

REMARKS OF SENATOR BOB DOLE

WASHINGTON INTERNATIONAL CORPORATE CIRCLE

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'VE 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.

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.



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."



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.

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.

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.



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.

SO MY RESPONSE TO GEPHARDT IS: IF GORBACHEV
NEEDS SOME READY CASH, HE CAN ASK FOR A REFUND
FROM CASTRO, NAJIBULLAH (nah-jee-bool-lah), AND DOS
SANTOS (dose-san-tose) -- 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.

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.



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.



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.

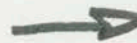
AND WE WILL BENEFIT DIRECTLY, IN TERMS OF OUR
OWN SECURITY, FROM A STABLE, FREE EASTERN EUROPE.

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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