

TALKING POINTS OF SENATOR BOB DOLE

AEROSPACE INDUSTRIES ASSOCIATION

ARIZONA BILTMORE HOTEL

FRIDAY, NOVEMBER 17, 1978

LOOKING AHEAD: THE 96TH CONGRESS

THE 95TH CONGRESS, WHICH ADJOURNED IN OCTOBER, LEFT A NUMBER OF IMPORTANT ITEMS ON THE NATION'S LEGISLATIVE AGENDA UNDONE. AND, UNDOUBTEDLY, SOME LEGISLATIVE ACTIONS DURING THE LAST CONGRESS WILL BE REVIEWED AND POSSIBLY, REVISED DURING THE NEXT YEAR OR TWO.

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POLITICAL MAKE-UP

THE DEMOCRATS WILL STILL BE IN FIRM CONTROL OF CONGRESS--
ALTHOUGH THE REPUBLICAN PARTY MADE MEANINGFUL GAINS IN
BOTH THE SENATE AND HOUSE OF REPRESENTATIVES. THE SENATE,
IN PARTICULAR, SHOULD BE A BIT MORE CONSERVATIVE, A BIT
MORE DEFENSE-ORIENTED THAN THE 95TH CONGRESS. BUT THE
DEMOCRATS MAINTAIN A HEALTHY 59-41 PARTY EDGE.

AS FOR COMMITTEE ASSIGNMENTS OF INTEREST TO THE AEROSPACE
INDUSTRY, FIVE SEATS WILL BE VACANT ON THE SENATE ARMED
SERVICES COMMITTEE. DEMOCRATIC SENATORS MCINTYRE AND
ANDERSON WERE DEFEATED ON ELECTION DAY, SENATOR HATFIELD
OF MONTANA LOST HIS PRIMARY, AND REPUBLICANS SCOTT AND
BARTLETT RETIRED. SENATOR MCINTYRE HEADED THE RESEARCH
AND DEVELOPMENT OF THE SENATE ARMED SERVICES COMMITTEE
AND HIS REPLACEMENT WILL HAVE A GREAT DEAL TO SAY ABOUT
FUTURE PROCUREMENT POLICIES OF THE DEPARTMENT OF DEFENSE.

THERE WILL BE VERY LITTLE CHANGE ON THE SENATE APPROPRIATIONS SUBCOMMITTEE ON DEFENSE SINCE ONLY TWO MEMBERS OF THE FULL APPROPRIATIONS COMMITTEE--SENATORS CASE AND BROOKE--WILL NOT RETURN TO THE 96TH CONGRESS.

ON THE HOUSE SIDE, THE REPUBLICANS PICKED UP BETWEEN 11 AND 15 SEATS, STILL LEAVING THE DEMOCRATS WITH A NEARLY TWO-TO-ONE EDGE.

KEY COMMITTEE ASSIGNMENTS OF SPECIFIC INTEREST TO THE AEROSPACE INDUSTRY WILL BE AFFECTED BY THE CHANGE IN MAKE-UP OF THE 96TH CONGRESS. APPROPRIATIONS COMMITTEE CHAIRMAN GEORGE MAHON, WHO WAS ALSO CHAIRMAN OF THE APPROPRIATIONS DEFENSE SUBCOMMITTEE, RETIRED.

DOD AUTHORIZATION BILL VETO

THE DOD AUTHORIZATION WAS VETOED BY THE PRESIDENT THIS SUMMER DUE TO HIS OBJECTION THAT THE \$2 BILLION EARMARKED FOR A NEW AIRCRAFT CARRIER WAS UNNECESSARY. I PROTESTED THIS VETO, AS THE PRESIDENT COULD HAVE HANDLED THIS OBJECTION BY ASKING FOR A SIMPLE RESCISSION WITHOUT UPSETTING THE REST OF THE BILL. BUT TO GET THIS RESCISSION WOULD HAVE REQUIRED A MAJORITY VOTE IN BOTH HOUSES. THE PRESIDENT KNEW HE COULD SUSTAIN A VETO WITH ONLY A THIRD IN EITHER HOUSE. SO THE CARRIER DECISION, WHICH WAS ITSELF IMBUED WITH POLITICAL CONNOTATIONS, WAS DEALT WITH IN THE MOST POLITICALLY EXPEDIENT MANNER, WITHOUT REGARD TO THE ADDITIONAL PROBLEMS AND DIFFICULTIES INVOLVED. THE WHITE HOUSE JUSTIFIED THE VETO IN THAT THE BILL HAD "CUT MUSCLE FOR ANOTHER LAYER OF FAT." IT IS GENERALLY ACKNOWLEDGED, HOWEVER, THAT THIS WAS A CALCULATED OBFUSCATION DESIGNED TO SHORE UP THE PRESIDENT'S IMAGE AS A DECISION-MAKER.

