heads of companies in Daub's district of Omaha. Daub says they are each easily capable of giving you \$1000 if you convince them you'd be a good candidate.

You appear to be popular among Republicans in Nebraska. According to Daub, a poll was held on Founders Day in Lincoln in early April with these results among the Republican activists who attended: Dole, 206; Bush, 81; Kemp, 58; Kirkpatrick, 25 (she was the featured speaker); DuPont, 17; Haig, 16; Robertson, 16; Laxalt, 5; Rumsfeld (before he withdrew), 1.

The Daub group is meeting in Washington for the day, hearing from others as well, including Wayne Angell, Jim Miller, Phil Gramm, Dan Rostenkowski, and representatives of HHS and Agriculture.

Daub suggests you give them your best campaign pitch, but that if you want a legislative issue you might mention agriculture.

Attached are agricultural talking points from Mark Scanlon.

ATTETES  
JTRITION, AND FORESTRY

*Speak*  
HOUSE OF REPRESENTATIVES  
WASHINGTON, D. C. 20515

*April 23  
Thursday*

January 29, 1987

*Daub*  
HAL DAUB  
SECOND DISTRICT  
NEBRASKA

The Honorable Robert Dole  
Senate Minority Leader  
Hart #141  
Washington, D. C. 20510

Dear Bob:

*may I set  
this up -- we  
should work it out  
O.K. 8:45 speak*

On Thursday, April 23, I will be having a special  
Washington insider's day for my key Nebraska  
financial supporters and I would be delighted if  
you would participate by meeting with the group.

I would be pleased to have you kick off the program  
that morning at 9:00 AM. The ideal format would be  
15 minutes of opening comments from you, followed  
by a question and answer session until  
approximately 10:00 AM. The meeting will be held  
in the Capitol or the Longworth Building.

I anticipate the group size will be approximately  
50, almost all of whom will be the Chairman of the  
Board, President, Chief Executive Officer or  
Managing Partner of their company. I should note  
that politically most have not taken sides in the  
1988 presidential race yet, and obviously this  
would be an excellent opportunity for you to  
persuade them to support your candidacy.

Your willingness to participate would be greatly  
appreciated. My Administrative Assistant, David  
Heineman, is handling all of the details of the  
meetings should your office need more information.

With best personal regards, I remain

*3-2-87*  
Sincerely,

*Hal*  
HAL DAUB  
MEMBER OF CONGRESS

(NOT PRINTED AT GOVERNMENT EXPENSE)

*2/1/1 Intern letter attached*



*April 23*

HOUSE OF REPRESENTATIVES  
WASHINGTON, D. C. 20515

HAL DAGE  
SECOND EDITION  
NEBRASKA

*Joyce*

April 3, 1987

Betty Meyer  
Executive Assistant  
Senator Robert Dole  
141 Senate Hart Building  
Washington, D. C. 20510

Dear Betty:

I just wanted to confirm that Senator Dole will be speaking to our group of community leaders from Omaha on April 23 from 8:45-9:15AM. Senator Dole is our kick-off speaker.

Immediately following Senator Dole will be Federal Reserve Board Member Wayne Angell. Mr Angell asked to follow Senator Dole so that he would have the chance to say hello to his friend Senator Dole.

Other speakers include Senator Gramm, Congressman Rostenkowski, OMB Director Jim Miller and Ambassador Rowny.

The group will be meeting in Room 2105, Rayburn House Office Building.

Thanks for all of your help.

With best personal regards, I remain

Sincerely,

*Dave*

DAVE HEINEMAN  
ADMINISTRATIVE ASSISTANT

(NOT PRINTED AT GOVERNMENT EXPENSE)

April 23, 1987

NEBRASKA GROUP (HAL DAUB)

FARM BILL COSTS

- O THE 1985 FARM BILL IS MOVING IN THE RIGHT DIRECTION -- TOWARDS A GREATER MARKET ORIENTATION -- BUT PROGRESS HAS BEEN SLOW. LOW FARM PRICES HAVE RESULTED IN HIGH PROGRAM COSTS (\$25.6 BILLION IN FY 86; ESTIMATED \$25.2 BILLION IN FY 87).
- O CONGRESSMEN FROM URBAN STATES ARE BEGINNING TO COMPLAIN THAT FARM PROGRAMS ARE TOO EXPENSIVE.
- O FEDERAL OUTLAYS EQUAL ABOUT 2.8% OF THE FY 87 BUDGET COMPARED TO 5% BACK IN 1955. ALSO, CONSUMER GROCERY BILLS NOW TAKE 11 CENTS OF EACH DOLLAR OF DISPOSABLE INCOME COMPARED TO 16 1/2 CENTS A DECADE AGO.
- O A DECLINING PROPORTION OF INCOME SPENT FOR FOOD LEAVES MORE MONEY FOR OTHER THINGS, AND IS AN OFTEN-USED INDICATOR OF A RISING STANDARD OF LIVING.
- O SO I WOULD SUGGEST THE AMERICAN FARMER IS PROVIDING AN INDIRECT SUBSIDY TO THE AMERICAN CONSUMERS, SINCE FOOD COSTS ARE DOWN A THIRD IN LESS THAN A DECADE.

