

Tues, March 30
8:50 am

**Wichita District
Farm Credit Council, Inc.**

245 North Waco
P.O. Box 2940
Wichita, Kansas 67201-2940
316/266-5540

805 Chisholm Trail
P.O. Box 909
Enid, Oklahoma 73701

4695 Franklin Street
P.O. Box 16046
Denver, Colorado 80216

3109 Carlisle, N.E.
P.O. Box 37440
Albuquerque, New Mexico 87176-7440

March 9, 1993

The Honorable Bob Dole
United States Senate
141 Hart Senate Office Building
Washington, D. C. 20510

Dear Senator Dole:

This letter is to confirm our appointment with you at 8:00 a.m. for breakfast on Tuesday, March 30, at S-120 Capitol. Those members from the Wichita District Farm Credit Council meeting with you will be:

Kansas

Lyle Gray, Sam Tanner, Jerold Doornbos, Jerold Harris, Bill Dowell,
Larry Barrett, Otis Molz, Clair Knox

Oklahoma

Jack Hayes, Buck Clements, Cecil Gibson, Jimmy Eller, John Kelln,
Mike Payne, Bob Scott, Frederick Drummond

Colorado

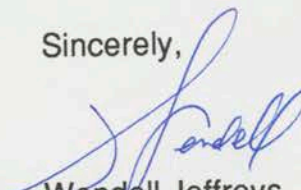
Henry Bledsoe, Bud Biesemeier, Shelby Back, Mike Lening,
Bill Grasmick, Barry Cooper, Loris Miller

New Mexico

Jay Cox, Garrey Carruthers, Ed Ford, Eddie Ratliff, Bob Porter

We look forward to the opportunity to visit with you on issues impacting agricultural lending and expressing our appreciation for your work in Congress.

Sincerely,



Wendell Jeffreys
Executive Director

/ds

cc: Brett Fox
Marian Bectel
Yvonne Hopkins

TUESDAY - MARCH 30, 1993
S-120 - The Capitol
Brief opening/welcome remarks
Senator arriving about 8:50 a.m.

February 8, 1993

TO: Senator Dole
FROM: Mariam
SUBJECT: Breakfast meeting request

I have been able to reserve S-120 in the Capitol for the Farm Credit Bank breakfast on Tuesday, March 30 per your note on original memo below. Therefore, would you like to serve as a Co-Host w/Sen. Kassebaum and stop by for brief opening/welcoming remarks, schedule permitting? (Wendell indicated it is fine w/them if you preferred another meeting place)

Contact: Wendell Jefferies (316) 266-5540

YES

NO

Wendell Jefferies, Farm Credit Bank, Wichita, would like to set up a breakfast meeting w/you & if you agree w/Sen. Kassebaum, as Co-Hosts on Tuesday, March 30, in the Eisenhower Room of the Capitol Hill Club, 8:00 to 9:00 a.m. (he has a temporary hold on the room). There will be about 30 to 35 Farm Credit Bank directors and ranchers in town, mainly from Kansas, w/sprinkling of Oklahoma & Colorado people. They have no specific topics to discuss at the breakfast, but would like you to make brief opening/welcoming remarks. Wendell says if your schedule is busy, you could be in and out in 10-15 minutes. Would you like Wendell to arrange for the breakfast in the Eisenhower Room and you & Sen. Kassebaum serve as Co-Hosts?

Contact: Wendell Jefferies (316) 266-5540

YES

NO

Copies to: Joyce - Gaybock
Yvonne

March 26, 1993

TO: SENATOR DOLE
FROM: BRET FOX
SUBJECT: TALKING POINTS -- FARM CREDIT COUNCIL BREAKFAST



ATTACHED FOR YOUR REVIEW ARE SOME BRIEF TALKING POINTS FOR YOUR BREAKFAST COMMENTS TO THE WICHITA FARM CREDIT BANK BOARD, SCHEDULED FOR 8:50 AM ON TUESDAY, MARCH 30. THE BREAKFAST WILL BE HELD IN THE CAPITOL IN S-120.

ASIDE FROM THE VARIOUS ISSUES THAT THIS GROUP IS GENERALLY INTERESTED IN, THE CENTRAL ISSUE IS CLEARLY CLINTON'S TAX PACKAGE. FARM LENDING HAS ALWAYS BEEN A RISKY BUSINESS, AND THE ESTIMATED DECLINES IN FARM INCOME AND PROFIT MARGINS THROUGHOUT THE FOOD AND FIBER INDUSTRY DOES NOT BODE WELL FOR LENDERS. THE IMPACT ANALYSIS OF CLINTON'S AG CUTS THAT PAT ROBERTS SHARED WITH YOU THIS WEEK PAINTS A DEVASTATING PICTURE -- I'LL PROVIDE YOU A SUMMARY OF THAT ASAP.

ALSO, THE WICHITA BANK FOR COOPERATIVES HAS BEEN ONE OF THE LARGEST LENDERS IN THE RUSSIAN GRAIN CREDIT BUSINESS, AND HAS MORE THAN \$1.7 BILLION IN LOANS CURRENTLY OUTSTANDING. OF COURSE, THE RUSSIANS AREN'T PAYING SO USDA IS MAKING PAYMENTS TO COBANK PER THE FEDERAL LOAN GUARANTEE.

