

MEMORANDUM

May 16, 1990

TO: Senator Dole

FROM: Kathy Ormiston

SUBJECT: Triangle Chamber of Commerce Drop-By

Time and Place

Wednesday, March 16, between 4:00 and 5:00 p.m. in Dirksen 562.

Background

Senator Helms and Senator Sanford were scheduled to speak in front on the Triangle (Raleigh, Durham, and Chapel Hill, NC) Chamber of Commerce. Unfortunately, both Senators will be involved in Ethics Hearings on Senator Durenberger during that time. At the present, no other speaker is scheduled for this time period. Senator Helms would like you to drop by, express his regrets that he could not attend, and speak for a few minutes.

The Chamber would like you to speak as long as you are able with questions afterwards. I told them that you would likely be able to spend about 15 minutes. They are particularly interested the budget and taxes, and the Savings and Loan Bailout.

Richard Wright, head of the Durham Chamber of Commerce and owner of Peoples Security Insurance, will probably introduce you. About 48 businessmen and businesswomen will be in attendance. A partial list of participants and an agenda are attached.

*Fraser
3:30*

*(Citizens against Govt waste)
Get Keys (Alan) Report on
Govt waste*

FEB 22 '17 16:03

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Wednesday, May 16, 1990

Leave: RDU 10:15 a.m. - American #766

Arrive: Washington National 11:14 a.m.

12:00 Noon Luncheon, National Democratic Club

(Host: IBM)

12:45 p.m. Congressman Tim Valentine

1:05 p.m. Congressman David Price

1:25 p.m. Congressman Roy Rowland

Health Care Issues

1:45 p.m. Congresswoman Pat Schroeder

2:30 p.m. Tour of the Capitol

3:00 p.m. Ted Sanders, Under Secretary of Education

3:30 p.m. Judge Reggie Walton

The War on Drugs

4:00 p.m. Senator Jesse Helms

Room 562 Dirksen Senate Office Building

4:30 p.m. Senator Terry Sanford

Room 562 Dirksen Senate Office Building

4:30-

5:30 p.m. Check in at the Capitol Hill Hotel

200 C Street, SE

6:00-

8:00 p.m. Congressional Reception

Room S120 Capitol Building

(Host: Maupin, Taylor, Ellis & Adams, P.A.)

Thursday, May 17, 1990

7:00-7:30 a.m. Check out at Hotel
Board Metro to Pentagon

8:00 a.m. Breakfast, Pentagon
Briefing and Tour

11:00 a.m. Karl Paschke, Minister German Embassy;
Eastern Europe and Reunification

11:30 a.m. Alex McMillan, (R-9, NC)
Clean Air Bill

12:00 noon Luncheon, Capitol Hill Club
(Hosts: Liggett Group Inc. and
Duke Power Co.)

12:45 p.m. Charlie Whitley, Tobacco Institute
(former N.C. Congressman)

1:15 p.m. Bernadette Budde, V. P., Pol. Educ.,
Business - Industry PAC

1:45 p.m. Karen Roberts, Director
N.C. Washington Office

Leave: Washington National 5:23 p.m. - American #7

Arrive: RDU 6:36 p.m.

*Special Thanks to IBM; Maupin, Taylor Ellis & Adams, P
Liggett Group Inc.; and Duke Power Co. as hosts.*

RALEIGH CHAMBER OF COMMERCE, CONT'D.

Mr. John F. Long
Martin Marietta

Mr. Philip Marchman
Lincoln Developers

Mr. Ezra Meir
Consulting Engineer

Mr. Ted Pemberton
Financial Analysts, Inc.

