

FOR IMMEDIATE RELEASE
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STATEMENT OF SENATOR BOB DOLE
"DEALING WITH THE DEFICIT"
U.S. CHAMBER OF COMMERCE, WASHINGTON, D.C.
MARCH 25, 1988

THANK YOU DICK FOR THAT KIND INTRODUCTION. THANK YOU, AND THE CHAMBER, THE CHAMBER'S DEFICIT REDUCTION COALITION AND THIS PRIVATIZATION GROUP FOR AFFORDING ME THE OPPORTUNITY TO SPEAK TO YOU TODAY.

I FEEL LIKE I'M PREACHING TO THE CHOIR HERE -- WHEN I SPEAK ABOUT THE MEANING OF THE FEDERAL DEFICIT. THE CHAMBER HAS BEEN ON THE FRONT LINES OF EVERY BUDGET BATTLE IN RECENT MEMORY. AND BELIEVE ME, I AM VERY APPRECIATIVE OF THE SUPPORT ITS MEMBERSHIP HAS GIVEN OUR EFFORTS IN CONGRESS. SO I HOPE THE MESSAGE I CONVEY TODAY -- THAT AT LEAST SOME OF US IN LEADERSHIP POSITIONS HERE IN WASHINGTON, NOT ONLY BELIEVE THAT THE DEFICIT MUST BE ELIMINATED, BUT HAVE THE BACKBONE TO SEE THAT IT HAPPENS -- REASSURES YOU.

LONG, LONG TIME SINCE NOVEMBER

IT'S A LONG TIME SINCE NOVEMBER 9, 1987. THAT'S WHEN I ANNOUNCED MY CANDIDACY. A LOT HAS HAPPENED SINCE THEN. I'VE HAD THE CHANCE TO MEET A LOT OF GOOD PEOPLE, AND TAKE THE PULSE OF THE NATION.

AND ONE THING I'VE LEARNED -- THE ISSUES -- AND THE IMPORTANCE OF FIRM, EXPERIENCED LEADERSHIP -- ARE STILL THE SAME.

IN MY ANNOUNCEMENT SPEECH, I SAID THAT THIS ELECTION WAS ABOUT THE BASIC PRINCIPLES AND ABOUT PEOPLE WHO COULD MAKE A DIFFERENCE. I POINTED OUT THAT RONALD REAGAN WAS A GOOD EXAMPLE OF A LEADER WHO HAD MADE A DIFFERENCE . . . WHO HAD RESTORED AMERICA'S PROSPERITY, REBUILT OUR MILITARY STRENGTH AND REVIVED OUR SPIRITUAL WELLBEING. I SAID THAT RONALD REAGAN HAD SET US ON A NEW COURSE, AND THAT HISTORY WOULD BE GRATEFUL.

BUT I ALSO SAID THAT THE REAGAN RECORD WAS NOT SOMETHING TO STAND ON, OR TO RUN ON. IT WAS SOMETHING TO BUILD ON.

I STILL BELIEVE THAT. AND I BELIEVE THAT -- IF HE'S THE RIGHT KIND OF PRESIDENT -- THE NEXT MAN IN THE WHITE HOUSE CAN LEAD AMERICA TO AN EVEN GRATER ERA OF OPPORTUNITY FOR OUR PEOPLE AND SECURITY FOR OUR NATION. BUT FIRST, HE'S GOT TO TACKLE SOME TOUGH PROBLEMS.

AND THE TOUGHEST, MOST IMPORTANT PROBLEM OF THEM ALL IS THE FEDERAL BUDGET DEFICIT. IT'S THE SINGLE GREATEST THREAT TO A PROSPEROUS AND DYNAMIC AMERICA. IT IS PUBLIC ENEMY NUMBER ONE.

GEORGE WILL, IN A RECENT COLUMN, ARGUES THAT THE PROSPERITY WE HAVE ENJOYED OVER THE PAST SIX YEARS HAS BEEN "BOUGHT AT A TERRIBLE PRICE THAT HAS YET TO BE PAID." HE LIKENS TODAY'S FISCAL POLICY TO "EATING OUR SEED CORN."

"BUT POLITICALLY," WILL NOTES, "THE PROBLEM IS THAT THE COUNTRY ENJOYS EATING THAT CORN."

