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1828 L Street, N.W. • Suite 805
Washington, DC 20036
(202) 223-9400
(FDD) (202) 223-9400

**A CALL FOR CALM IN THE STOCK MARKET STORM
STATEMENT ON THE SENATE FLOOR**

October 19, 1987

MR. PRESIDENT:

THE STOCK MARKET FALL IS SERIOUS. I HAVE ALREADY READ ABOUT 25 DIFFERENT REASONS BY EXPERTS AS TO WHY IT HAPPENED. I HAVE WATCHED THEM ON TELEVISION AND I HAVE HAD SOMEONE CHECK WITH A NUMBER OF EXPERTS AROUND THE COUNTRY. I AM NOT CERTAIN THAT WE REALLY KNOW AT THIS POINT WHY THIS HAS HAPPENED. BUT I DO KNOW THAT THINGS WE SAY IN THIS BODY, OR SAY AS A GROUP, MIGHT AFFECT THE MARKET EVEN MORE. SO IT SEEMS TO ME THAT, FIRST OF ALL, IT IS TIME FOR A LITTLE CALM IN THE BODY POLITIC. BECAUSE SOMETIMES WE MAKE STATEMENTS WITHOUT MUCH KNOWLEDGE. KNOWLEDGE IS NOT ALWAYS A REQUIREMENT IN OUR BUSINESS. BUT WHAT WE SAY COULD HAVE AN IMPACT ON WHAT MIGHT HAPPEN IN THE MARKET. I HAVE HEARD THAT IT IS THE FED'S FAULT. I HAVE HEARD THAT IT IS THE FAULT OF CONGRESS. I HAVE HEARD THAT IT WAS THE TAX BILL APPROVED BY THE WAYS AND MEANS AND FINANCE COMMITTEES LAST WEEK. I HAVE HEARD THAT IT IS THE DEFICITS WE HAVE REFUSED TO DEAL WITH IN CONGRESS. I HAVE HEARD THAT IT IS THE FAULT OF THE WHITE HOUSE. I HAVE HEARD THAT IT IS A NUMBER OF OTHER THINGS: THAT STOCKS HAVE BEEN OVERVALUED, THAT WE HAVE BEEN LIVING ON A CREDIT CARD ECONOMY. EVEN THE TREASURY HAS BEEN FAULTED FOR SOME OF ITS ACTIONS. SO I GUESS THAT NOBODY REALLY KNOWS AT THIS POINT WHY IT HAPPENED, WHEN IT DID, OR WHAT WILL BE THE AFTERMATH. I ASSUME THAT AFTER 2 OR 3 DAYS, THERE IS GOING TO BE A TURN AND THE MARKETS WILL START SOLIDIFYING AND MAYBE EVEN START GOING BACK UP AGAIN. I THINK YESTERDAY'S EVENTS SHOULD SEND A SIGNAL TO THOSE OF US IN CONGRESS NOT TO PASS ANY MORE BIG SPENDING BILLS FOR A WHILE, TO HAVE A MORATORIUM ON SPENDING BILLS. IF SOMETHING

COMES TO THIS FLOOR THAT IS OVER THE BUDGET, OR SOME NEW PROGRAM THAT IS GOING TO INCREASE SPENDING, WE NEED TO SET AN EXAMPLE BY VOTING AGAINST IT.

I UNDERSTAND THAT SO FAR, THE TALLY IN THE RECONCILIATION BILL IS \$1.5 BILLION IN SAVINGS AND \$11 BILLION IN NEW TAXES--AND THAT IS IT. I WOULD GUESS THAT IS NOT THE ANSWER TO THE STOCK MARKET IS WAITING TO HEAR, THAT WE ARE GOING TO RAISE TAXES.

IN THE FINAL ANALYSIS, SOMEONE HAS TO PROVIDE THE LEADERSHIP, SOMEONE HAS TO TAKE CHARGE, SOMEONE HAS TO PROVIDE A FORUM SO THAT WE CAN DISCUSS PROBLEMS AFFECTING THE MARKET AND MAYBE FIND OUT WHAT SOME OF THE ANSWERS ARE.

IN THIS COUNTRY THERE IS ONLY ONE PERSON WHO CAN PROVIDE THAT LEADERSHIP, AND THAT IS THE PRESIDENT OF THE UNITED STATES. I ASSUME RIGHT NOW THE PRESIDENT OF THE UNITED STATES MAY BE LOOKING AT OPTIONS ON WHAT HE MIGHT DO.

HE COULD CONVENE A MEETING OF CONGRESSIONAL LEADERS, BUT I DOUBT THAT WOULD BE ENOUGH. IT SEEMS TO ME THAT WE NEED TO REACH OUT AND BRING IN EXPERTS FROM THE BUSINESS COMMUNITY, FROM WALL STREET, AND MAYBE EVEN LEADERS FROM AROUND THE WORLD.