Mr. Meredith Senter
Senter-Sanders Tractor

Ms. Sharon S. Spence
Wake County Government

Mr. Edward Sullivan
Edwards & Broughton

Mr. Robert A. Valois
Maupin, Taylor, Ellis & Adams

Mr. Stan Williams
Chamber of Commerce

THE GREATER CARY CHAMBER OF COMMERCE

Mr. Howard Johnson
Executive Vice President
Chamber of Commerce

Ms. Rebecca McKenzie
Chamber of Commerce

Mr. Mike Whitehead
MacGregor Development Company

Mr. Mike Whitley
Chamber of Commerce

THE GREATER CHAPEL HILL/
CARRBORO CHAMBER OF COMMERCE

Mr. Everett Billingsley
Orange Water and Sewer Authority

Mr. Kevin Goodwin
Duke Power

Mr. Dave Maner
Duke Power

Mr. David Taylor
Executive Vice President
Chamber of Commerce

Mr. Todd Zapolski
President, Chamber of Commerce

THE GREATER GARNER CHAMBER OF COMMERCE

Mr. Joe Sample
Garner News

Mr. Leonard P. Van Ness
Executive Vice President
Chamber of Commerce

THE BUDGET

YESTERDAY AFTERNOON I WAS
DOWN AT THE WHITE HOUSE
WITH THE PRESIDENT AND THE
CONGRESSIONAL BUDGET
NEGOTIATORS TO SET AN

AGENDA FOR A BUDGET

SUMMIT. I THINK WE ALL

AGREED TO CONTINUE TO TALK,

AND GIVEN THE SUSPICIOUS

CLIMATE AROUND WASHINGTON

THESE DAYS, THAT'S A LOT

MORE SIGNIFICANT THAN IT
SOUNDS.

I THINK BOTH DEMOCRATS
AND REPUBLICANS ARE
BECOMING CONVINCED THAT
WE CAN'T GET BY WITH

ANOTHER SLIDE—BY BUDGET THIS
YEAR. IN 1990, OUR COUNTRY
WILL PAY ABOUT \$180 BILLION
IN INTEREST. INFLATION,
INTEREST RATES, AND THE TRADE
DEFICIT ARE GETTING WORSE.

AND MOST IMPORTANTLY, THE
FEDERAL DEFICIT ESTIMATES FOR
1991 APPEAR TO BE RAPIDLY
MOVING UPWARD — FROM
\$100 BILLION TO \$140 BILLION IN
JUST A COUPLE OF MONTHS.

THE IMMEDIATE PROBLEM IS
THAT IF WE DO NOTHING WE
WILL FACE A SEQUESTER OF UP
TO \$75 BILLION — THAT'S NOT
SMALL CHANGE EVEN BY
WASHINGTON STANDARDS.

SOME HAVE ESTIMATED THAT A
SEQUESTER OF THAT SIZE COULD
RESULT IN A 35% CUT OFF ALL
SEQUESTERABLE GOVERNMENT
PROGRAMS.

THE LESS IMMEDIATE, BUT IN

MY OPINION BIGGER PROBLEM,
IS THAT WE ARE RUNNING UP
HUGE AMOUNTS OF
GOVERNMENT DEBT AND
EXPECTING OUR CHILDREN AND
GRANDCHILDREN TO PICK UP

THE TAB. IF I WERE A KID

THESE DAYS, I WOULD BE

CHASING AFTER THE U.S.

CONGRESS WITH A BASEBALL

BAT.

ALTHOUGH CONVENTIONAL

WISDOM SAYS YOU CANNOT
DO ANYTHING REAL ON THE
BUDGET IN AN ELECTION YEAR, I
HAPPEN TO THINK MAKING THE
TOUGH CHOICES IS GOOD
POLICY AND GOOD POLITICS.

IF WE COULD CONVINCE THE
AMERICAN PEOPLE THAT WE ARE
DOING THE RIGHT THING FOR
THE RIGHT REASONS ——
BECAUSE WE ARE CONCERNED
ABOUT THEIR CHILDREN AND

GRANDCHILDREN —— THEN, I
BELIEVE WE WOULD HAVE
WIDESPREAD SUPPORT AROUND
THE COUNTRY.

IF WE ARE GOING TO DO
ANYTHING GUTSY ENOUGH TO

BE WORTH DOING, WE ARE
GOING TO NEED THE SUPPORT
OF PEOPLE LIKE YOU. I HOPE
WHEN THE TIME COMES WE WILL
HAVE YOUR BACKING.

SAVINGS AND LOANS

THE SAVINGS AND LOAN
SITUATION HAS BEEN A BIG
HEADACHE FOR THE PRESIDENT,
A BIG HEADACHE FOR
CONGRESS, AND IT WILL BE AN
EVEN BIGGER HEADACHE FOR

THE AMERICAN TAXPAYER ONCE

THE FINAL BILL GETS TALLIED.

YOU KNOW, I HEARD THAT THE

HUBBLE TELESCOPE GOT ITS

FIRST PICTURE OF A BLACK

HOLE —— AND IT HAD THE

WORDS 'S&L BAILOUT' WRITTEN

ALL OVER IT.