IN THE MEANTIME, HOWEVER, THE HOUSE AND SENATE
APPROPRIATIONS COMMITTEE CUT THE BOARD'S APPROPRIATION--
WHICH WILL NOW RUN OUT ON MARCH 31, 1979. THIS HAS THE
EFFECT OF KILLING THE BOARD AND PUTTING IT INTO MOTHBALLS,
AND DOING IT MORE QUICKLY THAN EITHER OF THE BANKING
COMMITTEE BILLS.

SALT II

THE SALT II AGREEMENT WILL PROBABLY APPEAR LATE THIS WINTER OR EARLY SPRING. SOME DIFFICULTIES ARE BEING ENCOUNTERED IN THE NEGOTIATIONS, BUT THIS COULD BE SIMPLE POSTURING FOR THE OPPORTUNE MOMENT TO SPRING THE AGREEMENT. THE OUTCOME OF THE RECENT ELECTIONS DOES NOT BODE WELL FOR THE AGREEMENT, AND THERE IS SOME SPECULATION THAT THE PRESIDENT MAY TRY TO CIRCUMVENT GETTING THE NECESSARY TWO-THIRDS VOTE IN THE SENATE BY CONCLUDING AN EXECUTIVE AGREEMENT, WHICH WOULD NEED ONLY A SIMPLE MAJORITY IN BOTH HOUSES. IN ANY EVENT, MY OBJECTIONS TO THE CURRENT DRAFT PROPOSALS MUST BE RE-EMPHASIZED. AS IT STANDS, THERE IS NO SERIOUS RESTRAINT ON SOVIET MIRVED ICBM'S, INSURING THE VULNERABILITY OF OUR LAND-BASED DETERRENT FORCE. OUR ABILITY TO ASSURE ICBM SURVIVABILITY THROUGH MOBILE-BASING OPTIONS IS SERIOUSLY LIMITED OR PROHIBITED. IT WOULD GIVE UP OUR OPTION OF LAND OR SEA-BASED INTERMEDIATE RANGE CRUISE MISSILES. THE DRAFT WOULD LEAVE THE SOVIET INTERMEDIATE--STRATEGIC BACKFIRE BOMBER FREE OF REAL RESTRAINTS. AND IT WOULD ACCEPT A STANDARD OF VERIFICATION WHICH WOULD REQUIRE AN UNACCEPTABLE AMOUNT OF TRUST IN SOVIET COMPLIANCE.

NEUTRON BOMB

THE DECISION AGAINST THE DEVELOPMENT OF THE ENHANCED-RADIATION "NEUTRON" BOMB SHOULD BE CONSIDERED A MAJOR SETBACK FOR AMERICAN STRATEGIC CAPABILITIES. IF THE U.S. DOES NOT HAVE FUNCTIONAL WEAPONS, WE DO NOT HAVE DETERRENCE. THE DECISION AGAINST THE NEUTRON BOMB HAS SERIOUS IMPLICATIONS FOR OUR NATO ALLIES IN EUROPE, AS THIS WEAPON WAS DESIGNED TO COUNTER ALARMING WARSAW PACT TROOP BUILD-UP. IN DECIDING AGAINST THE FURTHER DEVELOPMENT OF THE NEUTRON BOMB, THE PRESIDENT IGNORED OVERWHELMING SUPPORT AND ADVICE FROM NATO LEADERS, THE SECRETARY OF STATE, THE SECRETARY OF DEFENSE, HIS NATIONAL SECURITY ADVISOR, AND THE SENATE. THE DECISION AGAINST THE NEUTRON BOMB HAS SIGNIFICANT MEANING FOR THE SALT II NEGOTIATIONS. IF THE NEUTRON WEAPON IS TO BE DENIED TO WESTERN ARSENALS, THEN IT SHOULD BE NEGOTIATED OUT WITH THE SOVIETS WITH SOMETHING SUBSTANTIAL IN RETURN.

THE B-1 BOMBER

LIKE THE NEUTRON BOMB, THE DECISION AGAINST FUNDING FOR THE B-1 STRATEGIC BOMBER WAS A SERIOUS SETBACK FOR AMERICAN STRATEGIC POSTURE. THE B-1 IS CONSIDERED AN EFFECTIVE, VITAL ADDITION TO OUR STRATEGIC DETERRENT STRENGTH, ONE NOT SUFFICIENTLY COMPENSATED FOR BY "MODERNIZATION" OF OUR 25-YEAR-OLD FORCE OF B-52'S. OUR BOMBER WING REMAINS ONE OF THE MOST IMPORTANT ARMS OF OUR "TRIAD" DEFENSE SYSTEM-- LAND-BASED MISSILES, SEA-BASED MISSILES, AND MANNED STRATEGIC BOMBERS. THE WHITE HOUSE SUCCEEDED IN HAVING THE FUNDING FOR THESE PLANES KILLED. THIS HAS A SIGNIFICANT IMPACT ON THE SALT II PROCESS. THE B-1 IS OUT OF THE PICTURE, WHILE THE SOVIET "BACKFIRE BOMBER" REMAINS. THIS IS VERY IMPORTANT, CONSIDERING THE POSSIBILITIES OF REFUELING OF THE BACKFIRE FOR INTERCONTINENTAL USE, AND THE FACT THAT IT JEOPARDIZES CRUCIAL TARGETS IN THE EUROPEAN COUNTRIES OF NATO.

