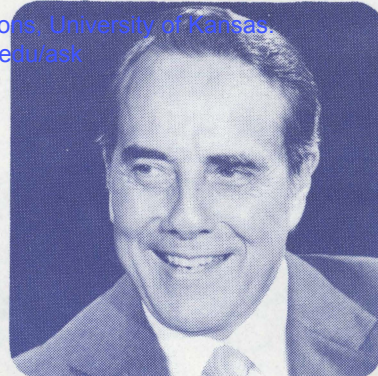


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FOR IMMEDIATE RELEASE
March 6, 1990

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DOLE REJECTS GEPHARDT PLAN
NO DIRECT U.S. AID TO GORBACHEV:
GET "REFUND FROM CASTRO"
DOLE CONTINUES CALL FOR REALLOCATION OF FOREIGN AID DOLLARS

WASHINGTON INTERNATIONAL CORPORATE CIRCLE
SHERATON-CARLTON HOTEL
MARCH 6, 1990

THIS HAS BEEN A PRETTY REMARKABLE WEEK. NOT A SINGLE COMMUNIST REGIME HAS BEEN TOPPLED ANYWHERE IN THE WORLD.

OF COURSE, IT'S ONLY TUESDAY.

THE FACT IS, THE PACE OF CHANGE HAS BEEN BREATH-TAKING -- INSIDE THE SOVIET UNION, IN EASTERN EUROPE AND AROUND THE WORLD. JUST WHEN YOU THINK YOU'VE SEEN IT ALL -- IT TURNS OUT THAT "YOU AIN'T SEEN NOTHIN' YET."

IT'S THE WORLD WE'VE ALL BEEN WAITING FOR -- WHEN COMMUNISM COLLAPSES, AND THE RUSSIAN EMPIRE FALLS APART.

BUT TO BE CANDID: I'M NOT SURE IT'S A WORLD WE'RE ENTIRELY PREPARED TO DEAL WITH.

WE'RE ALL BEEN PLAYING CATCH-UP BALL FOR MONTHS, IN OUR PERCEPTIONS AND ANALYSES. AND WE'RE LIKELY GOING TO BE IN THAT MODE FOR SOME TIME TO COME.

ANYONE WHO TELLS YOU THEY HAVE ALL THE ANSWERS -- JUST HASN'T THOUGHT OF ALL THE QUESTIONS. SO A LITTLE MODESTY IN OUR THINKING, AND A LITTLE PRUDENCE IN OUR POLICY, IS IN ORDER.

AND, BY THE WAY, I COMMEND PRESIDENT BUSH. I THINK HE'S ON TARGET WITH OUR POLICIES.

I WOULD LIKE TO MAKE A FEW COMMENTS ON WHERE WE ARE. IN THE PROCESS, I MAY RAISE MORE QUESTIONS THAN PROVIDE SPECIFIC ANSWERS. BUT THAT REFLECTS THE DYNAMIC NATURE OF WHAT IS GOING ON.

I DO START WITH THIS BASIC PROPOSITION: THE CHANGES IN THE SOVIET UNION, IN THE COMMUNIST BLOC AND IN THE WORLD ARE FUNDAMENTAL CHANGES. THEY ARE NOT GOING TO BE REVERSED.

IT'S REALLY A NEW WORLD OUT THERE, AND IT'S NEVER AGAIN GOING TO BE THE OLD WORLD -- NO MATTER WHAT MIGHT HAPPEN NOW INSIDE THE KREMLIN.

GORBACHEV GAMBLE BACKFIRES

IN MY OWN VIEW -- STARING COMMUNISM'S FAILURE IN THE FACE, GORBACHEV TOOK A GAMBLE. BY LAUNCHING POLICIES WE NOW CODE-WORD "GLASNOST" AND "PERESTROIKA," HE GAMBLED THAT A LITTLE FREEDOM -- POLITICAL, SOCIAL AND ECONOMIC -- COULD SOMEHOW REVITALIZE A SPENT SYSTEM.

THE GAMBLE DIDN'T WORK.