I AGREE AND DISAGREE. TRUE, THE AMERICAN PEOPLE LIKE TO EAT THE CORN, BUT THEY ALSO UNDERSTAND THE RAMIFICATIONS OF THE FEDERAL DEFICIT. ALMOST EVERY POLL THAT GAUGES WHAT AMERICANS BELIEVE ARE THE BIGGEST PROBLEMS FACING THE COUNTRY RANKS THE FEDERAL DEFICIT FIRST.

AND FROM ALL MY TRAVELS, AND ALL MY TALKS, I KNOW ONE THING WITH CERTAINTY: THE AMERICAN PEOPLE ARE JUST WAITING FOR WASHINGTON -- FOR THE COUNTRY'S LEADERS -- TO FACE THE MUSIC AND DO WHATEVER IS NECESSARY TO GET THE BUDGET IN BALANCE.

DEMOCRATS' DEFICIT DREAMS

SEVERAL DAYS AGO, I GAVE A SPEECH ON FOREIGN POLICY -- AND THE DIRECTION THE DEMOCRATS SEEMED TO BE HEADING IN. I SAID THAT ON THE DEMOCRATIC SIDE OF THE CAMPAIGN, THERE WAS A FAILURE OF NERVE AS WELL AS A FAILURE OF VISION.

WELL, THE SAME IS TRUE ON THE DEFICIT. BUT THERE IS ALSO A FAILURE TO UNDERSTAND THE AMERICAN PEOPLE. THE DEMOCRATS HAVE EITHER CLOSED THEIR EARS, OR THEIR MINDS, OR BOTH.

BECAUSE THE ONE THING THE AMERICAN PEOPLE DO NOT WANT, AND DO NOT BELIEVE IS NEEDED TO BALANCE THE FEDERAL BOOKS IS A WHOPPING TAX INCREASE. THEY OFFER PIE IN THE SKY SOLUTIONS FOR A VERY REAL WORLD PROBLEM. THEY SKIRT AROUND THE TAX INCREASE QUESTION, OFFERING VAGUE LISTS OF "HARMLESS TAXES." AND TAKING A LOOK AT THE SPENDING SIDE -- WELL, YOU CAN FORGET THAT.

LISTEN TO THESE WORDS:

WHEN ASKED TO NAME ONE NON-DEFENSE DOMESTIC SPENDING CUT HE MIGHT SUPPORT, JESSE JACKSON RESPONDED, "CORPORATE TAX BREAKS."

HIS OWN DEMOCRATIC RIVALS HAVE CHIDED SEN. PAUL SIMON FOR "PROMISING THE MOON" IN NEW SPENDING -- AN \$8 BILLION JOBS PROGRAM FOR INSTANCE -- AND SIMULTANEOUSLY PROMISING A BALANCED BUDGET IN THREE YEARS.

HOW WILL HE BALANCE THE BUDGET BY 1992? WITH A \$45 BILLION SAVINGS FROM A DROP IN UNEMPLOYMENT AND \$30-\$40 BILLION FROM A DROP IN INTEREST RATES. BUT HE DOESN'T EXPLAIN HOW OR WHY THOSE RATES WILL DROP EXCEPT THAT IT WILL BE "IMPLEMENTED IN A DISCIPLINED FASHION." HOWEVER, FOR GOOD MEASURE, SIMON SAYS HE WOULD IMPOSE A "SOAK THE RICH" TAX HIKE ON THOSE AMERICANS EARNING MORE THAN \$100,000 A YEAR.

GOVERNOR DUKAKIS IS A PROPONENT OF THE HOUDINI SCHOOL OF ECONOMICS, CLAIMING THAT THE DEFICIT WILL DISAPPEAR IF WE JUST ADD 3,000 NEW TAX COLLECTING AGENTS TO THE STAFF OF THE IRS.

"WHEN YOU HAVE GOT BILLIONS (IN FEDERAL TAXES) OWED, THAT SHOULD BE THE FIRST ORDER OF BUSINESS," DUKAKIS HAS SAID. "I'M STILL BAFFLED BY THE ADMINISTRATION'S FAILURE TO TAKE THIS SERIOUSLY."

WELL, THE GOVERNOR NEEDN'T BE BAFFLED. IN THE LAST TWO YEARS, THE IRS HAS ADDED 5,000 NEW REVENUE AGENTS AND THE ADDITIONAL TAXES THEY WILL BRING IN IS EXPECTED TO REACH A GRAND TOTAL OF \$3.1 BILLION.

