

# **A Victory for Dole Spells Trouble for Reagan**

#### Senate Republicans go their own way by choosing a new leader with strong ideas on taxes and other issues.

In choosing Bob Dole of Kansas as majority leader, Senate Republicans have served notice on President Reagan they will be no mere rubber stamp for his second-term programs.

The 53 GOP senators picked Doleacerbic, strong-willed chairman of the Senate Finance Committee and a 1988 presidential aspirant—over four others in a hard-fought contest to succeed Senator Howard Baker of Tennessee as the leading Republican in Congress. Though his voting record reflects generally strong support for Reagan's programs, Dole is known as an adept tactician and political pragmatist who is more interested in forging compromises on tough issues than bowing to

A 16-year Senate veteran who has never shied from criticizing White House policies, Dole, 61, vows to work hard as the President's chief legislative ally. "Boss, I'm ready to go to work," he told Reagan moments after his victory. Yet, as majority leader, Dole hedges on just how far he will go in selling Reagan's legislative initiatives, particularly on taxes and spending-subjects on which he has his own strong ideas. The competition. In the final voting, Dole edged out Ted Stevens of Alaska, assistant GOP leader under Baker. Eliminated earlier were Richard Lugar of Indiana, Pete Domenici of New Mexico and James McClure of Idaho. While refusing to list specific goals

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White House budget plans. Within hours of his election, he and other GOP leaders warned Reagan that Congress would quickly torpedo any move to cut domestic programs while leaving big defense-spending boosts intact. Dole instead endorsed an across-theboard budget freeze. In the past, Dole has clashed with the

administration over the need for tax increases. As majority leader, he says he will support the President's view that a tax increase should be used only as a last resort in fighting the deficit. Packwood takes over. While Dole

plans to stay on as a member of the Finance Committee, the panel's chairmanship-and the job of steering the President's tax policies through the Senate—falls to Senator Bob Packwood of Oregon, a GOP moderate who closely reflects Dole's views on finance matters but frequently opposes the White House on civil-rights and social issues. Packwood, 52, already has voiced doubts over the "tax simplification" plan recently unveiled by the Treasury

for the 99th Congress, Dole said that a high priority will be retaining GOP Department. Only after spending cuts control of the Senate in 1986-when are accomplished will the Finance 22 Republicans are up for re-election. Committee do anything beyond hold-Those election concerns are certain ing hearings on taxes, he told reporters. The Republicans also filled other key to strengthen the backbone of Senate Republicans in standing up to White vacant committee chairmanships. Lu-House programs that may not sit well gar, a conservative, becomes head of back home. "The President is a lame the Foreign Relations panel, succeed-ing Charles Percy of Illinois who was duck, and the majority leader must move into that vacuum." said Senator defeated at the polls. Jesse Helms of John Warner (R-Va.). "By picking the North Carolina was next in line for the job but turned it down to retain his top strongest leader, I believe we expressed post on the Agriculture Committee.

Succeeding Packwood as chairman leadership are Reagan's tax and spend-ing plans. Dole, as chairman of the taxof the Commerce, Science and Trans-portation Committee is John Danforth writing panel, seldom pulled punches of Missouri. Barry Goldwater of Arizoin disagreements with the administrana becomes head of the Armed Sertion. His early criticism of "supply vices panel, replacing John Tower of Texas, who is retiring. Alan Simpson of Wyoming was chosen side" economics gained him the lasting

Already, Dole is taking issue with assistant majority leader, or whip-the second-ranking position under Dole. Packwood and Lugar-tapped by GOP senators for key vacant chairmanships. Republicans also picked John Chafee of Rhode Island, a liberal, to replace Mc-Clure, a conservative, as chairman of the Republican Conference, the forum for party strategy in the Senate. Rounding out the leadership team

are Thad Cochran of Mississippi, conference secretary; William Armstrong of Colorado, Policy Committee chairman, and John Heinz of Pennsylvania, Campaign Committee chairman. While Senate Republicans are convinced they have a strong, well-balanced corps of leaders, a powerful independent streak running through the GOP ranks is certain to bring discomfort to Reagan in the months ahead.

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good.

Sometimes what may appear

to be a great idea downtown

may not sell at all up on the Hill. Then I'll say, we'll have trouble passing this, Mr. Presi-

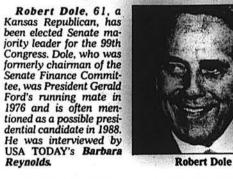
dent. It will be a realistic work-

ing relationship.