THAT "LITTLE FREEDOM" TURNED OUT TO BE THE SPARK WHICH IGNITED AN EXPLOSION OF PENT-UP ANGER AND FRUSTRATION -- BOTH INSIDE THE SOVIET UNION AND IN THE COMMUNIST BLOC. I BELIEVE THE CHANGES HAVE BEEN MORE FAR-REACHING AND RAPID THAN GORBACHEV, HIMSELF, ENVISIONED.

WHILE THE REST OF US TRY TO STAY ON TOP OF WHAT IS HAPPENING, GORBACHEV IS TRYING TO STAY OUT FRONT OF A REVOLUTION THAT HE INADVERTANTLY INSTIGATED.

IN ANY CASE, THE GENIE IS OUT OF THE BOTTLE. THE COMMUNIST PARTIES OF EASTERN EUROPE HAVE BEEN ALMOST TOTALLY DISCREDITED. THE SOVIET UNION, ITSELF, IS SUFFERING INCREDIBLE INTERNAL STRAINS -- SOME HAVE SUGGESTED THE STATE ITSELF IS IN THE EARLY STAGES OF A "MELT-DOWN."

I WOULDN'T PRECLUDE ANY OUTCOME INSIDE THE KREMLIN -- FROM GORBACHEV'S CONTINUED CONSOLIDATION OF PERSONAL AUTHORITY, TO HIS OUSTER. AND I WOULDN'T ENTIRELY WRITE OFF THE POSSIBILITY THAT HIS OUSTER COULD LEAD TO A REAL CRACKDOWN INSIDE THE SOVIET UNION.

(MORE)

BUT I AM CONVINCED THAT GORBACHEV OR ANY SUCCESSOR REGIME OF WHATEVER STRIPE WOULD FACE SO MANY PROBLEMS, SO MUCH DIVISION AND DISCONTENT AT HOME -- THAT THEY ARE GOING TO BE PREOCCUPIED WITH THOSE TASKS FOR THE FORSEEABLE FUTURE; THEY ARE GOING TO HAVE NEITHER THE WILL NOR THE MEANS TO REASSERT MOSCOW'S CONTROL OVER ITS FORMER EMPIRE IN EAST EUROPE.

IN SUM: THE SOVIET STATE MAY LIVE ON, AND UNDER A WORST-CASE SCENARIO COULD EVEN REVERT TO A NEO-STALINIST AND AGGRESSIVE MODE. THAT MAY NOT BE THE MOST LIKELY OUTCOME, BUT IT COULD HAPPEN -- AND, AS I WILL LATER DISCUSS, THAT IS ONE REASON I THINK WE NEED BE PRUDENT IN PLANNING FOR ANY "PEACE DIVIDEND."

WARSAW PACT IS DEAD

BUT EVEN THEN, SOVIET LEADERS WILL BE GRAPPLING FOR A LONG TIME WITH UNREST AND DISCONTENT WITHIN THEIR OWN BORDERS. THEY WILL BE UNABLE TO REASSERT CONTROL OVER THEIR FORMER "COLONIES."

THE SOVIET EMPIRE -- THE WARSAW PACT -- IS DEAD. AND IT'S NOT GOING TO BE RE-BORN.

THE IMPLICATIONS OF ALL THIS FOR US ARE NOT ENTIRELY CLEAR -- BUT CLEARLY ARE ENORMOUS. LET ME JUST COMMENT ON TWO KEY QUESTIONS.

FIRST, OUR RELATIONSHIP WITH GORBACHEV.

RIGHT NOW, HE IS CLEARLY IN CHARGE IN THE SOVIET UNION. THAT'S BASICALLY GOOD NEWS.

AS LONG AS HE STAYS ON HIS CURRENT COURSE -- OF REALISTIC POSITIONS ON ARMS CONTROL, COOPERATIVE RELATIONS WITH US, AND POLITICAL AND ECONOMIC LIBERALIZATION AT HOME -- IT IS IN OUR INTEREST THAT HE REMAINS IN POWER.

WE SHOULD RESPOND CONSTRUCTIVELY TO HIS CONSTRUCTIVE INITIATIVES, IN AREAS SUCH AS ARMS CONTROL AND HUMAN RIGHTS -- AS PRESIDENT BUSH HAS SKILLFULLY DONE.

