

203. 1985

20 Topeka Capital-Journal, Sunday, January 6, 1985

Kansas' power connection

Continued from preceding page

They obviously spend lots of time away from each other, but they both know the importance of the other person in their life, and they never lose sight of that. They talk every day, when they're apart."

And there's another factor. "They're very respectful of each other's career and very supportive," Owen continued. "Bob is so proud of Elizabeth; he is just really her No. 1 fan, and vice versa. That makes for a really good relationship. Also, Elizabeth is from the old school, where her husband comes first" — perhaps a reference to her decision to resign from the FTC when Bob ran for vice president, to avoid any shadow of a conflict of interest.

But perhaps the biggest common interest between Bob and Elizabeth Dole is in people and their problems. Owen says both "feel a great obligation to public service. In Bob's case, he really is a champion of the underdog — charities, minorities, legislation affecting the handicapped. Most of that comes from his own background. And he's

intensely loyal to his friends. Elizabeth just feels a great responsibility to give back to the system that has allowed her to be so personally successful."

And he adds, "With those two, their personal integrity is absolutely above reproach; that's one of the reasons I admire them so much. You just always know that when they make a decision, it's based on what they perceive to be right."

Nelson Krueger, who grew up 25 miles from Russell and has been involved in Dole's career since he joined a "Dimes for Dole" campaign at age 10, a quarter century ago, echoed the same thought. Krueger served as Dole's Kansas administrative assistant 10 years ago, and they have remained in close touch since. "Working for Dole, there was total freedom. You didn't have to worry about bumping into this deal or that deal. You were free to take on whatever you wanted — and he'd back you."

Krueger calls Dole "a master of the possible," says, "He has the best street sense I've ever seen," while Elizabeth "has a good feel for people. She has a stronghold on reality."

So what's the bottom line? What does it mean for Kansas — and for the nation — to have Bob Dole as Senate majority leader and Elizabeth Dole as Secretary of Transportation?

The new Senate leader says his top priority hasn't changed. As finance chairman, his goal was to reduce the federal budget, and that's still his goal. "A lot of our constituents are gonna be unhappy in the short run, but I think in the long

run...that's pretty good for everybody. You don't like it, but I think people expect us to make tough decisions."

Beyond that, he intends to "try to persuade our colleagues on both sides of the aisle" to act together on key legislation in a number of areas, including foreign policy, defense, arms control and other fields where he has not previously been too active. And he wants to work on a "market-oriented, export-oriented" farm program to help U.S. agriculture.

In short, Bob Dole talks of expanding his activities into new fields. And when this hard-working, driven man is asked where he'll find the time to tackle all these new challenges, he pauses briefly and says finally, "I don't know. I'm just gonna have to try to figure that out, rework my priorities. You have to start in the morning at 7, and you don't get home to midnight. It doesn't leave you much space in there. But it's gonna be an exciting time!"

And at his concluding remark, you can just hear the eagerness in Bob Dole's voice; the willingness to accept the challenge.

As for Elizabeth, she says, "We've got a lot of initiatives we're looking forward to implementing — a lot of them in the railroad field that will impact Kansas, by the way — (so) I really do have my focus on the agenda before us. I think there are challenges that lie ahead, in particular the pursuit of safety among the various means of public transportation, modernizing the aerospace system, developing space transport, selling ConRail, the all-

freight railroad... "There's just a whole platoon of things!"

Again, the eagerness is apparent. It makes one wonder how they ever found time for courtship.

Bob concedes his new job "may be self-destructive in two years, but again, two years is a long time. No one knows how long they're gonna have in time — and I think it can last beyond two years." Meanwhile, he's delighted to be where he is. "I talked to Howard Baker, he said, 'Some days it's the best job in town, other days it's the worst job in town.' It's rewarding. I think in the sense that it's probably something I didn't think would happen."

Elizabeth stresses while "I feel flattered" by the speculation around Washington about her for UN ambassador (assuming Ms. Kirkpatrick succeeds Michael Deaver at the White House), "I really like what I'm doing!"

Ask them about their personal futures, and how they'd like to be remembered, and Bob replies he hopes to serve as an example to "a lot of disabled in the country," while Elizabeth says, "I like to feel that I can really lend a helping hand."

It seems likely both will get their wish. As Krueger remarked of Bob, "The thing I love most about him is that he never gives up. I might think something is finished, and I'll quit and go on to something else, but Dole never gives up. Never!" The same, obviously, is true of Elizabeth. It's easy to see why, together, they form Kansas' power connection!

Cutting the Budget Makes "Good Policy, Good Politics"

Finding 50 billion dollars to trim won't be easy. But by freezing a lot of programs and slowing down the defense buildup, "we are going to get there," predicts a key senator.