Bu IEFFERY L. SHELER



## **Topic: THE DEFICIT**



# No federal spending should escape scrutiny

**USA TODAY: What are** your primary goals as the Senate majority leader?

Reynolds.

DOLE: I'm trying to sort those out. We want to take a look at the Senate rules. I want to sit down with the Democrating to escape the ax. ic leader and go over some of their priorities. You can't make this Senate work unless you've got cooperation from both sides of the aisle. Obviously the big, big challenges we have in 1985 are the budget deficit and tax simplification.

USA TODAY: What's the Senate going to do to cut the deficit?

DOLE: We're going to try to cooperate with the president. of that range, over three years. There are a number of senators who support one kind of spending freeze or another, so I think we may have success put-

ting together a package that can be supported by a majority of Republicans and a good number of Democrats. board freeze?

USA TODAY: Would you support any kind of a tax in-crease to cut the deficit?

sort.

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and eliminate some ongoing DOLE: As a last resort, that's the president's position. Only programs. after we've rung out all the spending we can and then if you still don't have the deficit down to a reasonable level,

then taxes come in as a last redo anything to the so-called ba-

sic benefits. Nobody wants to touch those. The question is whether we should freeze the cost of living adjustment that gives beneficiaries an automatc increase, based on inflation. . We should take a look at that. If we are going to freeze food stamp benefits or other programs that give very small checks to low income people, then it seems to me we ought to look at middle and upper income Social Security beneficiaries. The president is not going to suggest it, but if enough Democrats and Republicans felt it was a good idea, then we could go to the president and try to persuade him to support

an element of independence.

Certain to face scrutiny by the new

enmity of "new right" Republicans.

USA TODAY: To attack the deficit, the White House is considering eliminating entire programs, like the Small **Business Administration.** Do you support these drastic cuts?

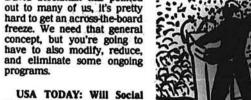
- or at least sign it.

DOLE: Let's face it - it's not easy. I mean we've all been out there making speeches, Repub-USA TODAY: Are you golicans and Democrats. We have heard the applause from the audience saying, "Right on! We're going to cut spending. Get back out there and cut that budget." Some of those people who were applauding probably ing to support cuts in the de-fense budget? DOLE: My view is that the president is going to be very re-alistic on defense. It is not gothought you were going to cut or eliminate somebody else's USA TODAY: It has been program - not theirs. We can't get there unless we do some-thing. It's tough, tough to get there unless you take actions like those being considered now by the White House. suggested that \$8 billion could be cut from this year's defense budget. Do you agree?

DOLE: I don't think that Secretary Weinberger would USA TODAY: Do you think agree that it could even be cut that much. I think we have to any of these ideas are unfair?

look at it over three years and I don't want to be pinned down on a number — but it should be DOLE: We have to fine-tune some recommendations and somewhere in the \$30-to \$60 maybe reject some. But if we start rejecting ideas to save billion range, on the high side money, then we have to come

USA TODAY: Will the Senate support an across-the-DOLE: As budget director David Stockman has pointed



Security benefits be cut? DOLE: No one is seeking to DEFENSE MA DICARE SOCIAL PROGRAMS By Susan Harlan, USA TODAY

fairly. If you have two people up with good substitutes. Otherearning the same amount of wise, we can't get the savings, money, living in the same town we don't have any impact on or even the same neighborthe deficit or on interest rates hood, and one pays a lot of taxor on the strength of the dollar - or on the whole ball of wax. es and the other pays zero or a very small amount — that is hard to justify. That shouldn't

USA TODAY: Isn't elimihappen in America. It's the nating the Small Business Adsame with corporations. A lot ministration inconsistent of corporations make a lot of with Republican philosophy?

income that they pay very little tax on, or it isn't taxed at all. Yet some other corporation may have a very high effective tax rate. I wouldn't suggest that the Treasury plan ought to be greeted by the taxpayers with wild applause, but in my view we are going to have an educa-tional effort before we can sal-vage a radical tax plan that DOLE: A lot of areas in the so-called Small Business Ad-ministration ought to be re-viewed. There isn't any program in this town that shouldn't be reviewed. The only thing we shouldn't review is the interest on the debt. We've got to pay that. We might even find a better way to do vage a radical tax plan that may be good. that with a little work around. here. USA TODAY: Richard Vi-

guerie, the publisher of Con-servative Digest, has said that because you have supported tax increases, you are the Waiter Mondale of the Repub-lican Party Are you too liber. **USA TODAY: People seem** to be worried that tax simplification means they'll lose some deductions.

