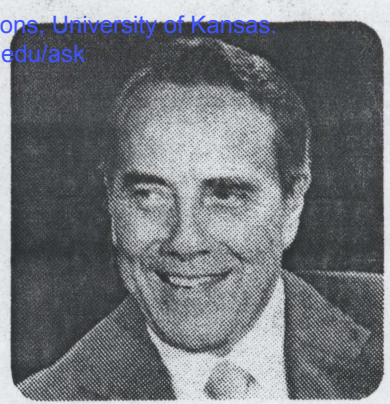


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FOR IMMEDIATE RELEASE
THURSDAY, MARCH 22, 1990

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EASTERN EUROPEAN RECOVERY ACT, THE RIGHT IDEA; SUBSIDIES FOR GORBACHEV, THE WRONG ONE

I AM PLEASED TO JOIN AS AN ORIGINAL COSPONSOR OF THE "EASTERN EUROPEAN ECONOMIC RECOVERY ACT OF 1990" -- INTRODUCED BY THE DISTINGUISHED SENATOR FROM WISCONSIN, SENATOR KASTEN.

IT'S A SUPERB INITIATIVE -- THE RIGHT IDEA, OFFERED AT PRECISELY THE RIGHT TIME.

THE EMERGING DEMOCRACIES OF EASTERN EUROPE NEED OUR HELP, AND DESERVE OUR HELP. IT IS IN OUR INTEREST -- AND THE INTEREST OF ALL THE NATIONS OF THE DEMOCRATIC AND INDUSTRIALIZED WEST -- TO HELP THEM. IT IS A GOOD INVESTMENT -- IF IT IS AN INVESTMENT MADE WISELY.

SENATOR KASTEN'S PROPOSAL IS SIMPLE AND TIME-TESTED: THAT THE U.S. REPRESENTATIVE AT THE WORLD BANK WORK FOR THE ESTABLISHMENT OF A "SPECIAL FACILITY," TO BE USED TO SUPPORT THE DEVELOPMENT OF FREE ENTERPRISE IN EASTERN EUROPE.

SUCH A FACILITY WOULD DO EXACTLY WHAT THE FRENCH-PROPOSED "EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT" SHOULD DO -- BUT WILL DO IT BETTER.

IT WILL DO IT MORE EFFICIENTLY AND CHEAPLY, SINCE IT WOULD RELY ON THE ESTABLISHED MECHANISMS OF THE WORLD BANK -- AND NOT REQUIRE THE CREATION OF AN ENTIRELY NEW, AND UNTRIED, BUREAUCRACY.

IT WILL KEEP ECONOMIC ASSISTANCE FOCUSED ON THE PRIVATE SECTOR -- WHICH IS WHERE OUR HELP SHOULD BE FOCUSED IF IT IS TO BE EFFECTIVE.

AS SENATOR KASTEN SAID IN HIS STATEMENT: IF YOU HAVE ANY DOUBT AS TO WHETHER THE EASTERN EUROPEANS WANT THAT FOCUS -- JUST TAKE A LOOK AT THE RESULTS OF THE EAST GERMAN ELECTIONS. OR, IF THERE IS STILL ANY DOUBT, ASK POLISH PRIME MINISTER MAZOWIECKI, WITH WHOM MANY OF US MET EARLIER TODAY.

THE EMERGING DEMOCRACIES ARE FED UP WITH SOCIALIST, STATIST POLICIES. THEY KNOW WHERE THEIR FUTURE LIES -- WITH FREE ENTERPRISE. THAT'S WHERE OUR AID SHOULD FOCUS.

I'M NOT SURE THAT SOME OF THE EUROPEAN PROPONENTS OF THE FRENCH INITIATIVE UNDERSTAND, OR BELIEVE, THAT. AND I'M NOT SURE THE LENDING PRACTICES OF THEIR BANK WILL REFLECT THAT.

FINALLY, THE WORLD BANK "SPECIAL FACILITY" WOULD PRECLUDE LENDING TO THE SOVIET UNION, AT LEAST AT THIS TIME.

(MORE)

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SOME PEOPLE IN CONGRESS SEEM TO BELIEVE WE OUGHT TO GET INTO THE BUSINESS OF SUBSIDIZING MR. GORBACHEV. THE FRENCH AND OTHERS IN EUROPE SEEM TO THINK THAT IS A GOOD IDEA, TOO. WELL, I DON'T. SENATOR KASTEN DOESN'T. AND I THINK THE OVERWHELMING MAJORITY OF AMERICANS DON'T THINK IT'S SUCH A GREAT IDEA, EITHER.

AND, IN FACT, I CAN CITE A WHOLE BUNCH OF OTHER PEOPLE WHO PROBABLY WOULDN'T BE TOO EXCITED ABOUT U.S. HAND-OUTS FOR GORBACHEV. THE PEOPLE OF LITHUANIA MIGHT THINK IT ISN'T THE WORLD'S GREATEST IDEA RIGHT NOW. AND THE PEOPLE OF LATVIA AND ESTONIA WOULD PROBABLY BE A LITTLE SKEPTICAL, TOO.

THE PEOPLE OF AFGHANISTAN AND ANGOLA MIGHT SUGGEST TO MR. GORBACHEV THAT, IF HE NEEDS SOME QUICK CASH, HE STOP SPENDING BILLIONS ON SENDING ARMS INTO THEIR COUNTRIES.

THE PEOPLE OF CENTRAL AMERICA -- WHO HAVE SEEN THEIR REGION RAVAGED BY THE BILLIONS IN MILITARY AID GORBACHEV HAS DUMPED INTO NICARAGUA, AND STILL DUMPS INTO CUBA AND TO THE REBELS IN EL SALVADOR -- THEY MIGHT HAVE SOME RESERVATIONS IF WE START WRITING TREASURY CHECKS TO THE KREMLIN.

THE UNITED STATES SHOULD HAVE NO PART OF ANY BANK THAT IS SUBSIDIZING SOVIET SUPPRESSION IN THE BALTIC STATES, AGGRESSION IN AFGHANISTAN AND ANGOLA, SUBVERSION IN CENTRAL AMERICA -- OR ANY OTHER OF THE STILL DANGEROUS AND DISRUPTIVE POLICIES OF THE SOVIET STATE, AT HOME AND AROUND THE WORLD.

AS SENATOR KASTEN POINTS OUT: THE SOVIET UNION STILL SPENDS A FIFTH OF ITS BUDGET ON ARMS. SENATOR KASTEN'S BILL IS THE WAY TO GO. I AM PLEASED TO COSPONSOR IT, AND I HOPE THAT IT WILL RECEIVE QUICK COMMITTEE ACTION.

WE WANT TO HELP THE EMERGING DEMOCRACIES OF EASTERN EUROPE, AND WE WANT TO DO IT THE RIGHT WAY.

THE KASTEN BILL IS THE RIGHT WAY.

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