Q. Senator Dole, how much faith do you have that Congress will accept President Reagan's list of spending cuts?

A. Obviously, we're not going to get all the cuts in the President's budget. But the proposed cuts do force us to focus strongly on what we have to do—restrain spending by 50 billion dollars in 1986. We are going to get there. We don't have any option but to try to reduce the deficit.

Q. Where will you find that much in the budget to cut?

A. We may have to freeze a lot of programs—including cost-of-living adjustments in Social Security—and we probably will take more out of defense spending than the President suggests.

There's no doubt some people are going to get mad if we do it. If we don't do it, I assume we can slide along for another year or two. But it's good policy and good politics to do the right thing now.

Q. What about the alternative of raising taxes?

A. It's just not going to happen. The Democrats have said they're going to help the President keep his promise not to raise taxes. Well, he doesn't need any help. He'd like to see somebody try to put in some tax increases or mess with indexing of tax rates. He'd veto the whole thing.

Yet I assume that if we found some egregious loophole in the tax code that should be closed, we might be able to address it. In my view, that would not be a tax increase.

Q. Won't Congress also extend the excise levy on cigarettes when it expires in September?

A. That's a possibility. It, too, would not be a tax increase, since it would merely maintain the tax at 16 cents instead of letting it drop to 8 cents. But you'd get about 3 billion dollars during the next three years, which is worth picking up.

Q. Is tax reform or simplification of the tax code a viable option?

A. The concept is fine, though it's going to be tough to change the entire code this year. The President has stated he does not want to raise corporation taxes, but that is the only way you are going to get a tax-simplification plan through Congress.

Q. How much are you going to have to reduce defense spending to achieve your 50-billion-dollar cutback goal?

A. Obviously, defense is the hot button. It's a very sensitive area, because you have some senators, including Republicans, who want to freeze budget authority on defense. Other senators—Republicans and Democrats—think we shouldn't go as far as we have already gone on defense cuts. So if we are to put together a winning coalition, we've got to get basic unity on the Republican side first. Right now, it would help if Secretary of Defense Weinberger did better in reducing his defense-expenditure proposals.

Q. The President has said that cutting defense would send the wrong signal to the Soviets as he begins negotiating arms reductions—

A. As long as Ronald Reagan is in the White House, he's the strongest signal we have. We can do a little less defense spending than we could if we had a President who was not perceived by the Soviets in the same way as President Reagan.

The Soviets understand that we will be negotiating with them in March because we built up our defenses under the President's leadership. It is equal to several billion dollars in defense capabilities just having him in the White House.

Q. Should production of the MX missile be continued?

A. Congress should approve it. We shouldn't do anything that would undercut our negotiators in Geneva.

Q. But won't you have to eliminate some very large programs in order to cut defense expenditures substantially?

A. I'm not certain. Last year Weinberger told us if we made cuts, a lot of bad things were going to happen. Well, nothing happened. The Defense Department has got to be like every other department. If there's waste and lack of efficiency in the Departments of Education or Agriculture, it's got to be just as bad or worse in the Pentagon. Congress will not give the Pentagon a blank check any more.

Q. Is the President absolutely committed to Star Wars defense research?

A. No doubt about it, but I'm not sure you have to commit 4 billion dollars to it now. Three billion might be enough for starters.

Q. Is there a majority among Republicans in the Senate for freezing the Social Security cost-of-living adjustment?

A. I would guess that the answer would be yes, and that a number of Democrats would go along—especially if it is in an across-the-board, deficit-reduction package with more defense cuts. At the same time, there are a lot of things which can be done to make certain that nobody drops below the poverty line.

But the Republicans would be sitting ducks if Speaker "Tip" O'Neill and the rest of the Democrats say, "Look what those dirty Republicans have done." If that happens again, the Social Security COLA issue is off the table.

Q. Will Congress eliminate revenue sharing for the cities?

A. I think so—but next year, when it expires, not this year, as the administration wants. The administration made it expire a year early so they could pick up 4 billion dollars. That was just bookkeeping—smoke and mirrors.

Q. Will the President back up your efforts to reach an agreement in Congress on the budget?

A. Ronald Reagan is committed to do all he can to bring the deficit down sharply before he leaves office. He doesn't want to leave with a big, big deficit. I think you're going to see the President get into the fray with both feet.

He already has told us very frankly that he's going to be out there helping us. Moreover, I think he's not going to shirk out to help some Republican senator who doesn't vote in the right way. It's known as hardball.

We can't have it both ways in Congress—posture and talk about how bad the deficit is and then vote against a debt-reduction package. We've got to be tough, and I think the President's prepared to be just as tough.

Interview With
Bob Dole (R-Kans.),
Senate Majority Leader



Dole to Reagan: "Keep the Deficit on Front Burner"

The President should send Congress more "hard choices" on the budget this year, says the top Senate Republican.