I ASSUME THERE WILL BE A NUMBER OF SOLUTIONS OFFERED TODAY; PROBABLY RESOLUTIONS THAT WILL CLEAR IT ALL UP IF WE JUST VOTE "AYE."

I DO BELIEVE THAT DEFICIT IS PUBLIC ENEMY NUMBER ONE AND HAS BEEN FOR THE PAST SEVERAL YEARS. IT IS NOT GOING TO GO AWAY. IT IS GOING TO TAKE A WILLINGNESS ON THE PART OF REPUBLICANS AND DEMOCRATS AND THE PRESIDENT TO MAKE SOME HARD CHOICES. BUT I AM NOT CERTAIN WHEN THAT WILL COME. AT LEAST, WE HAVE HAD AN EARLY WARNING.

THE DEFICIT MAY NOT BE THE ONLY CAUSE, AND I DO NOT WANT TO SUGGEST THAT THAT IS THE ONLY CAUSE, ALTHOUGH THAT IS WHAT MANY PEOPLE ARE POINTING AT.

I AM CERTAINLY WILLING TO ACCOMMODATE WHATEVER THE PRESIDENT MAY WISH TO DO WITH RESPECT TO EXPRESSING CONCERN, PROVIDING LEADERSHIP, AND TRYING TO FIND A SOLUTION. IT MAY NOT BE EASY. MAYBE IT IS AN OVERREACTION AND AN OVERCORRECTION. AND MAYBE IT WILL WORK ITSELF OUT--ALTHOUGH PERHAPS NOT AT THE SAME LEVEL.

SO IT IS NOT ALL DOOM AND GLOOM. THE ECONOMY IS SOUND. IT IS NOT 1929. INFLATION IS LOW. INTEREST RATES ARE NOT TOO BAD. ESSENTIALLY, WE HAVE A VERY SOUND ECONOMY, THAT IS THE BASIC DIFFERENCE BETWEEN NOW AND 1929. THAT IS WHY I THINK PERHAPS THERE WILL BE SOME WAY TO WORK IT OUT.

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Dole's popularity in Iowa may be just enough to pull it all together

DAVID YEPSSEN

On Capitol Hill



TOM VILSACK leaned against the wall of the Joe Biden headquarters in Des Moines recently and watched his presidential candidate say goodbye. Without Biden, he was worried about the Democrats' winning the November election.

"I hope the Republicans don't nominate Bob Dole," he grumbled. "He's pretty popular down in southeast Iowa."

A few days earlier, a friend active in Planned Parenthood expressed a respect for Dole. And at a recent Iowa for L.I.F.E. convention, Dole won heavy applause for a tough anti-abortion speech. Carolyn Thompson, the president of the group, said Dole made a big impact.

These are only anecdotes, but they illustrate the depth of Dole's support. One doesn't often hear people in such diverse political factions say nice things about the same politician. And based on that anecdotal evidence, it's easy to see how Dole could be the distant runner in the 1988 race. He's liked by GOP conservatives, acceptable to moderates, and liked by enough liberal independents to pick off a few of their votes.

Why is he doing so well? He evokes competence and leadership, campaigns extensively in the state, conveys an "I'm one of you" message that works well and possesses a self-deprecating sense of humor that is appealing. In Iowa, a lot of Chuck Grassley campaign-staff people have followed their boss in supporting Dole and those are people who know a thing or two about winning primaries.

But it's the acceptability factor that is Dole's biggest asset. When it comes time to stitch together the GOP after the nomination fights and when it comes time to compile enough electoral votes to win an election, only Dole is now showing enough diversity of support to be able to argue that he can "put it all together."

Planned Parenthood and Iowans for L.I.F.E.? There may be a winner here.

Speaking of Dole doing well in Iowa, it's worth noting how too little is often made of the Midwestern connections of three of the leading presidential candidates in Iowa.

One reason Dole, Paul Simon of Illinois and Richard Gephardt of Missouri are doing so well in the state is that David Yepsen is The Register's chief political writer.

they have a cultural affinity that enables them to instinctively know how to work a crowd with techniques like soft-sells and self-effacing humor. It doesn't guarantee a win, but it helps them know which buttons to push.

It's subtle stuff that's hard to quantify with anything but anecdotes, but when they walk into a hall they know something about the political culture they are working.

It's been evidenced before. South Dakota's George McGovern turned in a strong second-place showing in Iowa in 1972; farmer Jimmy Carter understood rural roots in 1976 and 1980; and Minnesota's Walter Mondale played to it in 1984.

Dole appears so tough in Iowa that it wouldn't be surprising to see the George Bush forces try to back off Iowa and try to let Pat Robertson win here. A Robertson "win" in Iowa would: 1) discredit the caucuses as events that can be manipulated by extremists and 2) deny Dole a win.