MEANWHILE SENATOR GORE SAYS HE DOESN'T WANT TO GET DRAWN INTO AN "UNREALISTIC NUMBERS GAME," SO HE WON'T BE SPECIFIC ABOUT HOW TO DEAL WITH THE DEFICIT. BUT HE PROMISES TO "REBUILD A CONSENSUS BEHIND FISCAL RESPONSIBILITY," CUT WASTE, IMPROVE TAX ENFORCEMENT AND INCREASE TAXES ON "THOSE WHO CAN AFFORD IT."

WHO'S KIDDING WHO?

WHO'S KIDDING WHO HERE. ARE THESE SOLUTIONS TO THE DEFICIT DILEMMA?

WHAT THE AMERICAN PEOPLE WANT AND EXPECT OF THEIR LEADERS IN WASHINGTON IS WHAT ONE OF MY KANSAS CONSTITUENTS WROTE:

"UNTIL THERE IS A BETTER SOLUTION, I'M GOING TO ADJUST MY LIFE STYLE TO LIVE WITHIN THE MONEY I EXPECT TO RECEIVE AND HOPE THAT IT DOESN'T SHRINK ANY MORE. THAT'S CALLED BALANCING MY BUDGET. TOO BAD YOU WON'T DO THE SAME THING WITH THE FEDERAL BUDGET."

WELL, MR. ROBERT VAN ZANT IS RIGHT. THE FEDERAL GOVERNMENT NEEDS TO ADJUST ITS LIFESTYLE AND BEGIN LIVING WITHIN ITS MEANS. BUT IT DOESN'T HAVE TO BE PAINFUL, AND IT DOESN'T HAVE TO BE UNFAIR.

SINCE DAY ONE OF THIS CAMPAIGN, I'VE BEEN STATING THE CASE FOR IT FROM ONE END OF THIS COUNTRY TO THE OTHER. IN FACT, I'M THE CANDIDATE WHO HAS STEPPED FORWARD WITH A PRACTICAL, DO-ABLE WAY TO DEFUSE THE DEFICIT TIME BOMB: A TEMPORARY, ONE-YEAR FREEZE ON FEDERAL SPENDING. ONLY THOSE PROGRAMS AFFECTING VULNERABLE AMERICANS WOULD BE EXCEPTED.

THE NEXT PRESIDENT HAS TO TELL THE PEOPLE, THE CONGRESS, THE STATE DEPARTMENT, THE PENTAGON, AND OTHER GOVERNMENT AGENCIES THAT THEY CAN SPEND NOT ONE DIME MORE THAN THEY SPENT THE YEAR BEFORE. AND I'M CONVINCED THAT -- WITH THE RIGHT KIND OF LEADERSHIP FROM THE WHITE HOUSE -- THE VOTES WOULD BE THERE FOR THE FREEZE.

HE'LL ALSO HAVE TO GO THROUGH THE FEDERAL BUDGET, LINE BY LINE, MAKING TOUGH DECISIONS, CUTTING BACK WHERE WE CAN, ELIMINATING WASTEFUL PROGRAMS ALTOGETHER . . . FORCING EVERY FEDERAL AGENCY TO JUSTIFY EVERY PENNY OF SPENDING.

IT WON'T BE EASY, BUT A REAL LEADER WILL HAVE TO TAKE THE HEAT FROM THE SPECIAL INTERESTS . . . STAND UP TO CONGRESS . . . AND GET THE JOB DONE.

STRUCTURAL PROBLEMS TOO

BUT THE PROBLEMS GO BEYOND THE NUMBERS IN THE BUDGET. THERE ARE REAL, BASIC STRUCTURAL PROBLEMS WITH THE WAY THE EXECUTIVE BRANCH PUTS A BUDGET TOGETHER -- THE WAY CONGRESS RESPONDS TO THAT BUDGET -- AND THE BOX ANY PRESIDENT FINDS HIMSELF IN AS A RESULT.

