

News from Senator

BOB DOLE



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DOLE: PRESIDENT HELPS COOL "PROTECTIONIST FIRES"--

MAJORITY LEADER HAILS WHITE HOUSE ACTION ON TRADE AND DOLLAR

WASHINGTON, D.C.--U.S. SENATE MAJORITY LEADER BOB DOLE TODAY MADE THE FOLLOWING STATEMENT ON PRESIDENT REAGAN'S INITIATIVES ON TRADE AND THE U.S. DOLLAR.

I APPLAUD THE INITIATIVE OF THE PRESIDENT, OF SECRETARY BAKER, AND OF CHAIRMAN VOLCKER IN WORKING WITH OUR MAJOR TRADING PARTNERS TO AGREE ON STEPS THAT SHOULD MODERATE THE VALUE OF THE DOLLAR. THIS ACTION SHOULD IMPROVE OUR TRADE POSITION, AND EASE THE PATH TOWARDS ECONOMIC STABILITY AND GROWTH BOTH HERE AND ABROAD.

MEANWHILE, THE PRESIDENT'S SPEECH ON TRADE TODAY SHOULD HELP COOL THE PROTECTIONIST FIRES ON CAPITOL HILL. HE HAS SPELLED OUT A COMPREHENSIVE APPROACH TO OUR TRADE PROBLEMS, AN APPROACH THAT WILL DEMAND CLOSE EXAMINATION.

I WAS PLEASED THAT THE PRESIDENT RECOGNIZED THAT THE UNITED STATES CANNOT BE THE ONLY FREE TRADER IN THE WORLD AND THAT WE MUST FORCEFULLY ATTACK FOREIGN BARRIERS TO U.S. GOODS AND SERVICES. WE WELCOME THE PRESIDENT'S LEADERSHIP. IT IS MY HOPE THAT A BIPARTISAN WORKING GROUP CAN BE ORGANIZED SO THAT CONGRESS AND THE ADMINISTRATION CAN ACT TOGETHER ON THIS EXTREMELY IMPORTANT ISSUE.

THE PRESIDENT'S TRADE INITIATIVE AND CLEAR COMMUNICATION OF OUR MUTUAL GOALS TO FINANCIAL MARKETS SHOULD BE OF SIGNIFICANT HELP.

IN MY VIEW, HOWEVER, A SHARP FOCUS ON ECONOMIC FUNDAMENTALS IS STILL THE KEY TO LONG-TERM ECONOMIC HEALTH. THAT MEANS ENCOURAGING OPEN MARKETS, OPPOSING FOREIGN BARRIERS TO U.S. GOODS AND SERVICES, AND STIMULATING STRONGER GROWTH IN EUROPE AND JAPAN. MOST IMPORTANTLY FOR POLITICAL LEADERS HERE IN THE U.S., IT MEANS CONTINUING TO FOCUS ON OUR NUMBER ONE ECONOMIC PROBLEM: THE GROWING BURDEN OF DEBT INCURRED BY THE FEDERAL GOVERNMENT. UNTIL WE REALLY BITE THE BULLET AND CUT OUR ANNUAL DEFICITS, THERE IS ONLY SO MUCH THAT OUR TRADING PARTNERS--AND OUR FINANCIAL MINISTER AND CENTRAL BANKERS--CAN DO TO CONVINCING THE WORLD THAT OUR ECONOMIES ARE ON THE RIGHT TRACK.

THE ANNOUNCEMENT OF THIS NEW AGREEMENT SEEMS TO HAVE HAD SOME EFFECT: I NOTICED THAT THE STOCK MARKET SURGED SHARPLY THIS MORNING, RISING MORE THAN 17 POINTS IN THE FIRST 30 MINUTES OF TRADING--AND THE DOLLAR DECLINED BY 4-5% IN EARLY TRADING. BUT WE WOULD EXPECT THE MARKET TO REACT THAT WAY WHEN THE U.S., JAPAN, WEST GERMANY, FRANCE, AND GREAT BRITAIN ANNOUNCE A MAJOR NEW POLICY DIRECTION. THE QUESTION IS WHETHER THIS AGREEMENT WILL HAVE LASTING RESULTS. I BELIEVE IT WILL, IF WE FOLLOW THROUGH ON THE COMMITMENTS ANNOUNCED BY THE GROUP OF FIVE.

BUT THAT EFFORT WILL NOT BE EASY. THERE ARE MANY BUMPS IN THE ROAD AHEAD: WE HAVE NOW PUBLICLY IDENTIFIED OUR MAJOR ECONOMIC CHALLENGES, AND AGREED WITH OTHER LEADING DEVELOPED NATIONS ON WHAT SHOULD BE DONE. BUT ACTUALLY DOING IT WILL TAKE ALL THE POLITICAL WILL WE CAN MUSTER, AND THE STRONGEST POSSIBLE ADVOCACY BOTH FROM THE GOVERNMENT AND THE PRIVATE SECTOR.

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