For Bush, a loss in Iowa would be an embarrassment. For Dole, it could prove fatal. If Bush can't win, then denying Dole a win could easily become the priority for the Bush forces.

6 Topeka Capital-Journal, Monday, October 19, 1987

Dole sees GOP race as class struggle

By DONALD M. ROTHBERG
AP Political Writer

DES MOINES, Iowa — As Bob Dole sees it, the GOP presidential race is a class struggle of sorts, a contest between the Airstream trailer candidate and the country club Republican with a fancy summer home in Kennebunkport, Maine.

"We're going to take our campaign to the people," Dole said during a recent campaign stop. "If they live in a trailer, that's fine with us. Not everybody lives in Kennebunkport."

One who does spend time there in a luxurious summer home overlooking the ocean is Vice President George Bush.

Republicans from around the country have been invited to visit the vice president in Maine and after one such weekend a Bush aide sneered.

"What's Bob Dole going to do? Rent a trailer and invite all the New Hampshire police chiefs down to see him in his Airstream?"

Dole took the bait. He rented an Airstream, parked it front of a law enforcement conference in Iowa, and invited reporters to stop by and chat.

When he talks about Bush, Dole's voice turns sharp, reminiscent of 1976 when he did himself no good as Gerald Ford's running mate. Bush seems to bring out the side of Dole that prompted him to refer to "Democrat wars" during a debate with Walter F. Mondale.

"We're from small towns," the senator told 35 people in Fort Madison, a Mississippi River town in the southeast corner of the state. "And most of us had to work to get where we are."

He went on: "Getting where I've gotten wasn't because of any wealth in my family or because I had a powerful father or mother. My parents never finished high school and they were never interested in politics."

Bush's family has blue-blood wealth; his father was a U.S. senator.

At his campaign best, Dole succeeds in projecting his Washington clout as GOP leader of the

Senate while describing a rural Kansas upbringing that fits this Midwest state like a pair of bib overalls. Never mind that Dole is financially comfortable now.

Dole calls the contest a two-man race between himself and Bush, an assessment that may underestimate the competition by one, former television evangelist Pat Robertson. A straw poll of GOP activists who showed up at a fund-raising event in Ames was won handily by Robertson. Dole finished second and Bush third.

As Bush tried to explain his poor showing last week, he fell right into the class trap that Dole has so carefully cultivated. "A lot of people that support me, they were off at the air show, they

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were off at their daughter's coming-out party, or they were off teeing up on the golf course," the vice president said.

Listen to Dole speak to an audience like one that filled the Newton High School auditorium one weekday afternoon and it's clear he has a better understanding of how to relate to Iowans.

"I'm from Russell, Kan., and proud of it," he told them. He talked of his 27 years of service on the House and Senate Agriculture committees, he recalled how his grandparents were tenant farmers and ended up broke during the Depression and forced to accept welfare.

Dole plays so well in Iowa that he now must worry about expectations becoming unrealistically high.

Steve Roberts, Dole's Iowa campaign chairman, is still trying to live down being quoted as saying the senator had to carry Iowa.

As the first presidential campaign test in the nation, Iowa puts a premium on organization, on the ability to get supporters out to 2,490 caucuses on a February night in the dead of winter.

Iowa Republicans agree that Bush has the strongest organization and that Robertson's grass

roots strength is impossible to assess. Dole gets mixed reviews.

June Ryan, a former Jasper County Republican chairman, greeted people as they filed into the auditorium, many of whom had been bused to the school from the Maytag plant.

"People seem to want to get to meet him and see what he has to say," she said of Dole.

Does the senator have much of an organization in the county?

"I can't say," replied Ryan, although she could cite a Bush organization and one for Rep. Jack Kemp of New York.

Dave Roederer, political aide to GOP Gov. Terry Branstad, said "I'm getting mixed signals" on Dole's organization.

Early on, he said, Bush was way ahead organizationally. But Roederer said he was impressed that Dole outperformed Bush in the Ames straw poll.

Bonnie Lefferd, the Pocahontas County Republican chairman, is supporting Bush. But she said a lot of farmers in her rural county "are tuning into Dole's message, but who, in fact, aren't going to come to caucus, have never come to caucus, probably are not going to start now unless a Dole organization really gets tight and into place and gets them to caucus."

Lefferd agreed with others that Elizabeth Dole is very popular in the state.

"There's an interesting debate going on," she said, "if you like Liddy Dole better than Bob Dole, if you nominate Bob Dole, can Liddy still be vice president?"

A questioner in Newton complained about the length of the presidential campaigns and asked if the country wouldn't be better off emulating the British, who elect their leaders after a six-week campaign.

"A lot of the people running for president are only known by about 25 or 30 percent of the people," responded Dole.

"I'm known by about 70 percent," he added "but half of them think it's Elizabeth. You mention the word Dole and you can get pineapple juice. Bob or Elizabeth in that order."