I HAVE SAID THAT THE
SAVINGS AND LOAN DEBACLE
WILL BE AN ELECTION YEAR
ISSUE — NOT JUST FOR THE

SENATE OR THE HOUSE OF
REPRESENTATIVES, BUT FOR THE
PRESIDENT HIMSELF. AND,
FRANKLY, IT DESERVES TO BE
AN ISSUE SINCE IT'S THE WORST
FINANCIAL DISASTER SINCE THE

GREAT DEPRESSION.

CHARLES BOWSHER — THE
DIRECTOR OF THE GENERAL
ACCOUNTING OFFICE —
RECENTLY TESTIFIED THAT THE
COST OF THE CLEAN—UP COULD

RISE TO MORE THAN \$325
BILLION OVER THE NEXT 30
YEARS. THE PRICE TAG WILL
ALMOST CERTAINLY BE EVEN
HIGHER IF THE RESOLUTION
TRUST CORPORATION DOESN'T

TAKE SOME QUICK — AND
SUBSTANTIAL STEPS — TO
STOP THE THRIFT BLOOD—
LETTING.

ON THE TAKEOVER FRONT, THE
RTC HAS RESPONDED WELL —

— PERHAPS TOO WELL —— THE
RTC NOW CONTROLS 347
THRIFTS WITH ASSETS TOTALLING
MORE THAN \$170 BILLION.
ACCORDING TO THE LAST
OFFICIAL ESTIMATE, THE RTC

OWNS 26,800 HOMES, 773

OFFICE BUILDINGS, 158 HOTELS,

205 RESORTS, 51 RESTAURANTS,

236 INDUSTRIAL FACILITIES —

AND 'YES' — 43 MINES. THE

RTC ALSO HOLDS 37

PROPERTIES IN MY OWN
HOMETOWN OF RUSSELL,
KANSAS, SO I CAN CERTAINLY
UNDERSTAND THOSE WHO SAY
THAT THE RTC IS FAST
BECOMING THE NATION'S

LANDLORD.

BUT ON THE ASSET

DISPOSITION FRONT — THE

FRONT WHERE THE REAL ACTION

IS, OR AT LEAST SHOULD BE —

— THE RTC IS NOT LIVING UP

TO EXPECTATIONS, HAVING
RESOLVED ONLY 80 OF THE
THRIFTS THAT IT HAS CLOSED
OR TAKEN OVER.

A RECENT REPORT BY THE
FORMER CHIEF ECONOMIST FOR

THE OFFICE OF THRIFT
SUPERVISION CONCLUDED THAT
THRIFTS LOST ALMOST \$42
BILLION FROM 1980 TO 1988
BEFORE BEING CLOSED BY
FEDERAL REGULATIONS.

OBVIOUSLY, THIS IS A TERRIBLE
TRACK RECORD, AND A TRACK
RECORD THAT THE RTC
SHOULDN'T REPEAT BY
NEEDLESSLY DELAYING THE
ASSET DISPOSITION PROCESS.

ALTHOUGH SOME OBSERVERS
ARE LEGITIMATELY CONCERNED
ABOUT DEPRESSING THE REAL
ESTATE MARKETS THROUGH A
GOVERNMENT 'DUMPING'
PROGRAM, THE RTC —— AND

THE AMERICAN TAXPAYER —

SIMPLY CAN'T AFFORD TO BE

THE NATION'S LANDLORD

WHATEVER THE SHORT—TERM

PAIN — AND WHATEVER THE

SHORT—TERM COST — THE

RTC MUST REDUCE ITS REAL
ESTATE INVENTORY AND PLACE
ITS PROPERTY HOLDINGS BACK
INTO THE HANDS OF PRIVATE
INDIVIDUALS.

NEEDLESS TO SAY, TIM

RYAN — THE NEW HEAD OF
THE OFFICE OF THRIFT
SUPERVISION — CERTAINLY
HAS HIS JOB CUT OUT FOR HIM.
BILL SEIDMAN'S REPLACEMENT
AT THE FDIC — PROBABLY

WILLIAM TAYLOR —— WILL BE
UP—TO—HIS—EYEBALLS IN
COMPLEX PROBLEMS. SO IF
YOU HAVE ANY IDEAS ABOUT
HOW TO SPEED—UP THE ASSET
DISPOSITION PROCESS, PLEASE

LET ME KNOW. BELIEVE ME,
WHEN IT COMES TO THIS MESS,
THERE'S NO SUCH THING AS A
DUMB IDEA.