

206. 1985

# NewsMaker Interview

## Senate Majority Leader Robert Dole



Senate Majority Leader Robert Dole (center) discusses Senate politics and federal budget matters with (left to right) Howard Fineman, Elaine Povich, Peter Maer and First Monday Editor K. Devereux Tapscott.

Sen. Robert Dole (R-Kan.) was elected U.S. Senate majority leader on Nov. 28, 1984. He has been a member of the U.S. Senate since 1968. Previously, he served as a member of Congress from 1960 to 1968. Dole is the senior ranking Republican on the Senate Finance and Agriculture Committees. He was twice wounded and twice decorated in World War II.

**Maer:** Sen. Dole, Budget Director [David] Stockman told reporters this week that, in his words, the uproar on the Hill over defense is phony and a dodge so that members can avoid having cuts in non-military spending. I would like to get your reaction to that, and also to what Stockman has been saying about farming. In the same conversation, he said farming has been plagued by inefficiency, and that it is going through a fundamental shake-out he kind of sees as necessary.

**Dole:** I think there is some truth in what David Stockman says both about agriculture and about many members' posturing on defense cuts. My view is we will make some changes in the president's budget on defense. Hopefully, it will be done in an objective way. But we are not going to cut it to the extent we do not have

to touch other spending areas. I know many liberals, particularly liberal Democrats, would like to get it all out of defense so they would not have to make any tough choices anywhere else. On agriculture, I think most farmers in my state and elsewhere would like to move the government out of their programs—off their farms, if you please. And I think we are going to start phasing down some of these support programs. In the past four years, this administration has spent more than \$60 billion for farm price support programs, more than any other four-year period in history. So it is not a question of not spending enough money. I think it is a question of not having the right kind of program—the right kind of mix. In addition, the very strong dollar, plus the debts, plus high interest rates are really affecting farmers more than any federal program.

**Fineman:** Senator, could you settle for us once and for all whether or not there is going to be a tax reform bill this year?

**Dole:** Well, a tax reform bill was sort of in limbo prior to the State of the Union message. The president sort of made that [tax reform] the centerpiece of his address, so I would say it's back on the stove. I am not certain there is any fire under the burner, and by fire, I mean I am not certain how



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many members of Congress are really ready to tackle tax fairness or tax simplification. Will it happen this year? Well, if the president gives it a lot of commitment and really goes to the American people, then something will happen. But the president indicated in an interview last week that he was not so certain he wanted corporate taxes to rise, which is in direct conflict with the whole simplification program. So, I would just say that until everybody fully understands it—the administration, up and down, members of the Senate, the House and the American people—it is not going to happen. And that is why I said let's put our efforts on the deficit. We know what the problem is there. We can deal with that quickly, and then move on to tax simplification. This year? Maybe some of it.

**Povich:** Back to defense for just a moment, please. Sen. [Barry] Goldwater [R-Ariz.] has suggested in some working papers that a 4 percent increase in defense spending for the coming fiscal year perhaps would be more appropriate than President Reagan's proposed 6 percent increase. Is 4 percent what it would take to get your package together?

**Dole:** Well, again, I don't know. We have had very preliminary discussions with Sen. Goldwater, and there have been so many figures thrown around on defense that I have sort of imposed a moratorium on myself. Whether it's 3 percent, 4 percent, x-billion dollars, we are not going to get

there if everybody has a different figure. I would hope that after this recess period, we will sit down—Republicans with White House representatives and Defense Department representatives—and try to work out some satisfactory number. Whether it's 3 percent or 4 percent, it is going to be less than the 5.9 percent requested by Secretary [of Defense Caspar] Weinberger.

**Maer:** What is your current assessment for the changes for an across-the-board budget freeze of the type being talked about on the Hill among you and other Republican leaders right before and during this session?

**Dole:** I do not believe there has been much change. I find even more interest as we move along. I think there still is this general feeling among Republican senators and among many Democrats, that the freeze has a nice ring to it—it is easily understood, it's politically acceptable and maybe doable. Now, I think we get into a problem when you start trying to define what we mean by a freeze or a "freeze plus." You cannot get there just with a freeze. There are some who would say you cannot freeze a budget authority in defense, so we need to work on the freeze concept, but it has to be more than a freeze. I think there is a point where we have to act. We have got to eliminate some programs and sharply reduce some programs below the present level.

**Fineman:** Senator, some experts in the Re-

publican Party and some black officials within the Republican Party have said that now is a good opportunity for the Republicans to reach out to the black community, to try to build some support in the black community. What, if anything, in the president's budget will send a signal to blacks that they should join up with the GOP?

**Dole:** I think the same thing that is in it for everyone else. Essentially, it is a signal to all Americans that we are serious about reducing the deficit; we want the economy to expand and create more jobs for all Americans, certainly black Americans. And to get there we are going to make some tough decisions. As I look at many of the programs that black leaders discuss from time to time—whether it's WIC [Women, Infants and Children] programs or food stamps or school lunch—they are barely affected.