IN 1974 CONGRESS PASSED THE BUDGET AND IMPOUNDMENT ACT. IT CEDED POWER TO ITSELF, TO PUT TOGETHER A BUDGET BLUEPRINT THAT THE PRESIDENT HAS NO POWER TO VETO, TO ALTER. AND ONCE CONGRESS APPROVES THAT BUDGET -- WITHOUT THE PRESIDENT'S CONCURRENCE -- THAT BECOMES THE MEASURING CUP FOR ALL FEDERAL SPENDING. ONLY WHEN THE PRESIDENT RECEIVES THE ACTUAL APPROPRIATIONS, OR SPENDING BILLS, DOES HE HAVE THE OPPORTUNITY TO JUST SAY NO. BUT IN EVERY YEAR IN RECENT MEMORY, CONGRESS HAS DUMPED ALL OR NEARLY ALL OF THE 13 INDIVIDUAL APPROPRIATIONS BILL IN ONE HUGE CONTINUING RESOLUTION. LAST YEAR'S MONSTROSITY WAS 2,100 PAGES LONG AND APPROPRIATED \$603.9 BILLION.

THIS CAN'T GO ON. THE NEXT MAN IN THE OVAL OFFICE MUST LEAD THE FIGHT FOR STRUCTURAL BUDGET REFORM -- FOR A TWO-YEAR BUDGET CYCLE, FOR A BALANCED BUDGET AMENDMENT TO THE CONSTITUTION AND MOST OF ALL, FOR A PRESIDENTIAL LINE ITEM VETO.

THE LINE ITEM VETO HAS WORKED IN STATE AFTER STATE. THERE'S NO REASON WHY IT CAN'T WORK AT THE FEDERAL LEVEL. A LINE ITEM VETO, AUTHORIZED BY THE CONGRESS FOR ONE YEAR -- AND RESPONSIBLY USED -- WOULD HELP DEFINE PRIORITIES AND CUT WASTE.

IT WOULD PROVE THAT WE CAN TACKLE THE DEFICIT WITHOUT RAISING INCOME TAXES.

IT WOULD BE GOOD FOR THE PRESIDENT, GOOD FOR CONGRESS AND -- MOST IMPORTANT OF ALL -- GOOD FOR THE AMERICAN PEOPLE.

IF CONGRESS DIDN'T AGREE -- AND I WAS IN THE WHITE HOUSE -- I'D TAKE IT A STEP FURTHER. I'D USE THE LINE ITEM VETO AS A TEST CASE AND ARGUE ITS CONSTITUTIONALITY IN COURT.

WHY DOES THE DEFICIT MATTER

BUT WHY DOES THIS DEFICIT BUSINESS MATTER. THE BUDGET IS MUCH, MUCH MORE THAN NUMBERS. IT REPRESENTS THE END PRODUCT OF HUNDREDS OF POLICY CHOICES AND HAS BECOME THE "MODUS OPERANDI" FOR ADDRESSING THE PROBLEMS, DESIRES, NEEDS OF THE AMERICAN PEOPLE. THE BUDGET IS THE ROADMAP OF THE POLICIES THIS NATION CHOOSES TO FOLLOW -- WHETHER FOREIGN OR DOMESTIC.

THE DEFICIT IS NUMBERS, BIG NUMBERS TOO. YET IT REPRESENTS MORE THAN DOLLARS AND CENTS. IT'S ALSO PEOPLE. BEHIND THOSE TRILLION DOLLAR FIGURES IS A HUMAN THREAT TO EVERY MAN, WOMAN AND CHILD IN AMERICA. UNLESS WE TACKLE IT NOW, IT WILL TICK AWAY LIKE A TIME BOMB. AND, SOONER OR LATER, IT WILL EXPLODE AMERICA'S FUTURE PROSPERITY.

MOMENT BY MOMENT, IT IS ALREADY ERODING THE ECONOMIC SECURITY OF OUR CHILDREN AND GRANDCHILDREN, THREATENING THEIR HOPES FOR A BETTER LIFE, FOR A HOME OF THEIR OWN, FOR AFFORDABLE EDUCATION AND HEALTHCARE.

