

Pg. 282-  
1995

# 'Winning the Peace: Leadership, Commitment'

March 1, 1995  
NIXON CENTER — My congratulations to Dimitri Simes, Steve Clemons, John Taylor, Sandy Quinn, and all those connected with the Nixon Center for Peace and Freedom for this sponsorship of this important conference.

I can't help but think back to the day in January, 1994, when President Nixon made his last visit to the United States Capitol.

The occasion was the 25th anniversary of his inauguration as president. And over 100 past and present senators and congressmen — Republicans and Democrats alike — attended a lunch honoring President Nixon that Bob Michel and I hosted.

At the conclusion of the lunch, President Nixon stood — and without a note in his hand — delivered one of the most compelling speeches many of us could remember.

As always, he talked politics, and he also shared some personal reflections of his life and career. But the majority of his remarks were devoted to his life's passion — foreign policy.

President Nixon served as our guide, leading us on an around-the-world tour, offering his unique perspective on the strengths and weaknesses of our allies and adversaries, and on the future as he saw it.

In his remarks, he repeated a statement that he made again and again during the last year of his life. He said, "The Soviets have lost the Cold War, but the United States has not yet won it."

Those words were true then — and are just as true today. And while the title of this conference — "After Victory" — has a nice ring to it, I believe the declaration may be a bit premature. It is, after all, possible to win the war and lose the peace — as the years between World War I and World War II demonstrate.

Don't get me wrong. The stage is set. We are the world's only superpower. And the words spoken by Nikita Khrushchev in that famous "kitchen debate" were dead wrong. Not only will America's children never live under Communism — neither will Russia's children. Still, there are far too many gains to consolidate, and far too many uncertainties in the world to say that a final peace has been won.

For example, there is a resurgence of Russia's position around the globe. China has international ambitions of its own, and is in the midst of a leadership transition. There are international terrorists — often state-supported. There are global crime syndicates. There are extremist movements based on religion or ethnic origin. While none of these compare to the challenge of the Soviet Empire, each of these can pose threats to important American interests.

It seems to me these multifaceted threats should be viewed in the context of five clear global realities which affect America's fundamental interests. Only by recognizing these realities — and dealing with them with the same commitment which led to the defeat of Soviet Communism — will America truly be able to claim victory.

Reality No. 1  
The "Golden Age of Capitalism"  
The first new reality is that the whole world is plunging headlong into what David Hale of the Kemper Organization in Chicago has termed a "new golden age of capitalism."

I remember when Lech Walesa told me that the definition of a Communist economy was "100 workers standing around one shovel." Now, in places like Poland, Russia, India, Latin America and even China — four billion people formerly under some form of socialism are now fighting with everything they can lay hands on to not just grab a shovel — but to build shovel factories.

There are now more than 30 stock markets in the developing world, and capitalization of the four-year-old Shanghai Securities Exchange has reached \$30 billion. Deng Xiaoping himself has said that no one cares any more what color the cat is, as long as it catches mice. The bottom line is that everyone wants to trade, and everyone wants to create and use capital on a worldwide basis.

While this new "golden age of capitalism" offers great opportunity for America, we must remember that many of the countries so eager to enjoy the benefits of membership in the world trading system may not fully understand or accept the rules and discipline that go with it.

A trade war was averted with China, but other threats to United States commercial interests will surely arise in the coming months and years, and our continued vigilance and leadership will be required.

Reality No. 2  
The "New World Energy Order"  
The second inescapable reality of the post-20th century world is that

the security of the world's oil and gas supplies will remain a vital national interest of the U.S. and of the other industrial powers.

The Persian Gulf — the heartland of world energy for half a century — is still a region of many uncertainties. Saudi Arabia has been weakened financially. Iran and Iraq continue to exhibit great hostility to the West and pose threats to their neighbors. And the boundaries of the oil and gas heartland are being redrawn to the north, to include the great hydrocarbon deposits of the Caucasus, Siberia, and Kazakhstan.

In this "new energy order," many of the most important geopolitical decisions — ones on which a nation's sovereignty can depend — will deal with the location and routes for oil and gas pipelines. In response, our strategy, our diplomacy and our forward military presence need readjusting.