RENEGOTIATION BOARD

THE RENEGOTIATION BOARD'S JOB WAS TO RENEGOTIATE THE COST OF GOVERNMENT PROCUREMENT CONTRACTS, INCLUDING DEFENSE CONTRACTS, DOWNWARD, IN INSTANCES WHERE THE COST WAS HIGHER THAN IT SHOULD HAVE BEEN. HOWEVER, THE COST OF RUNNING THE BOARD WAS MORE THAN THE AMOUNT SAVED ON THE CONTRACTS.

NEVERTHELESS, SENATOR PROXMIRE FAVORED STRENGTHENING THE BOARD AND EXTENDING THE AUTHORIZATION. BUT THE BANKING COMMITTEE WOULD NOT GO ALONG AND THEY VOTED OUT TWO BILLS--ONE ENDING THE BOARD AFTER GIVING THEM AN OPPORTUNITY TO CLEAR UP PART OF THEIR FIVE YEAR BACKLOG AND ANOTHER CURTAILING THEIR AUTHORITY. HOWEVER, PROXMIRE WOULDN'T AGREE TO A TIME AGREEMENT ON THESE BILLS, AND THEY NEVER CAME UP.

ISSUES IN THE 96TH CONGRESS

IN ADDITION TO DEFENSE-ORIENTED ISSUES, SEVERAL MAJOR NATIONAL PROBLEMS WILL CONFRONT THE 96TH CONGRESS.

(1) THE ECONOMY. MUCH ATTENTION WILL BE FOCUSED ON EFFORTS TO REDUCE FEDERAL SPENDING, WHERE APPROPRIATE, AND HOLD THE LINE ON FUTURE INCREASES IN TAXES. IN PARTICULAR, THERE WILL BE A PUSH TO POSTPONE THE NEW, HIGHER SOCIAL SECURITY PAYROLL TAXES WHICH WERE ENACTED IN 1978. SOME ATTENTION WILL BE GIVEN TO PROPOSALS TO REMOVE MEDICARE AND DISABILITY INSURANCE FROM THE SOCIAL SECURITY SYSTEM, AND, INSTEAD, FUND THESE PROGRAMS DIRECTLY FROM GENERAL REVENUES.

ON THE TAX SIDE, TAX INDEXATION WILL AGAIN BE INTRODUCED AND CAN BE EXPECTED TO ATTRACT STRONGER SUPPORT THAN IT HAS IN THE PAST. INDEXATION WOULD AUTOMATICALLY ADJUST INCOME TAX BRACKETS AND RATES TO OFFSET THE EFFECTS OF INFLATION. IT IS, I BELIEVE, AN IDEA WHOSE TIME HAS COME. AND IT SHOULD RECEIVE BIPARTISAN SUPPORT IN THE 96TH CONGRESS.

UNDOUBTEDLY, THERE WILL BE PRESSURE FOR ENACTMENT OF LEGISLATION TO PERMIT THE PRESIDENT TO IMPOSE MANDATORY WAGE AND PRICE CONTROLS. I WILL OPPOSE SUCH MEASURES.

(2) WELFARE REFORM. PRESIDENT CARTER IS EXPECTED TO PROPOSE HIS WELFARE REFORM PACKAGE ONCE AGAIN, BUT PROSPECTS FOR ITS ENACTMENT ARE UNCERTAIN.

(3) NATIONAL HEALTH INSURANCE. BOTH PRESIDENT CARTER AND SENATOR KENNEDY WILL PUSH FOR ENACTMENT OF COMPREHENSIVE NATIONAL HEALTH INSURANCE. THE KENNEDY PLAN, WHICH WOULD BE COMPREHENSIVE AND COSTLY, IS NOT EXPECTED TO RECEIVE OVERWHELMING ENDORSEMENT BY A CONGRESS CONCERNED ABOUT DOUBLE DIGIT INFLATION. HOWEVER, EFFORTS TO ENACT SOME SORT OF CATASTROPHIC HEALTH COVERAGE FOR THE AMERICAN PEOPLE WILL BE GIVEN SERIOUS CONSIDERATION BY THE SENATE FINANCE COMMITTEE AND THE SENATE HUMAN RESOURCES COMMITTEE.

(4) DEREGULATION. WITH THE APPARENT SUCCESS OF AIRLINE DEREGULATION, EFFORTS WILL BE MADE TO FURTHER DEREGULATE THE AMERICAN ECONOMY. SPECIFICALLY, TRUCKING ROUTES AND RATES, COMMUNICATIONS, AND OTHER INDUSTRIES WILL BE CONSIDERED FOR DEREGULATION.