WHAT REALLY MATTERS IS THE PEOPLE BEHIND THE NUMBERS. ANNUAL INTEREST ON THE DEFICIT ALONE GOBBLES UP MORE THAN \$150 BILLION A YEAR. IF WE REDUCE THE DEBT, THEN WE REDUCE THE INTEREST ON THE DEBT, AND SOON THE BUDGET WOULD BE BALANCED. HERE ARE SOME OF THE HUMAN BENEFITS WE COULD ACHIEVE:

- O WE COULD PROVIDE LONG-TERM HEALTH CARE FOR MORE THAN A MILLION OLDER AMERICANS . . . PREFERABLY IN THEIR OWN HOMES.
- O WE COULD ALSO PROVIDE AN OPPORTUNITY FOR HOME-BASED CHILD CARE FOR ANOTHER FIVE MILLION CHILDREN.
- O WE COULD RESEARCH, DEVELOP AND DEPLOY A SHIELD AGAINST NUCLEAR ATTACK TO INSURE PEACE.
- O WE COULD TRIPLE OUR EFFORTS TO STAMP OUT DRUG ABUSE AND VIOLENT CRIME.

ALL OF THESE THINGS WILL BE WITHIN THE REACH OF THE NEXT PRESIDENT . . . BUT ONLY IF HE CAN PUT OUR FINANCIAL HOUSE IN ORDER . . . CUT OUR DEFICIT . . . CUT OUR DEBTS . . . AND CUT OUR INTEREST PAYMENTS.

THE AMERICAN PEOPLE ARE PAYING A HIGH PRICE FOR THE DEFICIT . . . AND THEY'RE MORTGAGING THE FUTURE OF OUR CHILDREN AND GRANDCHILDREN.

BUT, IF WE COULD EVER ELIMINATE IT, THE HUMAN DIVIDENDS WOULD OUTWEIGH ANY SOCIAL PROGRAM EVER ENACTED.

WE COULD DRIVE INTEREST RATES DOWN TO BELOW SIX PERCENT. THAT WOULD MEAN MORE AMERICAN FAMILIES ABLE TO BUY NEW HOMES, CARS AND APPLIANCES. IT WOULD MEAN MORE OF OUR KIDS ABLE TO AFFORD COLLEGE AND A GOOD CAREER. IT WOULD ALLOW US TO DOUBLE OUR NATIONAL RATE OF SAVINGS AND CREATE MILLIONS OF NEW JOBS. AND IT COULD CUT FOREIGN IMPORTS BY HALF AS WE REGAINED OUR COMPETITIVE EDGE.

AT LONG LAST -- AT HOME AND ABROAD -- "BUY AMERICAN" WOULD AGAIN BE A SYMBOL OF QUALITY AND COMPETITIVE PRICING.

THAT'S WHAT FACING OUR FISCAL REALITIES, AND BALANCING THE BOOKS WOULD DO FOR AMERICA. AT STAKE IS NOTHING LESS THAN OUR CHILDREN'S FUTURE...THE FUTURE OF AMERICA ITSELF.

IN MY ANNOUNCEMENT SPEECH I SAID THAT SINCE THE DEFICIT PROBLEM BEGAN, EVERY ADMINISTRATION AND EVERY CONGRESS HAS TRIED TO POSTPONE THE TRUE RECKONING. AT NO POINT HAS OUR GOVERNMENT BEEN WILLING TO FACE AND WEIGH THE TOUGH CHOICES, TO ACT RESOLUTELY TO CUT SPENDING.

BUT IF WE DO NOT FIND A POLITICAL SOLUTION TO THIS PROBLEM, THEN WE RISK A GREAT DEAL -- WE RISK NOT ONLY THE ECONOMIC VIABILITY OF THIS COUNTRY, JOBS AND HOMES AND BUSINESSES. WHAT WE RISK IS TURNING OUR BACKS ON ONE OF THE MOST BASIC PRECEPTS OF THIS GOVERNMENT, AS STATED BY THOMAS JEFFERSON AT THE BIRTH OF THIS NATION -- THAT "THE PROFLIGACY OF ONE GENERATION OUGHT NOT FOREVER TO BURDEN ITS SUCCESSOR." IF WE TURN OUR BACK, AND WALK AWAY FROM THE DEFICIT, THEN WE MAKE QUICKLY BECOME A NATION DIVIDED BETWEEN YOUNG AND OLD, AND THE CHIEF LEGACY WE WILL PASS ON TO OUR CHILDREN IS DASHING THEIR HOPES OF ACHIEVING THE AMERICAN DREAM.

I AM READY, WILLING AND ABLE TO TACKLE THE DEFICIT HEAD-ON -- TO FIGHT THE GOOD FIGHT TO MAKE SURE THAT TIME NEVER COMES.