Reality No. 3  
Spread of Weapons of Mass Destruction

The third inevitable reality for America — and for the world — is the fact that while the Berlin Wall may have crumbled, weapons of mass destruction haven't.

Listen to just a partial roll call of countries and groups that already possess nuclear, biological or chemical weapons: North Korea, Iraq, Iran, Libya.

Have any of these nations earned our trust? And given their past behavior, is it any surprise that there are startling signs that a worldwide black market in nuclear weapons has emerged?

All this is taking place as talks to review the global treaty limiting the spread of nuclear weapons will soon begin. Even if the Nuclear Non Proliferation Treaty is extended indefinitely, however, we must avoid falling into a false sense of security. We must prepare now for the future.

Iraq, Iran and North Korea all illustrate the failures of traditional non-proliferation efforts, which depend largely on the cooperation of other states.

Only after Desert Storm did the West learn just how far Iraqi nuclear ambitions had progressed. And instead of announcing that the U.S. will veto any efforts to ease or end United Nations sanctions on Iraq, the administration dispatches an envoy to plead with the Europeans for cooperation. Where would such timidity have gotten us in the Cold War?

Iran also appears poised for a great leap forward in its nuclear program — thanks to a cash-hungry Russia doing for Iran what the Clinton Administration has done for North Korea.

And make no mistake about it, the Agreed Framework with North Korea has little prospect of successfully addressing the North Korean threat, and apparently, has already been violated by Pyongyang.

American leadership in addressing these non-proliferation challenges is essential if additional states are not to choose the nuclear option. It's worth asking: What would we have done — or not done — if Iraq had one or two nuclear weapons in 1990? Preventive military action as a non-proliferation policy tool cannot be ruled out.

There are defensive options, however, that could provide the United States and our allies with protection against accidental and limited ballistic missile strikes. Pursuing an effective ballistic missile defense capability should be a top priority for U.S. defense policy now and for the foreseeable future.

Reality No. 4  
Increase in Extremist Religious and Ethnic Movements

The fourth new global reality is the increase in violence due to extremist religious and ethnic movements in many parts of the globe.

Some of these movements, like the tribal warfare in Rwanda, or conflicts in Burma or West Africa have little direct impact on American interests.

However, some of the instability and turmoil due to ethnic and religious violence is important for American interests — and could lead to the disintegration of key states. Serbian genocidal aggression in the Balkans, for example, threatens to spill over to Macedonia, Albania, and beyond. American and European inaction in the face of that aggression cannot help but embolden other radical "ethnonationalists" by giving them a green light for ethnic cleansing.

The Indian rebellion in Mexico coupled with financial uncertainty has resulted in genuine security concerns on our southern border — and make no mistake that illegal immigration is a security threat.

A key North Atlantic Treaty Organization ally in Turkey faces Islamic extremism and a separatist ethnic movement. Violent Islamic fundamentalists threaten the government in Algeria, and have launched an assault on Egypt. How long would the Camp David Treaty be honored if fundamentalists took power in Egypt?



Islamic terrorists seek to destroy the peace process between Israel and the PLO — and may be having some success. With support from Iran and others, Islamic terrorists also demonstrated at the World Trade Center that America is not immune from attack.

And ethnic turmoil in the former Soviet Union cannot be ignored, as warfare has occurred in five former republics. And the Chechens may be just one of many ethnic groups willing to use violence to alter boundaries originally set by Joseph Stalin.

In short, the list of world "hot spots" is far too lengthy for anyone to conclude that America can become complacent.

Reality No. 5  
Rivalry With Russia

And this leads to the fifth global reality we must face: The fact that geopolitical rivalry with Russia did not end with the demise of Soviet Communism.

On his last trip abroad, President Nixon spoke before the Russian State Duma, and he foreshadowed a change in Russian-American relations, saying: "Russia is a great power, and Russia as a great power must chart its own course in foreign policy . . . . When we have differences, we should not assume they will be overcome by a good personal relationship even at the highest level."

And as we have seen time and time again, the foreign policy course that Russia is charting, is one that is often in conflict with American interests.

For example: —Russia stepped in the middle of the North Korea agreement by offering to provide nuclear reactors — which would have the clear effect of killing the U.S. brokered deal.