lican Party. Are you too liber-al for the Republicans? DOLE: No one's suggesting that we do away with the big deduction — you can still de-duct your mortgage interest on your principal residence. What Treasury is suggesting is that you shouldn't be able to do that DOLE: I hope Richard Viguerie doesn't speak for the Republican Party. I don't have any quarrel with Viguerie. I thought we were on sort of friendly terms, but he's got to on your second home - or your third or fourth or fifth home. Now, maybe that's not find a whipping boy so he can raise money with that big mailgoing to happen — maybe there will be some compro-mise. The average worker ing list. Apparently I've been selected. (laughs) He knows that in 1982 and in 1984 we

doesn't have a second home or closed a lot of loopholes; we third home or a fourth home. If tried to make the tax system this happens, I'll bet 90 percent fair. of the American people are not going to be disturbed at all.

USA TODAY: Does it both-

er you if some people say that you are too liberal? **USA TODAY: If businesses** have to pay higher taxes, won't they just pass that in-DOLE: It doesn't bother me crease on to consumers? if Richard Viguerie says it, because I don't consider him to

DOLE: I think the principle be a Republican. The last time of the Treasury plan is to dis-tribute the tax burden more I saw him on television, he said he was an independent. He's in

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the business to make money; That's a tough thing to do, to get people who consider them-selves Democrats to take a he doesn't have any desire to help the Republican Party. But I don't have any quarrel with him. I think he has the right to look at the Republican Party We are getting stronger. I'm go-ing to do what I can as the leadattack me if he wants. I'm a public figure, fair game. But I'm willing to bet I'm as conserer of the Republican Senate to attract blacks, Hispanics, and vative as he is - I just don't union people, plus the people wear it on my sleeve. we have now.

**USA TODAY: But black** USA TODAY: Do you exleadership is solidly anti-Repect to have good relations with the White House? publican.

DOLE: Black leadership has DOLE: They're good now to take a look at the Republiand, in my view, they'll remain can Party. They can't be anti-Republican and expect Republicans to jump through hoops in USA TODAY: You don't see the Congress. It just doesn't any friction on the horizon? work that way.

DOLE: I don't believe so. But USA TODAY: Your wife I expect the president will want us to convey honest differences Elizabeth is secretary of transportation. Do you think of opinion to him. You don't that there are going to be two need a yes man in the House or in the Senate. What you need is Doles on the presidential ticket in 1988? someone who is supportive but is still independent enough to speak up privately — not making headlines, but speaking up.

DOLE: Who'd be the other one (laughs). I mean it would be Elizabeth and who else? (laughs)

USA TODAY: You're not ready to announce that you're going to run for president?

DOLE: No. We've had a lot of fun kidding about that. In fact, I must say I got more mail USA TODAY: What do the Republicans have to do to continue to be a strong party? when I was named Senate majority leader than even when I was on the presidential ticket with Gerald Ford. A lot of peo-DOLE: We've got to keep at-tracting more people into our party, people that historically in the past 40, 50 years have

### Leaders of the U.S. Senate

been looking the other way. political sense.

Sen. Bob Dole is the ninth Republican to serve as Senate Majority Leader since the position was estab-lished in 1911. Other senators who have served in the post

■ 1981-85: Howard H. Baker Jr., R-Tenn. 1977-81: Robert C. Byrd, D-W.Va.
1961-77: Mike Mansfield, D-Mont. 1955-61: Lyndon B. Johnson, D-Texas 1953-55: William F. Knowland, R-Calif.
January-August, 1953: Robert A. Taft, R-Ohio
1951-53: Ernest W. McFarland, D-Ariz. 1949-51: Scott W. Lucas, D-III.
1947-49: Wallace H. White Jr., R-Maine 1937-37: Albert W. Barkley, D-Ky. 1933-37: Joseph T. Robinson, D-Ark. 1929-33: James E. Watson, R-Ind.

1924-29: Charles Curtis, R-Kan.

1919-24: Henry Cabot Lodge, R-Mass.
1917-19: Thomas S. Martin, D-Va.

1913-17: John W. Kern, D-Ind.
1911-13: Shelby M. Cullom, R-III

By Susan Harlan, USA TODAY



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