**TALKING POINTS
WICHITA FARM CREDIT BANK BREAKFAST
TUESDAY, MARCH 30, 1993**

CLINTON'S PACKAGE--IMPACT ON FARM BORROWING

- **YOU'VE PROBABLY HEARD A NUMBER OF DEMOCRATIC FARM-STATE MEMBERS TOUTING THE PRESIDENT'S PLAN AS A MEANS OF GETTING THE DEFICIT UNDER CONTROL SO THAT AGRICULTURE CAN THEN REAP THE GAINS OF LOWER INTEREST RATES.**
- **THAT ARGUMENT WOULD BE APPEALING IF THEY WERE SERIOUS ABOUT REDUCING THE DEFICIT.**
- **BUT THE TRUTH IS, THE PRESIDENT'S PLAN OFFERS ONLY \$7 BILLION IN NET NON-DEFENSE DISCRETIONARY SPENDING CUTS OVER THE FOUR-YEAR PERIOD. COMPARE THAT OVERALL TOTAL TO THE \$4.9 BILLION IN DIRECT FARM SPENDING CUTS AND YOU CAN SEE FOR YOURSELF HOW HIGH OF A PRIORITY AGRICULTURE IS IN THIS ADMINISTRATION.**
- **SINCE THE PRESIDENT AND THE DEMOCRATS ARE NOT TALKING SERIOUS DEFICIT REDUCTION, INTEREST RATE ARGUMENTS DON'T WASH. MORE LIKELY, UNDER THIS PLAN, WE'LL SEE CASH FLOWS AND FARM INCOME WASHED OUT. WITH SOME OF THE PROJECTIONS THAT ARE OUT, IT WON'T MATTER WHAT HAPPENS TO INTEREST RATES--YOU WON'T HAVE ANY FARMERS TO LEND TO.**
- **LET'S BE HONEST WITH THE FARMER AND THE AMERICAN PEOPLE--WE ALL GAIN FROM MEANINGFUL DEFICIT REDUCTION, AND I THINK EVERYONE IS WILLING TO MAKE SOME SACRIFICES. BUT LET'S NOT SEND THE ECONOMY INTO A TAILSPIN BY IMPOSING THE LARGEST TAX INCREASE IN HISTORY--ONE THAT FALLS HEAVIEST ON RURAL AREAS--AND INSTEAD COMMIT TO CUT SPENDING.**

ASSAULT ON FARM INCOME

- UNDER THE PROPOSAL, FARMERS TAKE A HIT IN THREE BIG WAYS:
- 1) **AG BUDGET CUTS.** MOST TROUBLING OF ALL, THE AGRICULTURE AND FOOD POLICY CENTER AT TEXAS A&M UNIVERSITY PROJECTS THAT A 2,500 ACRE WHEAT FARM WOULD SEE NET CASH INCOME DROP 360% ON AVERAGE OVER THE YEARS 1996-98 UNDER CLINTON'S AG CUTS. 360 PERCENT.
- 2) **BTU TAX.** UNDER THE PROPOSED BTU TAX, A 1000 ACRE WHEAT AND MILO FARM IN KANSAS WOULD BE HIT WITH AN ADDITIONAL \$900-1,300 IN ENERGY COSTS, A FIGURE THAT DOES NOT INCLUDE THE INCREASED COSTS FOR FERTILIZER, HOME HEATING OR ELECTRICITY.

IF ALL DIRECT AND INDIRECT IMPACTS OF THE BTU TAX ON THAT FARM ARE TAKEN INTO ACCOUNT, THE IMPACT WORKS OUT TO MORE THAN \$.05 PER BUSHEL. THAT'S A NICKEL PER BUSHEL RIGHT OFF THE TOP, IN MOST YEARS THE ONLY NICKEL THAT THE FARMER KEEPS AS PROFIT.
- 3) **USER FEES (TAXES).** THE PRESIDENT'S PROPOSAL IS ALSO REplete WITH USER FEES--INSPECTION FEES, OVERTIME FEES, WATERWAY USER FEES--ALL ADDITIONAL COSTS THAT ARE PASSED ON TO THE FARMER, WHO CAN'T PASS THEM ON.

RUSSIAN GRAIN CREDITS

- I KNOW THAT CoBANK HAS BEEN VERY INVOLVED IN EXTENDING U.S.-BACKED GRAIN CREDITS TO THE RUSSIANS SINCE EARLY IN 1991, AND THAT DURING THIS MONTH YOU HAVE FILED A LARGE AMOUNT OF CLAIMS WITH USDA FOR REPAYMENT OF THOSE LOANS ON WHICH THE RUSSIANS HAVE DEFAULTED.

- ALL BUT A VERY SMALL PORTION OF YOUR OUTSTANDING PRINCIPAL AND INTEREST IS GUARANTEED, SO YOU'RE STILL IN PRETTY GOOD SHAPE.
- BUT IF THE DEFAULTS CONTINUE, WE'RE GOING TO HEAR FROM THE CRITICS. DESPITE HOW GRAVE THE SITUATION IN RUSSIA IS RIGHT NOW, ANYTHING THAT SMELLS LIKE "FOREIGN AID" IS STILL A HARD SELL HERE AT HOME.
- TO ME, HOWEVER, IT'S A SMALL INVESTMENT IN DEMOCRACY AND A SOUND INVESTMENT SIMPLY ON THE GROUNDS OF GOOD OLD-FASHIONED SELF-INTEREST. I HOPE TO SEE SOME LEADERSHIP ON THIS ISSUE FROM THE WHITE HOUSE SOON--RATHER THAN WORRYING ABOUT ASSUMING SOME RISK OR PLACATING THE CARGO-PREFERENCE UNIONS, I HOPE WE'LL DO WHAT'S RIGHT FOR DEMOCRACY AND FOR OUR MUTUAL BENEFIT.