Q. Senator Dole, the White House says that next year's deficit still will be close to 200 billion dollars, despite budget cuts voted by Congress. Does that mean you will have to go back and cut more?

A. Those estimates are about right. I think the President is going to have to send us some more hard choices, and we're probably not going to be as easily led this time in making them.

Q. Do you want the President to suggest additional budget cuts this fall?

A. He ought to do it right now so we can keep the deficit on the front burner. But I doubt that will happen. I think the White House is glad the deficit thing is over for a while.

Q. So you think we've seen the last of major deficit reduction for the year?

A. Yes, unless we get into chaos when we take up legislation to raise the federal-debt limit. If senators start offering amendments to cut certain programs or cut 5 percent across the board or put a minimum tax on corporations, then the administration may have to get into it.

Q. You expect a big fight on debt limit?

A. Chaos is probably an overused word in this town, but it could be a mess because I see the likelihood of Senator Robert Byrd, the Democratic leader, holding back Democratic votes until all Republicans are on record. And there are some Republicans who just won't vote to raise the debt ceiling. Bob Packwood, chairman of the Finance Committee, is going to have a tough, tough job.

Q. What will be the likely outcome?

A. If we reach the debt ceiling, the government's borrowing authority stops. I would guess there will be a few days around here when there won't be any government checks in the mail. Once that happens, then I think the Senate will respond.

Q. Respond with more deficit cuts—or a straight increase in the debt ceiling?

A. Perhaps with additional cuts, which would probably be stripped off by House-Senate conferees.

Q. In other words, the window of opportunity for deficit reduction is almost closed for this year?

A. It may be open a crack, but that's all. The year's nearly over. Once we reconvene, it will be mid-September

before we really get cranking. In the Senate, we have left about 11 appropriation bills, a farm bill, the balanced-budget amendment and the debt ceiling. There isn't any time.

Q. Is 1985 better than 1986 for cutting?

A. The nearer we come to the 1986 election—we have 22 Republicans up for re-election in the Senate—it's going to be more and more difficult.

Q. Where does that leave the country?

A. It leaves us adrift until 1987. There may be another little window

Interview With
Bob Dole,
Senate Majority Leader



after the '86 election if Republicans hold on in the Senate. We'll try again next year. Maybe we can pull a rabbit out of the hat. But I don't see a rabbit of any size out there.

Q. Should deficit reduction be the No. 1 priority of the country?

A. It is in the country but not in Washington. When I go to Kansas or other places, people may not understand every nuance of the deficit, but they know it's a problem. They don't understand why we don't do something about it.

Q. What about tax reform this year?

A. If the House sends it to us early enough in October, certainly we're going to try to pass it. We want to help the President on tax reform. But if it

raises the deficit at all, I don't think the Senate will pass it.

Q. What changes do you expect in the President's tax-reform plan?

A. I think you're going to see a change in his plan to abolish deductions for state and local taxes. You're probably going to see changes on the investment tax credit—maybe phasing it out instead of just eliminating it overnight. There will have to be some transition rules. You can't just cut people off at the knees.

Obviously, the House Ways and Means and Senate Finance committees are looking at all those things. I hope they can make some changes and still keep the package revenue neutral and, above all, make it tax reform. If it doesn't close loopholes and end tax shelters, it's not tax reform.

Q. If your changes reduce revenues, won't you have to raise tax rates above the level proposed by the President?

A. That's the other pressure. But if you raise the rates, people end up saying, "Wait, I don't really know if I got a good deal or not." The key is Ronald Reagan. He had a pretty good prairie fire going on tax reform for a while. But with the hostage crisis, the illness and the lack of interest because Congress wasn't moving, it faded. He has to reignite the fire. It's not going to be easy.

Q. Could tax reform become a vehicle for a tax increase?

A. Some may have that in mind, but unless the President acquiesces, there won't be a tax increase. I'm not advocating one. But sooner or later we have to say, "O.K., you have a tax increase in this column and a deficit in this column. Which is worse? Which does more harm to the country?"

Q. Ultimately, you see a tax increase—

A. Ultimately, we're going to have to make that judgment. Some of us don't subscribe to the pure supply-side school that says deficits do not matter.

Q. What other major bills would you like to see Congress pass this year?

A. We need a good farm bill, one that's within the budget. Hopefully, we can have a trade bill that the President will support to protect American workers. Then, of course, all the general appropriations and the Superfund for cleanup of toxic wastes. Keep an eye on Superfund because there's a value-added tax in the Senate bill—a whole new tax.

Q. Will the Republicans retain control of the Senate in 1986?

A. I wouldn't bet the ranch on it, but I think we'll hold on. If that happens, we could have big gains in 1988 when the Democrats have a lot of senators up for re-election. It should be a good Republican year, unless we just blow it with the deficit and the economy.