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Medicaid is barely affected. In the Medicare program, savings come from hospitals and physicians. So, I would guess if any black leader—they would have to be mostly Democrats—would look objectively at the president's budget, they might be inclined to support it—not in every case, but generally.

**Fineman:** So, by that, I gather you mean some of the programs slated for major cuts—some of the programs that funnel money into the cities for example—really don't help the black community?

**Dole:** It would obviously help everyone, but interest rates also help the black community. A lower federal deficit, a moderated dollar to some extent—as far as it helps our exports and creates more jobs—also helps. The problem is we always focus on what someone sees as a down side. What if we cut federal spending? Well, certainly, there may be a little down side, but there is also an upside as far as the economy is concerned. And we are not going to decimate every program. We are not going to follow every line in the president's budget. We are not going to eliminate mass transit. We may cut a number of these programs, but I think overall it is certainly a good start. I just would say to black Americans that while I know it is difficult when all the black leadership tends to be quite liberal and very active Democrats, hopefully, a new group of black leaders who may be Republicans or Independents, will emerge and will take a hard look at our party.

**Povich:** President Reagan said in his State of the Union the best way to attack the deficit was with economic growth.

**Dole:** The most painless way.

**Povich:** His budget—in chapter 3, page 17—calls that approach "highly unlikely." He did not mention the budget very much in his State of the Union. Doesn't that make it hard for you and Senate Republicans to go along on the budget?

**Dole:** Well, it does not make it easier. But I have to believe the president has got a pretty good road map. And I've talked to [White House Chief of Staff] Don Regan as recently as yesterday—as soon as he arrived in California—to indicate the need for this continuing effort on the budget deficit, and it is there. I said there has been no slackening on the part of the president. Obviously, growth is an important part of it. It is certainly a nice, painless way to take care of all the spending cuts, but we are not going to get there by growth alone. So, the president is

going to be the number one deficit cutter, and I think we are going to see a lot of evidence of that in the upcoming weeks. If Congress does not move, I will bet he will go after us, in a nice way.

**Povich:** Do you expect him to go on television, rally support and speak to interest groups?

**Dole:** I expect him to. I think he is anxious to do that. He has told us in White House meetings that he will go out into the country, away from Washington, D.C., and make speeches, and that's what it takes because some surveys show that less than one in three Americans is concerned about the deficit. Many have never heard of it. So, it takes the president to get the message out to them.



**Povich:** Why do you think he is hanging back?

**Dole:** I think it's a matter of timing. Congress has not voted yet, for or against [any budget item]. We may do the right thing—there is no precedent for it, but we might do the right thing—and save the president all that work.

**Fineman:** But if he goes on TV and sells his own budget proposal, what good is that going to do you?

**Dole:** We think we are so close on an overall proposal, that by the time he goes on TV, we will have reached a consensus. Hopefully, another reason the president has not gone on TV yet is because he knows there are some differences. No president ever sent a budget to Congress that Congress said, "Oh, boy, that's great. We'll take all of it." And President Reagan is not any different in that sense. So, we are going to have our input, House Republicans will have their input—I hope we can all agree—and then the president will go on

television and make it easier for us.

**Povich:** What sort of a time frame are you looking at, considering the February deadline has already gone past?

**Dole:** That deadline was probably arbitrary. There was some indication we had our own budget, which was never the case. We have our own process and we were looking at areas the president had sort of taken off the table, like Social Security COLAs, and maybe defense. So, the process is still going along. Sen. [Pete] Domenici [R-N.M.] and chairman of the Senate Budget Committee is conducting hearings in his committee. The hearings will be concluded in the next couple of weeks, and I would hope we would be voting on some major items in the Senate by March.

**Maer:** Speaking of that process, could you set the record straight for us? On a wire service report, Sen. Goldwater [was quoted as] proposing to trim the Reagan defense budget by the figure mentioned of \$33 billion, contingent on the leadership backing some domestic program cuts. Goldwater, of course, fired off this angry letter to the AP [Associated Press], which you got a copy of—

**Dole:** I received a separate letter.

**Maer:** Can you set the record straight? Where did this number come from?

**Dole:** I don't know where it came from. Frankly, I have never seen any numbers. His staff, members of my staff and one or two members of the Budget Committee staff have had discussions, but these were all preliminary talks. There have been no agreements.

**Maer:** Did he float that \$33 billion number?

**Dole:** Beats me. I have never seen any number at all, but Sen. Goldwater called me on Monday of this past week, saying, "We haven't made any agreement. Let's sit down when we get back and see if we can't work out something." So, obviously, there has been no agreement. If there is, none of us who would make the agreement learned of it yet. And I think I would know, and so would Sen. Goldwater.