—Russia continues to threaten prospective NATO members over alliance expansion, thereby confirming the need to enlarge NATO sooner rather than later.

—In December 1994, Russia vetoed a sanctions resolution on Serbia in the U.N. Security Council, its first substantive veto since the height of the Cold War in 1955.

—Russia persists in supplying weapons and nuclear technology to the rogue regime in Iran.

—Russia continues to maintain an intelligence facility and support personnel in Cuba, thereby prolonging Castro's oppression.

—Russian pressure, subversion and intimidation of the sovereign states in the "Near Abroad" follows a historical pattern set long before the Bolsheviks took power in 1917.

As Dr. Kissinger said last month before the Senate Armed Services Committee, " . . . what we dealt with in the Cold War was both communism and imperialism, and while communism was defeated, the trend toward imperialism still exists."

Let me be clear in saying that no one has been more supportive of President Yeltsin than I. In June

1991, I went to Andrews Air Force base to meet President Yeltsin virtually alone, since the United States State Department believed Gorbachev was the "only game in town."

But just as it was wrong to place too much focus on Gorbachev in 1991, it is wrong in 1995 to ignore the fact that President Yeltsin has made serious errors, has moved toward authoritarian rule, and has lost the political support of virtually all reform-minded Russians.

The Clinton Administration's misguided devotion to a "Russia First" policy — which has turned into a "Yeltsin first" policy — resulted in the loss of a tremendous opportunity to state American concerns forcefully before thousands were slaughtered in Chechnya.

A "new realism" about Russia and its prospects for the future does not mean a return to the Cold War past. It does mean developing a more honest relationship, one that does not paper over important policy differences with an appeal to personal ties.

New realism means emphasizing the significance of Russia's 1996 elections, and of the pivotal importance of a peaceful democratic transition of power.

And new realism means that developments like arms sales to Iran, violence in Chechnya, and U.N. vetoes on behalf of aggressors should not be excused, ignored and minimized. Our differences with Russia should be identified — they should be negotiated when possible and condemned when necessary. Such an approach would ultimately serve both the Russian and the American people better than defending, denying and rationalizing Russian misdeeds.

Let me conclude by sharing with you words that Richard Nixon spoke at the announcement of the creation of the Center for Peace and Freedom in January 1994.

"Some are tired of leadership. They say (America) carried that burden long enough. But if we do not provide leadership, who will? The Germans? The Japanese? The Russians? The Chinese? Only the United States has the potential . . . to lead in the era beyond peace. It is a great challenge for a great people."

President Nixon was right. Leadership does come with a price tag. But it is a price worth paying.

Dealing with the five realities I have outlined will test America's resolve and her leadership. If we fail those tests — if we refuse the mantle of leadership — any declaration of victory will be a long time coming.

But I am an optimist. Like Richard Nixon, I believe in America and in American leadership. I believe we will pass our tests, and in doing so, we can claim the biggest victory of all — we will have secured the future of our great republic, and of peace and freedom, for generations to come.

## Dole Statement For the Record

Last November, the American people sent us a message: Rein in big government. Stop wasting taxpayers' monies. Stop passing the buck to state and local governments. Stop micromanaging our lives through burdensome and costly regulations.

We are responding to that message. Our agenda reduces government — in size and scope — and increases individual freedom. Our agenda will restore the true balance between government and individual reflected in the 10th Amendment, which leaves all powers not given to the federal government to the states or to the people.

Our agenda is a package of reforms — and make no mistake about it, we need them all. The first set of reforms focus on making Congress accountable and responsible — cutting spending; stopping unfunded mandates; balancing the budget; and a line item veto. But, as important, we need to make the agencies that have come to regulate almost every aspect of our lives just as accountable and responsible — we need regulatory reform.

The true scope of regulations in America is staggering:

1) — OMB estimates that the private sector spends more than 6.6 billion hours in one year complying with regulations; and

2) — The costs of regulation on our economy are conservatively estimated at \$500 billion.

And it is not merely a matter of too many regulations or whether they make sense. They are often inflexible and unfair. It is very difficult for one person or one business to take on the government — even if they are right. Sometimes they must, just to survive, and the costs of enforcement are often a dead weight loss to society in terms of lost productivity and innovation.