WAIVE JACKSON-VANIK

IT IS INCREASINGLY CLEAR THAT WE WILL ACHIEVE MAJOR ARMS CONTROL AGREEMENTS AND A WAIVER OF JACKSON-VANIK THIS YEAR. THAT IS ALL TO THE GOOD -- FOR THE SOVIETS, AND FOR US.

WE SHOULD ALSO BE WILLING TO EXPLORE MORE FAR-REACHING CHANGES IN ECONOMIC RELATIONS, ON MATTERS SUCH AS INVESTMENT, TRADE AND THE INTEGRATION OF THE SOVIET ECONOMY INTO THE WESTERN ECONOMIC SYSTEM.

BUT WE SHOULD ALSO RECOGNIZE AND PROFIT BY THESE TWO FACTS. IT IS NOT A "GIVEN" THAT GORBACHEV WILL STAY IN CHARGE FOR THE LONG RUN. ANY DEALS WE MAKE MUST TAKE THAT INTO ACCOUNT.

AND, RIGHT NOW, GORBACHEV NEEDS US A LOT MORE THAN WE NEED HIM. WE ARE ONE OF THE FEW "CARDS" HE HAS TO PLAY -- TO MAKE THE CASE TO HIS KREMLIN COLLEAGUES THAT HE HAS SET THE RIGHT COURSE FOR THE SOVIET UNION.

HE HAS TURNED HIS SYSTEM UPSIDE DOWN -- AND UNDOUBTEDLY MUST SHOW SOME "BENEFITS" TO JUSTIFY THE PAINFUL CHANGES HE HAS CATALYZED. WE HOLD MANY OF THOSE BENEFITS -- IN TERMS OF ACCESS TO OUR CAPITAL, OUR TECHNOLOGY, AND OUR CONSUMER GOODS.

WE OUGHT TO EXACT A FAIR PRICE FOR THOSE BENEFITS. AND ONE AREA WHERE WE SHOULD DEMAND SOME QUID PRO QUO IS SOVIET POLICIES ON REGIONAL CONFLICTS AROUND THE GLOBE.

REJECT GEPHARDT PLAN

IF WE ARE TO HELP GORBACHEV SUCCEED, WE SHOULD DEMAND THE SOVIETS QUIT POURING BILLIONS OF DOLLARS OF MILITARY AID INTO ANACHRONISTIC REGIMES LIKE CASTRO'S IN CUBA, ASSAD'S IN SYRIA, AND THE MPLA'S IN ANGOLA -- REGIMES WHOSE POLICIES ARE 180% COUNTER TO GORBACHEV'S "NEW THINKING, AND ARE A THREAT TO IMPORTANT AMERICAN INTERESTS.

I MUST SAY -- I WAS SURPRISED AND A LITTLE DISAPPOINTED TO HEAR THAT CONGRESSMAN GEPHARDT TODAY PROPOSED DIRECT U.S. AID FOR MOSCOW. I KNOW THAT THE DEMOCRATS' KNEE-JERK RESPONSE TO ANY SITUATION IS THROWING TAXPAYERS' DOLLARS AT IT -- BUT THIS IS GOING PRETTY FAR, EVEN FOR A DEMOCRAT.

THE FACT IS, AS I HAVE SAID, THERE IS REAL UNCERTAINTY ABOUT GORBACHEV'S LONG-TERM SURVIVAL, AND THE SOVIETS PERSIST IN SOME VERY DANGEROUS AND IRRESPONSIBLE POLICIES.

NO CHECKS TO GORBACHEV

WE SHOULDN'T BE WRITING OUT CHECKS TO GORBACHEV, WHILE HE'S PROPPING UP CASTRO AND THE MPLA; AND CERTAINLY NOT WHILE HE'S STILL POURING HUNDREDS OF MILLIONS OF DOLLARS INTO AFGHANISTAN -- WHERE TODAY EVEN THE COMMUNIST-DOMINATED ARMY TRIED A COUP, TO GET RID OF THE SOVIET PUPPET LEADER.

(MORE)

SO MY RESPONSE TO GEPHARDT IS: IF GORBACHEV NEEDS SOME READY CASH, HE CAN ASK FOR A REFUND FROM CASTRO, NAJIBULLAH AND DOS SANTOS -- NOT A HAND-OUT FROM UNCLE SAM.