**Fineman:** Senator, looking ahead to 1986 and the farm issue, I think five of the six Republicans who are up for reelection on the Senate Budget Committee come from big farm states. Don't they face a rather difficult political dilemma? How can they vote for the kind of budget you are talking

about, and also defend themselves at home?

**Dole:** I think they can vote to reduce agricultural subsidies, receive a strong vote from farmers in their states and still be re-elected. I don't know of any farmers who believe we can continue to spend at the levels we are spending now, for price support programs. The problem farmers face now is one of credit and, of course, interest rates and the strong dollar that cuts down exports.

**Fineman:** Can we get specific, though?

**Dole:** Sure.

**Fineman:** I think the administration has talked about approximately \$16 billion in cuts.

**Dole:** They will not get it all.

**Fineman:** Well, how much are they going to get?

**Dole:** Well, again, who knows?

**Fineman:** Well, how much would you like to see them get?

**Dole:** I have not tried to analyze it. But I've seen a list, in addition to the one that officially is up here [on the Hill], that indicates some areas where the administration probably thinks they are not going to achieve what they have in their budget, and agriculture is on that list. There are going to be savings in agriculture, but not to the extent of \$16 billion.

**Fineman:** What kind of list are you talking about?

**Dole:** Well, it is an unofficial list.

**Povich:** Are there concessions they would be willing to make?

**Dole:** Well, I think if somebody just sat down—I can't really remember who it was, somebody down there—

**Fineman:** Having the initials "D.S.," or something like that?

**Dole:** No, he doesn't have initials, he just says it out loud. Obviously, it's just not a secret. You can go through that budget and say, "Well, they are not going to get all of this," and maybe they will not get all of Amtrak, maybe they will not get all of whatever. When you put a maximum figure out there for agriculture, you know you are not going to get it all. Where we are going to come together, I'm not certain. If they are successful with the program that

[Agriculture] Secretary [John] Block is trying to sell, which I think has some real problems, then they would reduce spending by \$16 billion. Is that 1986?

**Fineman:** I think it's over the three-year period of subsidies. What did that little sheet show about defense spending?

**Dole:** It was blank. I will not get into that one.

**Povich:** What about revenue-sharing?

**Dole:** That looks good.

**Povich:** Looks good to be gone?

**Dole:** Gone. Well, that's one that [House Speaker] Tip O'Neill [D-Mass.] could agree on.



**Fineman:** But, as a matter of fact, Sen. Domenici has said he wants to keep revenue-sharing for this next fiscal year.

**Dole:** Yes. I think it would be unfair. I think the administration moved it up a year just for their own purposes.

**Fineman:** The \$4 billion?

**Dole:** There is a gimmick, let's face it. Let's just let it end when it is supposed to end—in 1986. It is serious business when you end revenue-sharing. Someone is going to feel it. Maybe someone is going to be disadvantaged in some way, but there aren't any painless options. We can't find any, except growth, and that probably isn't going to happen.

**Fineman:** So you would allow revenue-sharing to end as a program, but not a year early, as the administration is now proposing?

**Dole:** Right. My view is that it would be unfair to a lot of communities that are going

to have their budgets before them. I'm just guessing that was in there to pick up \$4 billion.

**Maer:** Getting back to the guy whose initials are "D.S.," is the uproar on the Hill over defense phony, as he said?

**Dole:** There is a lot of uproar. The media kind of likes to talk about defense and Social Security.

**Maer:** I think he had the members in mind.

**Dole:** I think there are some members who, let's face it, are going to posture a lot. They all made speeches last year about the deficit, and now they are ducking when they see the whole choice. They say, "Get it out of defense," but if you ask them about closing bases or cutting down some contracts in their states, why, they would be the first ones to scream. So there is a lot of posturing on the defense budget. It's big. It's an easy target. Weinberger has a tough job. But I think most of us feel when all the smoke clears, we are not going to weaken our defense posture. We're not going to take anything off the table that ought to be negotiated—arms control talks start again on March 12. But we are going to reduce defense spending.

**Fineman:** Senator, the president, in his speech, also highlighted enterprise zones. What is your view about progress on that kind of legislation this year? Is it going to happen this year, and what might it look like if it does?

**Dole:** We almost passed enterprise zones last year. I remember very vividly, in a private meeting—in fact, David Stockman was in the room—when the chairman of the Ways and Means Committee [Rep. Dan Rostenkowski] indicated he might be able to get us 12 enterprise zones. But, within five minutes, that offer was withdrawn. The president talked to him twice on the telephone. I don't think enterprise zones are going to answer every problem, but it is a concept that probably deserves a trial. We have passed enterprise zones three times in the Senate. I assume we can do it easily again. I am not even certain we had a record vote the last time.

**Fineman:** Doesn't it, though, run counter to the basic concept of tax simplification?

**Dole:** Yes.

**Fineman:** So, why do it at all then?

**Dole:** Well, because the president wants to do it.

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