OPENING THE FARM BILL

- O THE ADMINISTRATION HAS PROPOSED A 10% CUT IN TARGET PRICES EACH YEAR FOR THREE YEARS WHICH WOULD SAVE OVER \$20 BILLION BETWEEN FY 1988 - 1992.
- O SO IT IS DOUBTFUL CONGRESS WILL PRODUCE A MAJOR REWRITE OF THE 1985 FARM BILL. NEW LEGISLATION CREATES MORE PROBLEMS AND CONFUSION THAN IT RESOLVES, AND NEVER SATISFIES CRITICS. THE LAST THING WE NEED IS ANOTHER DEBATE OVER FARM BILL PHILOSOPHY.

DOLE AMENDMENTS

- O I PLAN TO OFFER TWO AMENDMENTS TO HR 1157, WHICH PROVIDES DISASTER PAYMENTS TO FARMERS UNABLE TO PLANT IN 1986:
- O MARKETING LOAN - AN AMENDMENT TO REQUIRE THE SECRETARY TO REPORT BY JULY 1 OF THIS YEAR HIS REASONS FOR NOT IMPLEMENTING A MARKETING LOAN FOR WHEAT, FEED GRAINS AND SOYBEANS IF HE CHOOSES NOT TO USE HIS EXISTING AUTHORITY AND WHAT THE EXPECTED DIFFERENCES WOULD BE FOR THE RICE AND COTTON MARKETING LOAN PROGRAMS AND THOSE THAT COULD BE IMPLEMENTED FOR OTHER BASIC COMMODITIES.
- O ETHANOL PANEL - AN AMENDMENT REQUIRING SECRETARY TO ESTABLISH AN OUTSIDE PANEL TO DO THE RE-STUDY OF ETHANOL WHICH THE DEPARTMENT HAS INDICATED THEY WILL UNDERTAKE.



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NEBRASKA GROUP (HAL DAUB)

EXPORT SITUATION

- O FARM EXPORTS WHICH HAVE DECLINED TWENTY-NINE PERCENT IN VOLUME, FROM 162 MILLION METRIC TONS TO 114 MILLION TONS, AND FORTY-ONE PERCENT IN VALUE, FROM \$44 BILLION TO \$26 BILLION, SINCE REACHING THEIR PEAK LEVELS IN 1981.
- O THIS HAS REDUCED AGRICULTURE'S POSITIVE NET CONTRIBUTION TO THE U.S. TRADE BALANCE FROM \$26.6 BILLION TO \$5.4 BILLION. EVERY ONE BILLION DOLLARS IN FARM EXPORTS GENERATES 35,000 JOBS AND CREATES ANOTHER \$1.4 BILLION OF ECONOMIC ACTIVITY IN THE UNITED STATES. I WOULD STRESS THAT THIS LOSS IN EXPORT VOLUME AND VALUE REPRESENTS A SIGNIFICANT ECONOMIC LOSS TO FARMERS AND OTHERS IN RURAL AMERICA.

EXPORT ENHANCEMENT/MARKETING LOAN

- O SO I'VE ENCOURAGED THE ADMINISTRATION TO ADMINISTER THE EXPORT ENHANCEMENT PROGRAM ACROSS-THE-BOARD RATHER THAN ON A SELECTIVE, COUNTRY-BY-COUNTRY BASIS WHICH HAS RESULTED IN INCREASED SALES TO THE TARGETED COUNTRIES BUT REDUCED PURCHASES BY COUNTRIES WHO ARE NOT ELIGIBLE, SUCH AS THE SOVIET UNION.
- O AS AN ALTERNATIVE TO AN ACROSS-THE-BOARD EXPORT ENHANCEMENT PROGRAM, I HAVE SUGGESTED THE ADMINISTRATION USE THEIR EXISTING AUTHORITIES TO IMPLEMENT A MARKETING LOAN, WHICH WOULD MAKE US IMMEDIATELY COMPETITIVE.
- O IF THE ADMINISTRATION IS UNWILLING TO IMPLEMENT A MARKETING LOAN, THEN I BELIEVE WE NEED TO REQUIRE A REPORT BY JULY 1 AS STATING THEIR REASONS AND TELLING US WHAT THE DIFFERENCES ARE EXPECTED TO BE BETWEEN THE EXISTING MARKETING LOAN PROGRAMS FOR COTTON AND RICE AND OTHER BASIC COMMODITIES.
- O THE BOTTOM LINE IS THAT IF THE UNITED STATES IS GOING TO COMPETE IN A BUYERS MARKET, WHICH IS WHAT WE HAVE FOR MOST PRICE-SUPPORTED COMMODITIES TODAY, WE WILL HAVE TO OFFER OUR CUSTOMERS COMPETITIVE PRICES, A HIGH QUALITY PRODUCT AND A RELIABLE SUPPLY.