A SECOND GENERAL ISSUE I WANT TO SAY A WORD ABOUT IS HOW WE RESPOND TO DEVELOPMENTS IN EASTERN EUROPE.

EASTERN EUROPE

OBVIOUSLY, WHAT WE'VE SEEN TO DATE HAS BEEN VERY EXCITING AND VERY POSITIVE. IT IS HARD TO IMAGINE ANY FUTURE NEW YEAR ENDING ON A HIGHER NOTE THAN THIS YEAR'S -- AS ALL OF US WATCHED EAST GERMAN AND WEST GERMAN KIDS DANCING TOGETHER ON A CRUMBLING BERLIN WALL.

SIX MONTHS AGO IN EASTERN EUROPE, YOU COULD JUDGE AN INDIVIDUAL'S CHANCES OF RISING TO THE TOP OF THE POWER STRUCTURE -- BY HOW MANY FAITHFUL YEARS OF SERVICE HE HAD GIVEN TO THE PARTY.

NOW YOU CAN MAKE THE SAME JUDGMENT -- BASED ON HOW MANY YEARS HE HAS SPENT IN A COMMUNIST JAIL.

COMMUNISM COLLAPSED. FREEDOM WON -- OR AT LEAST IS WINNING -- EVERYWHERE, FROM EAST GERMANY TO BULGARIA.

BUT, AS INCREDIBLE AS IT SEEMS, THAT MAY TURN OUT TO BE THE EASY PART.

FREEDOM WON. BUT NOW FREE PARTIES AND PEOPLE MUST GOVERN SUCCESSFULLY. THEY MUST PICK UP THE PIECES -- OF SHATTERED INSTITUTIONS AND ECONOMIES -- FROM 40 YEARS OF COMMUNIST MIS-RULE. THEY MUST SUCCEED IN TURNING INSPIRING SPEECHES ABOUT SOCIAL JUSTICE AND ECONOMIC PROGRESS -- INTO EFFECTIVE POLICIES AND PROGRAMS, THAT ACTUALLY ACHIEVE THOSE ENDS.

AND THEY MUST DO SO WITH LIMITED RESOURCES, PRACTICALLY NO EXPERIENCE IN GOVERNING, AND IN THE TIMEFRAME OF A POLITICAL HONEYMOON THAT -- IN SOME COUNTRIES -- MAY LAST ONLY A FEW MONTHS.

I HAPPENED TO BE IN POLAND ON THE DAY THE MAZOWIECKI GOVERNMENT TOOK POWER. IT WAS AN INCREDIBLE EXPERIENCE -- ONE THAT REMINDED ME OF NOTHING SO MUCH AS THE STORIES OF OUR OWN FOUNDING FATHERS, AND THEIR TRIALS AND TRIUMPHS MORE THAN 200 YEARS AGO.

AND YET POLAND'S DEMOCRATIC REVOLUTION IS ALREADY OLD NEWS. THE MAZOWIECKI GOVERNMENT IS THE "SENIOR" GOVERNMENT IN EAST EUROPE; THE ONE MOST EXPERIENCED IN GOVERNING; THE ONE WITH THE MOST THOROUGHLY TESTED POLITICAL INSTITUTIONS, AND MOST CLEARLY ARTICULATED ECONOMIC POLICIES.

THAT GOVERNMENT -- THE ONE WITH THE LONGEST TENURE IN EAST EUROPE -- IS LESS THAN SIX MONTHS OLD. IT IS STILL STRUGGLING TO GET THROUGH ITS FIRST WINTER.

SO, IN OUR UNDERSTANDABLE EUPHORIA OVER THE EVENTS OF THESE PAST MONTHS, LET US NOT FORGET HOW MUCH CRITICAL FUTURE STILL LIES AHEAD. LET US NOT LOSE SIGHT OF HOW MUCH WORK THE EMERGING DEMOCRATIC GOVERNMENTS STILL HAVE TO DO.

AND LET US NEITHER FORGET, NOR UNDERESTIMATE, OUR OWN RESPONSIBILITY TO HELP. BECAUSE IT IS IN OUR INTEREST. BECAUSE IT IS THE RIGHT THING TO DO.