I know of one small business in Paola, Kan., that spent five years in a lawsuit with OSHA and finally settled for \$6,000. This company typically spends between \$7,500 and \$10,000 annually for legal and management costs just dealing with OSHA. The regulatory state is out of control.

Today, I'm proud to introduce the "Comprehensive Regulatory Reform Act of 1995." With me today are leaders in this fight: Senators Bond and Hutchinson, Chairs of our Regulatory Reform Task Force; Senator Lott, the Republi-

can Whip; Senator Murkowski, Chairman of the Energy Committee; and Senator Nickles, Chairman of the Republican Policy Committee. All are original co-sponsors of this legislation. Congressman David McIntosh, a leader in this fight on the House side, is here today and will introduce counterpart legislation.

Our bill will accomplish six major objectives:

1) Responsibility. Major regulations — those with \$50 million impact on the economy — will go through an analysis that ensures that the benefits outweigh the costs;

2) Sound Science. Risk assessments will be based on realistic data and sound science and will be part of the agency decision-making process — we have incorporated the bill introduced by Senator Murkowski, who will discuss this in a moment;

3) Accountability. We will put a stop to the practice of expanding federal power and jurisdiction beyond what a statute provides. We will insist that the public be informed of the true costs and benefits of regulation, and that those affected by regulations be able to enforce these requirements in a court of law;

4) Congressional Oversight. We ensure Congress' overall responsibility by providing for a 45-day period in which Congress may review major regulations before they take effect — we have incorporated Senator Nickles' bill that is also introduced separately;

5) Remedying Past Mistakes. There are undoubtedly many regulations that impose costs that wildly exceed the benefits. We allow for review of existing regulations in order to weed out past mistakes.

6) Small Business Relief. The costs of regulations often fall disproportionately on those least able to cope — small businesses. We incorporate Senator Bond's bill to reform the Regulatory Flexibility Act that is already law, by allowing small businesses the ability to enforce its provisions in court.

Before I turn it over to my colleagues, let me make one final point: There are a lot of good ideas out there about regulatory reform. We want to hear them. But we will insist that fundamental reform be enacted this year. The American people deserve nothing less.

## Taking Points By Sen. Bob Dole

CAPITAL GAINS  
March 22, 1995

Capital gains is an issue that reaches many, many Americans, and transcends geographic boundaries. Families in our rural communities are equally affected, as are families in our urban cities.

Many political pundits have already deemed this year "the Year of Tax Cuts," and certainly there are many tax reform proposals out there — the administration's proposal, the house Republicans' "Contract With America," House Majority Leader Armer's "Flat Tax" proposal, House Ways & Means Chairman Archer's "Consumption Tax" proposal, and in the Senate, the "Domenici/Nunn's Unlimited Savings Allowance Tax" proposal, and Senator Hatch's "Small Investor Tax Relief" and "Job Creation" bills.

We should take the time to understand these proposals and the many implications these various reform proposals will have on the American taxpayer.

Capital gains is not a "new" reform proposal. We have drafted, reviewed, discussed and negotiated over this issue many times before. It has strong support from both sides of the aisle — it is not a parti-

san issue. And I believe that developing a credible proposal will show investors, businesses — large and small, entrepreneurs, farmers and many others, that we believe in their efforts.

Several weeks ago, the Senate Agriculture Committee took a first step. We had an informational hearing regarding tax reform measures that are of vital importance to our nation's agricultural and rural communities — capital gains tax reduction was first and foremost on that list.

In last year's elections, all across America, voters raised their voices to give us a message. And their message was that they want less government, less taxes, and less spending. I believe that we have an opportunity to create broad bipartisanship to help answer their plea.

I am prepared to work with anyone to develop a proposal which covers a broad spectrum of entrepreneurial activity, and which rewards long-term investment. Investors should be allowed to "unlock" current gains in order that investments be redirected into more productive assets. Finally, the capital gains program should be reasonable, comprehensive, and permanent.

Welcome Back!

United National Bank

"We're in Business to Do Business"

Locally Owned and Managed

Russell 483-2300

Natoma 885-4234

Russell and Natoma, Kansas

Member F.D.I.C.