

THE ECONOMIC RECOVERY IS NOT ONLY IMPORTANT TO AMERICANS. TWO WEEKS AGO I LED A CONGRESSIONAL DELEGATION TO EUROPE ON A FOUR-NATION VISIT TO OUR NATO ALLIES.

CONCERN FOR DEFICIT ABROAD

ON THE PLUS SIDE, I AM PLEASED TO SAY THAT WE FOUND OUR IMPORTANT ALLIANCES IN GOOD SHAPE. IN FACT, IN COUNTRY AFTER COUNTRY, WE HEARD A DELIGHTFUL NEW THEME: THE YOUNGER GENERATION OVER THERE HAD NEW, POSITIVE FEELINGS ABOUT THE UNITED STATES AND LOOKED AT THE NATO ALLIANCE AS THE CORNERSTONE TO LONG TERM SECURITY.

BUT THE NUMBER ONE CONCERN ABROAD IS THE AMERICAN DEFICIT AND WHAT IT MEANS IN TERMS OF THE STRONG DOLLAR, THE OUTFLOW OF EUROPEAN CAPITAL TO THE UNITED STATES BECAUSE OF HIGH INTEREST RATES AND THE DETRIMENTAL IMPACT ON MANY FOREIGN ECONOMIES.

THE CHALLENGE BEFORE THOSE OF US IN CONGRESS IS A MONUMENTAL ONE. WE WILL HAVE TO SUMMON POLITICAL COURAGE THAT IS USUALLY RESERVED FOR CRISIS SITUATIONS. WE ARE NOT IN A CRISIS TODAY. BUT ONE LOOMS AROUND THE CORNER

INSTEAD OF INTEREST RATES DROPPING, THEY WILL PROBABLY RISE SEVERAL PERCENTAGE POINTS. AND WITH INTEREST RATES, INFLATION WILL CLIMB. DEPENDING UPON WHAT THE FEDERAL RESERVE BOARD WOULD DO, THAT COULD LEAD TO EITHER ECONOMIC STAGNATION, OR A RECESSION. AND RATHER THAN CREATING 7 MILLION NEW JOBS, MILLIONS NOW GAINFULLY EMPLOYED WOULD BE OUT OF WORK.

WE CAN AVERT THAT CRISIS. AND WHAT'S MORE, WE CAN AND SHOULD TAKE ADVANTAGE OF THIS HISTORIC OPPORTUNITY TO GUARANTEE THAT THE DECADE OF THE EIGHTIES IS THE DECADE OF PROSPERITY. WE CAN ASSURE THAT FARMERS IN KANSAS WILL HAVE MARKETS TO SELL THEIR COMMODITIES, THAT BUSINESSES CAN BE STARTED OR EXPANDED, THAT YOUNG COUPLES CAN BUY A HOME AND PUT THEIR CHILDREN THROUGH COLLEGE.

I'M READY TO MEET THAT CHALLENGE. AND I HOPE ALL OF YOU WILL USE YOUR POWERFUL TOOLS TO POINT OUT TO READERS HERE IN KANSAS AND THROUGHOUT THE COUNTRY, THAT NOTHING WE CAN DO IS MORE CRITICAL THAN BRINGING THIS DEFICIT UNDER CONTROL.

THANK YOU.