U.S. OPPORTUNITIES AND PRIORITIES

WE HAVE ENORMOUS OPPORTUNITIES TO ADVANCE AMERICA'S INTERESTS. BUT IT WILL TAKE SOUND POLICIES, WHICH RECOGNIZE THAT THE BEST LONG-TERM INVESTMENTS WE CAN MAKE ARE NOT IN AID DOLLARS, BUT IN POLICIES WHICH:

-- ONE, SPUR THE DEVELOPMENT OF STRONG PRIVATE SECTORS IN EACH COUNTRY, THROUGH THE ESTABLISHMENT OF SOUND FINANCIAL POLICIES AND INSTITUTIONS, AND EFFECTIVE TRAINING PROGRAMS.

-- TWO, ENCOURAGE PRIVATE INVESTMENT IN THE JOB-PRODUCING SECTORS OF EACH COUNTRY.

-- THREE, FACILITATE THE TRANSFER OF APPROPRIATE TECHNOLOGY -- WITH A MINDFUL EYE TOWARD THE CONTINUING NECESSITY TO PROTECT NATIONAL SECURITY-RELATED TECHNOLOGY.

-- AND, FOUR, INCREASE MUTUALLY BENEFICIAL TRADE RELATIONS.

IT IS THOSE POLICIES AND PROGRAMS -- NOT JUST DUMPING IN AID DOLLARS -- WHICH CAN PRODUCE SELF-SUSTAINING GROWTH, AND REAL LONG TERM POLITICAL AND ECONOMIC STABILITY.

HAVING SAID THAT, THOUGH, I WOULD ALSO SAY: WE CANNOT GET THERE FROM HERE WITHOUT HELPING THE FLEDGLING DEMOCRACIES THROUGH THEIR FIRST, FORMATIVE MONTHS AND YEARS.

AS I NOTED EARLIER, IN TERMS OF INSTITUTIONS, EXPERIENCE AND, IN SOME CASES, RESOURCES -- THEY ARE STARTING OUT AT, OR NEAR, ZERO.

THEY NEED A "JUMP START" -- ONE THAT WILL DIFFER, IN ITS SPECIFICS, FROM COUNTRY TO COUNTRY. THAT WILL COST MONEY.

(MORE)

FOR ALL THE COUNTRIES, AND IN THE TERM OF SEVERAL YEARS, WE ARE TALKING ABOUT BILLIONS OF DOLLARS. NOT ALL OF IT WILL COME FROM THE UNITED STATES. NOT ALL OF IT CAN -- BECAUSE WE JUST DON'T HAVE THAT MUCH.

BUT THE U.S. INVESTMENT SHOULD BE SUBSTANTIAL. WE HAVE THE RESPONSIBILITY TO RESPOND GENEROUSLY TO DEVELOPMENTS WHICH WE, RIGHTFULLY, TAKE SOME CREDIT FOR INSPIRING AND NURTURING.

WE HAVE A SELF INTEREST IN BEING A MAJOR PLAYER IN SHAPING DEVELOPMENTS AS THEY UNFOLD, AND IN KEEPING A "FOOT IN THE DOOR" OF THE LONG-TERM ECONOMIC POTENTIAL THE REGION REPRESENTS.

AND WE WILL BENEFIT DIRECTLY, IN TERMS OF OUR OWN SECURITY, FROM A STABLE, FREE EASTERN EUROPE.

REALLOCATE U.S. FOREIGN AID

SO THE QUESTION IS NOT SHOULD WE SPEND MONEY ON AID TO EASTERN EUROPE. THE QUESTION IS: WHERE ARE WE GOING TO GET IT?

I DON'T DETECT A LOT OF ENTHUSIASM IN MY HOME STATE OF KANSAS FOR MORE FOREIGN AID. I JUST DON'T THINK THE VOTES ARE THERE TO SUBSTANTIALLY INCREASE OUR FOREIGN AID BUDGET.

AND, AS I IMPLIED BEFORE, I'M NOT ONE WHO THINKS WE SHOULD BE OUT SPENDING A "PEACE DIVIDEND" BEFORE WE'RE EVEN SURE WE HAVE ONE, AND HOW BIG IT IS. MOREOVER, IF WE DO GET TO THE POINT WHEN A REAL "PEACE DIVIDEND" MATERIALIZES, THE FIRST PLACE IT OUGHT TO BE APPLIED IS REDUCING OUR OWN DEFICITS.