NEBRASKA GROUP (HAL DAUB)

ETHANOL

- O I AM PLEASED THAT USDA HAS DECIDED TO GO FORWARD WITH A NEW STUDY ON ETHANOL TO REPLACE THEIR OLD ANTI-ETHANOL STUDY RELEASED LAST JULY.
- O I'VE BEEN A STRONG SUPPORTER OF ETHANOL FOR MANY YEARS AS YOU KNOW AND HAVE SUGGESTED THAT ANY NEW STUDY HAVE PRODUCERS AND INDUSTRY REPRESENTATIVES IN CHARGE THIS TIME -- NOT JUST IVORY-TOWER ACADEMICS.
- O I PLAN TO OFFER AN AMENDMENT TO REQUIRE USDA TO SET UP AN OUTSIDE PANEL TO GET A "HANDS-ON" ASSESSMENT ON THE VIABILITY OF PRODUCING ETHANOL. REPRESENTATIVES INCLUDED WOULD BE PRODUCERS, PROCESSORS, ASSOCIATIONS INVOLVED IN PRODUCTION AND MARKETING AND OTHER QUALIFIED INDUSTRY OFFICIALS.
- O I AM ALSO PREPARING LEGISLATION TO EXTEND 6 CENT EXEMPTION THROUGH YEAR 2000 TO GIVE INDUSTRY A LONG-TERM BASE FOR GROWTH .
- O WOULD EMPHASIZE THAT ETHANOL IS IMPORTANT FOR THREE REASONS:
  - IT IS A HOME-GROWN FUEL;
  - IT WILL HELP US ACHIEVE GREATER ENERGY INDEPENDENCE;
  - IT IS ENVIRONMENTALLY PREFERABLE TO GASOLINE AND OTHER FUELS
- O OTHER FUELS MAY ALSO BE ENVIRONMENTALLY SAFE, BUT THEY ARE MOSTLY IMPORTED. THEY DO NOT USE AMERICAN CORN AND WILL ONLY REPLACE IMPORTED PETROLEUM WITH IMPORTED METHANOL OR ANOTHER FUEL. WE SHOULD NOT DILUTE OR DIVERT OUR FOCUS ON ETHANOL.



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NEBRASKA GROUP (HAL DAUB)

FARM CREDIT

- O FARM CREDIT SYSTEM LOST \$1.9 BILLION IN 1986 AFTER \$2.7 BILLION IN 1985. SENATOR BOREN, WHO CHAIRS THE SENATE AGRICULTURE COMMITTEE'S CREDIT SUBCOMMITTEE, HAS HELD TWO HEARINGS ON THE ISSUE.
- O WE WILL NEED TO ACT SOMETIME THIS YEAR, BUT I DO NOT EXPECT LEGISLATION UNTIL SOMETIME IN MAY. DETAILS OF ANY RESTRUCTURING EFFORTS ARE STILL IN THE MAKING.
- O I BELIEVE MOST FARMERS WANT THE FOLLOWING:
  - MAKE THE SYSTEM COMPETITIVE, SO THAT ALL BORROWERS, NOT JUST THE BEST BORROWERS, CAN HAVE LOWER INTEREST RATES.
  - ENSURE PROTECTION OF BORROWER STOCK.
  - PUT THE SYSTEM ON A SOLID LONG-TERM BASIS RATHER THAN SIMPLY HAVING A DIRECT LINE OF CREDIT FROM THE TREASURY.
  - IN EXCHANGE, THE SYSTEM WILL NEED TO MAKE SOME STRUCTURAL REFORMS. IT IS NOT NOW CLEAR WHAT THE SPECIFIC NATURE OF THESE REFORMS WILL BE.
  - WE WILL ALSO WANT TO LOOK AT MAINTAINING THE COOPERATIVE NATURE OF THE SYSTEM AND ENSURING LOCAL CONTROL BY BORROWERS. FARMERS ARE BETTER ABLE TO DETERMINE THEIR NEEDS THAN SOMEONE IN WASHINGTON D.C. OR KANSAS CITY OR DENVER.
  - ONE QUESTION IS WHETHER WE CAN PROVIDE SOME TYPE OF UP-FRONT ASSISTANCE TO TROUBLED BORROWERS. SUCH ASSISTANCE WOULD HAVE A COST AND WOULD PROBABLY BE TARGETED TO MARGINAL BORROWERS. THIS MAY NOT MAKE OTHER BORROWERS HAPPY.