SO I DON'T THINK THE KNEE-JERK ANSWER -- TAKE IT OUT OF DEFENSE -- IS THE REAL ANSWER.

THE FACT IS, WE NOW SPEND \$15 BILLION A YEAR ON FOREIGN AID. WHERE I COME FROM, THAT IS STILL REAL MONEY. YOU OUGHT TO BE ABLE TO DO A LOT WITH THAT.

ONE REASON WE'RE NOT DOING AS MUCH AS WE SHOULD IS WE "EARMARK" SO MUCH OF THAT MONEY -- THAT MEANS THE CONGRESS TELLS THE PRESIDENT WHERE HE MUST SPEND IT.

WE EARMARK 82% OF OUR ECONOMIC AID, AND 92% OF OUR MILITARY AID. THAT LEAVES THE PRESIDENT PRACTICALLY NO FLEXIBILITY TO RESPOND TO A RAPIDLY CHANGING WORLD.

IN EASTERN EUROPE, WE'RE TALKING ABOUT HUNDREDS OF MILLIONS OF DOLLARS IN AMERICAN AID. IN PANAMA -- MAYBE \$500 MILLION. IN NICARAGUA, 200 OR 300 MILLION DOLLARS MORE.

AND THAT DOESN'T EVEN INCLUDE THE SHORTFALLS IN ALREADY PLANNED AID PROGRAMS THIS YEAR -- SHORTFALLS CAUSED BY EXCESSIVE EARMARKING. SHORTFALLS THAT RESULT IN 31 COUNTRIES BEING "ZEROED OUT" ENTIRELY, OR HAVING THEIR AID PROGRAMS REDUCED.

WHERE DO WE GET THAT KIND OF MONEY -- WITH NO INCREASED "POT," AND A "PEACE DIVIDEND" THAT SO FAR IS MORE RHETORICAL THAN REAL?

A COUPLE OF WEEKS AGO, THE ADMINISTRATION WAS LOOKING FOR \$5 MILLION FOR JAMAICA -- IT TOOK A LONG TIME, AND A LOT OF SCROUNGING TO FIND IT. ONE ACCOUNT CUT WAS THE MONEY ALLOCATED TO REFUGEES --

PEOPLE DRIVEN OUT OF THEIR HOMES BY POLITICAL PERSECUTION AND THREATS TO THEIR LIVES. THAT ACCOUNT WAS CUT \$7 MILLION.

THAT JUST SHOULDN'T HAPPEN.

AND IF WE CAN'T EVEN FIND THESE PIDDLING SUMS \$5 MILLION, \$7 MILLION -- WHERE ARE WE GOING TO FIND THE HUNDREDS OF MILLIONS AND BILLIONS OF DOLLARS WE WILL NEED NEXT YEAR, AND THE YEAR AFTER?

I DON'T HAVE THE ENTIRE ANSWER, BUT I HAVE SUGGESTED ONE PLACE TO START: WE OUGHT TO CUT 5% OFF THE TOP OF EVERY EARMARK. 5% ISN'T GOING TO KILL ANYONE. AND TAKING IT FROM EVERY EARMARK, IN MY VIEW, IS THE ONLY WAY TO MAKE IT FAIR, AND MAKE IT POLITICALLY PALATABLE.

I'M PLEASED THE ADMINISTRATION HAS MORE OR LESS ENDORSED THAT PROPOSAL NOW. IT'S TAKEN A BIT LONGER THAN I WOULD HAVE LIKED, BUT AT LEAST THEY'RE ON BOARD NOW.

WE DO HAVE THE DEBATE STARTED. AND TALKING ABOUT THESE THINGS IS THE FIRST STEP IN DOING SOMETHING ABOUT THEM.

SO I HOPE THAT ALL OF YOU WITH A SPECIAL INTEREST IN THESE ISSUES WILL JOIN THIS DEBATE. I THINK IT'S HEALTHY, IT'S IN THE AMERICAN INTEREST, AND IT CAN HELP US ACHIEVE THE GOAL WE ALL SHARE -- THE DEVELOPMENT OF DEMOCRACY AND FREE ENTERPRISE IN EAST EUROPE.

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